UNITED DRILLING TOOLS LTD.



CIN: L29199DL 1985 PLCO 15796
OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES
(AN ISO 9001 & API APPROVED CERTIFIED COMPANY)
(INCLUDING ISO 14001:2004 & OHSAS 18001:2007)

Phones : +91-0120-4842400

2462673, 4221777

Fax No. : +91-0120-2462675

USE PREFIX FOR CALLING -

From Out side Country - 91-120

From Out side State

- 0120

From New Delhi

- 0120

23/10/2017

To,
The Manager
Corporate Relations
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Tower, Dalal Street
Mumbai-400001

Please Reply to Head Office

A-22, Phase-II, Noida-201305 Distt. Gautam Budh Nagar,

Uttar Pradesh, India

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

Sub: Filing of revised Annual Report for the financial year 2016-17 due to typographical error.

Ref: United Drilling Tools Ltd (CIN: L29199DL1985PLC015796)

Dear Sir,

With reference to captioned subject, we wish to inform you that the Annual Report for the financial year 2016-17 as submitted by the Company to your esteemed office vide date 12th October, 2017, the name of an Independent women Director Mrs. Sarita Verma was inadvertently included as one of the Signatories to the Financial Statements due to typographical / printing error whereas she was not associated with the Company as on the date of signing of the Financial Statements i.e. 27.05.2017 but due to oversight the same was printed in the Annual Report and the said Annual Report was circulated to all shareholders, stakeholders and also submitted to your good office.

Therefore, we are hereby submitting a revised signed copy of Annual Report for the financial year ended 31st March, 2017 for your kind perusal and taking the same on record.

Inconvenience caused is deeply regretted.

Thanking You,

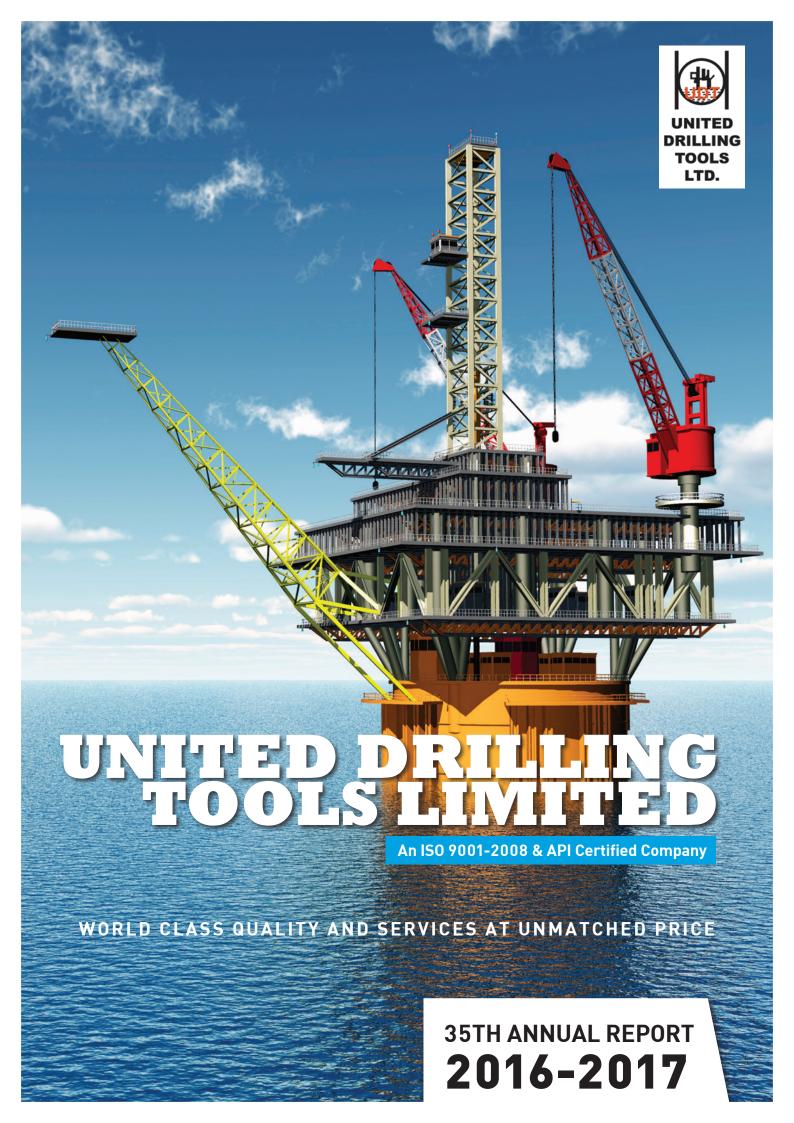
Yours faithfully

For United Drilling Tools Ltd

(Pramod Kumar Ojha)

Company Secretary & Compliance Officer

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







- 04 UDTL in Brief
 - 05 Chairman's Message
 - **Glimpses** of CSR Activities
 - Major events in 2016-17
 - 09 Corporate Information
 - 10 Notice
 - 18 Director's Report to Members
 - 35 Corporate Governance
- 43 Management Discussion Report
- 61 Independent Auditor's Report
- 67 Balance sheet for 2016-17
 - 69 Profit and Loss Statement for 2016-17
 - 71 Cash Flow Statement
 - 73 Notes to Balance sheet & Profit and Loss statement
 - 94 Certifications/Accreditations
 - 96 Attendance Slip
 - 97 Proxy form
 - 99 Route map of the Venue of 35th AGM of UDTL



United Drilling Tools Limited

IN BRIEF

United Drilling Tools Limited (UDTL) i welcomes you to its world of precision, guality 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

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-thananticipated 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,

Mr. Pramod Kumar Gupta

(CHAIRMAN & MANAGING DIRECTOR)



SPYM SPYM I SPYM

GLIVIPSES 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.







BOARD OF DIRECTORS



MAJOR EVENTS IN 2016-17







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



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 DirectorGraduate, 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

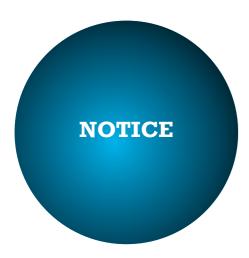
HEAD OFFICE/CORPORATE OFFICE

A-22, Phase-II, Noida, U.P, Gautam Budh Nagar-201 305 Website: www.udtltd.com

E-mail ID: compsect@udtltd.com

 $\overline{(08)}$





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 reenactment 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

 $\overline{(10)}$



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 reappointment. 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 interse 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

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

 $\overline{(12)}$



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.

tem 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 Wholetime 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

TThe 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

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

1	
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

<u>(16)</u>



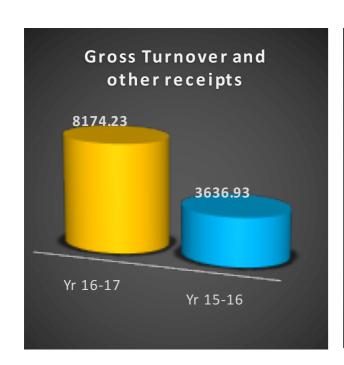


Dear shareholders,

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:



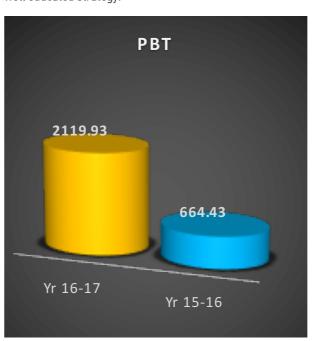


(Figures in ₹ Lakh)

		(Figures III \ Lakii)
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.

 $\boxed{\textbf{19}}$



THE COMPOSITION OF THE BOARD OF DIRECTORS ARE GIVEN BELOW:

5. NO	NAME OF THE DIRECTOR	DESIGNATION ON THE BOARD
1	Mr. Pramod Kumar Gupta	Chairman and Managing Director
2	Mr. Shiv Sharan Kumar Bhagat	Independent Director
3	Mr. Vidya Bhushan. Mishra	Independent Director
4	Mr. Krishan Diyal Aggarwal	Independent Director
5	Mr. Uma Shankar Pandey	Non-Executive Director
6.	Mr. Kanal Gupta	Non-Executive Director
7.	Mr. Pandian Kalyanasundaram	Independent Director
8.	Ms. Sarita	Woman Director
9.	Mr. Inderpal Sharma	Additional Director

4. FUTURE OUTLOOK

As the demand of oil and gas is increasing substantially in the country and overseas the requirement of company's products which are directly used in exploration of oil are also increasing. Further due to cost effectiveness of our products with international quality will help the company procuring more and more business from oil sector in India and overseas. Further, by engaging strong team of business development experts the company expects to increase its business in domestic and international market considerably. Therefore, future outlook of the company looks very promising.

5. LISTING

Your Company's Equity Shares are presently listed on 'BSE Limited' a recognized stock exchange of India. The Company has paid the listing fees for the year 2016-2017 to BSE Limited, where the securities of the Company are listed.

6. MAJOR EVENT

The company was engaged in several major events during the year some of which participation in Petrotech which is an Oil show organization are being organized by Ministry of Petroleum and Oil and Gas Industry. There were 643 participants from different parts of the world, your company also had a booth in the exhibition and the products of the company were appreciated by the participants in the Oil Sector in India and around the world. The company had also exhibited one of its star product i.e. Truck Mounted Wire Line Winch with Crane which was manufactured and supplied to ONGC for the first time in India. This gives substantial saving to ONGC in its operation. The company is expecting several orders of these machines from India and abroad because of this participation.

7. CONSOLIDATED FINANCIAL STATEMENTS

Your Company has no Joint Venture, Subsidiaries and Associate Companies, therefore, in pursuant to relevant provisions of the Companies Act, 2013, accounting rules and regulations as prescribed under Accounting Standard (AS)-21 there was no need of consolidated Financial Statements.

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As stated above, your Company has no subsidiaries, Joint Venture and Associates Companies.

9. DIRECTORS & COMMITTEE

Your Board comprises of eminent, experienced and reputed individuals from their respective fields. The composition of Board of the Company was in conformity with the provision of Section 149 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were Four Independent Directors of the Company. Mr. Pandian Kalyansundaram (DIN: 02368099), Independent Director and Ms. Sarita (DIN: 07580853) woman Director was appointed during the year. A meeting of Independent Directors was held on 13.02.2017. Mr. Inderpal Sharma (DIN: 07649251) was appointed as Additional Director who is in whole time employment of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further all the members of Board declared their holding as well as interest in the Company as per requirement

In accordance with the provisions of Companies Act, 2013 Mr. Uma Shanker Pandey, having DIN: 02877691, Non-Executive Director retires by rotation and being eligible offers himself for re-appointment.

9.1 BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

9.2 REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection

and appointment of Directors, Senior Management and their remuneration.

9.3 MEETINGS

During the year Five (5) Board Meetings and one (1) Independent Director's meeting were held, the Details of which are given below and in the Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings and various other requirements including Secretarial Standards as issued by the ICSI. The dates of Meetings held during the year are as under:-

Board Meetings: 21.05.2016, 06.08.2016, 21.09.2016, 10.11.2016 & 13.02.2017

Independent Directors' Meeting: 13.02.2017

9.4 AUDIT COMMITTEE

The Company is having an Audit Committee comprising of the following Independent Directors:-

NAME	STATUS	DESIGNATION
Mr. Pandian Kalyanasundram	Chairman	Non-Executive & Independent Director
Mr. Krishan Diyal Aggarwal	Member	Non- Executive & Independent Director
Mr. Shiv Sharan Kumar Bhagat	Member	Non-Executive & Independent Director
Mr. P.K. Ojha	Secretary	Company Secretary

The Board of Director had appointed Mr. Pandian Kalyanasundram, as a Chairman of the Audit Committee in place of Mr. Vidya Bhushan Mishra in its meeting held on 13.02.2017. All the recommendations made by the Audit Committee were considered and accepted, if any required, by the Board. The date of meetings held during the year are as under:-21.05.2016, 06.08.2016, 10.11.2016 & 13.02.2017

9.5 NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration Committee comprising of the following Directors:

NAME	STATUS	DESIGNATION
Mr. Krishan Diyal Aggarwal	Chairman	Non- Executive & Independent Director
Mr. Shiv Sharan Kumar Bhagat	Member	Non-Executive & Independent Director
Mr. Vidya Bhushan Mishra	Member	Non-Executive & Independent Director
Mr. Pandian Kalyanasundaram	Member	Independent Director

There were Three (3) meetings of Nomination and Remuneration Committee held during the financial year 2016-17 i.e on 06.08.2016, 10.11.2016 & 13.02.2017.

All the recommendations made by the Nomination & Remuneration Committee were considered by the Board on appointment and fixing of remuneration of Board of Directors and Senior Management etc.



9.6 STAKEHOLDER GRIEVANCE/RELATIONSHIP COMMITTEE

The Company is having Stake Holder Grievance/Relationship Committee comprising of the following Directors:

NAME	STATUS	DESIGNATION		
Mr. Vidya Bhushan Mishra	Chairman	Non-Executive and Independent Director		
Mr. Kanal Gupta	Member	Non-Executive Director		
Mr. Krishan Diyal Aggarwal	Member	Non-Executive and Independent Director		
Mr. Pandian Kalyanasundaram	Member	Independent Director		
Mr. P.K. OJha	Company Secretary	Compliance Officer		

During the financial year 2016-17, Five (5) meetings of the Stakeholder Grievance/Relationship Committee were held which are as follows: 21.05.2016, 06.08.2016, 10.11.2016, 13.02.2017 & 24.03.2017. All the members of the Committee were present except for meeting held on 21.05.2016 & 06.08.2016 in which Mr. Uma Shanker Pandey was absent. Mr. Kanal Gupta was appointed as member of the Committee by the Board in its meeting held on 06.08.2016 in place of Mr. Uma Shanker Pandey.

10. CORPORATE SOCIAL RESPONSIBILITY

The Company has a Board-Level Committee that supervises its Corporate Social Responsibility (CSR) activities. During the financial year 2016-17, the Committee held five [5] of its meetings which are as follows: 03.06.2016, 11.07.2016, 05.10.2016, 23.12.2016 & 25.03.2017. The committee after due verification of various NGO's as per the criteria laid down in the CSR Rules as issued by the Ministry of Corporate Affairs, New Delhi, selected many reputed NGOs for undertaking various CSR Projects/ Programs as specified in Schedule VII of the Companies Act, 2013. The disclosure of CSR Activities for financial year 2016-17 in the prescribed format are enclosed as "Annexure - I" as a part of this report.

11. VIGIL MECHANISM/WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner, the Company as a Whistle Blower Policy, adopts highest standards of professionalism, honesty, integrity and ethical behavior. Protected disclosures can be made by a whistle blower through an e-mail, dedicated telephone line or a letter to the Chairman of the Audit Committee.

