

UNITED DRILLING TOOLS LIMITED

An ISO 9001-2008 & API Certified Company

WORLD CLASS QUALITY AND SERVICES AT UNMATCHED PRICE

35TH ANNUAL REPORT
2016-2017

35TH ANNUAL REPORT 2016-2017

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United Drilling Tools Limited

IN BRIEF

United Drilling Tools Limited (UDTL) i welcomes you to its world of precision, quality and service. A world which has existed for the last two decades providing excellence in engineering and continuous improvement in quality of products and processes. UDT is one of the world's leading Oilfield Equipment manufacturers such as, **Wireline Winches, Gas Lift Valves, Stabilizers, Conventional Mandrels, Side Pocket Mandrels, Connectors alongwith Protectors for large OD Casing Pipes .**

Serving the cause of the global oil and gas industry, manufacturing a wide range of oilfield equipment conforming to **API19G1,19G2, API-5CT, API-7-1 and API-5 L** specifications under license from the American Petroleum Institute. Aligning itself with global requirements the company strictly adheres to **ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007** systems and procedures.

United Drilling Tools Ltd located in the industrial hub of Noida (UP-India), is a well established organisation , having a successful track record of more than 25 years, with a modern and well equipped manufacturing facility, backed up by excellent service-after- sales.

UDT has more than 100,000 square feet of total manufacturing space. We are equipped with the latest equipment and machines as per international standards to manufacture high precision oilfield equipment. UDT has a complete Machine-shop-with CNC and Special purpose lathes, Milling machines, Drilling Machines, Cylindrical Grinders and so on. We also have the welding, fitting, assembly and tool room are as per international standards backed with state of art powder-coating paint shop and an elaborate testing department to provide destructive and non destructive testing such as ultrasonic Magna flux, X-Ray and dye penetration tests.

UDT has its own design department with qualified and trained engineers . Besides in-house testing, on-site testing and regular improvements in products and application is worked upon to give maximum advantage and better results for UDT's valued customers all over the world.

UDT is committed to high precision and quality products to serve the global oil and gas industry. Pulling this into reality is UDT arsenal, a team of engineering wizards on site and plant for instant resolution for any customer concern- be it installation or manufacturing.

UDTL is listed on Bombay Stock Exchange in India.

For more information, please visit **www.udtltd.com**



**ENGINEERED TO SMOOTHEN YOUR
DAILY OIL PRODUCTION**


**CHAIRMAN'S****MESSAGE**

Dear shareholders,

It give us great pleasure to present the report of the performance of the Company for the financial year 2016-17 that despite testing times, UDTL delivered good results in respect to previous year.

World economic growth remained weak in 2016, with uncertainties such as the US elections, the UK Brexit vote, Eurozone financial fragility and Chinese economic rebalancing weighing heavily on the system. This in turn constrains the demand for oil, with oil supply continuing to exceed demand and producing another year of weak oil prices. This has resulted into lower growth in drilling and oil exploration. Since a new regulatory regime in US requiring stakeholders to maximize economic recovery, rather than simply total volume, came into force in 2016. This will mean companies cooperating and collaborating to maximize recovery or minimize costs throughout the project cycle in order to improve the long-term outlook. This in turn, we being a low cost manufacturer of drilling related equipment, will give us a big break in international market in the coming years.

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. Indian Government has taken two major steps i.e. adopting GST – One tax One Nation and other is Demonetization. Considering this your company is able to deliver industrial leading performance through consistent efficiency in operation. It is in this context that your Company continues its quest for sustained growth. Despite all, UDTL achieved a net profits of **₹ 20.85 crore** for shareholders and earned foreign exchange of **₹ 79.53 crore** for the country during the year.

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 well-being.

Over the last five years, the business has been considerably reshaped and advanced to establish UDTL as a Drilling equipment manufacturing company in the country. The year ahead will be eventful with a number of material catalysts which have potential to add further value to the company. We have created a strong platform for future growth with active positions in our field and have a large number of patents providing significant positions of technical and commercial value.

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.

