

**34th ANNUAL REPORT**  
**2015-2016**



**UNITED DRILLING TOOLS LIMITED**

**CIN: L29199DL1985PLC015796**



## **UNITED DRILLING TOOLS LTD**

CIN : L29199DL1985PLC015796

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

Phone : +91-0120-4842400 Fax : +91-0120-2462675

E-mail : [compsect@udtltd.com](mailto:compsect@udtltd.com) Website : [www.udtltd.com](http://www.udtltd.com)

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## CHAIRMAN'S MESSAGE

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

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

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

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

### UDTL AT A GLANCE

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

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

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

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

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

With best wishes,

Mr. Pramod Kumar Gupta  
Chairman cum Managing Director



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### MANUFACTURING UNITS :

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

### HEAD OFFICE / CORPORATE OFFICE

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

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## NOTICE

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

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2016, along with the reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Kanal Gupta having DIN 01050505, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify appointment of statutory Auditors for financial year 2016-17 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142(1) read with Chapter X of the Companies Act, 2013 the appointment of Statutory Auditors of the Company M/s R S Dani & Co. (Firm Registration No. : 000243C), Chartered Accountants, Kothari Complex, near G.P.O Bhilwara-311001 (Raj) be and is hereby ratified for the financial year 2016-17 to act as such, at such remuneration as may be determined by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

#### 4. Appointment of Mr. Pandian Kalyanasundaram as an Independent Director of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulations of SEBI (listing Obligations And Disclosure Requirements), 2015, P. Kalyanasundaram (DIN 02568099), a non-executive Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years up to 39th Annual General Meeting of the company from the date of this Annual General Meeting i.e. 21st September, 2016. (Both days inclusive).”

#### 5. Appointment of Ms. Sarita as a Woman Director of the Company

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

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

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



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

**Place : New Delhi**

Date : 06.08.2016

**For and on behalf of the Board**

United Drilling Tools Limited

SD/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN : 00619482

### NOTES:

- As per section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
- 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.
- 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.
- The Register of Members and Transfer Books of the Company will be closed from **Wednesday, September 14, 2016 to Wednesday, September 21, 2016**, (both days inclusive).
- In terms of Section 152 of the Companies Act, 2013, Mr. Kanal Gupta (DIN 01050505), Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company recommends such re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Listing Regulations of SEBI, are provided in the Corporate Governance Report forming part of the Annual Report.
- 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.
- Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.



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9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignment Ltd for assistance in this regard.
10. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
11. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
14. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Alankit Assignments Limited.
16. M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi has been appointed as scrutinizer for e-voting process as well as voting during the Annual General Meeting.
17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.udtltd.com** and on the website of CDSL **www.cdslindia.com** within two days of the passing of the resolutions at the Thirty Fourth AGM of the Company on **September 23, 2016** and communicated to the BSE Limited, where the shares of the Company are listed.

**Place : New Delhi**

Date : 06.08.2016

**For and on behalf of the Board**

United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN : 00619482



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

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

**Item No. 4**

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

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

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

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

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

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

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

**Item No. 5**

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

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

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

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

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### **A brief profile of the Directors to be appointed is given below:**

Mr. P Kalyansundaram is an allied IAS Officer retired from the post of Joint Secretary of Ministry of Petroleum & Natural Gas, Government of India. He has very long experience in the field of public as well as Business Administration. Further he is Ph.D. in International Business and M.Phil. in Social Science.

Ms. Sarita is Senior Higher Secondary qualified. She has experience in Administration.

Place : New Delhi

Date : 06.08.2016

**For and on behalf of the Board**

United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN : 00619482



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### INTERESTED PERSONS ALONG WITH NATURE OF INTEREST (FOR ITEM NO. 4 AND 5 OF SPECIAL BUSINESS)

(i) **Every Director and the Manager, if any;**

Mr. P. Kalyansundaram, and Ms. Sarita, being Additional Directors of the Company are deemed to be concerned and interested in resolutions pertaining to their appointment as an Independent Director and woman director respectively, of the Company.

Mr. Kanal Gupta, being Director of the Company is deemed to be concerned and interested in resolution pertaining to retirement of directors by rotation to the extent of their shareholding, if any.

(ii) **Every other key managerial personnel;**

There is no Key Managerial Personnel whose interest is required to be stated.

(iii) **Relatives of the persons mentioned in sub-clauses (i) and (ii);**

There are no Relatives of the persons mentioned in sub-clauses (i) and (ii) whose interest is required to be stated.

#### **Any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.**

Your Board has acted in an unbiased manner and shall act in the larger interest of the Company so as to comply with all laws applicable to the Company.

Further proceeding shall be made by the Board after seeking approval of members and other terms and conditions, if any, shall be finalized/ accepted by the Board of Directors, pursuant to present authorization, who shall act as per conditions etc., and also in the larger interest of the Company. The resolutions are predominantly compliance based resolutions and are being stated accordingly and any member may assent/dissent from same. A copy of assent/dissent form may be asked at the venue of the meeting which they may be required to fill and hand it over to Company official/ representative at the venue at the time of AGM. The Board recommends the Resolution(s) as proposed for approval by the Members.

Place : New Delhi

Date : 06.08.2016

**For and on behalf of the Board**

United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN : 00619482

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## PROFILE OF INDEPENDENT DIRECTOR

Name of the Director	<b>Mr. P. Kalyanasundaram</b>
Date of Birth	25.12.1954
Date of Appointment	21.05.2016
Qualifications	Ph.D. (International Business), M.Phil. (Social Science & Commerce), MBA (Business Administration)
Expertise	Finance / Administration
Directorship in other Companies	NIL
Committee Positions in United Drilling Tools Limited	NIL
Committee Positions in other Public Limited Companies	NIL
Relation between Directors	No.
Number of Shares held in United Drilling Tools Limited	NIL

## PROFILE OF WOMAN DIRECTOR

Name of the Director	<b>Ms. Sarita</b>
Date of Birth	16.06.1972
Date of Appointment	06.08.2016
Qualifications	Senior Higher Secondary
Expertise	Administration
Directorship in other Companies	NIL
Committee Positions in United Drilling Tools Limited	NIL
Committee Positions in other Public Limited Companies	NIL
Relation between Directors	No.
Number of Shares held in United Drilling Tools Limited	NIL

## (B) Details of Directors confirmed as per Companies Act, 2013

Name of the Director	<b>Mr. Kanal Gupta</b>
Date of Birth	27.10.1982
Date of Appointment	28.02.2015
Qualifications	MBA in Finance and HR Management
Expertise	Business Management
Directorship in other Companies	ONE
Committee Positions in United Drilling Tools Limited	NIL
Committee Positions in other Public Limited Companies	NIL
Relation between Directors	Son of Pramod Kumar Gupta, Managing Director of the company
Number of Shares held in United Drilling Tools Limited	3,85,105 as on 31.03.2016



## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 34<sup>th</sup> Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2016.

