

**30th Annual Report
2011-2012**



**UNITED DRILLING
TOOLS LTD.**

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UNITED DRILLING TOOLS LTD

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI PRAMOD KUMAR GUPTA
Chairman cum Managing Director
M.S.I.E., P.E. (USA)

SHRI SHIVSHARAN KUMAR BHAGAT
Independent & Non Executive Director
Civil Engineering Graduate
Retired Chief Engineer, NDMC, New
Delhi

SHRI VIDHYA BHUSHAN MISHRA
Independent & Non Executive Director
Graduate
Ex. P.A. to Dy. Chairman, Rajya Sabha

SHRI KRISHNA DIYAL AGGARWAL
Independent & Non Executive Director
Post Graduation in Economics
Retired as Manager from Reserve Bank
of India.

SHRI UMA SHANKAR PANDEY
Independent & Non Executive Director
Retired as G.M Commercial, Indian
Airlines Ltd

AUDITORS

AGRAWAL DHRUV & COMPANY
Chartered Accountants
A-69 B Sector 40 Golf Link Noida

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited
2E/21 Alankit House Jhandewalan Extension
New Delhi-110055

REGISTERED OFFICE

B-94, Shashi Garden Patparganj, Delhi-110092



UNITED DRILLING TOOLS LTD

FACTORY

C-41 SECTOR -81 NOIDA (U.P.)
Distt. GAUTAM BUDH NAGAR-201 305

HEAD OFFICE

A-22, PHASE-II, NOIDA. (U.P.),
GAUTAM BUDH NAGAR-201305

- Note :**
1. Your Company is listed with CDSL for Dematerialization and Company ISIN No. is INE961D01019.
 2. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 3. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.



UNITED DRILLING TOOLS LTD

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of United Drilling Tools Limited will be held on Wednesday, the 26th September, 2012 at 11.30 A.M. at Maharani Bagh Community Centre 1 Central Avenue, Maharani Bagh New Delhi-110065 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To consider and appoint a Director in place of Shri K.D Agarwal, who is liable to retire by rotation and being eligible, offers him for re-appointment.
3. To consider and appoint M/s Agrawal Dhruv & Co., Chartered Accountants, Auditors to hold office from conclusion of this annual general meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification, if any, the following resolution as Special Resolution

ITEM NO.1

Alteration in the Articles of Association of the Company-Special Resolution

Resolved that pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions, Article 4 of the Articles of Association of the Company be and is hereby deleted and substituted with the following new Article No. 4 in its place:

4. The Authorised Share Capital of the Company shall be such amount, and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association of the Company. The Company will have the power to increase or reduce the authorised share capital and to divide the shares, for the time being, into several classes and to attach thereto respectively, such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Act or the Articles of the Company and to modify or abrogate any such rights, privileges and conditions in such manner as may deem fit and consolidate or sub-divide the shares and to issue shares of higher or lower denomination or to otherwise modify the authorised share capital of the Company.

Resolved further that for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as they may, in their



UNITED DRILLING TOOLS LTD

absolute discretion, deem necessary, proper and desirable.”

Explanatory Statement

As the Article 4 of the Articles of Association of the Company contains the fixed amount of authorised share capital, Article No 4 of the Articles of Association of the Company also needs to be changed.

For alteration in the Article of Association, members approval is required in the form of Special Resolution.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolutions except to the extent of shares held by them or their relatives.

ITEM NO.2

Amendment in the Clause V of the Memorandum of Association-Ordinary Resolution

“Resolved that pursuant to the provisions of Article no 49 of the Articles of Association of the Company, Section 94 of the Companies Act, 1956, and other applicable provisions, if any, the existing Authorized Share Capital of the Company be and is hereby modified by cancelling 1,00,11,670 Equity shares of Rs. 10 each aggregating to Rs. 10,01,16,700 which, at the date of passing of this resolution, remain un-issued and have not been taken or agreed to be taken by any person.

Resolved further that 10,01,167 Preference Shares of Rs. 100 each aggregating to Rs. 10,01,16,700 be and are hereby created in place of Equity Shares so cancelled.