This policy is also uploaded on the website of the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- **a.** In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- **b.** Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the financial year ended 31st March, 2017.
- **c.** Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- **d.** The Annual Accounts have been prepared on a going concern basis:
- **e.** Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and were operating effectively:
- **f.** Proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. BUSINESS RESPONSIBILITY REPORT

The provision relating to the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company.

14. RELATED PARTY TRANSACTIONS

In pursuance to the provisions of Section 108 and 110 of the Companies Act, 2013 the Company took approval from the members of the Company through Postal Ballot Notice Dated 21.04.2015 and Result Dated 22.05.2015 for Related Party transactions required under the provisions of Section 188 of the said Act, during the financial year 2015-16.

During the financial year 2016-17 the Company had paid rent of ₹7,50,000/- (Seven Lac Fifty Thousand only) to P. Mittal Manufacturing Pvt. Ltd. in which one of the Director Mr. Kanal Gupta was also a Director & member and Mr. Pramod Kumar Gupta, Managing Director of the company was also a member. Your Directors draw your attention to Note: 10(B) to the Financial Statements which deals with related party disclosures. The AOC-2 is enclosed as "Annexure -II".

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

16. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operations were observed.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Uma Shanker Pandey, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by the SEBI.

The details of programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are uploaded on the website of the Company.

Furthermore, pursuant to the provisions of Section 203 of the Companies act, 2013 the Board had nominated below stated persons as KMP

Mr. Pramod Kumar Gupta - MANAGING DIRECTOR
Mr. Pramod Kumar Ojha - COMPANY SECRETARY
Mr. Arun Kumar Thakur - CHIEF FINANCIAL OFFICER

18. AUDITORS

18.1 STATUTORY AUDITORS

M/s R S Dani & Co., Chartered Accountants were reappointed to act as such by members in 34th AGM of the Company as Statutory Auditors of the Company.

Accordingly an Audit Report along with Financial Statements as on 31.03.2017 are being placed before the members for their consideration and adoption.

Furthermore as the appointment was done for a period of five years, as stipulated under provisions of Chapter X of the Companies Act, 2013 read with applicable rules, subject to ratification by members at every Annual General Meeting, hence ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

M/s R S Dani & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report of the years are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

18.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s Balraj Sharma & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as 'Annexure

The Notes referred in the Secretarial Auditors' Report are self-explanatory and do not call for any further comments. The Secretarial Auditor Report does not contain any qualifications, reservations or adverse remarks.

18.3 INTERNAL AUDITORS

Consequent upon existence of provisions of Section 138 of the Companies Act, 2013, Mr. Vishnu Singh who having vast experience in Finance and Accounts was appointed to perform the duties of Internal Auditor of the Company for financial year 2016-17 and their quarterly report was reviewed by the Audit Committee as provided by them on quarterly basis. The Report of Internal Auditors had not contain any qualifications, reservations or adverse remarks.



19. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI for statutory and non-statutory regulations. In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect to Corporate Governance the Company duly complied and submitted a quarterly report to the stock exchanges on each occasion. The Company has also followed the Corporate Governance practices, which enables it to maintain transparency and serve the long-term interest of the Shareholders. The report on Corporate Governance as on 31.03.2017 are attached hereto as a part of this Annual Report as **Annexure – IV**".

20. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of SEBI, is elaborated in a separate section forming part of the Annual Report and attached as "Annexure V".

21. DEMATERIALISATION OF EQUITY SHARES

Your Company is registered with CDSL & NSDL for dematerialization and Company's ISIN Number is INE961D01019. M/s Alankit Assignments Ltd. is acting as its agent for demat and other related requests of the shareholders for its equity shares.

22. HUMAN RESOURCES DEVELOPMENT

The Company continues to enjoy cordial and warm relations with the employees and executives at all levels. Special training programmes, workshops, seminars etc. were continued during the year with a focus towards infusion of technical skills and quality consciousness in order to improve productivity, efficiency and quality and latest technology of the employees of the Company.

23. INDUSTRIAL RELATIONS

The industrial relations among all the employees within the organization were cordial. The employees maintained highest level of discipline, decency for the growth of the organization.

24. ECOLOGY & SAFETY CERTIFICATE

The Company has taken adequate provisions for ecology and safety of plant, building and manpower's welfare activities.

25. EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the extract of Annual Return as on the Financial year ended 31st March, 2017 in Form No. MGT-9 is enclosed as "Annexure - VI" of Annual Report.

26. CONSERVATION OF ENERGY

Your Company does not fall under the list of industries which are required to furnish information in respect of conservation of energy yet the Company has taken due measures to control the wastages of energy and lights power as energy conservation dictates how efficiently a company can conduct its operations. Further you company got NOC from state pollution control of U.P. Government.

The other particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided as "Annexure VII" in this Report.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in "Annexure -VIII" as part of the Annual Report.

28. GENERAL

Your Board states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the

- **2.** Issue of equity shares with differential rights as to dividend, voting or otherwise.
- **3.** Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- **4.** Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- **5.** No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year 2016-17:

No of complaints received: Nil No of complaints disposed off: Nil

30. ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey to our Hon'ble members that over the years your deep and abiding trust and invaluable support has enabled us to continuously improve our performance despite extremely challenging times in the recent past where in sourcing raw materials /components at competitive prices have become an arduous task and further hope they will continue to give their support in full spirit in the years to come.

For and on Behalf of the Board **United Drilling Tools Limited**

sd/-

Pramod Kumar Gupta

Chairman & Managing Director

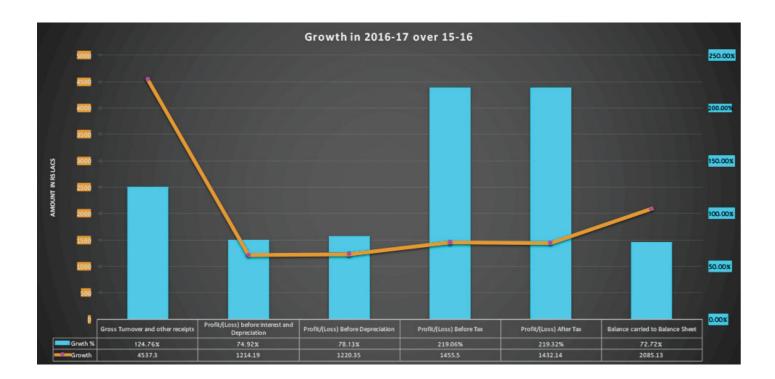
DIN: 00619482

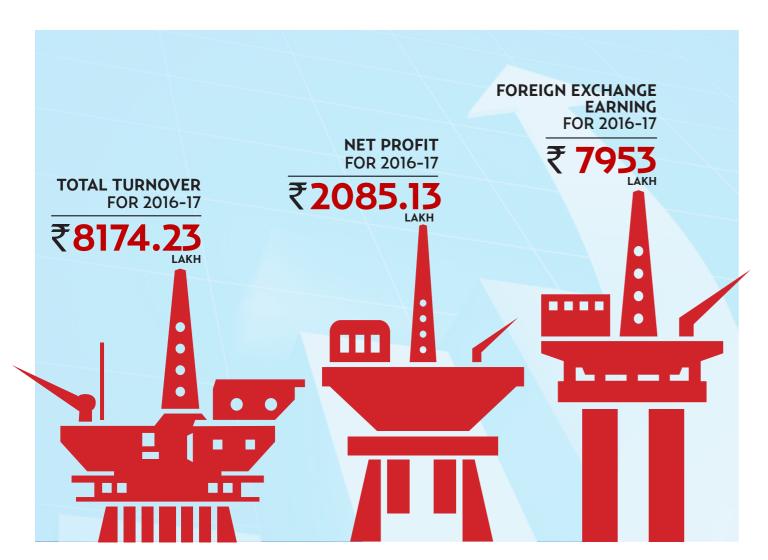
(24) (25)

Place: New Delhi

Date: 11.08.2017







ANNEXURE - I

1. Brief Outline of the CSR Policy:-

In pursuance of the provisions of Section 135 of the Companies Act, 2013 and its Rules as applicable regarding Corporate Social Responsibility, the Company has duly adopted CSR Policy and the same has been placed at the website of the company i.e. www.udtltd.com under the head "Investors".

2. Composition of CSR Committee:-

The Company constituted a CSR Committee under the Chairmanship of Mr. Shiv Sharan Kumar Bhagat, who is an Independent Director of the Company. Mr. Pramod Kumar Gupta, Managing Director of the Company has also played an important and vital role as a member of this committee. Mr. Uma Shanker Pandey, a Non-Executive Director is also a member of this Committee. To strength the committee Mr. Vidya Bhushan Mishra has been appointed as member of this committee.

- 3. Average net profit of the company for last three financial year: ₹ 12,20,05,648/-
- 4. Prescribed CSR Expenditure (two percent, of the amount as mention above): ₹ 24,40,113/-
- 5. Details of CSR spent during the financial year 2016-17:-
- . Total amount spent for the financial year: 31,14,682/-
- ii. Amount unspent, if any;- NIL/-
- iii. Manner in which the amount spent during the financial year is detailed below:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. NO.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in ₹)	Cumulative expenditure up to the reporting period (in ₹)	Amount Spent: Direct or through implementing agency
(1)	Promoting health care of senior citizen	Promoting health care	Noida, Distt Gautam Budh Nagar	1,75,000/-	1,75,000/-	1,75,000/-	Through implementing agency "HELPAGE INDIA"
(2)	Setting up old age home	Setting up old age home for physically and mentally challenged destitute and senior citizens	New Delhi	2,40,000/-	2,40,000/-	4,15,000/-	Through implementing agency "Saint Hardyal Educational and Orphan Welfare Society"

 $\overline{f(26)}$

UDTL ANNUAL REPORT • 2016 - 2017



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(3)	Reducing inequality faced by contagious disease suffered person in society.	Measures for reducing inequalities faced by contagious disease suffered person in society	New Delhi	1,00,000/-	1,00,000/-	5,15,000/-	Through implementing agency "Leprosy Mission trust of India"
(4)	Promotion of Health Care	Promoting health care	New Delhi	1,11,615/-	1,11,615/-	6,26,615/-	Through implementing agency "Sight Life"
(5)	Promoting education among disabled child of poor background	Promoting Education	New Delhi	50,000/-	50,000/-	6,76,615/-	Through implementing agency "Amar Jyoti"
(6)	Setting up / maintaining care home for HIV and aids suffer children	Setting up home care.	New Delhi	50,000/-	50,000/-	7,26,615/-	Through implementing agency "NAZ Foundation"
(7)	Promotion of Health Care	Promoting health care	New Delhi	50,000/-	50,000/-	7,76,615/-	Through implementing agency "General Williams Masonic Polyclinic"
(8)	Promotion of health as well as social activities	Promoting health care	Udaypur, Rajasthan	40,000/-	40,000/-	8,16,615/-	Through implementing agency "Narayan Sewa Sansthan"
(9)	Promoting health from society	Promoting health care	Delhi - NCR	1,20,000/-	1,20,000/-	9,36,615/-	Through "Swami Vivekananda Medical Mission" a NGO
(10)	Promoting health by eradicating drugs from children	Promoting health care	Delhi - NCR	1,30,000/-	1,30,000/-	10,66,615/-	Through implementing agency "Society for Promotion of Youth and Masses"
(11)	Serving the poor, helpless, economically weaken section of society	Eradicating hunger, poverty	Delhi - NCR	65,000/-	65,000/-	11,31,615/-	Through implementing agency "Aashray Adhikar Abhiyan"

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(12)	Promotion of health care by health Camp in rural areas near by factory	Promoting health care	Noida, Bhuda village, near sector-81	2,98,000/-	2,98,000/-	14,29,615/-	Through implementing agency "Healthy Aging India"
(13)	Eradication hunger from society.	Eradication hunger from society.	New Delhi & NCR	50,000/-	50,000/-	14,79,615/-	Through implementing agency "Sai Milan"
(14)	Providing feeding expenditure of animal	Animal welfare	Delhi	75,000/-	75,000/-	15,54,615/-	To "Delhi Pinjrapole Society (regd.)
(15)	Promotion of education in girls & animal welfare	Promotion of education in girls & animal welfare	New Delhi	1,88,000/-	1,88,000/-	17,42,615/-	Through implementing agency "Arya Kanya Gurukul"
(16)	Education development in rural area near factory of the company	Promoting Education	Village- Bhuda, near Sector-81 Noida, Distt Gautam Budh Nagar, UP	3,20,000/-	3,20,000/-	20,62,615/-	Through implementing agency "Lex Alliance Foundation"
(17)	Promoting Education in poor and unprivileged person of the society	Promoting Education	Noida , Sector-24, UP	1,10,000/-	1,10,000/-	21,72,615/-	Through implementing agency "Sai Kripa" a NGO
(18)	Donation to Old age home	Promoting old age home	Sector-50, Noida, UP	80,000/-	80,000/-	22,52,615/-	Through implementing agency "Jan Kalyan Trust"
(19)	Donation to Shelter for orphan Girls & to provide education	Promoting old age home & education	New Delhi	1,99,217/-	1,99,217/-	24,51,,832/-	Through implementing agency "Katyayni Balika Ashram"
(20)	Promotion of Education	Promotion of Education	Ghaziabad village area , UP	1,55,650/-	1,55,650/-	26,07,482/-	Through implementing agency HUMANA a NGO
(21)	Donation to Blind Institute	Promotion of Education	Delhi	70,000/-	70,000/-	26,77,482/-	Through implementing agency "Institute for Blind.

(28)



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(22)	Promotion of Education	Promotion of Education	Delhi	90,000/-	90,000/-	27,67,482/-	Through implementing agency "SANTOSH" a NGO
(23)	Donation to Old age home for Old age woman	Promoting old age home	New Delhi	1,36,200/-	1,36,200/-	29,03,682/-	Through implementing agency "Arya Mahila Ashram"
(24)	Promotion of Education	Promotion of Education	Delhi	65,000/-	65,000/-	29,68,682/-	Through implementing agency "Children Reading Society, AGEWELL Foundation & Care Promise Welfare Society" a NGO
(25)	Old age home for mentally disorder man and woman	Promotion of Old age Home	Gurgaon , Haryana	1,25,000/-	1,25,000/-	30,93,682	Through A NGO "The Earth Saviours Foundation".
(26)	Promotion of Education	Promotion of education	Noida	21,000/-	21,000/-	31,14,682/-	Directly expended over School toilet.