### 1. SUMMARIZED FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2016 as aforesaid is summarized below :  
(₹ in Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Gross Turnover and other receipts	3636.93	11190.67
Profit / (Loss) before Interest and Depreciation	1620.64	3858.98
Less: Interest	58.73	150.30
Profit/(Loss) Before Depreciation	1561.91	3708.68
Less: Depreciation	897.48	942.53
Profit /(Loss) Before Tax	664.43	2766.15
Less: Provision for taxation	11.44	168.58
Profit /(Loss) After Tax	652.99	2597.57
Balance brought forward from previous year	3215.49	617.92
Less Transfer to Capital Redemption Reserve	1001.16	-
Balance carried to Balance Sheet	2867.32	3215.49

### 2. BUSINESS PERFORMANCE

The financial year 2015-16 was a reasonably good year for the Company in spite of slowdown of market of Oil Industry worldwide. Despite worldwide set back in the Industry, the Company was able to perform through its technology, operational excellence, higher efficiency and well executed strategies.

Your Company is continuously trying to extend its business into export markets as well as developing prospective customers in India and abroad.

Further the Company's units situated in SEZ at Noida & Kandla played an important role in achieving the overall targets and goals of the Company. The Company has implemented ISO-14001 and OHSAS-18001 in its plants which will further open overseas markets for the Company and also improve health and safety of the employees.

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affects the financial position of the Company.

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## 3. DIVIDEND

Your Directors deems it appropriate to preserve and plough back the Company's resources and disburse at an appropriate time. This way your Company will be able to conserve its resources and further consolidate the funds position of your Company. The Board may consider declaring dividend suitably to its members at appropriate time. The decision has been formulated in accordance with the Company's policy to sustain dividend which is linked to the long term growth objectives of the Company to be met by internal cash accruals.

## 4. FUTURE OUTLOOK

The future outlook of the Company seems very promising because of the improving global economics. As demand of Oil and Gas is increasing day-by-day in our country and overseas as well, the requirement of Company's products, which are directly related to Oil sector, is also increasing. The Company has also implemented various quality systems which have improved the quality of products and therefore acceptability of the Company's products in domestic and international markets have also increased considerably. This may eventually lead to higher growth, turnover and profit of the Company.

## 5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Listing Regulation of SEBI, is elaborated in a separate section forming part of the Annual Report and attached as "Annexure I".

## 6. 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 2015-2016 to BSE Limited, where the securities of the Company are listed. Further SEBI on 2nd September, 2015, has notified new Listing Regulations known as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - effective from 2nd day of December, 2015. In pursuance of the requirements of new Listing Regulations of SEBI, the Company has made a fresh agreement with BSE Limited with effect from 29th Feb, 2016. The Board has adopted SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

## 7. MAJOR EVENT

During the financial year, the Company had no major events taking place which tends to move the business aspect of the Company or materially affects the business activities of the Company.

## 8. CONSOLIDATED FINANCIAL STATEMENT

Your Company has no Joint Venture, subsidiaries and Associate companies, hence in accordance with the provisions of the Companies Act, 2013 and Accounting Standard (AS) 21 there is no need of consolidated Financial Statements.

## 9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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



## UNITED DRILLING TOOLS LTD

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### 10. 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 Regulations, 2015. There were three Independent Directors namely Shri S S. K. Bhagat (DIN-00841981), Shri K.D. Aggarwal (DIN-00861164) and Shri V.B. Mishra (DIN-00619543) of the Company. During the financial year 2015-16 a meeting of Independent Directors was held on 11.02.2016.

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 as per the Listing Regulations.

In accordance with the provisions of Companies Act, 2013 Shri Kanal Gupta (DIN-01050505), Non- Executive Director retire by rotation and being eligible offers himself for re-appointment.

#### The current composition of the Board of Directors is as follows :

Sr. No	Name of the Director	Designation on the Board
1	Mr. Pramod Kumar Gupta	Chairman cum Managing Director
2	Mr. S.S.K Bhagat	Independent Director
3	Mr. V.B. Mishra	Independent Director
4	Mr. K.D. Aggarwal	Independent Director
5	Mr. Uma Shankar Pandey	Non Executive Director
6.	Mr. Kanal Gutpa	Director

#### 10.1 BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and as per the Listing Regulations, the Board had carried out annual performance evaluation of its performance, the directors individually as well as 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.

#### 10.2 REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration of Executive and Non-executive are stated in the Corporate Governance Report of the Company.

#### 10.3 MEETINGS

During the year Five (5) Board Meetings and one Independent Directors' meeting were held, the Details of which are given below & in the Corporate Governance Report. The provisions of Companies Act, 2013 and Listing Regulations 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 Meeting : 22.05.2015, 08.08.2015, 14.09.2015, 31.10.2015 & 11.02.2016**

**Independent Directors' meeting : 11.02.2016**



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## 10.4 AUDIT COMMITTEE

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

Name	Status	Category
Shri V.B. Mishra	Chairman	Non - Executive & Independent Director
Shri K.D. Aggarwal	Member	Non - Executive & Independent Director
Shri S.S.K Bhagat	Member	Non - Executive & Independent Director
Shri P.K. Ojha	Secretary	Company Secretary

All the recommendations made by the Audit Committee were considered & accepted if any required, by the Board. The dates of meetings held during the year are as under:-

**22.05.2015, 08.08.2015, 31.10.2015 & 11.02.2016**

## 10.5 NOMINATION AND REMUNERATION COMMITTEE

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

Name	Status	Category
Shri K.D. Aggarwal	Chairman	Non - Executive & Independent Director
Shri S.S.K Bhagat	Member	Non - Executive & Independent Director
Shri V.B. Mishra	Member	Non - Executive & Independent Director

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.