We can only deliver value for all stakeholders by operating in a safe, secure and environmentally and socially responsible way. we are committed to bringing lasting and positive social and economic benefits through new and more affordable and competitive technology innovation, employment, training and state of art manufacturing facilities.

We are taking advantage of the lower cost environment as we continue to shape the business for the future. We actively assess new business possibilities whether they be potential additions to our future expansion opportunities and cash flow generating assets.

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. Your company has been able to achieve more than 70% of indigenous in most of its products thus saving substantial amount of foreign exchange and reducing the cost of these high-tech machineries through technology adoption and new product development.

Our strategy is to deliver value for stakeholders by building and maintaining a balanced of manufacturing growth, increasing production of high tech patented products and investing in research and new assets. The management of Safety, Health and Environment (SHE) remains a high priority.

Your continued support is an important barometer of UDTL's success and its growth outlook. With the successful closure of another year with FY'2016-17, I assure you that the Company will continue doing the best and ensuring strong value creation for all of you.

I am grateful to all stakeholders- customers, employees, suppliers, partners and investors for their continuing support to UDTL.

Very Sincerely,

sd/-

Mr. Pramod Kumar Gupta

(CHAIRMAN & MANAGING DIRECTOR)



GLIMPSSES OF CSR ACTIVITIES

OVERVIEW

UDTL has made a name for itself by remaining committed to behaving ethically and contributing to socioeconomic development while improving the quality of life in and around the areas of its presence. UDTL decided to go beyond minimum legal requirements in order to address societal needs long before these directives became mandatory. CSR is an integral part of the Company's business strategy. Satisfying each stakeholder group is just as important for UDTL as is addressing the needs of the society at large and maximizing its commitment to the investors. UDTL's CSR activities are focused on Healthcare, Education, Sanitation, Animal Welfare and Care Home for children and Old Age People.

EDUCATION

Education is one of the key elements of sustainable development. UDTL is providing education to children from slum by setting up "BRIDGE COURSE CENTRE" situated at village Boodha, sector 81, Noida. School Improvement Programme at Maharajpur village is one of the successful education Programme initiated by the UDTL in collaboration with HUMANA People to People India. Apart from these programmes UDTL is making continues contribution for education through various organizations.



School Improvement Programme at Maharajpur village



"BRIDGE COURSE CENTRE" situated at village Boodha, sector 81, Noida



HEALTHCARE

UDTL firmly believes that the statement "Health is Wealth" is very true to its meaning as one cannot do anything if she or he does not have good health. UDTL organized the health awareness programs and free health check-up camps for the benefit of the local communities in association with Healthy Aging India and AIIMS, New Delhi. Further, UDTL tries to bridge the gap between people needing advanced or specialized treatment by providing appropriate referrals.



MAJOR EVENTS IN 2016-17



5th-7th December, 2016

PETROTECH-2016
12th INTERNATIONAL OIL & GAS CONFERENCE AND EXHIBITION
05-07 December 2016, New Delhi, India

Organised by:



Under the aegis of:
Ministry of Petroleum and Natural Gas
Government of India

PETROTECH 2016, the 12th International Oil and Gas Conference and Exhibition was organized by the Ministry of Petroleum and Natural Gas at New Delhi from 05th to 07th December, 2016, to exchange views and share knowledge, expertise and experiences.

The UDTL exhibition was fabulous and the UDTL Landline Winch live show was center of attraction.

UDTL has been actively participated in this exhibition and share & exhibit its latest products and equipment based on the latest technology

BOARD OF DIRECTORS



Mr. Pramod Kumar Gupta

Chairman and Managing Director
MSIE (USA), BE (Mech. Engg.) BIT,
India

Mr. Shiv Sharan Kumar Bhagat

Independent & Non-Executive Director
Civil Engineering Graduate
Retired Chief Engineer, NDMC, New Delhi

Mr. Vidya Bhushan Mishra

Independent & Non-Executive Director
Graduate, Ex. P.A. to Dy. Chairman, Rajya Sabha

Mr. Krishan Diyal Aggarwal

Independent & Non-Executive Director
Post Graduate 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

Mr. Uma Shanker Pandey

Non-Executive Director
Retired as G.M Commercial, Indian Airlines Ltd.

