

UNITED DRILLING TOOLS LTD.

CIN : L29199DL1985PLC015796

Regd. Office : B-94, Shashi Garden, Patpar Ganj, New Delhi-110091

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

Ph. : 0120-4842400, 2462673, Fax : 0120-2462675

POSTAL BALLOT FORM

[Please read the instructions printed overleaf carefully before completing this form]

Serial No.

1. Name & Address of the Sole/ First named Shareholder as registered

2. Name(s) of the joint Shareholder(s), If any

3. Registered Folio No./ DPID No./ Client ID No.

4. No. of shares held

5. I/We hereby exercise my/our vote in respect of the ordinary/special resolution to be passed through postal ballot for the businesses stated in the notice of the Company by sending my/our assent or dissent to the resolutions by placing tick mark (✓) in the appropriate boxes below:

S. No.	Description	No. of Shares	I / We assent (agree) to the Resolution (FOR)	I / We dissent (disagree) to the Resolution (AGAINST)
1.	Special Resolution u/s 188 of the Companies Act, 2013 for transactions with related parties.			

Place : _____
Date : _____ (Signature of the Shareholder)

- Notes:
- Last date for receipt of Postal Ballot Form by scrutinizer is May 20th, 2015.
 - Please read the instructions printed over leaf carefully before completing this form.

P.T.O.

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NOTICE OF POSTAL BALLOT

To

The Members,

Notice pursuant to section 108 and 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014

Notice is hereby given pursuant to Section 108 & 110 and other applicable provisions of the Companies Act, 2013, (the Act) if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or reenactment thereof for the time being in force and any other rules, regulations, notifications etc. (in force/brought in force after issuance of present notice), that the Resolutions set out below are proposed to be passed by way of Postal Ballot/e-Voting..

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on 20th May, 2015.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

The said resolution as set out below is to be passed as special resolution and shall be declared as duly passed if votes cast in favor of the resolution are not less than three times the number of votes, if any, cast against the resolution.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director. The Scrutinizer will submit their report to the Chairman of the Company, after completion of scrutiny, on or before 22nd May, 2015. The result of the Postal Ballot will be announced by the Chairman of the Company on 25th May, 2015 at the Company's registered office situated at B-94, Shashi Garden, Patpar Ganj, Delhi-110091. In addition to the results being communicated to BSE Limited, published in the newspapers and displayed along with Scrutinizers Report at the Company's registered office as well as website i.e. www.udttd.com. The resolution will become effective on and from the date of announcement of result of the Postal Ballot by the Chairman of the Company.

Item No. 1: Approval for Related Party Transactions.

To consider and if thought fit, to give assent/dissent to the following resolution, with or without modification(s), by way of postal ballot as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any and the rules made thereunder (including any statutory modification and re-enactment thereof for the time being in force) and in terms of applicable provisions of Listing Agreement entered with the Stock Exchange (including any amendment, modification or re-enactment thereof), and such other approvals, consents, permissions and sanction of any authority as may be necessary, the consent of the members of the Company be and is hereby accorded to the board of Directors for entering into proposed transaction i.e. Related Party Transactions, between the Company and M/s P Mittal Manufacturing Pvt. Ltd. (a related party) bearing CIN : U29220DL2008PTC181042 and having regd. Office at F-36, First Floor, Kalkaji, New Delhi 110 019 with respect to

- sale, purchase and supply of oil drilling tools, equipments, machines, components, spare parts and accessories etc.;
- for getting machining, fabrication, testing, inspection, design and R&D, phosphating, painting and other manufacturing / trading services of any kind;
- Purchase of Raw material, forgings, casting, semi finished components, semi finished assemblies; etc. And
- leasing of factory or office space to and from M/s P Mittal Manufacturing Pvt. Ltd., on reciprocal basis and every year thereafter, up to the maximum per annum amounts as appended in table below on the following terms and conditions :-

S.No.	Name of the Related Party	Relationship	Maximum Value of Transactions per annum (Rs. crore)
1.	M/s P Mittal Manufacturing Pvt. Ltd	1. Mr. Kanal Gupta, Director and member, holding 6,260 equity shares 2. Mr. Pramod Kumar Gupta, Member, holding 1,63,250 equity shares	15 (Fifteen)

Expected maximum annual value of transaction over the next four years

(A) **Consideration** : Prices based on competitive minimum 2 quotations or standard cost estimation for such services and products and shall be at arm's length price on each occasion.

(B) **Nature, material terms and particulars of the agreement** : The contract is for purchase and sale on reciprocal basis of equipment, services and leasing of property, depending upon exigencies of circumstances.

(D) **Duration of the contract** : The contract shall be for an initial period of 4 years initiating from date of approval by members for said transactions and may be terminated by either party with 30 days prior notice to the other party.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem necessary, desirable and expedient for such purpose and to do acts, required to give effect to this resolution.”

By order of the Board
For United Drilling Tools Limited

Sd/-
P K Ojha
Company Secretary
PAN : AASPO1014C
Membership No. : A27633
Residential Address : B-94, Shashi Garden
Patpar Ganj, New Delhi-110091

Date : 21st March, 2015

Place : Delhi

NOTES :

- An Explanatory Statement pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed to the Notice, along with a Postal Ballot form (the Form) for your consideration
- The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners on 10.04.2015 as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).
- The Board of Directors has appointed M/s S P J and Co., Company Secretaries, New Delhi as the Scrutinizer for conducting the Postal Ballot process as well as e-voting in a fair and transparent manner
- Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from website of the Company, www.udttd.com. To seek duplicate Postal Ballot Form, please contact our Registrar and Transfer Agent, M/s. Alankit Assignments Limited, situated at 1E/13, Alankit Height, Jhandewalan Extension, Delhi-110055 and request you to fill in the details and send the same to the Scrutiniser.
- In compliance with provisions of Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all the Shareholders of the Company. CDSL will be facilitating e-voting to enable the Shareholders to cast their votes

electronically. E-voting is optional. The instructions for Shareholders for e-voting are given in the Postal Ballot form. In case of any queries, please contact Mr. P.K. Ojha Company secretary of the company at the contact No.: 8750055919.

6. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
7. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutiniser. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
8. The voting rights of Shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on 10th April, 2015
9. Postal Ballot forms received after May 20, 2015 will not be valid and, voting, whether by post or electronic means, is not allowed after 6.00pm on 20th day of May, 2015. Postal ballot Forms received after this date will be strictly treated as if the reply has not been received from the Member(s).
10. All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 6.00 p.m. on all working days at the Registered Office of the Company i.e. B-94, Shashi Garden, Patpar Ganj, Delhi-110091.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No.1: Approval for Related Party Transactions.

Your Company M/s United Drilling Tools Ltd. (hereinafter called "the Company") wish to enter into transactions/contract with M/s P Mittal Manufacturing Pvt. Ltd. for sale and/or purchase on reciprocal basis of the products, services and leasing to and from M/s P Mittal Manufacturing Pvt. Ltd. of various properties, depending upon business needs of your Company, which is a related party within the meaning of section 2(76) of the Companies act, 2013 and applicable provisions of the Listing Agreement.

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

M/s P Mittal Manufacturing Pvt. Ltd is a Company engaged in manufacturing of Oil drilling tools, equipments and machines and has latest technology and design for such products. Your Company is in the same line of business; Hence the Company sometimes needs to procure different tools, equipments, machines, components, spare parts and accessories as well as needs to get services such as machining, fabrication, testing, inspection, design and R&D, phosphating, painting and other manufacturing services so as to cater varied business needs of various clients. Further, your Company may also needs to purchase raw material, forgings, casting, semi finished components, semi finished assemblies etc. from M/s P Mittal Manufacturing Pvt. Ltd. as there are very few companies which are providing these services and equipment in India who are equally concerned as to quality standards, which is akin to that of standards assumed and followed by your Company. Besides this, the Companies may also need to lease their factory or office space to or from M/s P Mittal Manufacturing Pvt. Ltd. Since both the companies plant are located in SEZ areas and have similar manufacturing capabilities. It is easier and faster to get products manufactured from them or avail different types of services from them. This will also help in meeting delivery schedules since your Company has customers which are Government Public Sector Undertakings such as ONGC, Oil India and other foreign international companies where delay in delivery period may incur very heavy liquidated damage charges. Therefore, Company needs to avail the manufacturing and other facilities to and from M/s P Mittal Manufacturing Pvt. Ltd. whenever required, which shall helpful to improve Company profitability. The arrangement is intended to be reciprocal since there may be heavy period of business for P Mittal Manufacturing Pvt. Ltd. and they may also approach your Company to use the infrastructure and other capabilities which will be used by your Company to capitalize upon opportunities available at its disposal for execution of contract/sub contracts awarded by said company to your Company thereby improving the bottom line of your Company.

Further, this will also result into lesser investment in fixed assets which will improve sustainability of the Company during the time when Company has limited orders due to the nature of its business which is procured from Govt. Public Sector Undertakings against international competitive bids. Therefore, at the time when Company has slack periods, the fixed expenses will not be difficult to meet by the Company. Therefore, this

Contractual arrangement may be profitable for overall position of the Company. It is worth stating here that the transaction will be effected at arm's length price. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution:

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions per annum (Rs. crore)	Nature and Material Terms/ Particulars of the contract or arrangement
1.	M/s P Mittal Manufacturing Pvt. Ltd	1. Mr. Kanal Gupta, Director and member, holding 6,260 equity shares 2. Mr. Pramod Kumar Gupta, Member, holding 1,63,250 equity shares	15 (Fifteen)	The pricing agreed between the related parties has been reviewed and validated for meeting the criteria of Arm's Length Pricing (ALP) by a reputed and independent consulting firm.

* Expected maximum annual value of transaction over the next four years.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party As per table above

Name of the Director or key managerial personnel who is related, Mr. Kanal Gupta and Mr. Pramod Kumar Gupta may be deemed to be concerned in their capacity as director and members respectively of P Mittal Manufacturing Pvt. Ltd.

Nature of Relationship, material terms, monetary value and particulars of the contract or Arrangement as per table above.

All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. All the transactions are for availing or rendering of services within P Mittal Manufacturing Pvt. Ltd., details of value and material terms of which are given in table above.

Any other information relevant or important for the members to take a decision on the proposed resolution.

None the above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on 21.03.2015 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

As per Clause 49(VII) (E) of the Listing Agreement, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company, including, among others, P Mittal Manufacturing Pvt. Ltd. and the Directors and Key Managerial Personnel of United Drilling Tools Limited will not vote on this resolution. None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 1 of the Notice. However, Mr. Kanal Gupta, and Mr. Pramod Kumar Gupta may be deemed to be concerned in their capacity as director and members respectively of P Mittal Manufacturing Pvt. Ltd. The Board recommends the Special Resolution set out at Item No. 1 of the Notice for approval by the unrelated shareholders.

**By order of the Board
For United Drilling Tools Limited**

Sd/-

P K Ojha

Company Secretary

PAN : AASPO1014C

Membership No. : A27633

Residential Address : B-94, Shashi Garden
Patpar Ganj, New Delhi-110091

Date: 21st March, 2015

Place: Delhi

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **21st day of April, 2015 from 10.00a.m.** and ends on **20th day of May, 2015 upto 18.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. **10th day of April, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **United Drilling Tools Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.