## 10.6 STAKE HOLDER GRIEVANCE/RELATIONSHIP COMMITTEE

The company is having Stake holder Grievance/relationship Committee comprising of the following Directors:

Name	Status	Category
Shri V. B. Mishra	Chairman	Non - Executive & Independent Director
Shri U.S Pandey	Member	Non - Executive Director
Shri P.K. Ojha	Company Secretary	Compliance Officer

During the financial year 2015-16, 6 (six) meetings of the Stake Holder Committee were held which are as follows: 21.04.2015, 07.05.2015, 15.07.2015, 14.08.2015, 09.10.2015 & 11.12.2015. All the members of the Committee were present except for meeting held on 11.12.2015 in which Mr. U.S Pandey was absent.

**11. CORPORATE SOCIAL RESPONSIBILITY**

The Company has been, over the years, pursuing as part of its corporate philosophy, the key philosophy of all CSR initiatives of the Company which are guided by three core commitments of Scale, Impact and Sustainability, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

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 constituted a CSR Committee under the Chairmanship of Mr. S.S.K 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. U.S Pandey, a Non-Executive Director is also a member of this Committee.

During the financial year, the Committee held three of its meetings which are as follows: 21.08.2015, 14.11.2015 & 25.03.2016 and 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 some 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 2015-16 in the prescribed format are enclosed as "**Annexure – II**" to this report.

**12. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Agreement, including an Ethics & Compliance Task Force comprising of Senior Executives of the Company. 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 Policy, adopts highest standards of professionalism, honesty, integrity and ethical behavior. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee.

This policy is also uploaded on the website of the Company i.e. [www.udtltd.com](http://www.udtltd.com).

**13. 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, 2016 and of the profit of the Company for the financial year ended 31st March, 2016.
- 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.

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- 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.

## 14. 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 Listing Regulations, is not applicable to your Company.

## 15. RELATED PARTY TRANSACTIONS

In pursuance to the provisions of Section 108 & 110 of the Companies Act, 2013 the Company took approval from the members of the Company through Postal Ballot Notice Dt 21.04.2015 and Result Dt 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 2015-16 the Company had paid rent of Rs. 1,31,250/- (One Lac Thirty One Thousand Two Hundred and Fifty only) to P. Mittal Manufacturing Pvt. Ltd. in which one of the Directors Mr. Kanal Gupta is also a Director and a member and Mr. Pramod Kumar Gupta is also a member. Your Directors draw your attention to Note 11(B) to the Financial Statements which deals with related party disclosures. The AOC-2 is enclosed as “Annexure –III”.

## 16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## 17. 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.

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kanal Gupta, 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 Listing Regulations as prescribed by the SEBI.



The Company has devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

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	- CMD
Mr. Pramod Kumar Ojha	- Company Secretary
Mr. Arun Kumar Thakur	- CFO

## 19. AUDITORS

### 19.1 STATUTORY AUDITORS

M/s R S Dani & Co., Chartered Accountants were re-appointed to act as such by members in 33rd AGM of the Company as Statutory Auditors of the Company.

Accordingly an Audit Report along with financials as on 31.03.2016 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 AGM.

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.

### 19.2 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 IV**'.

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

### 19.3 INTERNAL AUDITORS

Consequent upon existence of provisions of Section 138 of the Companies Act, 2013, Mr. Vishnu Singh who is having vast experience in Finance and Accounts was appointed to perform the duties of Internal Auditor of the Company and their report is reviewed by the Audit Committee from time to time.

The Report of Internal Auditors does not contain any qualifications, reservations or adverse remarks.

## 20. 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 Listing Regulations as well. The Company duly complied with the various provisions under different Listing Regulations of SEBI. In pursuance of Listing Regulations 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 of 31.03.2016 are attached hereto as a part of this Annual Report as **Annexure – V**".

## 21. DEMATERIALISATION OF EQUITY SHARES

Your Company is registered with CDSL & NSDL for dematerialization of Equity Share of Company and Company's ISIN Number is INE961D01019. M/s Alankit Assignments Ltd. is acting as its agent for demat and other related requests 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, 2016 in Form No. MGT-9 is enclosed as “**Annexure V1**” 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.

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 Act.
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

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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 2015-16.

No. of complaints received : NIL

No. of complaints disposed off: NIL

### 30. ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the continued support of the customers, financial institutions and suppliers. Your directors also wish to record the appreciation for the valuable contribution made by employees at all levels and the continued support of various other associates.

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.

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Dated: 06.08.2016

#### For and on behalf of the Board

United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN: 00619482



## Annexure - I

### MANAGEMENT DISCUSSION & ANALYSIS

#### 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 benefitting 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 casing pipe with connector which is produced/manufactured by units situated at Kandla SEZ Gandhidham, Gujarat.

#### (b) MARKET ENVIRONMENT AND OUTLOOK

FY 2015-16 provided various industries with both challenges and opportunities. The steep decline in global energy prices 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. The impact of the steep drop was felt across the economy and resulted in significant destocking for the industry in FY 2015-16.

However, stabilization of product prices at lower levels is likely to aid a faster revival of demand growth. The Consumption pattern is correlated to global economic growth. Improving macro-economic activity levels is likely to drive demand for your Company's products end uses that encompass most Oil, Energy, Drilling and allied industries.

#### (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.



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## (e) INTERNAL CONTROL SYSTEM & ITS ADEQUACY

As a major thrust to implement corporate governance in the organization, your Company has already constituted Committees like Audit Committee, Investors' / 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.

## (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.

## (g) HUMAN RESOURCE

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 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.

## (h) FINANCE AND CONTROL

UDT'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 of Directors**  
United Drilling Tools Limited

Sd/-

**Pramod Kumar Gupta**

Chairman cum Managing Director

DIN : 00619482

Place : New Delhi

Date : 06.08.2016



## **Annexure - II**

### **CSR ACTIVITIES**

#### **BRIEF OUTLINE OF THE CSR POLICY :-**

#### **1. COMPANY'S PHILOSOPHY**

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](http://www.udtltd.com) under the link "Investors".

During the financial year, the Committee held three of its meetings which are as follows: 21.08.2015, 14.11.2015 & 25.03.2016 and 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 some reputed NGOs for undertaking various CSR Projects/ Programs as specified in Schedule VII of the Companies Act, 2013.

#### **2. COMPOSITION OF CSR COMMITTEE:-**

The company constituted a CSR Committee under the Chairmanship of Mr. S.S.K 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. U.S Pandey, a Non-Executive Director is also a member of this Committee.