Note:-

- 1. Few donations/charity were given to some of the NGO's amounting to ₹ 1,04,100/-, which are not included in CSR expenses.
- 2. Total amount spent by company during financial year 2016-17 includes unspent amount ₹ 6,55,127/- which was for 2015-16.
- a. Reason for not spending the whole amount: NA
- b. We, the undersigned affirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

sd/-**Mr. Pramod Kumar Gupta** Managing Director

Chairman CSR Committee

Mr. Shiv Sharan Kumar Bhagat

ANNEXURE - II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- I. Details of contracts or arrangements or transactions not at arm's length basis:-
- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Justification for entering into such contracts or arrangements or transactions: NIL
- (f) Date(s) of approval by the Board Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL
- 2. Details of material contracts or arrangement or transactions at arm's length basis:-
- (a) Name of the related party and nature of relationship: P. Mittal Manufacturing Private Limited, (Mr. Kanal Gupta, was the Director & member and Mr. P. K. Gupta was the member of P. Mittal Manufacturing Private Limited)
- (b) Nature of contracts/arrangements/transactions: Leasing of property (Taken Plant & Machinery on lease)
- (c) Duration of the contracts / arrangements/transactions: 1 Year
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Taken Plant & Machinery at the rate of ₹ 75,000/- p.a. including all taxes for the period of 1 Year
- (e) Date of approval by the Board, if any: 21.03.2015
- (f) Amount paid as advances, if any: NIL



ANNEXURE - III

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To. The Members. United Drilling Tools Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by UNITED DRILLING TOOLS LIMITED, a company registered under the Companies Act, 1956, having its Registered Office at 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our examination and verification of the Company's books, papers, minute books, forms and returns filed and other registers and records as maintained by the Company and also the information(s) and explanation(s) provided to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2017 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place except for certain occasional non-compliances under the acts as applicable to the Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31st, 2017according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder:
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India (ICSI);
- (iii) Securities Contract (Regulation) Act, 1956('SCRA')and the rules made thereunder:
- (iv) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI)Act,

1992 ('SEBI ACT'):

- a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
- b) The SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)
- c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- d) SEBI (Prohibition of Insider Trading) Regulations, 2015
- e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable as the Company has not issued any further share capital during the period under
- f) The SEBI (Issue and listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the financial year under
- a) The SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the financial year under review)
- h) The SEBI (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ proposed to buyback any of its securities during the period under review) i) The SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period under review)
- (vi) The Compliances/processes/systems were verified on test check basis under following applicable Labour Laws from the documents/Returns/information(s) as produced before ussuch as:
 - ▶ Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
 - Employees' State Insurance Act, 1948;
 - Minimum Wages Act, 1948 read with rules made thereunder:
 - Payment of Wages Act, 1936 and rules made thereunder:

- Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975:
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act. 2013:
- National Holiday Act and National Holiday Rules,
- ▶ Employment Exchanges (Compulsory Notification of Vacancies) Act. 1959:
- Workmen's Compensation Act, 1923 read with Employees Compensation Rules, 1924;
- Factories Act. 1948:
- The Maternity Benefits Act, 1961 and the Rules made thereunder:
- Industrial Disputes Act. 1947:
- The Industrial Employment (Standing Orders) Act, 1946:
- Motor Vehicles Act, 1988
- The Public Liability Insurance Act, 1991
- ▶ The Contract Labour (Regulation And Abolition) Act,1970
- The Uttar Pradesh Municipal Corporation Act, 1959

(vii) Environmental Laws such as:

- The Water (Prevention and Control of Pollution) Act. 1974. read with the Water (Prevention and Control of Pollution) Rules, 1975;
- Air (Prevention and Control of Pollution) Act, 1981 read with U.P. Rules:
- Environment Protection Act, 1986 read with **Environment Protection Rules:**
- Noise Pollution (Control and Regulation) Rules,
- The Uttar Pradesh Fire Prevention And Fire Safety Act, 2005

(viii) Other Sector Specific Laws specifically applicable to the Company such as:

- The Micro, Small and Medium Enterprises Development Act, 2006;
- Special Economic Zones Act, 2005 and the Rules made thereunder:

As per the information(s) furnished and explanation(s) as provided by the Company, its officers, agents and authorized representatives, there were no other sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2017.

We report that, we have checked the Compliance Management System of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of applicable Laws, Rules, Regulations and Guidelines and its verification was done on test check basis. been obtained is sufficient and appropriate to provide a reasonable basis for our audit. In our opinion and to the best of our information and according to explanations given to us. we believe that there are adequate systems and processes in the Company commensurate with the size and operations of the Company and the nature of its business to monitor and ensure compliance of laws specifically applicable to the Company, including other applicable general laws like labour laws and environmental laws applicable to the Company, although it requires further strengthening and regularity.

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above except one (1) case of delay in e-filing of e- Form SH-7 which was filed with additional fees with the Office of Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

We report further that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except requisite number of Independent Directors during the period under review. During the period under Audit, the Company received Show Cause Notice Dt. 4th July, 2016 from the Securities and Exchange Board of India for failure to make disclosure under Regulation 13(4A) read with 13(5) and 13 (6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ('PIT Regulations'). Further it has been duly settled by the Company as per SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

According to the information(s) and explanation(s) given to us and records examined by us, the Company has generally been regular in depositing statutory dues and filing returns with the appropriate authorities in respect of PF, ESI and other labour laws except for few cases of delay in filing of statutory returns and payment of statutory dues. There are adequate systems and processes to ensure compliance with applicable Laws, Rules, Regulations and Guidelines particularly for labour laws and environmental laws as prima facie the records have been made and maintained by the Company. However we have not made a detailed examination of the same with the view to determine whether they are accurate or complete.

We further report that the compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws has not been reviewed; since the same have been reviewed by Statutory Auditors and other designated professionals and we have relied upon the same.

Adequate notices were given to all directors to schedule the Board Meetings and its Committees Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and as system exists for seeking and obtaining

Equal Remuneration Act, 1976; Payment of Gratuity Act, 1972, and rules made However, we have not made a detailed examination of the said records. We believe that the audit evidence which have further information and clarifications on the agenda items thereunder:



before the meeting and for meaningful participation at the meeting. The Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to

be captured and recorded as part of the minutes. Majority decisions are carried through while the dissenting members views are captured and recorded as part of the minutes.

For Balraj Sharma & Associates

Company Secretaries sd/-**Balraj Sharma** (Proprietor)

Place: New Delhi FCS No.: 1605 Date: 11.08.2017 C P No.:824

Note:- This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

To. The Members United Drilling Tools Limited

"ANNEXURE-A"

Our report of even date is to be read along with this letter

- 1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Wherever required, we have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Balraj Sharma & Associates

Company Secretaries sd/-

Balraj Sharma

(Proprietor) FCS No.: 1605

Place: New Delhi C P No.:824 Date: 11.08.2017

ANNEXURE- IV



(1) COMPANY'S PHILOSOPHY

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good Governance practices stem from the dynamic culture and positive mindset of the organization. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demand of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

The Company adheres to Good Corporate practices and is constantly striving to better them and adopt emerging best practices. It is believed that adherence to business ethics and commitments to Corporate Social Responsibility have enabled the Company to achieve its goals of building India through maximizing value for all its stakeholders. By combining ethical values with the business acumen, strengthening of professional resources with national interests and core business with emerging business, the Company maintains its legendary status of respected Manufacturing Company. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming India's most valuable Manufacturing Company, while upholding the core values of excellence, integrity, responsibility, quality and customer services, which are fundamental to UDTL.

(2) BOARD OF DIRECTORS

The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board of Directors (the Board), an apex body formed by the shareholders, serve and protect the overall interests of stakeholders; provides and evaluates the strategic directions of the Company; formulates and reviews management policies and ensure their effectiveness. As of 31st March 2017, the Chairman and Managing Director managed the business of the Company under the overall supervision and quidance of the Board.

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March 2017, the total strength of the Board was Nine (9) Directors with an Executive Chairman. None of the Director is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across in all Companies in which they are

The Company has benefited from the professional expertise of the Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

2.1 BOARD MEETINGS

During the financial year under review 05 (Five) Board Meetings were held and the gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held are 21.05.2016, 06.08.2016, 21.09.2016, 10.11.2016, & 13.02.2017.

2.2 COMPOSITION AND ATTENDANCE

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies are given herein below.



Name of Directors	Category	201	cial Year 6-2017 dance at	No. of Directorship in other companies*		No. of Committee position held in public companies including UDTL	
		Board Meeting	Last AGM	Chairman	Member	Chairman	Member
Mr. Pramod Kumar Gupta	Executive	05	Yes	NIL	NIL	01	01
Mr. Shiv Sharan Kumar Bhagat	Independent & Non Executive	05	Yes	NIL	NIL	01	02
Mr. Vidya Bhushan Mishra	Independent & Non Executive	05	Yes	NIL	NIL	01	02
Mr. Krishan Diyal Aggarwal	Independent & Non Executive	04	No	NIL	NIL	01	02
Mr. Uma Shanker Pandey	Non-Executive	02	No	NIL	NIL	NIL	03
Mr. Kanal Gupta	Non Executive Director	04	Yes	NIL	01	01	02
Ms. Sarita	Woman Director	03	Yes	NIL	NIL	NIL	03
Mr. Pandian Kalyanasundaram	Independent & Non Executive Director	04	Yes	NIL	NIL	01	02
Mr. Inderpal Sharma	Additional Director	01	No	NIL	NIL	NIL	NIL

Notes:

- 1. The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- **2.** None of the Director is a member of the Board in more than 20 companies including alternate Directorship in terms of Section 165 of the Companies Act, 2013 or more than 10 public Companies; As per Listing Agreement Directors are not member in more than 10 Committees and Chairman of more than 5 Committees, across all Companies in which he is a Director.
- **3.** In pursuant to the provisions of Section 2(77) of Companies Act, 2013 and Rule 4 of the Companies (Specification of details) Rule-2014, Mr. Kanal Gupta, is related to Mr. Pramod Kumar Gupta, Managing Director of the Company.
- 4. Mr. Kanal Gupta, Non-Executive Director hold 1,000 (One Thousand) Equity Shares in the Company.
- **5.** Mr. Inderpal Sharma was appointed as additional Director of the Company in its meeting held on 10.11.2016. The Company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company.

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Web link: **www.udtltd.com**

2.3 RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief resume of Directors retiring by rotation and seeking re-appointment is appended to the notice for calling the Annual General Meeting.

3. COMMITTEES OF THE BOARD

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has five committees i.e. Audit Committee, Nomination and Remuneration Committee. Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Ethics Committee, in which Risk Management Committee is optional to our Company. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided helow:

3.1 AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

a) The terms of reference of the Audit Committee are broadly as under:

(i) The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
(ii) review and monitor the Auditor's Independence and Performance, and effectiveness of audit process;

(iii) Examination of the Financial Statements and the Auditors' Report thereon;

(iv) approval or any subsequent modification of transactions of the Company with Related Parties;

(v) scrutiny of Inter-Corporate Loans and Investments;

(vi) valuation of undertakings or assets of the Company, wherever it is necessary;

(vii) evaluation of Internal Financial Controls and Risk Management Systems;

(viii) monitoring the end use of funds raised through Public Offers and related matters.

b) Composition

The Audit Committee of the Board is presently headed by Mr. Pandian Kalyanasundaram, an Independent Non-Executive Director who was appointed on Board meeting held on 13.02.2017 in place of Mr. Vidya Bhushan Mishra. Mr. Pandian Kalyansundaram has vast, diverse and enriched experience in Financial Management, Corporate Affairs, Accounting and Audit matters. The other members of the Committee are Mr. Krishan Diyal Aggarwal, and Mr. Shiv Sharan Kumar Bhagat, all are Independent Non- Executive Director. All the members have requisite Financial, Accounting and Management experience. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company Secretary of the Company is a secretary of the Audit Committee.

c) Meetings and Attendance

During the year 2016-17, the members of the Audit Committee met Four (4) times i.e. on 21.05.2016, 06.08.2016, 10.11.2016 & 13.02.2017. The table below gives the attendance record of the Audit Committee meetings.

NUMBERS OF MEETINGS HELD AND ATTENDANCE:-

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	04	04
Mr. Vidya Bhushan Mishra	04	04
Mr. Shiv Sharan Kumar Bhagat	04	04
Mr. Pandian Kalyanasundaram	04	02

Minutes of the meetings of the Audit Committee are approved by the Chairman of the Committee and are noted and confirmed by the Board in its next meeting.



3.2 NOMINATION & REMUNERATION COMMITTEE

a) Terms of reference:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

Provided that such policy shall be disclosed in the Board's Report.

b) Composition

The Remuneration Committee comprises of three [3] Directors as on 31st March 2017. Mr. Krishan Diyal Aggarwal, Independent Non-Executive Director, is the Chairman of the Committee and the other members of the Committee are Mr. Vidya Bhushan Mishra and Mr. Shiv Sharan Kumar Bhagat. They all are Independent and Non-Executive Director of the company

c) Meetings and Attendance

During the year 2016-17, there was three (3) meeting of Nomination and Remuneration Committee held as on 06.08.2016, 10.11.2016 & 13.02.2017.

d) Performance Evaluation criteria for Independent Directors and Board

In pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Performance Evaluation criteria for Independent Directors has adopted by Nomination and

Remuneration committee is based on the following facts:

A. Role and Accountability of the Independent Directors: It includes

- a) Understanding of nature and role of Independent Directors' position
- b) Understanding of risks associated with the business
- c) Application of knowledge for rendering advice to the Management for resolution of business issues
- d) Active engagement with the Management and attentiveness to progress of decisions taken
- B. Objectivity: It includes:
- a) Non-partisan appraisal of issues
- **b)** Own recommendations given professionally without tending to majority or popular views
- C. Leadership & Initiative: It includes:
- a) Heading Board Sub-Committees
- **b)** Driving any function or identified initiative based on domain knowledge and experience

D. Personal attributes: It includes:

- a) Commitment to role & fiduciary responsibilities as a Board Member
- **b)** Attendance and active participation and not done perfunctorily
- c) Proactive, strategic and lateral thinking

REMUNERATION OF DIRECTORS

The Company has paid sitting fee to all the Non-Executive Directors of the Company except Mr. Uma Shanker Pandey of Rs. 3,5 who provides Consultancy Services in area of Administration and get Consultancy Fee along with sitting fee. There is no pecuniary relationship between Non-Executive Directors and the Company except sitting fee paid to them for attending meeting of the Board and Committees. Further it is important to mention here that only an Executive Director,

Mr. Pramod Kumar Gupta, gets remuneration of an amount of Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month amounting Rs. 42 lacs annually as prescribed by Schedule V of the Companies Act, 2013 which includes all perquisites and benefits except as provided by Section IV of Schedule V of the Companies Act, 2013. There is no stock option to the Directors of the Company in reference to their Services.