Mr. Kanal Gupta

Non-Executive Director
MBA in Finance and HR Management

Mr. Pandian Kalyanasundaram

Independent Director
PhD., M Phil and MBA
Ex-service man, Retired from Joint Secretary
of Ministry of Petroleum & Natural Gas, Govt. of India

Ms. Sarita

Woman Director
Graduate

Mr. Arun Kumar Thakur

Chief Financial Officer
M.Com in Finance

Mr. P.K. Ojha

Company Secretary
FCS, LL.B, B.Sc.

M/s R S Dani & Co.

Statutory Auditors
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

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



NOTICE

UNITED DRILLING TOOLS LIMITED

CIN: L29199DL1985PLC015796

Reg. Office: 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110 001

E-mail : compsect@udtltd.com

Website : www.udtltd.com

Phone : +91-011-43502990, 0120- 2462673, 0120-4842400

Fax : +91-0120-2462675

Notice is hereby given that the Thirty Fifth Annual General Meeting of United Drilling Tools Limited will be held on Monday, the 25th day of September, 2017 at 10.30 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 receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the reports of the Board of Directors and Auditor's thereon;
2. To declare a Dividend at the rate of 12% on paid up Equity Share Capital of the Company for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Uma Shanker Pandey, having DIN: 02877691, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of Statutory Auditors for financial year 2017-18 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 2017-2018 to act as such, at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To re-appoint Mr. Pramod Kumar Gupta (DIN: 00619482), as Chairman and Managing Director of the Company.

Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-

enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 127 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Pramod Kumar Gupta, as Chairman and Managing Director of the Company with effect from December 21, 2017 to December 20, 2022, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Pramod Kumar Gupta.

RESOLVED FURTHER THAT the remuneration payable to Mr. Pramod Kumar Gupta, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

6. Appointment of Mr. Inderpal Sharma (DIN: 07649251), as Whole-time Director of the Company.

Consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 127 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Inderpal Sharma (DIN: 07649251), as Whole-time Director of the Company with effect from the date of this Annual General Meeting i.e. 25th September, 2017 up to the 40th Annual General Meeting to be held in year 2022, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Inderpal Sharma.

RESOLVED FURTHER THAT the remuneration payable to Mr. Inderpal Sharma, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

7. Appointment of Ms. Twinkle Singh as an Independent 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 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) Regulations, 2015, Ms. Twinkle Singh (DIN: 07777298), 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 (5) years up to 40th Annual General Meeting of the Company from the date of this Annual General Meeting i.e. 25th September, 2017. (Both days inclusive)."

For and on Behalf of the Board
United Drilling Tools Limited
sd/-

Pramod Kumar Gupta
Chairman & Managing Director
DIN: 00619482

Place: New Delhi

Date: 11.08.2017



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 (48) 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 Tuesday, September 18, 2017 to Monday, September 25, 2017 (both days inclusive) for the purpose.

5. Dividend on equity shares as recommended by the Directors for the year ended March 31, 2017, when declared at the ensuing Annual General Meeting, will be paid on or after October 01, 2017:

i. To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company on or before September 18, 2017.

ii. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by Central Depository

Services (India) Limited (CDSL) and NSDL as at the closing hours of September 18, 2017 part of the Annual Report.

6. Pursuant to Section 123 of the Companies Act, 2013, dividend for the financial year ended 31st March 2017, which remains unclaimed for a period of seven years, will be transferred to the Investor Education & Protection Fund of the Central Government. Members who have not uncashed their dividend warrants in respect of the said dividend are requested to make their claim to the Share Department of the Company at the Head/corporate Office of the Company or to the Registrars & Share Transfer Agents of the Company at Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the Investor Education and Protection Fund of the Central Government, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

7. In terms of Section 152 of the Companies Act, 2013, Mr. Uma Shanker Pandey having DIN: 02877691, Director, retire by rotation at the meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

8. 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.

9. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.

16. 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.

17. 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.

18. 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.

19. 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 Fifth AGM of the Company on September 26, 2017 and communicated to the BSE Limited, where the shares of the Company are listed.

Place: New Delhi
Date: 11.08.2017

For and on Behalf of the Board
United Drilling Tools Limited
sd/-
Pramod Kumar Gupta
Chairman & 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. 5 to 7 of the accompanying Notice:

Item No. 5

Mr. Pramod Kumar Gupta, who was appointed Chairman and Managing Director by the members to hold office upto December 20, 2017 will attain the age of 70 years on January 01, 2018 and hence continuation of his employment as Executive Chairman and Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time Director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Keeping in view that Mr. Pramod Kumar Gupta has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Pramod Kumar Gupta as Chairman and Managing Director.

Mr. Pramod Kumar Gupta is Master in Industrial Engineering from Kansas State University, USA and has a wide experience of Oil Drilling Industry of U.S.A and India. The association and services of Mr. Pramod Kumar Gupta has been useful to the Company and the Board of Directors after evaluating his working performance and efficiency, are of the opinion that his re-appointment as Managing Director would be in the best interest of the company.

Mr. Pramod Kumar Gupta guided the Company through more than three decades of diversification and growth to emerge as a world leader in the Oil drilling tools and equipment industry.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee, the Board of Directors of the Company passed a resolution on August 11, 2017 approving re-appointment of Mr. Pramod Kumar Gupta, as Chairman and Managing Director of the Company for a further period of Five (5) years with effect from December 21, 2017 to December 20, 2022. This is subject to the approval of the shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Pramod Kumar Gupta and the terms and conditions of the re-appointment are given below:

As per schedule V Part II (A) of the Companies Act, 2013 subject to limit specified by Section 197 & 198 of the said act as approved by Remuneration Committee as well as Board of Directors of the Company in its meeting held on February, 13, 2017, the remuneration of Mr. Pramod Kumar Gupta be and is hereby revised with effect from April 01, 2017 for three years i.e up to 31st March, 2020 as ₹ 6,00,000/- (Rupees Six Lac) per month including all perquisites and benefits except as provided by section IV of schedule V i.e.:

1) Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

3) Encasement of leave at the end of the tenure.
The Board of Directors, therefore, recommends/placed before you for your approval. None of the Director except himself is considered interested or concerned in the said resolution to the extent of his re-appointment in the said resolution to the extent of his re-appointment as Chairman and Managing Director and remuneration being received by him.

Item No. 6

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Remuneration Committee, the Board of Directors of the Company vide resolution passed on November 10, 2016 approved appointment of Mr. Inderpal Sharma as Additional Director on the Board of the Company with effect from November 10, 2016 (designated as Whole-time Director) in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 and that Mr Inderpal Sharma shall hold office up to the date of the Annual General Meeting to be held on September 25, 2017 and shall be eligible for election subject to the approval of the shareholders at this Annual General meeting.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as

disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Inderpal Sharma and the terms and conditions of the appointment are given below:

i. Salary: ₹ 38,106/- per month. (Including Basic ₹ 18,500/- + HRA ₹ 9,160/- + Conveyance allowance- ₹ 10,446/-).

ii. Contribution of Retirals: ₹ 5,614/- per month.

Item No. 7

The Company had, pursuant to the provisions of Section 149 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as specified by SEBI, appointed Ms. Twinkle Singh 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-half 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 Nomination and Remuneration Committee has recommended the appointment of Ms. Twinkle Singh, additional Director as an Independent woman Director from September 25, 2017 to September 30, 2021 or date of AGM to be held in the year 2021 whichever is earlier.

Ms. Twinkle Singh, Additional Woman Director of the Company, have given a declaration to the Board that she meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she 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.