#### **3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEAR: Rs. 10, 50, 51,250/-**

#### **4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT, OF THE AMOUNT AS MENTION ABOVE): Rs. 21, 02,025/-**

#### **5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2015-16:-**

- i. Total amount spent for the financial year: Rs. 14,46,898/-
- ii. Amount unspent, if any;- Rs. 6,55,127/-

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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 out-lay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure up to the reporting period (in Rs.)	Amount Spent : Direct or through implementing agency
1.	Promoting health care of senior citizen	Promoting health care	Noida, Distt.- Gautam Budh Nagar	1,25,000	1,25,000	1,25,000	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	1,90,000/-	1,90,000/-	3,15,000/-	Through implementing agency "Saint Hardyal Educational and Orphan Welfare Society"
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	1,61,000/-	1,61,000/-	4,76,000/-	Through implementing agency "Leprosy Mission trust of India"
4.	Promotion of Health Care	Promoting health care	New Delhi	2,10,000/-	2,10,000/-	6,86,000/-	Through implementing agency "Sight Life"



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5.	Promoting education among disabled child of poor background	Promoting Education	New Delhi	50,000/-	50,000/-	7,36,000/-	Through implementing agency" Amar Jyoti"
6.	Setting up / maintaining care home for HIV and aids suffer children	Setting up home care.	New Delhi	1,00,000/-	1,00,000/-	8,36,000/-	Through implementing agency"NAZ Foundation"
7.	Help the society suffered from natural calamity such as earthquake, flood etc.	Ensuring environmental sustainability.	Asansol, West Bengal	1,00,000/-	1,00,000/-	9,36,000/-	Through implementing agency "Medicines Sans Frontiers Holland India"
8.	Promotion of Health Care	Promoting health care	New Delhi	50,000/-	50,000/-	9,86,000/-	Through implementing agency "General Williams Masonic Polyclinic "
9.	Promoting health by eradicating cancer from society	Promoting health care	Punjab, Distt. Bhatinda	25,000/-	25,000/-	10,11,000/-	Through implementing agency"ROKO Cancer Charitable Trust"
10.	Promoting health by giving donation for the treatment of child from blood cancer	Promoting health care	Bulla (west), Mumbai - 0400011	10,000/-	10,000/-	10,21,000/-	Through implementing agency "CANCER AID AND RESEARCH FOUNDATION"
11.	Serving the poor, helpless, economically weaken section of society	Eradicating hunger and poverty	New Delhi	20,000/-	20,000/-	10,41,000/-	Through implementing agency "HAPPY CHILD CARE SANSTHA"

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12.	Promotion of health care by rehabilitating handicapped children's	Promoting health care	New Delhi	25,000/-	25,000/-	10,66,000/-	Through implementing agency "HANDI-CAPPED CHILDREN'S REHABILITATING ASSOCIATION"
13.	Promotion of health as well as take care of education.	Promoting health care and Promoting Education	New Delhi	25,000/-	25,000/-	10,91,000/-	Through implementing agency "LIFE CARE REGENERATION ASSOCIATION"
14.	Promotion of health as well social activities	Promoting health care	Udaypur, Rajasthan	50,000/-	50,000/-	11,41,000/-	Through implementing agency "NARAYAN SEWA SANSTHAN"
15.	Promotion of social welfare	Promoting health care	New Delhi	10,000/-	10,000/-	11,51,000/-	Through implementing agency "SAI PRENA SOCIAL WELFARE"
16.	Education development	Promoting Education	Noida, Distt.- Gautam Budh Nagar	2,95,898/-	2,95,898/-	14,46,898/-	Amount spent direct by the Company

**Note:-**

1. Few donations/ charity were given to some of the NGO's amounting to Rs. 1, 42,000/-, which are not included in CSR expenses.
2. Amount given to "Prime Minister National Relief Fund" amounted to Rs. 20,000/-, not included in CSR expenses.
  - a. Reason for not spending the whole amount: - Some activities (creating the toilets for females in schools) as pursued by the Company as part of its CSR activities are in the pipeline, the results of which will be known by the next financial year as the Company has initiated working in these projects.
  - 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/- P.K. Gupta Chairman cum Managing Director	Sd- S.S.K Bhagat Chairman CSR Committee
--	---



**Annexure - III**

**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 sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. 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, is the Director & member and Mr. P. K. Gupta is 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 on lease Plant & Machinery at the rate of Rs. 7, 50, 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

# UNITED DRILLING TOOLS LTD

CIN : L29199DL1985PLC015796

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## Annexure - IV

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016 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, 2016 according 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) and made effective from 1st July, 2015;
- (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 (effective from 1st December, 2015)
  - d) The SEBI (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and SEBI (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 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 review);
  - 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 review);
  - g) The SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /



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- 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 Listing Agreement entered into by the Company with the concerned Stock Exchanges;
- (vii) Labour Laws such 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;
  - Equal Remuneration Act, 1976;
  - Payment of Gratuity Act, 1972, 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, 1965;
  - 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;
- (viii) 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;
- (ix) Other 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 sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2016.

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. We believe that the audit evidence which have been obtained is sufficient and appropriate to provide a 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 complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below:

1. There were four (4) cases of filing of particulars of trading by promoters under Regulation 13 (4) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulation 7 (2) of the SEBI (Prohibition of Insider Trading)



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Regulations, 2015 beyond the statutory time limit. As per the explanation(s) and information(s) furnished before us, the said delay was due to physical transfer of shares.

2. The Company has formulated and approved the Code of Conduct for Prevention of Insider Trading as per Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 beyond the statutory period as prescribed under the said Regulations.
3. During the period under review, the Company has voluntarily filed Compounding Application under Section 621A read with Section 210 and 220 of the Companies Act, 1956 for default in laying of Balance Sheet and Profit & Loss and late filing of the same with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi for the Financial Year ended 31st March, 2014 with the Hon'ble Northern Region Bench of the Company Law Board, New Delhi and the final order in respect of the same was passed after 31st March, 2016.

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 our audit period. As per the explanation(s) and information(s) provided by the Company its officers, agents and authorized representatives, the Company shall duly comply with the said requirement in the subsequent financial year by appointing an effective Board with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 although delay has been observed in some cases. 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, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items 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 member's views are captured and recorded as part of the minutes.