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Pramod Kumar Gupta
01	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	41,78,400
	(b) Contribution to P.F.	21,600
	Total (A)	42,00,000

B. SITTING FEE AND REMUNERATION OF OTHER DIRECTORS:

(Amount in ₹)

S. No.	Particulars of		Name of Directors				
	Remuneration	Mr. Krishan Diyal Aggarwal	Mr. Shiv Sharan Kumar Bhagat	Mr. Vidya Bhushan Mishra	Mr. Uma Shanker Pandey	Mr. Pandian Kalyanasundaram	Ms. Sarita
01	• Fee for attending Board Committee Meeting	70,000	90,000	15,000	35,000	75,000	60,000
02	Commission	NIL	NIL	NIL	NIL	NIL	NIL
03	• Others, Consultancy	NIL	NIL	NIL	81,000	NIL	NIL
	Total (1)	70,000	90,000	15,000	1,16,000	75,000	60,000

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

As per the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, under the Chairmanship of Mr. Vidya Bhushan Mishra, an Independent Director of the Company, the Board of the Company has constituted such Committee for redressal of Stakeholder Grievances. Mr. Uma Shanker Pandey, Director of the Company, is another member of this Committee and Mr. P.K. Ojha, Company Secretary of the Company acts as

a Compliance Officer of this Committee. To strengthen the committee Mr. Kanal Gupta, Mr. Krishan Diyal Aggarwal and Mr. Pandian Kalyanasundaram are appointed as member of the committee

During the financial year 2016-17, there were Five (5) meetings held by this Committee, the details of which are given below:-

21.05.2016, 06.08.2016, 10.11.2016, 13.02.2017 and 24.03.2017:

NUMBERS OF MEETINGS HELD AND ATTENDANCE:

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Vidya Bhushan Mishra	05	05
Mr. Kanal Gupta	05	03
Mr. Krishan Diyal Aggarwal	05	01
Mr. Pandian Kalyanasundaram	05	01
CS. P.K. Ojha	05	05



FOLLOWING ARE THE DETAILS OF THE SHAREHOLDERS' COMPLAINTS DURING THE F.Y 2016-17

Number of complaint received During the financial year 2016-17	Number of complaint Resolved during the year	Pending complaints
NIL	NIL	NIL

4. GENERAL BODY MEETINGS

(a) Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed thereat:

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2013-14	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Tuesday, the 11th day of November, 2014 at 11.00 A.M.	Yes
2014-15	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Monday, the 14th day of September,2015 at 11.00 A.M	Yes
2015-16	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Wednesday , the 21st day of September,2016 at 11.00 A.M	No

b) Postal Ballot:

There was no any resolution passed during the year under preview through Postal Ballot.

5. MEANS OF COMMUNICATION

a) Quarterly results:

No. of Quarter	Date of Board Meeting	Date of Intimation
1st Quarter	06.08.2016	06.08.2016
2nd Quarter	10.11.2016	10.11.2016
3rd Quarter	13.02.2017	14.02.2017
4th Quarter	27.05.2017	27.05.2017

b) The Company regularly intimates information like Quarterly Financial Results. The Financial Results are normally published in Jan Satta (Hindi) and Financial Express (English).

c) Financial Results were displayed both the website of the Stock Exchange i.e. **www.bse.india.com** and on the Company's website **www.udtltd.com**.

6. GENERAL SHAREHOLDERS INFORMATION

a) ANNUAL GENERAL MEETING

Date: 25th September, 2017

Day: Monday
Time: 10:30 A.M

Venue: Maharani Bagh Community Centre, 1, Central Avenue Maharani Bagh New Delhi-110065

b) FINANCIAL YEAR: 1st April 2016 to 31st March, 2017

c) DIVIDEND PAYMENT DATE: 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 September 26, 2017:

d) NAME OF STOCK EXCHANGE:

BSE Limited

P.J. Tower, Dalal Street,

Mumbai-400001

The Company has paid Annual Listing Fee for the Financial Year 2016-17.

e) STOCK CODE:-522014

f) MARKET PRICE DATE DURING THE FINANCIAL YEAR APRIL, 2016 TO MARCH, 2017:-

S. No	Name of the Month	High Price	Low Price	Number of Meeting Attended
1.	April-2016	56.7	47.5	3586
2.	May-2016	62.75	45.15	11757
3.	June-2016	72	54.95	7345
4.	July-2016	73	61.1	15373
5.	August-2016	102.2	63.2	43181
6.	September-2016	118.8	107.3	79045
7.	October-2016	154.4	124.7	42723
8.	November-2016	200.7	136.6	172158
9.	December-2016	219.75	169.1	54769
10.	January-2017	262	207.05	35996
11.	February-2017	258.95	185.25	24300
12.	March-2017	256	190	19070

g) Registrar to an Issue and Share Transfer Agents:

Alankit Assignments Limited 1E/13, Alankit Height Jhandewalan Extension, New Delhi-110055

h) Share Transfer System;-

The Company has appointed Share Transfer Agent for transfer of shares in electronic and physical form duly on time and in accordance with the legal provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



i) Distribution of shareholding:

DISTRIBUTION SUMMARY AS ON 31/03/2017

Shareholding	SHAREHOLDER			Total	%
No of shares	Physical Number	NSDL Number	CDSL Number		
1 to 5000	4275	677	540	5492	99.728
5001 to 10000	1	3	4	8	0.145
10001 to 20000	0	3	1	4	0.073
20001 to 30000	0	0	0	0	00
30001 to 40000	0	0	0	0	00
40001 to 50000	0	0	0	0	00
50001 to 100000	0	0	0	0	00
100001 to 500000	0	0	1	1	0.018
500001 to Above	1	0	1	2	0.036
Total	4277	683	547	5507	100

Total	21833450	2730720	77719960	1022841300	100
500001 to above	13088890	0	71819000	84907890	83.012
100001 To 500000	0	0	3958050	3958050	3.87
50001 to 100000	0	0	0	0	0
40001 to 50000	0	0	0	0	0
30001 to 40000	0	0	0	0	0
20001 to 30000	0	0	0	0	0
10001 to 20000	0	327650	150320	477970	0.467
5001 to 10000	61000	211700	248270	520970	0.509
1 to 5000	8683560	2191370	1544320	12419250	12.142
value of ₹ ₹	Physical (in ₹)	NSDL (in ₹)	CDSL (in₹)		
Shareholding	SH	AREHOLD	ER	Total	%

(J) Dematerialization of shares as on 31.03.2017

PHYSICAL/NSDL/CDSL/SUMMARY REPORT AS ON 31ST MARCH, 2017

Particulars	Shares	Percentage (%)
Physical	21,83,345	21.35
NSDL	2,73,072	2.67
CDSL	77,71,996	75.98
Total	1,02,28,413	100

(a) Plant Locations:

- **1.** C-41, sector 81, Noida-201305
- 2. Plot No. 129G/25-26, NSEZ, Noida-201305
- 3. Plot No. 523, New Area, KSEZ, Gandhidham, Kutch-370230

(b) Address of Correspondence:-

A-22. Phase-II. Noida-201305

7. OTHER DISCLOSURE:

(a) Related Party Transactions

There is no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Although, the Company has adopted a policy to determine material Related Party Transactions and all such transactions must be approved by the Audit Committee on basis of relevant disclosures.

(b) Compliances

The Company has duly complied all the compliances which were required under the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable acts, rules and regulations related to the capital market during the year.

(c) Vigil Mechanism and Whistle Blower Policy

The Company has duly established Vigil Mechanism and adopted Whistle Blower Policy by Board in its meeting held on 22.05.2015. It was duly affirmed that no personnel was denied access to the Audit Committee during the financial year.

- (d) The Company has duly complied with the mandatory requirements during the Financial Year 2016-17 within time limits as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (e) Web Link for determining 'Material Subsidiary" and "policy on dealing with related party transaction" in link "Investors" on the website www.udtltd.com.
- **8.** The Company has duly complied & disclosed to the extent of relevant provisions as applicable to the Company all the requirements of Corporate Governance Report as required under sub paras (2) to (10) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

9. Disclosure about discretionary requirements:

(a) The Board:-

The Chairperson of the Board of the Company is an Executive Director, so far as no need to maintain separate office for Non-Executive chairperson on Company expenditure.

(b) Shareholders Rights

The quarterly and half-yearly financial results are published in widely circulated dailies newspapers as per requirement of SEBI listing regulations and also displayed on Company's website www.udtltd.com. Hence, these are not essential to send financials, individually to the Shareholders. Further the annual report of the company duly send to each of the members of the company by register post.

 $(42) \qquad (43)$

(H)

(c) Modified opinion (S) in Auditor Report

There are no Qualifications and modified opinion given in the Auditors' Report on Financial Accounts of the Company hence no need to deal the same in the Directors' Report. In present AGM, the financials for year ended 31.03.2017 is being placed for adoption.

(d) Separate posts of Chairman and CEO:

The Company does not have a CEO and therefore there are no separate posts.

(e) Reporting of Internal Auditor:

The Internal Auditor reports to the Audit Committee.

For and on Behalf of the Board
United Drilling Tools Limited

10. The Company has duly complied during the Financial

Year 2016-17 all the requirements as specified under

Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of

Regulation 46 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. Further the Company

has an updated website i.e. www.udtltd.com on which all

relevant disclosures as required by the said regulations has

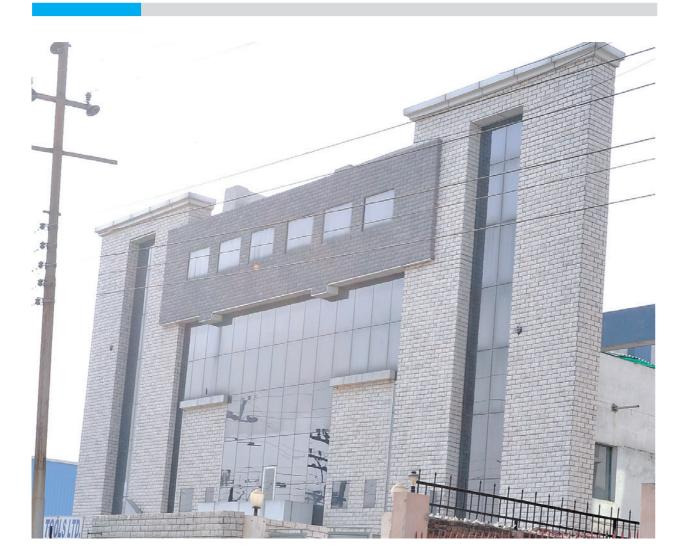
been duly made promptly and properly.

Pramod Kumar Gupta

(Chairman & Managing Director)

DIN: 00619482

Place: New Delhi Date: 11.08.2017



ANNEXURE - V



1. OVERVIEW

The economy witnessed divergent trends and stress on major oil producing countries as a direct result of sharp decline in energy prices, whole of the year leading to lower demand for products dealt by your Company.

Despite unpredictable headwinds, the global economic recovery is gaining momentum. These winds of positive change have masked the growth divergence among major economies and India is seemingly benefiting most out of it. Specifically, the recovery in United States was stronger than expected, while performance in Japan and Euro zone has fallen short of expectations.

India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, and structural reforms to boost investments. The manufacturing sector is likely to benefit from lower interest rates. However, productivity and capital efficiency improvement are likely to drive near-term growth.

Despite the significant decline in commodity prices, UDTL delivered a reasonable financial performance, led by descent earnings. The benefits from demand revival and strong product margins shall improve the bottom line for your Company and result of which will be seen in times to come.

(a) INDUSTRY STRUCTURE & DEVELOPMENT

The Company is manufacturing and supplying various kind of oil drilling tools, equipment and accessories to clients of repute like Oil & Natural Gas Corporation Ltd. and Oil India

Ltd. Your Board is very much confident about the success of the existing as well as new projects. The Company has developed a new product Truck mounted wireline winch with crane" by applying it latest technology. Our company devoted its man and money towards development of latest technology and design.

(b) MARKET ENVIRONMENT AND OUTLOOK

FY 2016-17 provided various industries with both challenges and opportunities. The major reform in indirect tax and Demonetization by the Central Government steep decline in Indian market during the year was a reason of slow down by Energy Companies leading to slowdown to some extent in demand for your Company's products as well. In spite of market uncertainty, you company was able to maintain its more profit and more presence in capital as well.

(c) OPPORTUNITIES & THREATS

As oil market is totally in a swing mood creating vast opportunity for the industry as a whole, the Company has taken various steps to capture larger share in the market. The management is optimistic as to the future outlook of the Company in the medium to long term prospective.

(d) RISKS & CONCERNS

The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth. Your Company is tender based company which fully depends upon demand and supply of the products. Further operational risk of UDTL has been very safe due to up keeping of maintenance schedules as recommended. The Board is concerned over the state of affairs and shall take suitable steps, yet the regulatory risk involved cannot be ruled out.

(e) INTERNAL CONTROL SYSTEMS & ITS ADEQUACY

As a major thrust to implement Corporate Governance in the organization, your Company has already constituted Committees like Audit Committee, Stakeholders' Grievance Committee and Nomination and Remuneration Committee.



The Company hopes that with more transparency, the Company will be enhanced to maintain a fair growth during the next fiscal year. Internal control systems have been tightened with Internal Audit Committee, besides holding regular meetings with Departmental Heads to monitor progress or problems and sorting them out.

HR function has strengthened its impact in its day-to day functioning, and is raising its bar of excellence to ensure timely availability of necessary talent and capabilities and engage and help talent to perform sustainably. The function continues to strive towards ensuring that the HR philosophy is translated into action.

(f) DISCUSSION ON FINANCIAL PERFORMANCE

In spite of critical market situation our Company delivered superior financial performance on a consolidated basis, with improvements across key parameters. As already detailed in the financial highlights the revenue generation of the Company was not higher but satisfactory as compared to viewing the market trend of Oil Industries, because of various positive factors and steps initiated by management towards progress of the Company.

(q) HUMAN RESOURCE

Place: New Delhi

Date: 11.08.2017

Human resource in UDTL continues to be core strength and always endeavors to work towards having sound, proactive & progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations. The

(h) FINANCE AND CONTROL

UDTL's Finance Team at the corporate level is complemented by independent finance teams of various business units to ensure an effective and dynamic system of flexibility and control. This structure ensures financial propriety and accurate reporting of business transactions, ensuring that all statutory requirements are strictly adhered to and are continuously monitored.

2. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has adopted Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and Companies Accounting (Standards) Rules, 2014. It represents true and fair view of the underlying business transactions.