Resolved further that Clause V of the Memorandum of Association of the Company be substituted with the following new clause:

- V. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees twenty five crore) divided into 1,49,88,330 (one crore forty nine lac eighty eight thousand three hundred thirty) equity shares of Rs. 10 each aggregating Rs. 14,98,83,300 (Rupees fourteen crore ninety eight lac eighty three thousand three hundred only) and 10,01,167 (ten lac one thousand one hundred sixty seven) Preference Shares of Rs. 100 each aggregating Rs. 10,01,16,700 (Rupees ten crore one lac sixteen thousand seven hundred only).**

Resolved further that Board of Directors of the Company be and are hereby authorized to take all necessary steps that may be required to give effect to the aforesaid resolution.”

Explanatory Statement

Presently, the Authorized Share Capital of the Company is Rs. 25,00,00,000 divided into 2,50,00,000 Equity shares of Rs. 10 each. In terms of the Scheme of Amalgamation approved by the Hon'ble Delhi High Court, the company has to issue 10,01,167 Preference Shares of Rs. 100 each aggregating Rs. 10,01,16,700. To accommodate the issue of Preference Shares the Authorized Share Capital of the company requires modification by division of existing Authorized Share Capital of Rs. 25,00,00,000 into 1,49,88,330 (one crore forty nine lac eighty eight thousand three



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hundred thirty) equity shares of Rs. 10 each aggregating Rs. 14,98,83,300 (Rupees fourteen crore ninety eight lac eighty three thousand three hundred only) and 10,01,167 (ten lac one thousand one hundred sixty seven) Preference Shares of Rs. 100 each aggregating Rs. 10,01,16,700 (Rupees ten crore one lac sixteen thousand seven hundred only).

Approval of the members of the Company is sought for the proposed increase in the authorised capital. Your directors recommend the resolution for adoption by members of the Company.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolutions except to the extent of shares held by them or their relatives.

Regd. Office
B-94, Shashi Garden
Patparganj, Delhi-110091

By Order of the Board of Directors

sd/-

Dated: .14.08.2012

(PRAMOD KUMAR GUPTA)
CHAIRMAN & MANAGING DIRECTOR



UNITED DRILLING TOOLS LTD

NOTES

1. Details, as required under clause 49(G) of Listing Agreement, in respect of the Directors, seeking re - appointment is appended
2. A member entitled to attend and vote at the meeting of the company is entitled to appoint any person as his/her proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
3. The proxy form in order to be effective must be deposited at the Registered Office of the company, at least 48 hours before the commencement of the aforesaid meeting.
4. Corporate Members are requested to send a duly certified copy of the Board/ Governing Body Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. The register of members and share transfer books of the company shall remain closed from 22.09.2012 to 26.09.2012 (both days inclusive).
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agents of the Company, **Alankit Assignments Ltd**, 2E/21 Alankit House Jhandelwalan Extension New Delhi-110055.
7. Members who hold shares in physical form are requested to notify promptly any change in their addresses to the Registrar and Transfer Agents (RTA) of the Company at the above address and always quote their folio Numbers in all correspondence with the Company & RTA. In respect of holding in electronic mode, members are requested to notify any changes in addresses to their respective depository participants.
8. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading benefits is permitted only in dematerialized form, electronic transfer, saving in stamp duty, prevention of forgery, etc.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 1400-1600 hrs. up to the date of the meeting.
10. The members desirous of obtaining any information concerning the accounts and the operation of the company are requested to send their queries to the company at least seven days before the date of the meeting, so that the information required by the members can be made available at the meeting.
11. Members are requested
 - (a) to bring their copy of the Annual Report Notice and Attendance slip duly completed and



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signed at the meeting. No copies of the report will be distributed at the meeting.

- (b) To quote their Folio No. /DP Id and Client Id in all correspondence;
- (c) To note that no gift or gift coupons will be distributed at the meeting.