**For Balraj Sharma & Associates  
Company Secretaries**

Sd/-

**Balraj Sharma  
(Proprietor)**

**FCS No.: 1605**

**C P No.:824**

**Place : New Delhi**

**Date : 21/05/2016**

**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.



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### “Annexure-A”

To,  
The Members  
United Drilling Tools Limited

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  
C P No.:824**

**Place : New Delhi  
Date: 21/05/2016**



## **Annexure V**

### **CORPORATE GOVERNANCE REPORT**

#### **(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 UDT.

#### **(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 2016, the Chairman and Managing Director managed the business of the Company under the overall supervision and guidance of the Board.

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March 2016, the total strength of the Board was six (6) 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 directors.

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

**22.05.2015, 08.08.2015, 14.09.2015, 31.10.2015, & 11.02.2016.**



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## 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	Financial Year 2015-2016 Attendance at		No. of Directorship in other companies*		No. of Committee position held in public companies including UDT	
		B.M	Last AGM	Chairman	Member	Chairman	Member
Mr. P.K. Gupta	Executive	05	Yes	Nil	Nil	Nil	Nil
Mr. S.S.K. Bhagat	Independent & Non Executive	05	Yes	Nil	Nil	Nil	2
Mr. V.B. Mishra	Independent & Non Executive	05	Yes	Nil	Nil	2	1
Mr. K.D. Aggarwal	Independent & Non Executive	05	Yes	Nil	Nil	1	1
Mr. U.S.Pandey	Non Executive	05	Yes	Nil	Nil	Nil	1
Mr. Kanal Gupta	Non-Executive Director	05	Yes	NIL	One	NIL	Nil
Ms. Shruti Syngal	Addl. Woman Director	00	NO	Nil	One	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 and Mr. Shruti Syngal is related to Mr. Pramod Kumar Gupta , Managing director of the Company.
4. Mr. Kanal Gupta, Non-Executive Director hold 3, 85,105 Equity Shares in the Company.

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](http://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.

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## 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 and Risk Management 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 below:

### 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 Statement 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 headed by Mr. V. B. Mishra, an Independent Non-Executive Director. Mr. V.B. Mishra has vast, diverse and enriched experience in Financial Management, Corporate Affairs, Accounting and Audit matters. The other members of the Committee are Mr. K.D Aggarwal, Non-Executive Independent Director and Mr. S.S.K Bhagat 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 2015-16, the members of the Audit Committee met Four (4) times i.e. on 22.05.2015, 08.08.2015, 31.10.2015 & 11.02.2016. The table below gives the attendance record of the Audit Committee meetings.

Numbers of Meeting held and Attendance:-

Members	Number of Meeting Held	Number of Meeting Attended
Mr. K.D. Aggarwal	04	04
Mr. V.B. Mishra	04	04
Mr. S.S.K Bhagat	04	04



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.

**(4) 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 2016 Mr. K.D. Aggarwal Independent Non-Executive Director, is the Chairman of the Committee and the other members of the Committee are Mr. V.B Mishra and Mr. S.S.K Bhagat.

**c) Meetings and Attendance**

During the year 2015-16, there was no any meeting of Nomination and Remuneration committee.

**d) Performance evaluation criteria for Independent Director 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 as 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 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

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## D. Personal attributes:- It includes:

- Commitment to role & fiduciary responsibilities as a board member
- Attendance and active participation and not done perfunctorily
- Proactive, strategic and lateral thinking

## REMUNERATION OF DIRECTORS :

The Company has paid sitting fee to all the Non-Executive Directors of the Company. 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/- (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/Manger
		Pramod Kumar Gupta
1	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 Director:

S. No.	Particulars of Remuneration	Name of Directors			
		Mr. K D Aggarwal	Mr. S S K Bhagat	Mr. V.B. Mishra	Mr. U. S. Pandey
	• Fee for attending Board Committee Meeting	79,500	79,500	75,000	79,500
	• Commission	NIL	NIL	NIL	NIL
	• Others, Consultancy	NIL	NIL	NIL	3,62,677
	Total	79,500	79,500	75,000	4,42,177/-

## 3.3. STAKEHOLDERS GRIEVANCE / RELATIONSHIP COMMITTEE

As per the requirements of Regulation 20 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, under the Chairmanship of Mr. V.B. Mishra, an Independent Director of the Company, the Board of the Company has constituted such Committee for redressal of Stakeholder Grievances. Mr. U.S 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.

During the financial year 2015-16, there were Six (6) meetings held by this Committee, the details of which are given below:-

**21.04.2015, 07.05.2015, 15.07.2015, 14.08.2015, 09.10.2015 and 11.12.2015;**



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## Numbers of meetings held and attendance:-

Members	Number of Meeting Held	Number of Meeting Attended
Mr. V.B. Mishra	06	06
Mr. U. S. Pandey	06	05
CS. P.K. Ojha	06	06

## Following are the details of shareholders' complaints/request during 2015-16

No. of complaint/request received During the financial year 2015-16	No. of complaint/ request Resolved during the year	Pending complaints/requests
14	14	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
2012-2013	Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi-110065	Wednesday the 25th September 2013 at 11.30 A.M	Yes
2013-2014	Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi-110065	Tuesday, the 11th day of November, 2014 at 11.00 A.M.	Yes
2014-2015	Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi-110065	Monday, the 14th day of September, 2015 at 11.00 A.M	Yes

### b) Postal Ballot-

The Company has passed a Special Resolution under Section 188 of the Companies Act, 2013 approval for the Related Party Transactions through Postal Ballot. The Company also provided E-voting process through CDSL to the Shareholders. **CS Jatin Gupta**, Partner of M/s. S P J & Co., Company Secretaries, was appointed as a Scrutinizer for this purpose and process has been duly adopted in pursuance to the relevant provision of the Companies Act, 2013. Total votes casts were 23,047 in which 500 votes were casted against the Resolution. The result was duly announced and intimated to the Registrar of Companies as well as to Stock Exchange and also uploaded on the website of the Company.