For and on Behalf of the Board
United Drilling Tools Limited
sd/Pramod Kumar Gupta

Chairman & Managing Director

DIN: 00619482

ANNEXURE - VI FORM NO. MGT-9

EXTARCT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017 [Pursuant of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: L29199DL1985PLC015796
- ii) Registration Date: 24.05.1985
- iii) Name of the Company: United Drilling Tools Limited
- iv) Category/Sub-Category of the Company: Company having Share Capital
- v) Address of the Registered Office and Contact Details:

139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001 Phone (H.O. & Works): 0120-4842400, Fax: 0120-2462675 R.O: 011-43502330

- vi) Whether listed Company: Yes
- vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any:

Alankit Assignments Limited 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055 Tel. No. 011-42541956

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. NO	Name and Description of main Products/services	NIC Code of the Product/Service	% to Total turnover of the company	
1.	Casing Pipe	28221	78.83	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/SUBSIDIARY /ASSOCIATES	% OF SHARES HELD	APPLICABLE SECTION
1.	The company has no ho	lding, Subs	idiary and Associate comp	anies.	

IV. SHAREHOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)

) Category -wise Share Holding



Category of Shareholders		Shares he			No.		held at the	end	% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters a) Individual/ HUF	75,68,505	00	75,68,505	73.99	75,78,705	0	75,78,705	74.09	Increased by 0.1%
b) Central Govt.	00	00	00	00	00	00	00	00	
c) State Govt.(s)	00	00	00	00	00	00	00	00	
d) Bodies Corp.	00	00	00	00	00	00	00	00	-
e) Banks/FI	00	00	00	00	00	00	00	00	
f) Any other	00	00	00	00	00	00	00	00	
Sub-Total (A) (1):-	75,68,505	00	75,68,505	73.99	75,78,705	0	75,78,705	74.09	
(2) Foreign a) NRIs- Individuals	00	00	00	00	00	00	00	00	
b) Others Individuals	00	00	00	00	00	00	00	00	
c) Bodies Corp:	00	00	00	00	00	00	00	00	
d) Banks / FI	00	00	00	00	00	00	00	00	
e) Any other	00	00	00	00	00	00	00	00	1
Sub Total (A) (2);-	00	00	00	00	00	00	00	00	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	75,68,505	00	75,68,505	73.99	75,78,705	00	75,78,705	74.09	
B. Public Shareholding 1. Institutions a) Mutual Funds	00	00	00	00	00	00	00	00	
b) Banks/Fi	00	00	00	00	00	00	00	00	
c) Central Govt.	00	00	00	00	00	00	00	00	
d) State Govt(s)	00	00	00	00	00	00	00	00	
e) Venture Capital funds	00	00	00	00	00	00	00	00	

Category of Shareholders		of Shares he ginning of th			No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
f) Insurance Companies	00	00	00	00	00	00	00	00	
g) FIIs	00	00	00	00	00	00	00	00	
h) Foreign Venture Capital Funds	00	00	00	00	00	00	00	00	
i) Others (Specify)	00	00	00	00	00	00	00	00	
Sub-total (B) (1):-	00	00	00	00	00	00	00	00	
2. Non – Institutions a) Bodies Corp.	00	00	00	00	00	00	00	00	
i)Indian	36,214	13,16,239	13,52,453	13.22	47,469	13,16,239	13,63,708	13.33	+0.11
ii) Overseas	00	00	00	00	00	00	00	00	00
b) Individuals i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	3,63,948	9,01,556	12,65,504	12.37	4,11,522	8,50,506	12,62,028	12.34	-0.03
ii) Individuals shareholders holding nominal share Capital in excess of Rs. 2 lakh	20,200	00	20,200	0.20	00	00	00	0.00	-0.20
c) Others (Specify)	3,688	16,600	20,288	0.20	6,922	16,600	23,522	0.23	+0.03
NRI NBFCs registered with RBI	1,063	00	1063	0.01	50	00	50	0.00	
Trust	400	00	400	0.01	400	00	400	0.01	No change
Sub Total (B) (2);-	4,25,513	22,34,395	26,59,908	26.01	4,66,363	21,83,345	26,49,708	25.91	-0.1 (decrease)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,25,513	22,34,395	26,59,908	26.01	4,66,363	21,83,345	26,49,708	25.91	-0.1 (decrease)



Category of No. of Shares held at the Shareholders beginning of the year			No. of shares held at the end of the year				% Change during the year		
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
C. Shares held by Custodian for GDRs &ADRs	00	00	00	00	00	00	00	00	
Grand Total (A+B+C)	79,94,018	22,34,395	1,02,28,413	100	80,45,068	21,83,345	1,02,28,413	100	No Change

(i) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Sha				
		No. Of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	% change in share- holding during the year
1.	Pramod Kumar Gupta	71,81,900	70.22	NIL	71,81,900	70.22	NIL	NIL
2.	Kanal Gupta	3,85,105	3.77	NIL	1000	0.01	NIL	Decrease by 3.76%
3.	Prabha Gupta	1,500	0.01	NIL	3,95,805	3.87	NIL	Increase by 3.86%
	Total	75,68,505	73.99	NIL	75,78,705	74.09	NIL	Increase by 0.1%

(ii) Change in Promoters' Shareholding (please Specify, if there is no change)

S. No.		_	at the beginning ne year	Cumulative Shareholding during the year		
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company	
1.	AT the beginning of the year	75,68,505	73.99	75,68,505	73.99	
2.	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus /sweat equity etc.);	10,200 equity shares has been purchased by Mr. Kanal Gupta during the financial year 2016-17 in physical mode	0.10	75,78,705	74.09	
3.	At the end of the year	75,78,705	74.09	75,78,705	74.09	

(iii) Shareholding Pattern of Top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.			at the beginning ne year	Cumulative Shareholding during the year		
	For the Top 10 Share holders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	At the beginning of the year	13,89,753	13.59	13,89,753	13.59	
2.	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus /sweat equity etc.);	Increased by 49221 equity shares due to transfer of shares	0.48	14,28,974	14.07	
3.	At the End of the year (or on the date of separation, if separated during the year)	14,38,974	14.07	14,38,974	14.07	

(iV) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	1			areholding during e year	
Name of Director	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1. Mr. Pramod The winner					
At the beginning of the year	71,81,900	70.22	71,81,900	70.22	
Increase /Decrease during the year with reason	NIL	NIL	71,81,900	70.22	
At the End of the year	71,81,900	70.22	71,81,900	70.22	
2. Mr. Kanal Gupta					
At the beginning of the year	3,85,105	3.77	3,85,105	3.77	
Increase /Decrease during the year with reason	Decrease by transfer of 3,84,105 equity shares as gift	Decrease by 3.76%	1,000	0.01	
At the End of the year	1,000	0.01	1,000	0.01	
3. Mr. K.D. Aggarwal	1		1	1	
At the Beginning & end of the year2016-17 At the End of the year	300	0.0029	300	0.0029	

Notes: Except above Directors no other directors and KMP hold any shares of the Company.

 $\underline{\hspace{1.5cm}}^{\hspace{1.5cm}}$



V. INDEBTEDNESS:- Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

				(Amount in <)
	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	9,51,29,296	44,00,000		9,95,29,296
Total (i+ii+iii)	9,51,29,296	44,00,000	NIL	9,95,29,296
Changes in Indebtedness during the financial year • Additional • Reduction	- 9,42,59,032	- 44,00,000		- 9,86,59,032
Net Change	9,42,59,032	44,00,000	NIL	9,86,59,032
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	8,70,264 4,06,697	-	-	8,70,264 4,06,697
Total (i+ii+iii)	12,76,961	NIL	NIL	12,76,961

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manger	Total Amount
		Pramod Kumar Gupta	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	42,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) income tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of Profit - others, specify	NIL NIL	NIL NIL
5.	Others , please specify	NIL	NIL
	Total (A)	42,00,000	42,00,000
	Ceiling as per the Act (Schedule-V)	42,00,000	42,00,000

B. Remuneration (in ₹) of other Directors:

Particulars of Remuneration		Name	of Directors	5			Total Amount
	Mr. Krishan Diyal Aggarwal	Mr. Shiv Sharan Kumar Bhagat	Mr. Vidya Bhushan. Mishra	Mr. Uma Shanker Pandey	Mr. Pandian Kalya- nasundaram	Ms. Sarita	
1. Independent Directors • Fee for attending Board Committee Meeting	70,000	90,000	15,000	NIL	75,000	60,000	3,10,000
Commission	NIL	NIL	NIL	NA	NIL	NIL	NIL
Others, Please specify	NIL	NIL	NIL	NA	NIL	NIL	NIL
Total (1)	70,000	90,000	15,000	NIL		60,000	3,10,000
2. Others Non- Executive Directors							
Fee for attending Board committee meeting				35,000			35,000
Commission				NIL			NIL
Others, please specify (Consultancy fee)				81,000			81,000
Total (2)				1,16,000	75,000		1,16,000
Total (B) =(1+2)	70,000	90,000	15,000	1,16,000		60,000	4,26,000
	Total Ma	nagerial Rem	uneration				46,26,000
Overall Ceiling as per act Total managerial Remuneration shall not increase 11% of Net Profit of the Company.							Company.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

					(Amount in <)		
S. No.	Particulars of Remuneration	Key Managerial Personnel					
		CEO	Company Secretary	CF0	Total		
1.	Gross Salary (a) Salary as per provision of Contained in section 17(1) of the Income tax Act,1961	No CEO in the company	5,44,606	4,30,800	9,75,406		
	(b) Value of perquisites u/s 17(2) income tax Act,1961		NIL	NIL	NIL		
	(c) Profit in lieu of salary u/s 17(3) Income tax Act,		NIL	NIL	NIL		
2.	Stock Option	NA	NIL		NIL		
3.	Sweat Equity	NA	NIL		NIL		
4.	Commission - as % of Profit - others, specify	NA	NIL		NIL		
5.	Others , please specify	NA	NIL	NIL	NIL		
	Total (A)		5,44,606	4,30,800	9,75,406		

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act,	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)		
A. COMPANY							
Penalty	NIL	NIL	NIL	NIL	NIL		
Punishment	NIL	NIL	NIL	NIL	NIL		
Compounding	NIL	NIL	NIL	NIL	NIL		
B. DIRECTORS							
Penalty	NIL	NIL	NIL	NIL	NIL		
Punishment	NIL	NIL	NIL	NIL	NIL		
Compounding	NIL	NIL	NIL	NIL	NIL		
C. OTHERS IN DEFAULT OFFICERS							
Penalty	NIL	NIL	NIL	NIL	NIL		
Punishment	NIL	NIL	NIL	NIL	NIL		
Compounding	NIL	NIL	NIL	NIL	NIL		

ANNEXURE - VII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Energy conservation continues to be an area of focus for United Drilling Tools Limited. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives towards conservation of energy were:

- improved monitoring of energy consumption through smart metering and integration with building management systems;
- creating awareness amongst associates on energy conservation through campaigns and events;

(B) R&D and Technology absorption:

Your company has put a great emphasis on R&D and Technology absorption thus making the quality of its product and developing new products to minimize its cost and maximize its sale and profits. The company keeps on getting new strides in developing these products and developing new technology and in the process of patenting them so that future growth of the company continues and maintain its position as one of the world leading business in manufacturing similar products.

(C) Foreign exchange earnings and Outgo:

The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)		
Foreign Earning at FOB value	79,53,75,967	33,94,62,147		
Outgo: Total foreign Exchange outgo including cost of Imported material	6,57,11,323	2,85,56,973		

(54)



ANNEXURE - VIII

STATEMENT OF PARTICULARS OF EMPLOYEES

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) Number of Employees on roll :- 148 (One Hundred Forty Eight)
- ii) Average increase in salary of the Employee of the company:- 5 (Five) Percent.
- iii) Employed throughout the Financial Year 2016-17

	Name	Age	Qualification	Designation	Date of commencement of employment	Experience	Gross remuneration	Previous employment	Designation
--	------	-----	---------------	-------------	------------------------------------	------------	-----------------------	------------------------	-------------

None of the Employees of the Company was in receipt of ₹ Sixty Lacs or more for the employment of whole financial year.

iv) Employed for a part of the Financial Year 2016-17

Name Age Qualification Designation Date commof er	
---	--

None of the Employees of the Company was in receipt of ₹ Five Lacs monthly as a salary for his/her part time employment.

V) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Pramod Kumar Gupta Managing Director	42,00,000	NIL	22.59:1	Satisfactory
2.	Mr. Shiv Sharan Kumar Bhagat Independent Director	90,000	13% increment	0.48:1	
3.	Mr. Krishan Diyal Aggarwal Independent Director	70,000	13% increment	0.38:1	
4.	Mr. Vidya Bhushan Mishra Independent Director	15,000	NIL	0.08:1	
5.	Mr. Uma Shanker Pandey Non-Executive Director	1,16,000	13% increment	0.62:1	
6.	Mr. Kanal Gupta Non-Executive Director	NIL	NIL	NIL	
7.	Mr. Pandian Kalyansundaram	75,000	NIL	0.40:1	
8.	Ms. Sarita	60,000	NIL	0.32:1	
9.	Mr. Arun Kumar Thakur (CF0)	4,30,800	9% increment	2.32:1	Satisfactory
10.	Mr. P.K. Ojha (Company Secretary)	5,44,606	10.9% increment	2.93:1	Satisfactory

(Note: Sitting fee given to Director for Board and Committee meeting taken as remuneration and Median is taken as ₹1,85,910, the % increase in median in caparison to last financial year is 3 (three).

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year – Not Applicable; and It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

 $\underline{(56)}$

Place: New Delhi

Date: 11.08.2017



TO WHOMSOEVER IT MAY CONCERN

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's Website.

I confirm that the Company has in respect of the year ended March 31, 2017 received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For and on Behalf of the Board

DIN: 00619482

United Drilling Tools Limited

Pramod Kumar Gupta Chairman & Managing Director

INDEPENDENT AUDITOR COMPLIANCE CERTIFICATE

To the members of

United Drilling Tools Limited

- 1. We have examined the compliance of conditions of Corporate Governance by United Drilling Tools Limited ("the Company") for the year ended on 31st March, 2017 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2016 to March 31, 2017.
- 2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- 3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- 4. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2017.
- 5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R S Dani & CO. **Chartered Accountants** (F R N.: 000243C)

CA Ashok Mangal

Partner

(Membership No.: 071714)

Place: New Delhi Date: 11.08.2017

(58)



COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), 2015]

A. We have reviewed Financial Statements and the Cash Flow Statement for the year 2016-17 and that to the best of our knowledge and belief:

- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- 1) Significant changes in internal controls over financial reporting during the year:
- 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
- 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over financial reporting.

For United Drilling Tools Limited sd/Pramod Kumar Gupta
Chairman & Managing Director

sd/-A. K. Thakur Chief Financial Officer

DIN: 00619482

Place: New Delhi Date: 11.08.2017



To, The Members, United Drilling Tools Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of United Drilling Tools Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies, Act 2013 ("the act") with respect to preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- **b)** In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(60)



for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central government of India in the terms of sub section (11) of section 143 of the Companies Act 2013, we give in the "Annexure A" a statement on the matters specified in Paragraph 3 & 4 of the order.
- (iii) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books:
- c) The Balance Sheet. Statement of Profit and Loss and. Cash Flow Statement dealt with by this Report are in agreement with the books of account:
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164 (2) of the Act.

