

UNITED DRILLING TOOLS LIMITED

AN ISO 9001-2008 & API CERTIFIED COMPANY

***WORLD CLASS QUALITY AND SERVICES
AT UNMATCHED PRICE***



**37th
ANNUAL
REPORT
2018-19**

Engineered to Smoothen your daily Oil Production Through Innovation & Collaboration

CASING PIPE WITH FAST MAKE UP CONNECTORS



Pin Connector



Box Connector

INTEGRAL BLADE & REPLACEABLE SLEEVE STABILIZER



Replaceable Stabilizer
(Mandrel & Sleeve)



Integral Blade
Stabilizer

SLICKLINE / E-LINE WINCHES



Slimsplit Winch



Landline Winch



Truckline



Flyline Winch



Scraping Winch

ARTIFICIAL LIFT SYSTEMS

Orifice Valve



Wireline Gas Lift Valve



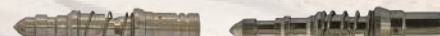
Dummy Valve



Side Pocket Mandrel



Latches



AN ISO 9001-2008 & API CERTIFIED COMPANY



AN OHSAS 18001 CERTIFIED COMPANY
Certificate No: 140108039102



AN ISO 14001 CERTIFIED COMPANY
Certificate No: 140108029101



AN ISO 9001 CERTIFIED COMPANY
CERTIFICATE No. 41952



Indonesia / UAE /
UK / US



LIC NO 5CT-0565, 5L-0424, 7-1-0393,
19G1-0008, 19G2-0010

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CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my privilege and honour to share Annual Report of your Company for the financial year 2018-19. UDTL team has done exceedingly well on financial front despite slowdown in our country.

UDTL is amongst one of India's private sector Company engaged in manufacturing of high-tech machines and tools being used by Oil, Gas, Drilling and Allied Industries, which constitute of key players of Indian economy. We are significant player in its segment and are 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. Our focus is to continue growing as a responsible organization and the performance reflects its strength of operations.

It gives a great pleasure and satisfaction also to share our financial performance with you. Few of them are as under:

- a) Turnover increased to INR 156 Cr. from INR 73 Cr., increase of more than 200 % during the financial year 2018-19.
- b) Profit before tax increased to INR 2530.58 Lakhs for the financial year 2018-19 from INR 1378.04 Lakhs for the financial year 2017-18, , increase of more than 83%.
- c) Significant increase of more than 200% in earning valuable foreign exchange equivalent to INR 15536.24 lakhs for the financial year 2018-19 as against INR 7295.80 Lakhs for the financial year 2017-18.
- d) Packing credit loan of INR which stood at INR 1531.86 lakhs as on 31st March, 2018 has been repaid fully during the year and stood Nil as on 31st March 2019.

The above financial figures clearly evident the efforts put in by our team members and acceptability of our products by Oil drilling Companies. All our departments are headed by experienced professionals who run the company in a professional way. A lot of research and development activities have also been done by our technically team in last several years to make good quality products. It is a pride for us to mention that usage of our products has now become mandatory in some tenders floated by Oil drilling Companies.

Your company is giving a lot of emphasis in Research and Development of new products and improving performance and quality by development of existing products because Oil and Gas is a high technology sector where oil Companies are going in search of oil for deeper and dipper wells in Onshore and Offshore. Your company has a full-fledged R&D Group and R&D Lab where there is hard core team of experienced professionals, engineers, and technicians specialized in their fields, working in collaboration with experienced manufacturing professionals of other departments. This is one of the reason by your company has become a leader in India for the products manufactured and developed. At present the company has applied for eighteen patents and six new technologies and designs have already been patented.

Our Countries requirement of energy largely dependent on crude oil which is increasing year by year consistently. It is an opportunity for us to expand our business which we have done very well and the same is also reflected in our turnover as mentioned above, increase of turnover by more than 200 % during the financial year 2018-19. We are confident to further expand our business consistently in future also since Central Government always made an effort to speed up the exploration of oil to save valuable foreign exchange in importing crude oil and our country has become fifth largest economy globally recently and will improve further rapidly as we are one of the fastest growing economy and efforts are also put by Central Government to make our country five trillion economy. It will further facilitate to expand our business.

We are awarded the tenders from oil drilling Companies which float the tenders globally and international players are also participating in these tenders. Our products are competitive internationally since we are defeating international bidders in price and quality and procure the tenders. We are now bidding in the tenders floated by foreign companies in overseas countries including USA and Gulf countries, orders for the same are also received and executed also.

We need to import some equipment and spares equivalent to INR 11 Cr. (approx.) required for making our finished products. Payment in foreign currencies has always been a concern in view of appreciation of foreign currencies in recent decades and sometimes have a significant impact on margins. Your company earning foreign exchange of INR 155 Cr. which is more than twelve times of expenditure in foreign currency of INR 12 Cr. for the financial year 2018-19. We are not facing any threat of exchange risk in foreign currencies, always keeping adequate foreign currency to liquidate our foreign currency liability.

Renewable source of energy is also rival to our business segment but dependence on crude oil still continues since price of crude oil at low level in recent years and renewable source of energy projects need high capital investments and could not capture a significant portion in market.

We do understand our responsibility towards social sector and we spent INR 28.07 lakhs for the financial year 2018-19 for various CSR programs after a careful study of NGO'S /Trust and monitoring utilization of funds so that funds should be spent only for needy people.

We are sharing our profits with shareholders also by way of paying dividend consistently in last three years and declared Bonus shares also in 1: 1 ratio to shareholders in the last year.

Your continued support motivated us to achieve our goals and convert it into success of your company. I assure you that UDTL will continue to perform better and achieve new heights in the future. It will yield a good return to the stakeholders and investors.