## 5. MEANS OF COMMUNICATION

### a) Quarterly results:

No. of Quarter	Date of Board Meeting	Date of Intimation to Stock Exchange
1st Quarter	08.08.2015	08.08.2015
2nd Quarter	31.10.2015	31.10.2015
3rd Quarter	11.02.2016	11.02.2016
4th Quarter	21.05.2016	21.05.2016



# UNITED DRILLING TOOLS LTD

CIN : L29199DL1985PLC015796

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- 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 stock exchange i.e [www.bse.india.com](http://www.bse.india.com) and company website [www.udtltd.com](http://www.udtltd.com)

## 6. GENERAL SHAREHOLDERS INFORMATION.

### a) Annual General Meeting

Date : 21<sup>st</sup> September, 2016  
Day : Wednesday  
Time : 11.00 A.M  
Venue : Maharani Bagh, Community Centre,  
1 Central Avenue, Maharani Bagh, New Delhi-110065

### b) Financial year: 1st April 2015 to 31st March, 2016

c) **Dividend payment date:** The Company has not declared dividend for financial year 2015-16.

d) **Name of stock Exchange:-** BSE Limited, P.J. Tower, Dalal Street, Mumbai-400001

The company has paid annual Listing fee for financial year 2015-16

e) **Stock Code:-522014**

f) **Market price date during the financial year April, 2015 to March, 2016:-**

S. No.	Name of the Month	High (₹)	Low (₹)	No of shares traded
1.	April-2015	189	152.8	45721
2.	May-2015	152.5	133	22142
3.	June-2015	131.2	65.8	41677
4.	July-2015	95.5	75.9	21985
5.	August-2015	84.65	40.95	26514
6.	September-2015	60.75	42.15	14199
7.	October-2015	72.9	61.95	9729
8.	November-2015	67.75	48.4	10465
9.	December-2015	78	54.15	20365
10.	January-2016	97.4	66.8	12903
11.	February-2016	72.75	41.6	21839
12.	March-2016	56.8	45.45	8501



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**g) Registrar to an issue and share transfer agents:-**

**Alankit Assignment Limited**

1E/13, Alankit Height

Jhandewalan Extensiion, New Delhi-110055

**h) Share Transfer System:-**

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

**i) Distribution of shareholding:-**

**DISTRIBUTION SUMMARY AS ON 31/03/2016**

Shares Shareholding value of Rs.	SHAREHOLDER:-			Total	%
	Physical Number	NSDL Number	CDSL Number		
1 to 5000	4205	493	519	5217	93.261
5001 to 10000	172	45	42	259	4.63
10001 to 20000	34	19	27	80	1.43
20001 to 30000	4	4	3	11	0.197
30001 to 40000	3	2	5	10	0.179
40001 to 50000	2	0	2	4	0.072
50001 to 100000	1	2	5	8	0.143
100001 to Above	1	2	2	5	0.089
<b>Total</b>	<b>4422</b>	<b>567</b>	<b>605</b>	<b>5594</b>	<b>100</b>

Shares Shareholding value of Rs.	SHAREHOLDER:-			Total	%
	Physical (In Rs.)	NSDL (In Rs.)	CDSL (In Rs.)		
1 to 5000	7058160	764690	851700	8674550	8.48
5001 to 10000	1353780	356850	329920	2040550	2.00
10001 to 20000	485620	276860	374900	1137380	1.10
20001 to 30000	99000	100260	73300	272560	0.27
30001 to 40000	103000	68790	178000	349790	0.34
40001 to 50000	94500	0	96260	190760	0.19
50001 to 100000	61000	170900	301400	533300	0.52
100001 to Above	13088890	326300	75670050	89085240	87.10
<b>Total</b>	<b>22343950</b>	<b>2064560</b>	<b>77875530</b>	<b>102284130</b>	<b>100</b>

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## (J) Dematerialization of shares as on 31.03.2016

### PHYSICAL/NSDL/CDSL/SUMMARY REPORT AS ON 31ST MARCH, 2016

Particulars	Shares	Percentage (%)
Physical	22,34,395	22.84
NSDL	2,06,465	2.02
CDSL	77,87,553	76.14
<b>Total</b>	<b>1,02,28,413</b>	<b>100</b>

#### (i) 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

#### (j) Address of Correspondence:- A-22, Phase-II, Noida-201305

## 7. OTHER DISCLOSURE:-

### (a) Party Related 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. For the Financial Year ended 31st March, 2014 the Bombay stock exchange has imposed a penalty vide of Rs. 1,68,540/- (One Lac Sixty Eight Thousand Five Hundred Forty) inclusive all taxes for non-submission of Audited Results pursuant to Clause 41 of the Listing Agreement. The Company had already made an application for waiver of such penalty due to Statutory Auditor debate, the Company was not able to file the same as required. Further the stock exchange also imposed Rs. 84,270/- (inclusive of all taxes) for non-submission of financial results for the quarter ended December, 2014. The Company had submitted the application for waiver of the same. The Securities Exchange of India vide its Order Dated 24.08.2015 imposed a penalty of Rs. 2,00,000/- for non-updating of "SCORES" on time. The Company has already paid the same.

### (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 2015-16 within time limits as prescribed by the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. Details are as given below:-**



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Particulars	Date of compliance
Shareholding pattern	13.07.2015,15.10.2015,21.01.2016,14.04.2016
Corporate Governance Report	11.06.2015,06.10.2015,12.01.2016,09.04.2016
Financial results along with outcome of the board Meeting	08.08.2015,31.10.2015,11.02.2015,21.05.2016
Reconciliation Share capital Report	28.07.2015, 21.10.2015, 23.01.2016, 14.04.2016
Half yearly Certificates	21.10.2015, 14.04.2016
Notice of The Board Meeting	29.07.2015, 21.10.2015, 02.02.2016, 13.05.2016

**(E) Web Link for determining ‘Material Subsidiary’ and “policy on dealing with related party transaction” in link Investors on the website [www.udtltd.com](http://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 and also displayed on Company's website [www.udtltd.com](http://www.udtltd.com). Hence, these are not individually sent to the Shareholders.

**(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 31.03.2016 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 audit committee.

10. The Company has duly complied during the Financial Year 2015-16 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](http://www.udtltd.com) on which all relevant disclosures as required by the said regulations has been duly made promptly and properly.