- c) In the case of the Cash Flow Statement, of the cash flows f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - a) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations
 - (i) The Company does not have any pending litigations which would materially impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) During the year the Company was not required to transfer any amount to Investor Education & Protection Fund
 - (iv) The company has provided requisite disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8. 2016 to December 30, 2016. Based on our audit procedure and relying on the management representative we report that the disclosure are in accordance with the books of account maintained by the company and as produced to us by the management - Refer point 15 of note 24.B to the Financial Statements.

For R. S. DANI & CO. **Chartered Accountants** (Firm Reg. No. 000243C)

M. No. 071714

sd/-**Ashok Mangal** Partner

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of United Drilling Tools Ltd. on the financial statements for the year ended 31 March 2017,

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013. Thus provisions of Clause 3(iii) (a) & (b) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73

to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.

- (vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government of India under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, duty of excise, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to

(62)

Place: Noida

Date: 27th May, 2017

Place: Noida

Date: 27th May, 2017



us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

> For R. S. DANI & CO. **Chartered Accountants** (Firm Reg. No. 000243C) sd/-**Ashok Mangal** Partner

> M. No. 071714

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of United Drilling Tools Ltd. ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 11 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(64)

Place: Noida

Date: 27th May, 2017



(67)

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a In our opinion, the Company has, in all material respects, an material effect on the financial statements.

Inherent Limitations of Internal Financial Controls **Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants

For R. S. DANI & CO.

Chartered Accountants (Firm Reg. No. 000243C)

Ashok Mangal

Partner M. No. 071714



Particulars	Note No.	Figures (₹) as at 31.3.2017	Figures (₹) as at 31.3.2016
L FOUNTY AND LIABILITIES			
I. EQUITY AND LIABILITIES (1) Shareholder's Funds			
* *	1	20 10 22 555	20 10 17 555
(a) Share Capital (b) Reserves and Surplus	2	20,19,22,555 89,93,44,130	20,19,17,555
(b) Reserves and Surptus	Z	07,73,44,130	69,08,30,693
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	8,70,264	56,76,962
(b) Deferred Tax Liabilities (Net)	4	3,06,28,627	2,80,83,305
(c) Long Term Provisions	5	42,94,960	40,01,219
		-	
(3) Current Liabilities			
(a) Short-Term Borrowings	6	-	9,38,52,334
(b) Trade Payables	7	1,14,06,737	17,51,94,778
(c) Other Current Liabilities	8	2,58,91,573	4,70,92,276
(d) Short-Term Provisions	9	-	49,22,652
Total Equity & Liabilities		1,17,43,58,846	1,25,15,71,774
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		10,95,63,362	11,80,35,386
(ii) Intangible Assets		26,35,77,543	31,11,65,635
(iii) Capital Work in Process		-	-
(iv) Intangible Assets under development		59,89,730	59,89,730
(b) Long term loans and advances	11	35,13,816	37,44,847
(2) Current Assets	12		
(a) Inventories	13	24,95,12,954	28,36,50,324
(b) Trade receivables	14	8,51,21,104	21,80,92,467
(c) Cash and cash equivalents	15	30,99,39,061	16,68,47,270
(d) Short-term loans and advances		14,71,41,276	14,40,46,115
Total Assets		1,17,43,58,846	1,25,15,71,774
Significant Accounting Policies and			
other disclosures on Financial Statement	24		

(66)



In terms of our report of even date attached.

For R S Dani & Co.

Chartered Accountants (FRN 000243C)

Ashok Mangal

Partner M.No. 071714

Place: NOIDA Date: 27-05-2017 For United Drilling Tools Ltd.

Pramod Kumar Gupta

Managing Director (DIN 00619482)

V.B. Mishra

Director (DIN 00619543)

U.S.Pandey

Director (DIN 02877691)

P Kalayanasundaram

Director (DIN 02568099)

P K Ojha

Company Secretary

S.S.K. Bhagat

Director (DIN 00841981)

K.D.Aggarwal

Director (DIN 00861164)

A K Thakur

CF0



			Figures (₹)	Figures (₹)
ir.	Particulars	Note No.	for the Current year	for the Previous year
0			ended on 31.3.2017	ended on 31.3.2016
	Revenue from operations	16	80,38,31,299	35,08,06,608
\exists	Other Income	17	1,35,91,220	1,28,86,905
	III. Total Revenue (I +II)		81,74,22,519	36,36,93,513
	Expenses:			
	Cost of Materials Consumed	18	45,90,90,084	15,42,18,229
	Changes in Inventories of Finished goods,			
	Work-in-Progress and Stock-in-Trade	19	(6,61,99,934)	(4,16,51,446)
\dashv	Employee Benefit Expense	20	6,01,21,844	4,65,86,871
	Financial Costs	21	52,56,618	58,73,278
	Depreciation and Amortization Expense	10	6,62,33,021	8,97,48,091
	Other Expenses	22	8,09,27,542	4,24,75,112
	IV. Total Expenses		60,54,29,175	29,72,50,135
\dashv	·			
	Profit before exceptional and extraordinary			
	items and tax	(III - IV)	21,19,93,344	6,64,43,378
	Exceptional Items		-	-
۱ <u> </u>	Profit before extraordinary items and tax			
	(V - VI)		21,19,93,344	6,64,43,378
I	Extraordinary Items		-	- / / / / 0 000
	Profit before tax (VII - VIII)		21,19,93,344	6,64,43,378
	Tax expense:			
	(1) Current tax MAT		4,32,23,000	1,35,47,041
	(2) Deferred tax		25,45,322	8,04,498
	(3) For earlier period		9,34,585	3,39,903
	(4) Less : MAT Credit available		(4,32,23,000)	(1,35,47,041)
	Profit(Loss) from the perid from continuing			
	operations	(IX-X)	20,85,13,437	6,52,98,977
ı	Profit/(Loss) from discontinuing operations		-	-
II	Tax expense of discounting operations		-	-
٧	Profit/(Loss) from Discontinuing operations			
	(YII - YIII)		_	_

XI	Profit(Loss) from the perid from continuing operations	(IX-X)	20,85,13,437	6
XII	Profit/(Loss) from discontinuing operations	-		
XIII	Tax expense of discounting operations	-		
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	



Figures (₹) Figures (₹) for the Previous year for the Current year Note No. Sr. **Particulars** ended on 31.3.2017 ended on 31.3.2016 No XV Profit/(Loss) for the period (XI + XIV) 20,85,13,437 6,52,98,977 23 XVI Earning per equity share: (1) Basic 20.39 6.38 (2) Diluted 20.39 6.38 Significant Accounting Policies and other disclosures on Financial Statement 24

In terms of our report of even date attached.

For R S Dani & Co.

Chartered Accountants

(FRN 000243C)

Ashok Mangal

Partner M.No. 071714 **Pramod Kumar Gupta**

For United Drilling Tools Ltd.

S.S.K. Bhagat

(DIN 00841981)

K.D.Aggarwal

(DIN 00861164)

A K Thakur

CF0

Director

Director

Managing Director (DIN 00619482)

V.B. Mishra

Director (DIN 00619543)

U.S.PandeyDirector

(DIN 02877691)

P Kalayanasundaram

Director (DIN 02568099)

Place: NOIDA PKOjha

Date: 27-05-2017 Company Secretary



Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	21,19,93,344	6,64,43,378
Items Adjustment for :		
Depreciation	6,62,33,021	8,97,48,091
Operating profit Before Change in working capital	27,82,26,365	15,61,91,469
Adjustment for :		
Trade & Other Receivable	13,29,71,363	(9,20,06,757)
Inventories	3,41,37,370	(13,30,51,263)
Loans & Advances	(28,64,130)	(6,72,83,325)
Trade Payable & others	(18,96,17,655)	18,30,67,193
Cash Generated from operations	25,28,53,313	4,69,17,317
Less : Direct Taxes paid	9,34,585	3,39,903
Cash flow before Extra Ordinary Items	25,19,18,728	4,65,77,414
Less : Profit/(Loss) on Sale of Fixed Assets	-	11,99,962
Net cash flow from operating activities	25,19,18,728	4,53,77,452
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase/Transfer of fixed Assets	1,01,72,904	72,29,307
Sales of fixed Assets	-	57,50,000
Encashment of Investment		
Net cash used in investing activities	1,01,72,904	14,79,307
CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution	(9,38,52,334)	9,38,52,334
(Secured Loans)	-	-
Unsecured Loans	(48,06,698)	(6,58,95,729)
Proceeds from share Capital to be Issued	-	-
Capital Reserve & Surplus (Effect of merger od MSEPL)	-	-
Increase in Deferred Tax (Effect of merger od MSEPL)	-	-
Receipt in Calls in Arrear	5,000	3,500
Net Cash Flow from Financing Activities	(9,86,54,032)	2,79,60,105
Net increase in cash and equivalents	14,30,91,792	7,18,58,250
Cash and Cash Equivalents as at 1.4.2016 (0p. Bal.)	16,68,47,270	9,49,89,020
Cash and Cash Equivalents as at 31.3.2017 (Clo.Bal.)	30,99,39,062	16,68,47,270

(70)



In terms of our report of even date attached.

For R S Dani & Co.

Chartered Accountants (FRN 000243C)

Ashok Mangal

Partner M.No. 071714 For United Drilling Tools Ltd.

Pramod Kumar Gupta

Managing Director (DIN 00619482)

V.B. Mishra

(DIN 00619543)

U.S.Pandey

Director (DIN 02877691)

P Kalayanasundaram

Company Secretary

Director (DIN 02568099)

P K Ojha

Place: NOIDA

Date: 27-05-2017

Director

Director (DIN 00861164)

A K Thakur

S.S.K. Bhagat

(DIN 00841981)

K.D.Aggarwal

Director

CF0



Note 1) Share Capital

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
AUTHORIZED CAPITAL		
3,69,88,330 Equity Shares of ₹ 10/- each.	36,98,83,300	36,98,83,300
(Prev. Year 3,69,88,330 Equity Shares of ₹ 10/- each)		
10,01,167 5% Cumulative compulsory redeemable		
Pref. Shares of ₹ 100/- each.		
(Previous Year 10,01,167 Shares)	10,01,16,700	10,01,16,700
	47,00,00,000	47,00,00,000

Total	20,19,22,555	20,19,17,555
Pref. Shares of ₹ 100/- each. (Previous Year NIL)		
1,00,11,67 5% Cumulative compulsory redeemable	10,01,16,700	10,01,16,700
Total	10,18,05,855	10,18,00,855
Less : Calls in Arrears	4,78,275	4,83,275
Fully Paid up Equity Shares	10,22,84,130	10,22,84,130
1,02,28,413 (Pre.Yr. 1,02,28,413) Equity Shares of ₹ 10/- each,		
Equity Shares		
ISSUED , SUBSCRIBED & PAID UP CAPITAL		

1.1 Reconciliation of the number of share outstanding	Figures	Figures as at 31.3.2016
Equity Shares		
Opening	1,02,28,413	1,02,28,413
Issued During the year		-
Closing	1,02,28,413	1,02,28,413
Preferential Shares		
Opening	10,01,167	10,01,167
Issued During the year		
Closing	10,01,167	10,01,167

72 **(73)**



1.2 Details of Share Holding (More then 5%)	Figures as at 31-3-2017		Figures as at 3	s 1-3-2016
(Given for only Issued & Subscribed Capital)				
Name Of the party	No. Of Shares	% of Holding	No. Of Shares	% of Holding
Equity Shares				
Pramod Kumar Gupta	71,81,900	70.21	71,81,900	70.21
Cairn Oil Solution Pvt. Ltd.	13,08,889	12.80	13,08,889	12.80
Preferential Shares				
Pramod Kumar Gupta	9,50,475	94.94	9,50,475	94.94
Dr. Kanal Gupta	50,689	5.06	50,689	5.06

1.3 Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares referred to as equity shares having a par value of `10/-. Each holder of equity shares is entitled to one vote per share.

1.4 Aggregate number of shares issued	As At	As At
for consideration other than cash during the last five years	31.3.2017	31.3.2016
Equity shares Issued on Amalgmation of		
P & K Hightech Systems Pvt. Ltd. in Financial Year 2012-13	34,38,791	34,38,791
Equity shares Issued on Amalgmation of		
Macro Steel Engineers Pvt. Ltd.in Financial Year 2014-15	48,22,222	48,22,222
Preference Shares Issued on Amalgamation of		
P & K Hightech Systems Pvt. Ltd. in Financial Year 2012-13	10,01,167	10,01,167

Note 2) Reserve & Surplus

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
A. Capital Redemption Reserve		
As per last Balance Sheet	10,01,16,700	10,01,16,700
Add: Transfer from Profit & Loss Account	-	
for redemption of preferential shares		
	10,01,16,700	10,01,16,700
B.Capital Reserve	17,83,04,396	17,83,04,396
As per last Balance Sheet	-	-
•		
	17,83,04,396	17,83,04,396
C. Securities Premium Reserve	12,48,68,190	12,48,68,190
As per last Balance Sheet		
	12,48,68,190	12,48,68,190
D. General Reserve		
As per last Balance Sheet	8,09,335	8,09,335
	8,09,335	8,09,335
E. Profit & Loss Account		
As per last Balance Sheet	28,67,32,072	32,15,49,795
Add: Profit for the Year	20,85,13,437	6,52,98,977
Less : Transfer to Capital Redemption Reserve	-	10,01,16,700
	49,52,45,509	28,67,32,072
TOTAL (A to E)	89,93,44,130	69,08,30,693

Note 3) Long Term Borrowings

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Secured		
- Vehicle Loans from Banks 12,76,961/-		
Less: Current Maturity 4,06,697/-		
	8,70,264	12,76,962
Unsecured		
From Corporate bodies	-	44,00,000
	-	-
Total	8,70,264	56,76,962

Note 3.1 : The Secured Loan of ₹ 12,76,961/- (Previous Year 16,44,198) is secured by way of hypothecation of vehicles and payble in variable installments in next 24 monthly (36 Monthly) installments. The applicable rate of interest is 11.5%.



Note 4) Deferred Tax Liabilities (Net)

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
A. Deferred tax liability on difference between book depreciation and tax depreciation	3,20,88,484	2,94,43,319
B. Deferred Tax Assets employee benefit provisions	14,59,857	13,60,014
Deferred tax liabilities (A-B)	3,06,28,627	2,80,83,305

1) Refer point no. B.4 of Note 24

Note 5) Long Term Provisions

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Provision for employees benefit	42,94,960	40,01,219
Total	42,94,960	40,01,219

Note 6) Short Term Borrowings

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Secured Working Capital Loan from Bank	- - -	9,38,52,334 -
Total	-	9,38,52,334

The Working Capital loan from bank is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.

