

34th ANNUAL REPORT
2015-2016



UNITED DRILLING TOOLS LIMITED
CIN: L29199DL1985PLC015796



UNITED DRILLING TOOLS LTD

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Regd. Office : 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001

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E-mail : compsect@udtltd.com Website : www.udtltd.com

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CHAIRMAN'S MESSAGE

India is witnessing a new era of growth and sky of opportunities. This will predominantly be driven by increasing economic activity coupled with Hon'ble PM's 'Make in India' initiatives.

United Drilling Tools Limited (UDTL) continue to contribute in India's journey towards economic and social well-being, and remains committed to invest and innovate for India. Your Company is striving to meet and exceed global benchmarks in product quality and customer service with inspiring ideas and strategic investments. In manufacturing, UDTL is achieving superior outcomes that facilitate India's drive for global leadership.

Your Company is delivering industry-leading performance through consistent efficiency in operations. UDTL is making sizable capital investments, places emphasis on technology and expanding its level of services leading to growth for your Company. UDTL innovates for existing businesses and specifically focuses on its existing business model, considering vast scope therein so as to deliver significant value for its growing stakeholder fraternity. In this effort, it collaborates with leading players to help users in a new era of possibilities.

UDTL's focus is to continue growing as a responsible organization. Performance reflects the strength of operations.

UDTL AT A GLANCE

UDTL is amongst one of India's private sector Company focusing on manufacture of high-tech machines and tools being consumed by Oil, Gas, Drilling and allied industries, which comprises of key players of Indian economy. It is a significant player in the segment, and has been a preferred vendor for its clients in India. Built on strong values, UDTL is deeply rooted in the culture of safety, integrity and commitment and is dedicated to its vision of partnering India's economic growth and social wellbeing.

We have invested for years in creating growth engines for the future. Today your company is competing with leading global players in its field and has come a long way to become a high-tech domestic company manufacturing equipment and machineries for the oil and energy sector.

The global economy in recent couple of years, saw a steep decline in oil prices, which had significant impact on energy businesses and in turn your Company too was affected, since most of clientele of your Company comes from Oil & Energy sector. This coupled with slowing growth in some of the leading global economies impacted currencies also to some extent, which primarily affected your Company clients, and your Company was also bound to be affected, albeit not in absolute proportion. But, there was positive news in terms of faster-than-anticipated economic growth recovery in emerging economies and specially developed economies, which paved way for global economic recovery. This was reflected in the results of first quarter of your company for Financial Year 2016-17.

India's economy is in the midst of a recovery with lower fiscal and current account deficit, lower inflation and weak commodity prices. Our country's growth seems poised to return to a high-growth path. It is in this context that your Company continues its quest for sustained growth. Domestic production was lower due to natural decline from various clients resulting in lower demand from clients across the globe. Despite all, UDTL achieved a net profits of Rs. 6.52 crore for shareholders and earned foreign exchange of Rs. 33.82 crore for the country during the year.

Your Management is also open to idea of possible foraying into other areas/forming strategic alliance with established players from India and/or abroad.

With best wishes,

Mr. Pramod Kumar Gupta
Chairman cum Managing Director



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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 SHIV SHARAN KUMAR BHAGAT	: Independent & Non Executive Director Civil Engineering Graduate Retired Chief Engineer, NDMC, New Delhi
SHRI VIDYA BHUSHAN MISHRA	: Independent & Non Executive Director Graduate Ex. P.A. to Dy. Chairman, Rajya Sabha
SHRI KRISHAN DIYAL 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 SHANKER PANDEY	: Non-Executive Director Retired as G.M Commercial, Indian Airlines Ltd.
SHRI KANAL GUPTA	: Non-Executive Director MBA in Finance and HR Management
SHRI P. KALYANASUNDARAM	: Additional Director Ex-service man, Retired from Joint Secretary of Ministry of Petro- leum & Natural Gas, Govt. of India PhD. M Phil and MBA
CHEIF FINANCIAL OFFICER	: Mr. Arun Kumar Thakur M.Com in Finance
COMPANY SECRETARY	: Mr. P.K. Ojha B.Sc., LL.B & FCS
STATUTORY AUDITOR	: M/s. R S Dani & Co. Chartered Accountants
BANKERS	: ALLAHABAD BANK International Branch, Parliament Street, New Delhi-110001
REGISTRAR & SHARE TRANSFER AGENT	: Alankit Assignments Limited 1E/13 Alankit Heights Jhandewalan Extension, New Delhi-110055
REGISTERED OFFICE	: Flat No. 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001

MANUFACTURING UNITS :

- C-41 SECTOR -81 NOIDA (U.P.) Distt. GAUTAM BUDH NAGAR - 201 305
- PLOT NO. 523, NEW AREA, KSEZ, GANDHIDHAM, KUTCH - 370 230
- PLOT NO. 129G/25-26, NSEZ, NOIDA - 201 305