For and on Behalf of the Board
United Drilling Tools Limited
sd/-

Pramod Kumar Gupta
Chairman & Managing Director
DIN: 00619482

Place: New Delhi
Date: 11.08.2017

BRIEF PROFILE OF APPOINTED DIRECTORS

PROFILE OF INDEPENDENT & WOMEN DIRECTORS

Name of the Director	MS. TWINKLE SINGH
Date of Birth	09.02.1993
Date of Appointment	27.05.2017
Qualifications	POST GRADUATE IN COMMERCE & B.ED
Expertise	FINANCE / ADMINISTRATION
Directorship held in other Public companies	NIL
Chairmanship/Membership of Committees in United Drilling Tools Limited	NIL
Chairmanship/Membership of Committees in other Public Limited Companies	NIL
Relation between Directors	NO
Number of Shares held in United Drilling Tools Limited	NIL

PROFILE OF WHOLE TIME DIRECTOR

Name of the Director	MR.INDERPAL SHARMA
Date of Birth	15.12.1969
Date of Appointment	10.11.2016
Qualifications	DIPLOMA IN ITI (FITTER)
Expertise	ADMINISTRATION & MANUFACTURING
Directorship held in other Public companies	NIL
Chairmanship/Membership of Committees in United Drilling Tools Limited	NIL
Chairmanship/Membership of Committees in other Public Limited Companies	NIL
Relation between Directors	NO
Number of Shares held in United Drilling Tools Limited	NIL

DETAILS OF DIRECTORS CONFIRMED AS PER COMPANIES ACT, 2013

Name of the Director	MR. UMA SHANKER PANDEY
Date of Birth	10.08.1946
Date of Appointment	30.10.2009
Qualifications	POST GRADUATE IN COMMERCE
Expertise	FINANCE AND ADMINISTRATION
Directorship held in other Public companies	NIL
Chairmanship/Membership of Committees in United Drilling Tools Limited	THREE
Chairmanship/Membership of Committees in other Public Limited Companies	NIL
Relation between Directors	NONE
Number of Shares held in United Drilling Tools Limited	NIL

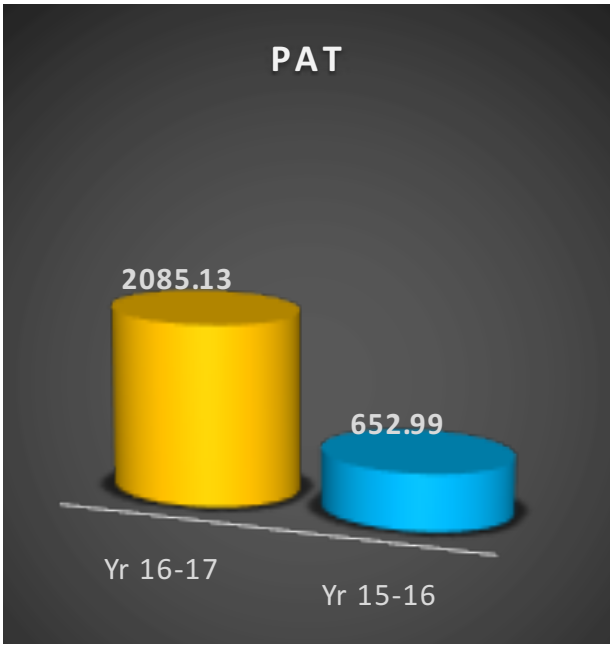
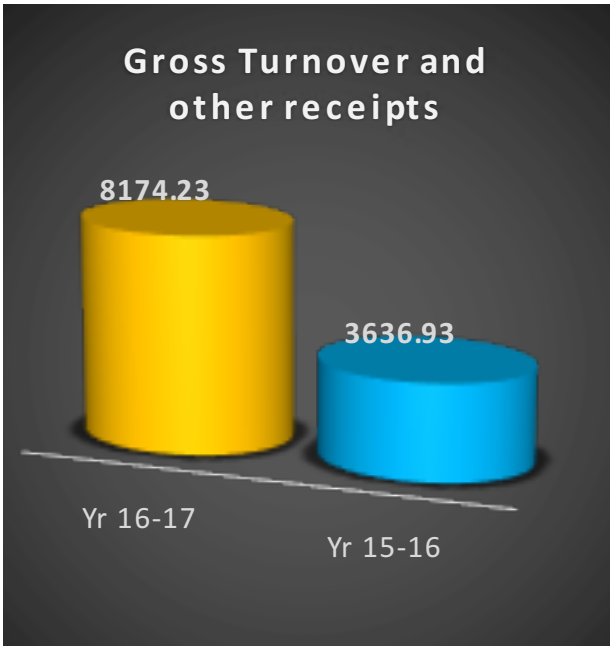


Dear shareholders,

Your Directors are pleased to present the 35th Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2017.