Note 7) Trade Payables

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Sundry Creditors	1,14,06,737	17,51,94,778
	-	-
Total	1,14,06,737	17,51,94,778

Note 8) Other Current Liabilities

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Current Maturity of Car Loan	4,06,697	3,67,236
Liabilities for Expenses	1,50,82,379	1,52,35,132
Advances from Customers	66,40,819	2,11,81,737
Other Liabilities	37,61,678	1,03,08,171
Total	2,58,91,573	4,70,92,276

Note 9) Short Term Provisions

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Provision for Taxation	-	49,22,652
Total	-	49,22,652

76



Note No. 10 FIXED ASSETS

Figures in (₹)

	GRO	OSS BLOCK				DEPRECI	ATION		NET BLOCK	
Description of Fixed Assets	As on 1-Apr-16	Additions	Adjustment/ Deduction	As on 31-Mar-17	As on 1-Apr-16	For the Year	Adjustment/ Deduction	As on 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16
Tangible						•	•		•	
Land	66,91,998	0	0	66,91,998	0	0	0	0	66,91,998	66,91,998
Building	8,09,67,088	0	0	8,09,67,088	1,99,87,307	57,93,079	0	2,57,80,386	5,51,86,702	6,09,79,780
Plant & Machinery	3,82,62,882	35,32,624	0	4,17,95,506	1,69,66,060	42,02,010	0	2,11,68,070	2,06,27,436	2,12,96,822
Electric Fitting	82,83,343	0	0	82,83,343	36,76,075	8,33,915	0	45,09,990	37,73,353	46,07,268
Office Equipment	50,04,363	3,85,945	0	53,90,308	38,75,369	5,80,993	0	44,56,362	9,33,946	11,28,994
Testing & Equipment	22,64,185	9,23,933	0	31,88,118	10,73,382	3,75,856	0	14,49,238	17,38,880	11,90,803
Tools & Dies	1,08,14,217	43,60,588	0	1,51,74,805	61,62,212	23,22,958	0	84,85,170	66,89,635	46,52,005
Generator	25,09,310	0	0	25,09,310	15,25,073	1,78,147	0	17,03,220	8,06,090	9,84,237
Fire Fighting & Equipment	14,55,726	3,52,872	0	18,08,598	5,98,906	1,73,815	0	7,72,721	10,35,877	8,56,820
R&D Tech Equipt P & M	1,40,61,279	0	0	1,40,61,279	52,00,888	16,07,231	0	68,08,119	72,53,160	88,60,391
Furniture & Fixture	33,92,264	52,188	0	34,44,452	22,14,098	3,13,171	0	25,27,269	9,17,183	11,78,166
Computer	28,12,763	5,19,057	0	33,31,820	19,11,538	7,82,379	0	26,93,917	6,37,903	9,01,225
Vehicles	1,68,18,230	45,697	0	1,68,63,927	1,21,11,354	14,81,374	0	1,35,92,728	32,71,199	47,06,876
TOTAL	19,33,37,648	1,01,72,904	0	20,35,10,552	7,53,02,262	1,86,44,928	0	9,39,47,190	10,95,63,362	11,80,35,386
Previous Year's Figures	19,80,85,763	65,88,299	1,13,36,414	19,33,37,648	6,18,79,652	2,02,08,986	67,86,376	7,53,02,262	11,80,35,386	13,62,06,111

Figures in (₹)

Intangible										
Acquired on amalgmation										
Patented Technologies	25,63,70,800	0	0	25,63,70,800	7,69,11,240	2,56,37,080	0	10,25,48,320	15,38,22,480	17,94,59,560
Patented Technologies	21,95,10,125			21,95,10,125	8,78,04,050	2,19,51,013		10,97,55,063	10,97,55,063	13,17,06,075
TOTAL	47,58,80,925	0	0	47,58,80,925	16,47,15,290	4,75,88,093	0	21,23,03,383	26,35,77,543	31,11,65,635
Previous Year's Figures	47,58,80,925			47,58,80,925	9,51,76,185	6,95,39,105	0	16,47,15,290	31,11,65,635	38,07,04,740
Intangible Asset under	59,89,730	0	0	59,89,730	0	0	0	0	59,89,730	59,89,730
development										



Note 11) Long Term Loans and Advances

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Capital Assets	-	-
Security Deposit		
a) Unsecured, Considered Good :		
Other Deposit	35,13,816	37,44,847
Total	35,13,816	37,44,847

Note 12) Inventories

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
(Valued at cost or Market value whichever is lower)		
Raw Material	2,75,28,805	13,04,87,530
Work-in-Progress	20,42,84,015	12,75,21,538
Finished Goods	30,55,738	1,36,18,281
Stores & Spares	1,46,44,396	1,20,22,975
Total	24,95,12,954	28,36,50,324

Note 13) Trade Recievables

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Unsecured, Considered Good :		
Outstanding for more than six months	2,78,51,252	1,70,93,044
Others	5,72,69,852	20,09,99,423
Total in `	8,51,21,104	21,80,92,467

Note 14) Cash & Cash Equivalent

Particulars	Figures (₹) as at 31-3-2017	Figures (₹) as at 31-3-2016
Cash at Bank		
In Current Account	20,85,82,081	1,10,91,830
Fixed Deposit for Margin Money	-	7,21,15,578
Fixed Deposit - Others	10,11,96,943	8,35,94,470
Cash-in-Hand		
Cash Balance	1,60,037	45,392
Total in `	30,99,39,061	16,68,47,270

Note 15) Short Terms Loans and Advances

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Loans & Advances to related parties		
a) Unsecured, Considered Good :	-	-
(Advance Recoverable in cash or in kind or for value to be considered good)		
Balance With Revenue Authorities	14,15,81,798	9,78,13,926
Other Advance	55,59,478	4,62,32,189
Total	14,71,41,276	14,40,46,115

Note 16) Revenue from Operations

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Sale of Products	80,32,87,423	34,26,48,383
Foreign Exchange Fluctuation	-	64,21,345
Consultancy & Engineering Services	5,43,876	17,36,880
Job Work	-	-
Total	80,38,31,299	35,08,06,608

Note 17) Other Income

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Interest Received	59,60,658	97,10,371
Profit on sale of fixed assets	-	11,99,962
Misc. Income and w/off	76,30,562	19,76,572
	-	-
Total	1,35,91,220	1,28,86,905

Note 18) Cost of Material Consumed

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
MATERIALS AND STORES		
Opening Stock	14,25,10,505	5,11,10,688
Add: Purchase and expenses less returns	35,87,52,780	24,56,18,046
	50,12,63,285	29,67,28,734
Less: Closing stock	4,21,73,201	14,25,10,505
MATERIAL CONSUMED	45,90,90,084	15,42,18,229

80



Note 19) Change in Inventories

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016	
Opening Stock			
Work-in- Progress	12,75,21,538	8,88,79,812	
Finish Goods	1,36,18,281	1,06,08,561	
	14,11,39,819	9,94,88,373	
Closing Stock			
Work-in- Progress	20,42,84,015	12,75,21,538	
Finish Goods	30,55,738	1,36,18,281	
	20,73,39,753	14,11,39,819	
Change in Stock			
Work-in- Progress	(7,67,62,477)	(3,86,41,726)	
Finish Goods	1,05,62,543	(30,09,720)	
Total	(6,61,99,934)	(4,16,51,446)	

Note 20) Employees Benefit Expenses

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Salary and Wages	5,38,16,377	3,73,72,257
P.F. and other benefits	32,57,262	27,38,731
Bonus	11,16,975	24,07,393
Gratuity	4,48,786	29,19,596
Employee Welfare	14,82,444	11,48,894
Total	6,01,21,844	4,65,86,871

Note 21) Financial Cost

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Interest to Banks	14,86,751	12,68,095
Other Interest	2,99,225	24,16,871
Other Borrowing Costs	34,70,642	21,88,312
Total	52,56,618	58,73,278

Note 22) Other Expenses

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
(a) Manufacturing Expenses	,	
Power, Fuel & Water charges	81,38,499	60,72,792
Security Service Charges	31,32,436	27,23,633
Testing, Painting & Inspection Expenses	91,85,929	9,93,884
Job Charges	6,25,577	3,70,924
Repair & Maintenance	· · ·	· · ·
Plant & Machinery	15,81,603	11,75,318
Building	5,24,662	2,92,043
Others	26,04,188	17,47,821
TOTAL (a)	2,57,92,894	1,33,76,415
(b) Administrative and Other Expenses		
Printing & Stationary	8,67,942	8,44,267
Postage, Telegram & Telephones	18,97,187	13,73,532
Subscription & Membership Fees	2,57,901	1,46,666
Director's Sitting Fee	3,45,000	3,13,500
Rent	63,11,129	17,62,133
Travelling Directors	10,52,031	16,04,476
Others	31,04,748	12,66,723
Vehicle & Conveyance	47,51,083	36,69,535
Charity & Donation	1,04,100	1,42,000
Legal & Professional	22,20,066	30,06,805
Insurance Charges	14,70,960	3,26,191
CSR Expenses	31,14,682	14,46,898
Foreign Exchange Fluctuation	61,00,177	-
Auditor's Remunerations		
Audit Fee	2,50,000	1,50,000
Tax Audit Fee	50,000	50,000
Reimbursement of expenses	56,078	48,650
Books & Periodicals	81,443	58,841
Miscellaneous Expenses	45,54,315	22,23,987
TOTAL (b)	3,65,88,842	1,84,34,204
(c) Selling and Distribution Expenses		
Sales Promotion & Commission	1,39,88,187	38,61,885
Freight, Cartage & Insurance	45,57,619	68,02,608
TOTAL (c)	1,85,45,806	1,06,64,493
TOTAL (a to c)	8,09,27,542	4,24,75,112

82



Note 23) Earning Per Share (EPS)

Particulars	Figures (₹) for the Current year ended on 31.3.2017	Figures (₹) for the Previous year ended on 31.3.2016
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder	20,85,13,437	6,52,98,977
Weighted Average number of Equity Shares		
used as denominator for calculating EPS	1,02,28,413	1,02,28,413
Basic EPS	20.39	6.38
Diluted EPS	20.39	6.38
Face Value Per Equity Share	10	10

FINANCIAL YEAR 2016-17

Note 24

SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON FINANCIAL STATEMENTS

24.A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standard as prescribed under section 133 of the companies Act, 2013 ("Act") read with Rule 7 of the companies (Accounts) rules, 2014, other pronouncement of The Institute of Chartered Accountants of India and Guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared under the historical cost convention and on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. REVENUE RECOGNITION

- **a)** Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- **b)** Sale of Goods Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT but includes Excise Duty.

- c) Interest Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Export Benefits / Incentives Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognised in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

4. EXPENDITURE

Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

5. FIXED ASSETS

(i) Tangible Assets

Fixed Assets are stated at cost or as revalued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

(ii) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

6. DEPRECIATION AND AMORTISATION

(i) Tangible Assets

Depreciation on Fixed Assets is provided on useful life of the assets on Written down Value method as specified in Schedule II to the Companies Act, 2013.

(84)



(iii) Intangible Assets

The intangible asset on which no further research is carrying on is amortized over a period of ten years based on estimated useful life of the intangible asset.

7. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

8. INVENTORIES

- **a)** Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realizable value.
- **b)** Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of Cenvat credit.
- c) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.
- **d)** Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.
- e) Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

9. EMPLOYEE BENEFITS

Short Term Employee Benefit:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services this includes leave encashment entitlement annually..

Post Employment Benefits:

a) Defined Contribution Plan:

Employees' benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Profit & Loss Account of the year when the contribution to the respective fund is due.

b) Defined Benefit Plan:

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of actuarial valuation as at the date of Balance Sheet.

10. DEFERRED REVENUE EXPENDITURE

Company do not recognize Deferred Revenue Expenditure.

11. FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate.

c) Exchange Difference

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised in the Profit & Loss account.

12. RESEARCH AND DEVELOPMENT

Equipment purchased for research and development is capitalized when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development related to development of intangible asset is charged to intangible assets under development and taken to intangible assets, till research is complete and the same is recognized as intangible assets ready for use. The other expenditure on R&D is charged to profit & loss account in the period in which it is incurred.

13. PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/Claims, arisen / settled / noted during the year are, if material in nature, are debited / credited to the prior period Expenses/Income or respective heads of account if not material in the nature.

14. INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year classified as current investments. All other investments are classified as long-tem investments. Current investments are carried at lower of cost and fair value. Long -term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

15. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

16. TAXATION

- a) Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.
- **b)** Deferred tax is recognized subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/ (loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

17. LEASES

Operating Lease: Lease rentals in respect of assets taken on operating leases are charged to the profit and loss account with reference to lease terms and other consideration.

18. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS'

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date.

Contingent liabilities are not recognized but are disclosed in notes

Contingent assets are neither recognised nor disclosed in the financial statements.

19. SEGMENT REPORTING

The accounting policies adopted by the company for segment reporting are in line with the accounting standard on Segmental Reporting.

Primary Segments:

Business Segment: The Company's operating business is in India only and accordingly there is only one business segment.

Secondary Segments:

Currency Segment: The analysis of currency segment is based on the basis of currency. The currency segments considered for disclosure are as follows:

(a) Sales in Indian Currency

(b) Sales in foreign currency

Segment Assets denotes for assets in Local Currency and in foreign currency.

20. CASH FLOW STATEMENTS

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) issued by the Institute of Chartered Accountants of India. The Cash flows from regular revenue generating, financing and investing activity of the company are segregated.

21. EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

22. DERIVATIVE INSTRUMENTS

As per announcement of Institute of Chartered Accountants of India, accounting for derivatives contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to Profit and Loss Account. Net Gain is ignored.

(86)



24. B OTHER NOTES ON FINANCIAL STATEMENTS

1) Contingent Liabilities not provided for :

i. Counter guarantees against Bank guarantees given by banks ₹ 10, 33, 89,373/- (Pr. Yr. ₹ 10, 73, 66,544/-). ii. Bill discounted by bank Rs. NIL (Pr. Yr. Nil)

2) (i) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business.

(ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

(ili) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.

3) Previous Year's figures has been regrouped and rearranged wherever necessary.

