

UNITED DRILLING TOOLS LIMITED

CIN: L29199DL1985PLC015796

Regd. Office: B-94, Shashigarden, Patparganj, New Delhi-110091



32nd ANNUAL REPORT

2013-2014

UNITED DRILLING TOOLS LIMITED

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

SHRI PRAMOD KUMAR GUPTA	:	Chairman cum Managing Director M.S.I.E., P.E. (USA)
SHRI SHIVSHARAN KUMAR. BHAGAT	:	Independent & Non Executive Director Civil Engineering Graduate Retired Chief Engineer, NDMC, New Delhi
SHRI VIDHYA BHUSHAN MISHRA	:	Independent & Non Executive Director Graduate Ex. P.A. to Dy. Chairman, Rajya Sabha
SHRI KRISHNA DYAL AGGARWAL	:	Independent & Non Executive Director Post Graduation in Economics along with law, Certified Associate of Indian Institute of Bankers, Diploma in Industrial finance and co-operative Retired as Manager from Reserve Bank of India.
SHRI UMA SHANKAR PANDEY	:	Non-Executive Director Retired as G.M Commercial, Indian Airlines Ltd
COMPANY SECRETARY	:	Mr. P.K. Ojha B.Sc. , LL.B & CS

BANKERS : ALLAHABAD BANK

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International Branch
Parliament Street
New Delhi-1

**REGISTRAR & SHARE TRANSFER
AGENT** : Alankit Assignments Limited
2E/21 Alankit House
Jhandewalan Extension,
New Delhi-110055

REGISTERED OFFICE

B-94, Shashi Garden Patparganj, Delhi-110091

FACTORY

- C-41 SECTOR -81 NOIDA (U.P.) Distt. GAUTAM BUDH NAGAR-201 305
- PLOT NO. 523, NEW AREA, KSEZ, GANDHIDHAM, KUTCH-370230
- PLOT NO. 129G/25-26, NSEZ , NOIDA-201305

HEAD OFFICE / CORPORATE OFFICE

A-22, PHASE-II, NOIDA. (U.P), GAUTAM BUDH NAGAR-201305

WEBSITE; - WWW.UDTLTD.COM
E-MAIL ID:- COMPSECT@UDTLTD.COM

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- Note: 1. Your Company is registered as an issuer company with both the depository CDSL & NSDL for Dematerialization of shares and Company ISIN No. is INE961D01019.
2. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
3. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

Notice

Notice is hereby given that the Thirty Second Annual General Meeting of United Drilling Tools Limited will be held on **Tuesday, the 11th November, 2014** at 11.00 A.M. at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh New Delhi 110 065, to transact the following business:

ORDINARY BUSINESS:

1. To appoint a Director in place of Mr. U.S Pandey having DIN 02877691, who retires by rotation and, being eligible, offers himself for re-appointment.
2. Appointment of Statutory Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Special Resolution**:

“RESOLVED THAT M/s Agarwal Dhruv & Co., Chartered Accountants, Noida, retiring auditors of the Company having Firm Registration no. 008900N shall not be re-appointed to act as Statutory Auditors of the Company and accordingly their tenure comes to an end on the conclusion of ensuing Annual General Meeting.

RESOLVED FURTHER THAT subject to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, read with applicable provisions of Section 139 to 147 (Both inclusive) and Chapter X of the Companies Act, 2013 including The Companies (Audit and Auditors) Rules 2014 **M/s R S Dani & Co. Chartered Accountants, Kothari, Complex, Near, G.P.O Bhilwara-311001 (Raj), bearing ICAI Registration No.000243C**, be and are hereby appointed as Statutory Auditors of the Company till the conclusion of the 37th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company on the recommendation of the Audit Committee of Directors in place of the retiring Auditors, **M/s. Agrawal Dhruv & Co., Chartered Accountants, Office- GF-41, Ansal Fortune Arcade, Sector-18, noida-201301. having FRN. 008900N**

.”

SPECIAL BUSINESS:

1. Appointment of Mr. S. S.K. Bhagat as an Independent Director of the Company

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To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement, Shri S S K Bhagat (DIN 00841981), a non executive Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years up to 31st March, 2019 from the date of this Annual General Meeting i.e. 11th November, 2014 to 31st March, 2019 (both days inclusive).”

2. Appointment of Mr. V. B. Mishra as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement, Shri V B Mishra (DIN 00619543), a non executive Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years up to 31st March, 2019 from the date of this Annual General Meeting i.e. 11th November, 2014 to 31st March, 2019 (both days inclusive).”