I am thankful to all stakeholders, Investors, internal and external customers for their confidence in us and extended wholeheartedly active support to us.

Very Sincerely,
Sd/-
Pramod Kumar Gupta
(Chairman & Managing Director)

(Financial Year 2018-19)



Overview

A SET OF GROUP CSR PROGRAMMES AIMED AT CREATING NATIONAL AND GLOBAL IMPACT IN IMPROVING THE QUALITY OF LIFE OF THE COMMUNITIES WE SERVE.

CHAIRMAN MESSAGE TOWARDS CSR:

Our Corporate Social Responsibility (CSR) statement shows what we stand for. We take responsibility for our impact on society. In this context, we focus on themes where we can make a difference. We want to serve as an example and inspire others. And that is why we invite stakeholders in and around the port to work together on the challenges that we encounter in the port's on-going development.

A. Initiative towards Education to slum area of the society

It is true to say "Education is a key to success and freedom from all the forces" & "Education makes a person a responsible citizen".

Education is soul of society. It is an important and powerful weapon which we can use to change the world. UDTL initiative is "to literate poor & underprivileged children of the society". Education is one of the key elements of sustainable development. UDTL is providing education to children from slum area by setting up "BRIDGE COURSE CENTRE" situated at village Boodha, near Sector 81, Noida and support to other NGO's which are working in the field of Education.



B. Initiative towards eradication of hunger from societies

It is true to say that: “Poverty and hunger is a shame to the society’ it is only burden that does not lighten by sharing it with others”

UDTL contributed for the cause i.e. eradication of hunger and poverty from society during financial year 2018-19 through an NGO by distributing blankets and food to poor & hungry people.

“If you can’t feed a hundred people, then feed just one”



C. Initiative towards shelter for old age elderly of the society

It is true to say that “Do not regret growing older”.

Your Company always stands with the orphans and underprivileged old individuals of the society so that they don’t feel they are Burden to the society.

UDTL through NGO, work for the betterment of these people by contributing CSR fund towards them.



D. Initiative under "Women empowerment and skill development"

It is true to say that "There is no tool for development more effective than the empowerment of women".

The Board of Director of UDTL keeping in view of women power in our society contributes CSR fund to develop skill and knowledge of women to use in the development of the society as well as country.

***E. Initiative towards "Welfare of local community through healthcare"***

Your Company had participated in the world clean-up day and awareness programme organized by AIESEC. "Health is not a physical accomplishment but the manifestation of our awareness of who we are and integrity in the living out of that knowledge."



CORPORATE INFORMATION

Board of Directors

1. **Mr. Pramod Kumar Gupta**
Chairman and Managing Director
2. **Mr. Shiv Sharan Kumar Bhagat**
Independent & Non-Executive Director
3. **Mr. Krishan Diyal Aggarwal**
Independent & Non-Executive Director
4. **Mr. Kanal Gupta**
Whole Time Director
5. **Mr. Pandian Kalyanasundaram**
Independent & Non-Executive Director
6. **Mr. Inderpal Sharma**
Whole Time Director
7. **Ms. Twinkle Singh**
Women, Independent & Non-Executive Director

Mr. Arun Kumar Thakur
Chief Financial Officer

Mr. Pramod Kumar Ojha
Company Secretary & Compliance Officer

Main Bankers

1. **Allahabad Bank**
International Branch, Parliament Street,
New Delhi-110001
2. **Axis Bank**
B-2&3, Sector-16, Noida,
Distt. Gautam Budh Nagar 201301 (U.P.)

Registrar & Share Transfer Agent

Alankit Assignments Limited
3E/7, Alankit Heights,
Jhandewalan Extension,
New Delhi-110055

Statutory Auditors

R S Dani & Co.
Chartered Accountants
Kothari Complex, Near GPO,
Bhilwara - 311001 (Raj.)

Internal Auditors

Pankaj Priti & Associates
Chartered Accountants
1027, 10th Floor, Roots Tower,
Laxmi Nagar, New Delhi - 110092

Secretarial Auditors

Balraj Sharma & Associates
Company Secretaries
206 Munish Plaza, 20 Ansari Road,
Opp. Fire Station, Darya Ganj,
New Delhi - 110002

Registered Office

139A, First Floor, Antriksh Bhawan,
22 Kasturba Gandhi Marg,
New Delhi - 110001

Head Office

A-22, Phase-II, Noida - 201305
Distt. Gautam Budh Nagar, (U.P.)

Notice

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of UNITED DRILLING TOOLS LIMITED will be held on Friday, the 20th September, 2019 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 receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the reports of Board of Directors and Auditor's thereon;
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. Re-appointment of M/s R S Dani & Co., Chartered Accountants as Statutory Auditors 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 139(2) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Chapter X of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 the Company be and is hereby re-appoint M/s R S Dani & Co. (Firm Registration No.: 000243C), Chartered Accountants, Kothari Complex, near G.P.O, Bhilwara-311001 (Raj), as the Statutory Auditors of the Company for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company to be held in 2024 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

4. To confirm the payment of interim dividend on Equity shares and to declare a Final Dividend on paid up Equity share capital of the Company for the financial year 2018-19.

SPECIAL BUSINESS:

5. Re-appointment of Mr. Shiv Sharan Kumar Bhagat (DIN: 00841981), as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Shiv Sharan Kumar Bhagat (DIN: 00841981), who was appointed as an Independent Director of the Company for a term of five years up to 30th September, 2019, by the members at the 32nd Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and attained the age of 75 years and who is eligible for re-appointment in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 1st October, 2019 to till the conclusion of 42nd Annual General Meeting or upto 30th September, 2024 whichever is earlier and not liable to retire by rotation.”

6. Re-appointment of Mr. Krishan Diyal Aggarwal (DIN: 00861164), as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other