4) The Deferred Tax Assets/Liabilities as on 31.3.2017 as shown in Note No. 4, comprise of following:

	Particulars	Current Year (₹)	Previous Year (₹)
A	Deferred Tax Liability -On account of Depreciation	3,20,88,484	2,94,43,319
В	Deferred Tax Assets On account of Employees Benefits	(14,59,857)	(13,60,014)
	Net Deferred Tax Liability/ (Assets)	3, 06, 28,627	2, 80, 83,305

5) Preferential Share holders in their meeting held on 21.05.2016 has waived their right to claim the dividend on preferential share for the period from 1.4.2016 to 31.3.2017, i.e. for financial Year 2016-17. Therefore provision for dividend on preferential shares for the year has not been made and dividend not declared.

6) Employee Benefit Obligations

a) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is $\stackrel{?}{\sim} 24,00,512/-$ [Pre. Yr. $\stackrel{?}{\sim} 20,09,947/-$]

b) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to $\stackrel{?}{\sim} 42,94,960/$ – (Previous Year $\stackrel{?}{\sim} 40,01,219/$ –) on actuarial liability basis as on the date of balance sheet. It is non funded.

The Present value of the obligation as recognized in the Balance Sheet :-

Figures in (₹)

Particulars	Current Year	Previous Year
Present value of obligation at the beginning of the period	40,01,219	11,60,267
Interest cost	3,20,098	92,821
Current service cost	3,24,327	5,16,771
Benefits paid	(1,55,045)	0
Actuarial (gain)/loss on obligation	(1,95,639)	22,31,360
Present value of obligation at the end of period	42,94,960	40,01,219

The amounts recognized in the Profit & Loss statement are as follows :-

Figures in (₹)

Particulars	Current Year	Previous Year
Current service Cost	3,24,327	5,16,771
Interest Cost	3,20,098	92,821
Net actuarial (gain)/loss recognized in the period	(1,95,639)	22,31,360
Expenses recognized in the Profit & Loss statement	4,48,786	28,40,952

Reconciliation of the Present value of defined obligation and the fair value of the plan assets

Figures in (₹)

Particulars	Current Year	Previous Year
Present value of obligation as at the end of period	42,94,960	40,01,219
Fair value of Plan Assets	0	0
Liability Recognized in Balance Sheet	42,94,960	40,01,219

The assumptions used in Actuarial Valuation:-

Particulars	Current Year %	Previous Year %
i) Discounting Rate	7.54	8.00
ii) Future salary Increase	5.50	5.50

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post employment benefit obligations.



c) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to ₹17,73,619/- (Previous Year ₹13,52,923/-) on actual calculation basis as on balance sheet date. The liability is paid annually or during the year therefore actuarial valuation is not required. It is non funded.

7) The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.

8) (i) The company is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred in debited to intangible assets under development.

(ii) The provision for taxation has been made after considering the benefits available to EOU and SEZ units under Income Tax Act

9) Financial Derivative Instruments

The Company don't uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments and foreign currency exposure are as follows:

		Current Year (₹)		Previous Year (₹)		
	Particulars	Amount in Foreign Curency	Amount in (₹)	Amount in Foreign Curency	Amount in (₹)	
A	Forward Exchange Contracts outstanding	-	-	-	-	
В	Foreign currency exposure not covered by derivative instrument					
	Amount receivable on account of export of goods and services:					
	USD	10,39,749	6,74,15,863	27,87,208	18,48,83,557	

10. DISCLOSURES UNDER ACCOUNTING STANDARDS

(A) SEGMENT REPORTING

- (a) Primary Segment Reporting
- (i) The Company is engaged in only one business segment hence no segment reporting required. (b) Secondary Segment reporting on the basis of Local Currency and Foreign Currency segmentis as below:

Particulars	Current Year (₹)	Previous Year (₹)
1. Segment Revenue - Revenue in Local Currency	84,55,332	49,23,116
- Revenue in Foreign Currency	79,53,75,967	33,94,62,147
Total Revenue	80,38,31,299	34,43,85,263
2. Segment Assets* - Assets in Local Currency	91,41,96,585	1,06,02,43,498
- Assets in Foreign Currency	26,01,62,262	19,13,28,276
Total Assets	1,17,43,58,847	1,25,15,71,774

^{*}Segment Assets in Foreign Currency is entirely related to Sundry Debtors and Bank Balance in foreign Currency.

(B) RELATED PARTY DISCLOSURES

Transactions with related party as identified by the management in accordance with Accounting Standard 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as follows:-

List of Related Parties with whom transactions have taken place :-

(a) Key Management Personnel :-

Name of Person	Relationship	
Shri Pramod Kumar Gupta,	Chairman & Managing Director	
Shri AK Thakur	CF0	
Shri P K Ojha	Company Secretary	

(b) Related Parties

Shri K D Agarwal	Independent Director
Shri V B Mishra	Independent Director
Shri S S K Bhagat	Independent Director
Shri U.S.Pandey	Independent Director
Shri P Kalayan Sunderam	Independent Director
Smt. Sarita Verma	Independent Woman Director

(90)



(c) Associates :-

P. Mittal Manufacturing Pvt. Ltd.

Details of Transactions with related parties:-

S. No	Particulars	Current Year (₹)	Previous Year (₹)
1.	Rent Payment		
	P. Mittal Manufacturing Pvt. Ltd.	7,50,000	1,31,250
2	Salary		
	Pramod Kumar Gupta	42,00,000	42,00,000
	A.K.Thakur (Promoted as CFO wef 8.8.2015)	4,30,800	4,21,120
	S.S.Manral (CFO up to 7.8.2015)		3,77,380
	P.K.Ojha	5,44,696	4,90,983
3.	Professional Consultancy		
	Shri U.S.Pandey (Independent Director)	81,000	3,62,677
4.	Director Sitting Fee		
	K D Agarwal	70,000	79,500
	V B Mishra	15,000	75,000
	S S K Bhagat	90,000	79,500
	U S Pandey	35,000	79,500
	P Kalayan Sunderam	75,000	
	Sarita Verma	60,000	

11. Expenditure in Foreign Currency

S. No	Particulars	Current Year (₹)	Previous Year (₹)
	Travelling	4,76,119	8,39,002
	Purchases	5,92,83,975	2,67,60,971
	Royalty	49,63,985	-
	Licence Fee	9,87,244	9,57,000

12. Earning in Foreign Currency

(92)

S. No	Particulars	Current Year (₹)	Previous Year (₹)
(i)	Earning in foreign Currency at FOB value	79,53,75,967	33,94,62,147

12. Managerial Remuneration

S. No	Particulars	Current Year (₹)	Previous Year (₹)
	Salary & Perquisites	42,00,000	42,00,000

13. There is no principal and interest due to micro and small enterprises. This information has been determined to the extent such parties have been identified on the basis of the information available with the company and the same has relied upon by the auditors.

Particulars	Current Year (₹)	Previous Year (₹)
Gross amount required to be spent by the company during the year	24,40,113	21,02,025
Amount Spent during the year	31,14,682	14,46,898

The under spent amount of previous year was spent during the year.

15. Details of specified Bank notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016.

Figures in (₹)

Particulars	SBNs	Other notes	Total
Closing cash in hands as on 08.11.2016	43,99,500	2,68,470	46,67,970
Add: Permitted receipts	-	20,11,165	20,11,165
Less: Permitted Payments	-	11,47,329	11,47,329
Less: Amount deposited in banks	43,99,500	-	43,99,500
Closing cash in hand as on 30.12.2016	-	11,32,306	11,32,306

In terms of our report of even date attached.

For R S Dani & Co. For Chartered Accountants [FRN 000243C]

For and on behalf of the Board

sd/- sd/-

Ashok Mangal Pramod Kumar Gupta

Partner Chairman & Managing Director

M.No. 071714 DIN: 00619482

sd/- sd/- sd/- K. D. Aggarwal V. B. Mishra U. S.

 K. D. Aggarwal
 V. B. Mishra
 U. S. Pandey

 Director
 Director
 Director

 DIN: 00861164
 DIN: 00619543
 DIN: 02877691

sd/- sd/- sd/-

P K Ojha S.S.K. Bhagat P. Kalyanasundaram

 Company Secretary
 Director
 Director

 M. No. : F8698
 DIN : 00841981
 DIN : 02568099

sd/-

A. K. Thakur

Place : Noida Chief Financial Officer
Date : 27/05/2017 PAN : AIOPT4338E

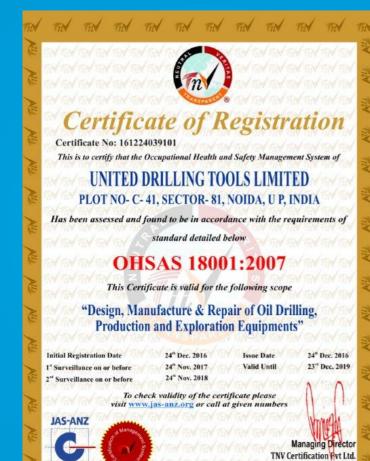
 $\overline{93}$











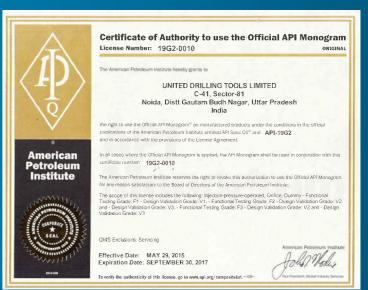
Phr. +91-522-2756327-328, Fax. +91-522-2759881, email:- info@isoindia.org, www.isoindia.org

Accredited by Joint Accreditation System of Australia and New Zealand









(94)





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



PROXY FORM FOR AGM 2017

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MGT-11

ATTENDENCE SLIP

T Regd. Folio No./DP ID - Client ID :		
Name & Address of First/ Sole Shareholder :		
No. of Shares held :		
I hereby record my presence at the 35th Annual General Meeting of the Company to be held on Monday,		
the 25th day of September, 2017 at 10:30 A.M. Maharani Bagh Community Centre, 1 Central Avenue,		
Maharani Bagh, New Delhi - 110065.		
Signature of Member/ Proxy		
Notes:		
a) Only Members/ Proxy can attend the meeting. No minors would be allowed at the meeting.		
b) Member/ Proxy wish to attend the meeting must bring the attendance slip to the meeting and		
handover at the entrance duly filed in and signed.		

Name of the member(s) :		
Registered address :		
E-mail id :		
Folio no./Client Id :		
DP Id :		
I/We, being the member(s) of	equity shares of Uni	ted Drilling Tools Limited,
hereby appoint:		
(1) Name		
Address:		
E-mail Id:	Signature:	,or failing him;
(2) Name:		
Address:		
E-mail Id:	Signature:	,or failing him;
(3) Name:		
Address:		
E-mail Id:	Signature:	,or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the company, to be held on Monday, the 25th day if September, 2017 at 10:30 A.M. at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh of New Delhi-110065 and at any adjournment thereof in respect of such resolutions as are indicated below:

 $\overline{(96)}$

RESOLUTION

Ordinary Business

- 1. To consider and adopt Audited financial statement of the Company for the financial year ended March 31, 2017, the report of Board of Directors and Auditors 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 0287769, who retire by rotation and being eligible, offers himself for re-appointment.
- 4. To ratify appointment of M/s. R S Dhani & Co. as a Statutory Auditor of Company for financial year 2017-18.

Special Business

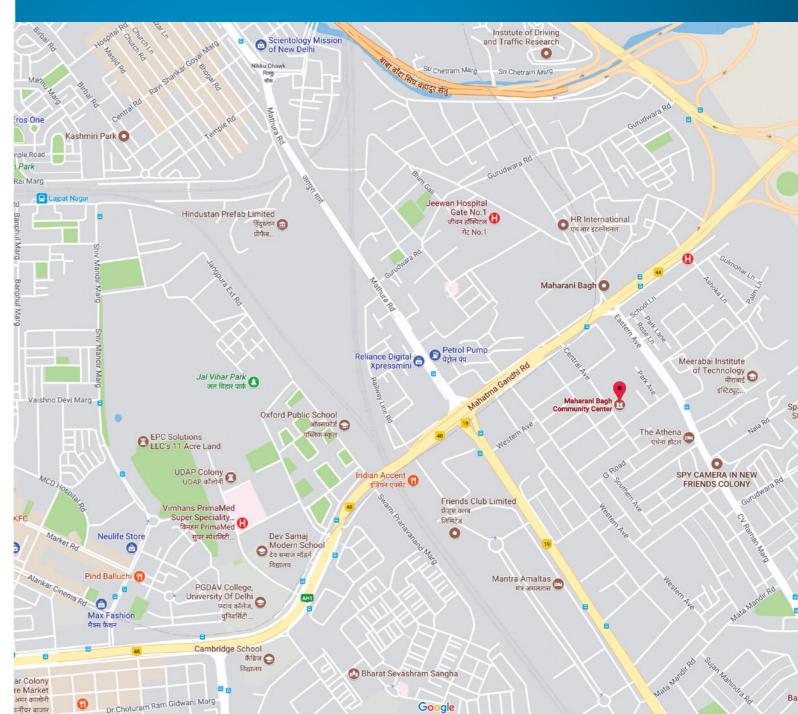
- 5. To re-appoint Mr. Pramod Kumar Gupta (DIN: 00619482), as Chairman and Managing Director of the Company.
- 6. To consider and appoint Ms. Twinkle Singh, having DIN 07777298 as an woman Independent Director of the Company.
- 7. To consider and appoint Mr. Inderpal Sharma, having DIN 0764925 as a Whole time Director of the Company.

Signed thisday of2017.	
	Revenue
Signature of shareholder	Stamp
Signature of Proxy holder(s)	

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



Maharani Bagh Community Centre,
1 Central Avenue Maharani Bagh, New Delhi- 110 065





AN ISO 9001-2008 & API CERTIFIED COMPANY

World Class Quality And Services At Unmatched Prices

CASING WITH FAST MAKE UP CONNECTORS



PIN AND BOX CONNECTOR

INTEGRAL BLADE & REPLACEABLE SLEEVE STABILIZER



REPLACEABLE STABILIZER (MANDREL & SLEEVE)



INTEGRAL BLADE STABILIZER

SINCKLINE / E-LINE WINCHES



SLIMSPLIT WINCH



LANDLINE WINCH



TRUCKLINE



FLYLINE WINCH



PIN AND BOX CONNECTOR

ARTIFICIAL LIFT SYSTEM



- 1 WIRELINE GAS LIFT VALVE
- **2** ORIFICE VALVE
- 3 DUMMY VALVE



- 4 LATCHES
- **5** SIDE POCKET MANDREL

ENGINEERED TO SMOOTHEN YOUR DAILY OIL PRODUCTION







AN OHSAS 18001 CERTIFIED COMPANY Certificate No: 140108039102 Certificate No: 140108039102 Certificate No: 140108029101 CERTIFIED COMPANY LIC NO SCT-0565, SL-0424, 7-1-0393, CERTIFICATE No. 41952 19G1-0008, 19G2-0010





Indonesia / UAE / UK / US