Regd. Office
B-94, Shashi Garden
Patparganj, Delhi-110091

By Order of the Board of Directors

Dated: .14.08.2012

(PRAMOD KUMAR GUPTA)
CHAIRMAN CUM MANAGING DIRECTOR



UNITED DRILLING TOOLS LTD

**Details of the directors seeking reappointment at the 30th Annual General Meeting (AGM)
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	SH. KRISHAN DIYAL AGARWAL
Date of Birth	10/06/1943
Date of Appointment	29/09/2006
Qualifications	Post Graduate in Economics
Expertise	Finance
Directorship in other Companies	0
Committee Positions in United Drilling Tools Limited	2
Committee Positions in other Public Limited Companies	0
Relation between Directors	NIL
Number of Shares held in United Drilling Tools Limited	NIL

I. GENERAL INFORMATION

(1)	Nature of Industry	Manufacturing of oil drilling Equipment	
(2)	Date or expected date of commencement of commercial production	N.A The company is already in existence and operation.	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A	
(4)	Financial Performance of the Company for the last 2 years is given below		
	Particulars	Financial Year ended	
		31st March 2012 (Rs in. Lacs)	31st March 2011 (Rs in. Lacs)
	Sales and Other Income	3829.40	2688.22
	Gross Profit (Loss)	135.87	102.07
	Profit Before Depreciation & Tax	135.87	102.07
	Depreciation	36.90	27.94
	Taxation	30.72	3.14
	Proposed Dividend	Nil	Nil



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	Profit/ Loss during the Year	68.25	70.99
(5)	Export performance and net foreign exchange collaboration		
	Particulars	Financial Year Ended	
		31 st March 2012	31 st March 2011
		(Amount in Rs.)	(Amount in Rs.)
	Foreign Exchange Expenditure	1426939.00	904224.00
	Foreign Exchange Earning	Financial Year Ended	
		31 st March 2012	31 st March 2011
		\$	INR
	Export of Goods at FOB Price		
	Deemed Export in USD	2685321	257782037
	Physical Export in INR	-	-
	Physical Export in USD	6400	325000
(6)	Foreign Investment or collaborations if any	N.A	



UNITED DRILLING TOOLS LTD

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 30th Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2012.

1. FINANCIAL HIGHLIGHTS:	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
Sales and Other Income	3829.40	2688.22
Gross Profit (Loss)	646.28	385.51
Profit before Depreciation	135.87	102.07
Depreciation	36.90	27.94
Proposed Dividend	NIL	NIL
Profit/Loss during the Year	68.28	70.99

During the year under review your company has achieved a tremendous growth as turnover for the year increased to Rs 3802.36 from 2666.51 in the previous year but profit after tax for the year decreased to Rs. 68.28 from 70.99 in the previous year.

2. OPERATION

Your company has made good progress during the year and has increased its sales turnover considerably as compared to last year. The company has also expanded its product line by merger and acquisition. The company's post-tax profits, though, are marginally lower than last year in spite of higher pre-tax profits because the Govt. has withdrawn the tax benefits, permissible to EOUs, from the financial year 2011-12 which were available to the company in the previous financial year. The company is also expanding its business in different export markets and has acquired good orders from various countries, including Europe, South America and Middle East.

The company was audited recently by API and ISO 9001:2008 audit teams and was awarded continuation of API and ISO Monograms for the next 3 years. The company is working with its bankers to procure proper working capital to augment its turnover and expedite implementation / completion of its future projects.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year under review with the view to further consolidate the funds position of the Company.

4. FUTURE OUTLOOK

The future outlook for the company looks very encouraging, particularly because of higher customer base - both within and outside the country. As the requirement for oil and gas is increasing day by day, the demand for oil drilling tools and equipments is also increasing accordingly. This has helped your company to increase its turnover in the current financial year and there is every likelihood for this trend to continue enabling your company to make still better progress in future.

Further, after the merger and amalgamation, your company has brought into its fold several additional product lines whose worldwide market, including India, has very good potential. Since there are very few companies worldwide, supplying this type of equipment which was patented by the transferor company, it will help your company further in increasing its sales



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and profits in the future. Therefore after the amalgamation of the transferor company, the scope of business will sharply increase and the Board of Directors of your company hope to have very good business during the coming years.

5. LISTING

Your Company's Equity Shares are listed on The Bombay Stock Exchange, Delhi Stock Exchange and UP Stock Exchange. The Company has paid the listing fees for the year 2012-2013 to Bombay Stock Exchange, Delhi Stock Exchange and UP Stock Exchange where the securities of the Company are listed.