1. SUMMARIZED FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31st March, 2017 as aforesaid is summarized below:



(Figures in ₹ Lakh)

PARTICULARS	FOR THE CURRENT YEAR ENDED 31ST MARCH, 2017	FOR THE PREVIOUS YEAR ENDED 31ST MARCH, 2016
Gross Turnover and other receipts	8174.23	3636.93
Profit/(Loss) before Interest and Depreciation	2834.83	1620.64
Less: Interest	52.57	58.73
Profit/(Loss) Before Depreciation	2782.26	1561.91
Less: Depreciation	662.33	897.48
Profit/(Loss) Before Tax	2119.93	664.43
Less: Provision for taxation	34.80	11.44
Profit/(Loss) After Tax	2085.13	652.99
Balance brought forward from previous year	2867.32	3215.49
Less: Transfer to Capital Redemption Reserve	NIL	1001.16
Balance carried to Balance Sheet	4952.45	2867.32

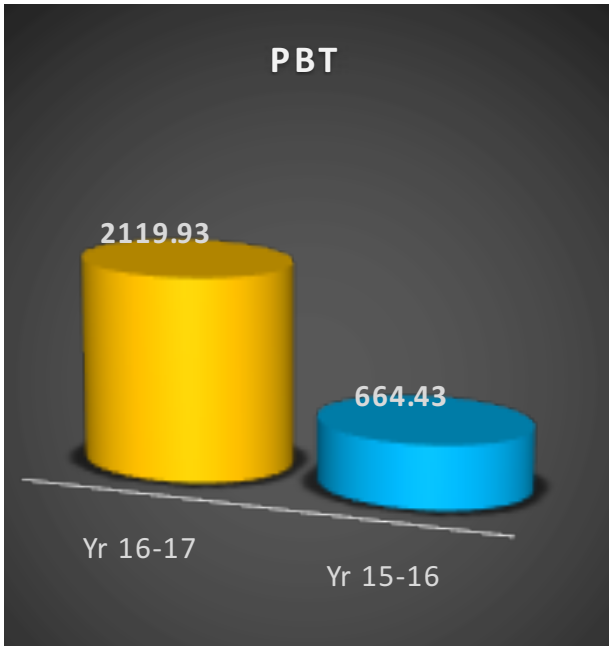
2. BUSINESS PERFORMANCE

Your company has performed very well during Financial Year 2016-17 as compared to previous year. The company has shown a profit of Rs. 20.85 crores after taxes as compared to Rs. 6.5 crores last year. The company was able to achieve this performance through new technology developing new and more efficient product higher efficient cost saving and well educated strategy.

The company is also making roads in expert market for some of its product and is showing continuous growth increasing its customer base which will result into substantial future growth in the company.

We are taking advantages of lower cost at which company can deliver world quality products at very competitive prices. Further, the company is able to reduce its manufacturing cost and enhance by continuing cost reduction and research and development of new and more efficient products.

The company is also getting substantial success in its unit situated at SEZ Noida and KSEZ Kandla which are playing important role in achieving higher than the expected production targets and goals. The company expects to further increase the role of SEZ units in improving its production capacities by further capital investment in these units.



3. DIVIDEND

Your Directors recommend a Dividend at the rate of **12% on paid up Equity Share Capital i.e Rs. 1.2/-for each share of ₹ 10/-each**, of the Company to be appropriated from the profits of the Company for the financial year 2016-17, subject to the approval of the shareholders at the ensuing Annual General Meeting.