HEAD OFFICE / CORPORATE OFFICE

A-22, PHASE-II, NOIDA. (U.P.), GAUTAM BUDH NAGAR - 201 305

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NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of United Drilling Tools Limited will be held on **Wednesday, the 21st September, 2016** at 11.00 A.M. at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi - 110 065, to transact the following business(es) :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2016, along with the reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Kanal Gupta having DIN 01050505, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify appointment of statutory Auditors for financial year 2016-17 and in this regard 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 Section 139 (2) and 142(1) read with Chapter X of the Companies Act, 2013 the appointment of Statutory Auditors of the Company M/s R S Dani & Co. (Firm Registration No. : 000243C), Chartered Accountants, Kothari Complex, near G.P.O Bhilwara-311001 (Raj) be and is hereby ratified for the financial year 2016-17 to act as such, at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Pandian Kalyanasundaram 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 Section 149 and 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 Regulations of SEBI (listing Obligations And Disclosure Requirements), 2015, P. Kalyanasundaram (DIN 02568099), 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 39th Annual General Meeting of the company from the date of this Annual General Meeting i.e. 21st September, 2016. (Both days inclusive).”

5. Appointment of Ms. Sarita as a Woman 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 Ms. Sarita (DIN : 07580853) who was appointed as an Additional Director of the Company by Board of Directors with effect from 06.08.2016 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member along with requisite deposit from her proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as woman Director of the Company whose period of office shall be liable to determination by the retirement of Directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized, jointly and /or severally to take such further steps as may be deemed necessary including filing of E-forms under the Com-



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panies Act, 2013 with the Registrar of Companies, Delhi and Haryana at New Delhi and/or any other authority to sign/execute any other forms, papers, documents, deeds, affidavits etc. as they may deem necessary so as to give effect to the aforesaid resolution including the power to further amend the resolution, if some amendment is required to be carried out by the Office of Registrar of Companies, Delhi and Haryana at New Delhi."

Place : New Delhi

Date : 06.08.2016

For and on behalf of the Board

United Drilling Tools Limited

SD/-

Pramod Kumar Gupta

Chairman cum Managing Director

DIN : 00619482

NOTES:

1. **As per section 105 of the Companies Act, 2013, 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.**
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are mentioned in another sheet as attached with this Notice.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Transfer Books of the Company will be closed from **Wednesday, September 14, 2016 to Wednesday, September 21, 2016**, (both days inclusive).
5. In terms of Section 152 of the Companies Act, 2013, Mr. Kanal Gupta (DIN 01050505), Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company recommends such re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Listing Regulations of SEBI, are provided in the Corporate Governance Report forming part of the Annual Report.
6. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. 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.

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9. 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.
10. 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.
11. 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.
12. 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.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
14. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Alankit Assignments Limited.
16. M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi has been appointed as scrutinizer for e-voting process as well as voting during the Annual General Meeting.
17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.udtltd.com** and on the website of CDSL **www.cdslindia.com** within two days of the passing of the resolutions at the Thirty Fourth AGM of the Company on **September 23, 2016** and communicated to the BSE Limited, where the shares of the Company are listed.

Place : New Delhi

Date : 06.08.2016

For and on behalf of the Board

United Drilling Tools Limited

Sd/-

Pramod Kumar Gupta

Chairman cum Managing Director

DIN : 00619482



EXPLANATORY STATEMENT**(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 5 of the accompanying Notice:

Item No. 4

The Company had, pursuant to the provisions of Section 149 of Companies Act, 2013 and the Listing Regulations as specified by SEBI, appointed Mr. P Kalyanasundaram as an Independent Director of the Company in compliance with the requirements of the Act and Regulations.

Pursuant to the provisions of Section 149 of the Act, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Further provision of the said section also required one woman Director must be appointed by a listed company.

The Nominations & Remuneration Committee has recommended the appointment of Mr. P Kalyanasundaram, Director as an Independent Director from **September 21, 2016 to September 30, 2021 or date of AGM to be held in the year 2021** whichever is earlier.

Mr. P Kalyanasundaram, Additional Director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Directors as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Item No. 5

Ms. Sarita (DIN: 07580853) was appointed as an Additional Director by your board in its meeting held on 06.08.2016. In accordance with the provisions of Section 160 & 161 of the Act, appointment of an Additional Director requires approval of members. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Sarita be appointed as a Director of the Company. The appointment of Ms. Sarita shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Sarita for the office of Director of the Company. Ms. Sarita is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

The Company has also received written confirmation from her that she is not disqualified to act as such. In the opinion of the Board, Ms. Sarita fulfills the conditions for her appointment as Director as specified in the Act and the Listing Agreement. Ms. Sarita is independent of the management and possesses appropriate skills, experience and knowledge.

Ms. Sarita (DIN:07580853) has given his intention to perform her duty as Director of the Company, and for this purpose a member has also given written notice about her intention along with cheque of Rs. 1,00,000/- which will be refunded to the member in case the resolution for appointment stands passed or getting 25 % votes of total votes casted.