**For and on behalf of the Board of Directors  
UNITED DRILLING TOOLS LTD.**

Sd/-

(PRAMOD KUMAR GUPTA)

CHAIRMAN CUM MANAGING DIRECTOR

DIN : 00619482

Place : Noida

Dated: 06.08.2016

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## ANNEXURE – VI

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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**

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:-

SL. No.	Name and Description of main Products/services	NIC Code of the Product/Service	% to Total turnover of the company
1.	Winch	28221	42.93
2.	Stabilizer	28221	31.44
3.	Casing Pipe	28221	25.06

#### 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 holding, Subsidiary and Associate companies.				



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## IV. SHARE HOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)

### i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the 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	
<b>A. Promoters (1) Indian</b>									
a) Individual/HUF	7511005	18400	7529405	73.61	7568505	0	7568505	73.99	Increased by 0.38%
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	
<b>Sub-Total</b>	<b>7511005</b>	<b>18400</b>	<b>7529405</b>	<b>73.61</b>	<b>7568505</b>	<b>0</b>	<b>7568505</b>	<b>73.99</b>	
<b>(2) Foreign</b>									
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	
<b>Sub Total (A) (2);</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>7511005</b>	<b>18400</b>	<b>7529405</b>	<b>73.61</b>	<b>7568505</b>	<b>0</b>	<b>7568505</b>	<b>73.99</b>	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	

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f) Insurance Companies	00	00	00	00	00	00	00	00	
g) FIs	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	
<b>Sub-total (B) (1)</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	60481	1316239	1376720	13.46	36214	1316239	1352453	13.22	<b>-0.24</b>
ii) Overseas	00	00	00	00	00	00	00	00	
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	279048	971631	1250685	12.23	363948	901556	1265504	12.37	<b>+0.14</b>
ii) Individuals shareholders holding nominal share Capital in excess of ₹1 lakh	39200	00	39200	0.38	20200	00	20200	0.20	<b>-0.18</b>
<b>c) Others (FRI)</b>	<b>9303</b>	<b>22700</b>	<b>32003</b>	<b>0.31</b>	<b>4751</b>	<b>16600</b>	<b>21351</b>	<b>0.21</b>	<b>-0.10</b>
Trust	400	00	400	0.01	400	00	400	0.01	<b>-0.001</b>
<b>Sub Total (B) (2)</b>	<b>388432</b>	<b>2310576</b>	<b>2699008</b>	<b>26.39</b>	<b>425513</b>	<b>2234395</b>	<b>2659908</b>	<b>26.01</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>388432</b>	<b>2310576</b>	<b>2699008</b>	<b>26.39</b>	<b>425513</b>	<b>2234395</b>	<b>2659908</b>	<b>26.01</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	
<b>Grand Total (A+B+C)</b>	<b>7899437</b>	<b>2328976</b>	<b>10228413</b>	<b>100</b>	<b>7994018</b>	<b>2234395</b>	<b>10228413</b>	<b>100</b>	



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## ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		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	
1	Pramod Kumar Gutpa	7181900	70.22	NIL	7181900	70.22	NIL	NIL
2.	Kanal Gutpa	337505	3.30	NIL	385105	3.77	NIL	Increase by 0.47%
3.	Prabh Gupta	1500	0.01	NIL	1500	0.01	NIL	NIL
4.	Neha Gupta	8300	0.08	NIL	00	00	NIL	NIL
	<b>Total</b>	<b>7529405</b>	<b>73.61</b>	<b>00</b>	<b>7568505</b>	<b>73.99</b>	<b>00</b>	<b>0.30</b>

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

SL. No		Shareholding at the beginning of the 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	7529405	73.60	NIL	NIL
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.);	39,100 equity shares has been purchased by Mr. Kanal Gupta during the financial year 2015-16	0.39	NIL	NIL
3.	At the end of the year	7568505	73.99	NIL	NIL



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

SL. No	For the Top 10 Share holders	Shareholding at the beginning of the 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	13,98,092	13.67	NIL	NIL
2.	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus /sweat equity etc.);	Decreased by 8339 equity shares due to transfer of shares	0.08	NIL	NIL
3.	At the End of the year (or on the date of separation, if separated during the year)	13,89,753	13.59	NIL	NIL

## v) Shareholding of Directors and Key Managerial Personnel

SL No.	For each of the Directors and KMP	Share holding at the beginning of the 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.	<b>Name of Director</b> <b>Mr. Pramod Kumar Gupta</b>				
	AT the beginning of the year	71,81,900	70.22	NIL	NIL
	Date wise increase /Decrease in Share holding during the year	NIL	NIL	NIL	NIL
	Specifying the reason for increase /decrease (e.g allotment/transfer/ bonus /sweat equity etc	NIL	NIL	NIL	NIL
	At the end of the year	71,81,900	70.22	NIL	NIL



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2.	<b>Name of Director Mr. Kanal Gupta</b>			NIL	NIL
	AT the beginning of the year	3,37,505	3.30	NIL	NIL
	Date wise increase /Decrease in Shareholding during the year	Increase by 47,600 equity shares	Increase by 0.47%	NIL	NIL
	Specifying the reason for increase /decrease( e.g. allotment/transfer/ bonus /sweat equity etc.	47600 equity shares has been purchased by Mr. Kanal Gupta during the financial year 2015-16	NIL	NIL	NIL
	At the end of the year	385105	3.77	NIL	NIL

**Note : Except above directors no other directors and KMP hold any shares of the company.**

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,44,198	6,47,27,108	NIL	6,63,71,306
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	52,01,385	NIL	52,01,385
<b>Total (i+ii+iii)</b>	<b>16,44,198</b>	<b>6,99,28,493</b>	NIL	<b>7,15,72,691</b>
Changes in Indebtedness during the financial year				
• Additional	9,38,52,334	74,43,891	NIL	10,12,96,225
• Reduction	3,67,236	7,29,72,384	NIL	7,33,39,620
<b>Net Change</b>	<b>9,34,85,098</b>	<b>6,55,28,493</b>	NIL	<b>2,79,56,605</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9,51,29,296	44,00,000	NIL	9,95,29,296
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>9,51,29,296</b>	<b>44,00,000</b>	NIL	<b>9,95,29,296</b>

# UNITED DRILLING TOOLS LTD

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## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

### A. Remuneration of Managing Director, Whole Time Directors and /or Manager

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manger	Total Amount
		<b>Pramod Kumar Gupta</b>	
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
	<b>Total (A)</b>	<b>42, 00, 000</b>	<b>42, 00, 000</b>
	Ceiling as per the Act (Schedule-V)	42, 00, 000	42, 00, 000