3. Appointment of Mr. K. D. Aggarwal as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement, Shri K D Aggarwal (DIN 00861164), a non executive Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years up to 31st March, 2019 from the date of this Annual General Meeting i.e. 11th November, 2014 to 31st March, 2019 (both days inclusive).”

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4. Appointment of M/s. Balraj Sharma & Associates, a practicing Company secretary As an Secretarial auditor of the company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 204 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with rules of listing agreements of Sock Exchange, as amended from time to time, Mr. Balraj Sharma, a practicing Company Secretary (FCS-1605, C.P. No.-824), be and is hereby appointed as a Secretarial Auditor of the company with effect from 25th September for the financial year-2014-15 on such term and conditions as agreed amongst Mr. Balraj Sharma and the Board of directors of the Company.”

5. Re-appointment of Sh. Pramod Kumar Gupta as Managing Director of the company.

To consider and if thought fit to pass with or without modification, if any the following resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Pramod Kumar Gupta as Managing Director of the Company for a period of three years with effect from 21st December, 2014 pursuant to said appointment being approved by the Board of Directors in its meeting.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the prior approval of the Central Government, if required.

FURTHER RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a remuneration as per schedule-V section IIA of Companies Act, 2013 subject to limit specified by Section 197 & 198 of Companies Act, 2013 as approved by remuneration committee as well as Board of Directors of the company, the remuneration of Sh. Pramod Kumar Gupta be and is hereby revised w.e.f 1st April, 2014 for three years i.e upto 31st March, 2017 as Rs. 3, 50,000/- (Three Lac Fifty Thousand) Per month including all perquisites and benefits except as provided by section IV of schedule V i.e Contribution to provided fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and Encasement of leave at the end of the tenure.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or

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desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Pramod Kumar Gupta, Managing Director, including the components of the remuneration payable to him, if any at a later stage, subject to the overall cap within the provisions in sync with Companies Act, 2013.

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as on Special Resolution

“RESOLVED THAT, in supercession of earlier resolution of members passed under Section 293 of the Companies Act, 1956, pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with Articles of Association of the Company (including any statutory modifications or re-enactment thereof for the time being in force) and subject to any other approval, if required, consent of the members be and is hereby accorded to board so as to enable them to borrow money not exceeding Rs. 100.00 Crore (Rupees One hundred Crores only) for the purpose of business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, in one or more than one tranche, at such time or times and from time to time and in such form or manner as the Board may in its absolute discretion deem fit, from banks, public financial institutions, body(ies) corporate or any other party by the Company, from time to time, together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment fee, premia on prepayment, additional interest, further interest, remuneration of the agent(s), trustee(s), if any, all other costs, charges and expenses and all other monies payable by the Company in terms of the financing documents, or any other documents, entered into/to be entered into between the Company and the lenders, agents and trustees in respect of the said borrowings/financial assistance and containing such specified terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in that behalf and agreed to between the Company and the lenders, (including their agent(s), trustee(s)).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

ITEM No. 7

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

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"RESOLVED THAT, in supercession of earlier resolution of members passed under Section 293 of the Companies Act, 1956, pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) and of previous company law (as defined in the Companies Act, 2013) and the Articles of Association of the Company and subject to any other approval, if required, consent of the members be and is hereby accorded to the Board so as to enable them to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company and provide security by way of equitable or any other mortgage, hypothecate and/or charge, in addition to any other mortgage, hypothecations or charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company (including but not limited to all intangible property, rights and benefits under all contracts and agreements entered into by the Company and the monies of and long term receivables of, and the loans and advances made by, the Company), both present and future, and/or the whole or substantially the whole of the undertaking or any part of properties of the Company where so ever situated, in favour of the lender(s) and/or their agent or trustees for securing the borrowings and financial assistance obtained/to be obtained from banks, public financial institutions, body(ies) corporate or any other party by the Company, from time to time, together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment fee, premia on prepayment, additional interest, further interest, remuneration of the agent(s), trustee(s), if any, all other costs, charges and expenses and all other monies payable by the Company in terms of the financing documents, or any other documents, entered into/to be entered into between the Company and the lenders, agents and trustees in respect of the said borrowings/financial assistance and containing such specified terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in that behalf and agreed to between the Company and the lenders, (including their agent(s), trustee(s)).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 1 to 7 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors & under Item No. 2 of Ordinary Business and item no. 1 to 7 of Special Business of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Friday, November 07, 2014 to Tuesday, November 11, 2014, both days inclusive.

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4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignment Ltd for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
11. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com