### B. Remuneration of other Director:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		K D Aggarwal	S S K Bhagat	V.B. Mishra	U. S. Pandey	
<b>1. Independent Directors</b>						
	• Fee for attending Board Committee Meeting	79,500	79,500	75,000	NIL	2,34,000
	• Commission	NIL	NIL	NIL	NA	NIL
	• Others, Please specify	NIL	NIL	NIL	NA	NIL
	<b>Total (1)</b>	<b>79,500</b>	<b>79,500</b>	<b>75,000</b>	<b>NIL</b>	<b>2,34,000</b>



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2. Others Non-Executive Directors						
	• Fee for attending Board committee meeting	NIL	NIL	NIL	79,500	79,500
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify (Consultancy fee)	NIL	NIL	NIL	3,62,677	3,62,677
	<b>Total (2)</b>	NIL	NIL	NIL	<b>4,42,177</b>	<b>4,42,177</b>
	<b>Total (B) =(1+2)</b>	<b>79,500</b>	<b>79,500</b>	<b>75,000</b>	<b>4,42,177</b>	<b>6,76,177</b>
	Total Managerial Remuneration					<b>48,76,177</b>
	Overall Ceiling as per act	NA				

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

SL No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross Salary</b>				
	(a) Salary as per provision of Contained in section 17(1) of the Income tax Act, 1961	No CEO in the company	4,90,983	4,21,120	9,12,103
	(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
<b>2.</b>	<b>Stock Option</b>	NA	NIL		NIL
<b>3.</b>	<b>Sweat Equity</b>	NA	NIL		NIL
<b>4.</b>	<b>Commission</b> - As % of profit - Others, specify	NA	NIL		NIL
<b>5.</b>	<b>Others, please specify</b>	NA	NIL	NIL	NIL
	<b>Total</b>	<b>NA</b>	<b>4,90,470</b>	<b>4,21,120</b>	<b>9,12,103</b>

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## VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act,	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					SEBI imposed a penalty of Rs. 2 Lac for non-updating of "SCORES" vide its order dated 28.04.2015. The Company has promptly deposited/paid the said amount with the SEBI.
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	SECTION 220	Compounding for non-filing of Balance sheet and Profit and Loss Account for the year ended 31.03.2014	Rs. 50,000/- (Rupees Fifty Thousand only)	Company Law Board	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	SECTION 210	Compounding for non-adoption of Annual Accounts or the year ended 31.03.2014 at the Annual General Meeting	Rs. 10,000/- (Rupees Ten Thousand only)	Company Law Board	NIL
	SECTION 220	Compounding for non-filing of Balance sheet and Profit and Loss Account for the year ended 31.03.2014	Rs. 40,000/- (Rupees Forty Thousand only)	Company Law Board	NIL



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<b>C. OTHERS IN DEFAULT OFFICERS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	SECTION 210	Compounding for non-adoption of Annual Accounts or the year ended 31.03.2014 at the Annual General Meeting	Rs. 10,000/- (Rupees Ten Thousand only)	Company Law Board	NIL
	SECTION 220	Compounding for non-filing of Balance sheet and Profit and Loss Account for the year ended 31.03.2014	Rs. 25,000/- (Rupees Twenty Five Thousand only)	Company Law Board	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) Technology absorption:**

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

- Company continuously keeps on adapting new technology relating to manufacturing of oil drilling equipment's and tools attending seminars, conferences and interactions with foreign suppliers and collaborators. This helps the Company in absorbing, adapting and innovating new technology.

**(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	2015-16 (Amount in Rs.)	2014-15 (Amount in Rs.)
Foreign Earning at FOB value	<b>33,82,55,267</b>	1,09,30,95,918
Outgo: Total foreign Exchange outgo including cost of Imported material	<b>2,85,56,973</b>	24,52,47,764



## 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 :- 179 (One Hundred Seventy Nine)
- ii) Average increase in salary of the Employee of the company: - 8 (Eight) percent.
- iii) Employed throughout the Financial Year 2015-16

Name	Age	Qualification	Designation	Date of commencement of employment	Experience	Gross remuneration	Previous employment	Designation
<b>None of the Employees of the Company was in receipt of Rs. Sixty Lacs or more for the employment of whole financial year.</b>								

- iv) Employed for a part of the Financial Year 2015-16

Name	Age	Qualification	Designation	Date of commencement of employment	Experience	Gross remuneration	Previous employment	Designation
<b>None of the Employees of the Company was in receipt of Rs. 5 lacs monthly as a salary for his part time employment.</b>								

- 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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (in Rs)	% increase in Remuneration in the Financial Year 2015-16	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	23.33:1	Satisfactory



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2.	Mr. S.S.K Bhagat Independent Director	79,500	NIL	0.44:1	
3.	Mr. K. D. Aggarwal Independent Director	79,500	NIL	0.44:1	
4.	Mr. V.B. Mishra Independent Director	75,000	NIL	5:12	
5.	Mr. U.S Pandey Non-Executive Director	3,62,677	NIL	2:1	
6.	Mr. Kanal Gupta Non-Executive director	NIL	NIL	NIL	
7.	Mr. A.K. Thakur CFO	4,21,120	NIL (appointed during 2015-16)	2.34:1	Satisfactory
8.	Mr. P.K. OJha Company Secretary	4,90,983	12	2.7:1	Satisfactory

**(Note: Sitting fee given to Director for Board and Committee meeting taken as remuneration and Median is taken as Rs. 1, 80,000 , 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.



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### 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, 2016 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.

**New Delhi**  
**Date: 06.08.2016**

**Pramod Kumar Gupta**  
**Chairman cum Managing Director**

**DIN : 00619482**

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## 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, 2016 as stipulated in;
  - Clause 49 of the Listing Agreement of the said Company with the Stock Exchange for the period April 1, 2015 to November, 30, 2015.
  - Regulation 17 to 27 of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
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 the Clause -49 of the above mentioned Listing Agreement and 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 Regulations for the respective periods of applicability as specified under 1 above, during the year ended March 31, 2016 .
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.

Place : New Delhi  
Date : 06.08.2016

For R S Dani & CO.  
Chartered Accountants  
(F R N.: 000243C)  
Sd/-  
CA Ashok Mangal  
Partner  
(Membership No.: 071714)



**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 and that to the best of their 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 listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity 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.

**Arun Kumar Thakur**  
Chief Financial Officer

**Pramod Kumar Gupta**  
Chairman cum Managing Director  
DIN : 00619482

Place : New Delhi  
Date : 06.08.2016