6. MAJOR EVENTS OF THE COMPANY

Scheme of Amalgamation

The Hon'ble High Court of Delhi, vide its order dated 6th March, 2012 approved the Scheme of Amalgamation of P & K Hightech Systems Pvt. Ltd. (the transferor Company) with United Drilling Tools Ltd. (the Transferee Company). Copies of the Hon'ble High Court Order have already been filed with the Registrar of Companies, Delhi and Haryana at New Delhi and the Transferor Company was dissolved without the process of winding-up.

In the term of the Scheme of Amalgamation, as approved by the Hon'ble Delhi High Court, the amalgamation is operative with effect from the Appointed Date 1st April, 2011. Accordingly, it has been given effect to in the annual accounts for the financial year ended 31st March, 2012.

Requisite information about the scheme of Amalgamation is given in Point No. B5 of Note 22.

7. DIRECTORS

Your Board of Directors comprises of eminent, experienced and reputed Individuals of the Industry. There have been no significant changes in the composition of the Board of Directors from the previous Annual General Meeting, till the current one.

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 and 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	Independent Director

On account of the requirement of Section 255 of the Companies Act 1956 and Articles of Association, Mr. K.D. Aggarwal, is liable to retire by rotation at the ensuing AGM and being eligible have offered themselves for re-appointment.

8. PARTICIPATION OF EMPLOYEES

In accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988, the statement is not being annexed as the same is not applicable since no employee drew the stipulated amount of salary as provided in the rules.

9. AUDITORS

M/s Agrawal Dhruv & Company, Chartered Accountants, being the Statutory Auditors of the Company, retire at the conclusion of this AGM. Being eligible, they have offered themselves for re-appointment. The appointment has been recommended by the Audit Committee.



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10. STATUTORY AUDITOR'S REPORT

The notes referred in auditor's report are self explanatory and therefore do not call for any further comments.

11. FIXED DEPOSIT:

The Company has not invited or accepted any fixed deposits during the year under review pursuant to section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

12. COMPLIANCE CERTIFICATE

The Directors have gone through the observation made by practicing company secretary through their compliance certificate under section 383A (1) of the Companies Act, 1956 and are in agreement with the same.

13. CORPORATE GOVERNANCE

The Corporate Governance though not applicable to the company but it has still voluntarily adopted Corporate Governance practices, which enables to maintain transparency and serve the long-term interest of the Shareholders. The Management Discussion and Analysis Report as well as report on Corporate Governance as of 31st March 2012 are attached hereto as a part of this Annual Report as **Annexure – A**.

The Board would also like to inform the Members, that it has adopted a Code of Conduct for its Directors, Key Managerial Personnel and Senior Employees.

14. DEMATERIALISATION OF EQUITY SHARES

Your company is listed with CDSL for dematerialization and Company's ISIN Number is INE961D01019. The company has already appointed M/s Alankit Assignments Ltd. as its agent for demat the equity shares as well as for the physical transfer of equity shares of the company.

15. HUMAN RESOURCES DEVELOPMENT

The company continues to enjoy cordial and warm relations with the employees and executives at all levels. Special training programme, workshop, seminar 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.

16. INDUSTRIAL RELATIONS

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

17. ECOLOGY & SAFETY CERTIFICATE

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

18. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sec 217 (2AA) of the Companies Act 1956 it is hereby confirmed that



UNITED DRILLING TOOLS LTD

- (a) in the preparation of annual accounts for the financial year ended 31st March 2012 the applicable accounting standards have been followed along with proper explanations relating to material departures
- (b) the directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2012 and of the profit of the company for the said period
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- (d) the directors have prepared the accounts for financial year ended 31st March, 2012 on a going concern basis.

19. 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 still the company has taken due measures to control the wastages of energy and lights power.

20. RESEARCH AND DEVELOPMENT

- (a) **Specific area on which R&D is carried out by the company:** The company carried out R&D for the purpose of new product development. Import substitution as well as for development and evaluation of alternate processes and raw materials.
- (b) **Benefit derived as a result of the above R&D :** R&D provides valuable support to the business through innovation of new products and processes, many of which have been transferred to the plant, R&D results in improvement of quality and reduction in cost.
- (c) **Future plan of action:** New R&D is being established for developing & improving existing as well as new products.
- (d) **Expenditure on R&D:** Expenditure on R&D have been charged under primary heads of account.

21. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

We are continuously adapting new technology relating to manufacturing of oil drilling equipments and tools attending seminars, conferences and interactions with foreign suppliers and collaborators. This helps us in absorbing, adapting and innovating new technology.

22. FOREIGN EXCHANGE EARNING & OUTGO

Foreign exchange earnings and outgo during this year is as under:-

Outgo: Total foreign exchange outgo including cost of

Imported material in 2011-2012	- Rs. 100164870.00
Previous Year	- Rs. 23220288.00



UNITED DRILLING TOOLS LTD

23. 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 your collaborators. On behalf of the Board of Directors, 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 of extremely challenging time 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 year to year, our thanks for their invaluable support and confidence they have reposed in the management of the company and hope they will continue to give their support in full spirit in the years to come.

Regd. Office
B-94, Shashi Garden
Patparganj, Delhi-110091

Dated: 14.08.2012

By Order of the Board of Directors

sd/-

(PRAMOD KUMAR GUPTA)
CHAIRMAN & MANAGING DIRECTOR



Annexure - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The company is already supplying and manufacturing various kinds of oil drilling tools, equipments and accessories to Oil & Natural Gas Corporation Ltd. and Oil India Ltd. The Board of Directors are 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 for the upcoming project at Kandala SEZ Gandhidham, Gujarat.

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.

RISKS & CONCERNS

The company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

INTERNAL CONTROL SYSTEM & ITS ADEQUACY

As per of its major thrust to implement corporate governance in the organization, the company has already constituted Committee like Audit Committee, Investors' Grievance Committee 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 meeting with Departmental Heads to monitor progress or problems and sorting out them.

DISCUSSION ON FINANCIAL PERFORMANCE

As already detailed in the financial highlights the revenue generation of the company was higher as compared to earlier year, because of the various good factors and progress of the company.

COMPANY'S PHILOSOPHY

United Drilling Tools Ltd. believes in fairness, full disclosure in reporting systems, total transparency in the corporate culture, fiduciary and trusted relationship and maximization of shareholder value in the long run at the pillars on which the structure of the corporate governance stand. The corporate governance hinges on accounting, responsibility, effective monitoring, quality of information, integrity, trust and confidence and not merely following the enacted legislation alone.

United Drilling Tools Ltd. believes that a well-constituted and competent board of the company and alone efficiency adopt corporate governance framework of, "prospective plans, policy, process, productivity, performance and people." The board must effectively monitor the corporate resources



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comprising of "men, money, material, marketing, and management & motivation.

HUMAN RESOURCE

Human resource in UDT 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 function continues to strive towards ensuring that the HR philosophy is translated into action.

With the implementation of corporate governance, the company has implemented various measures to provide more scope for development of human resources, thereby allowing the employees better opportunities to achieve higher performance and efficiency in their respective assignments and employment.

- Resource planning & talent acquisition:

UDT has a high caliber, well experienced, multifunctional team of about 90 employees across the company. UDT continues to nurture a blend of experienced and fresh employees in its talent pool, including highly qualified professionals, both technical and non-technical.

- Compensation & performance management:

UDT recognizes that compensation is a key driver to attract and retain the talent. Our compensation structure continues to be attractive and a benchmark in the industry. We continue with our variable component of pay linked to business and individual performance.

- Training & development:

Even in the time of slow down, the HR team continued to provide relevant need based training activities.

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 continuously monitored.

UDT has a strong internal audit team that performs a pre-audit, ensuring compliance of procedures and internal controls, and plays an important role in improving checks and balances. The team is headed by manager - accounts, who reports directly to the Audit Committee consisting of majority of independent Directors. The significant observations made in the internal audit reports and their implementation status is regularly presented and reviewed by the Audit Committee of the Board. UDT has also implemented a stringent external audit mechanism, as required by applicable statutes.



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CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis may be “forward-looking statement” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company’s operations include economic conditions affecting demand / supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

CORPORATE GOVERNANCE REPORT

ALTHOUGH THE CORPORATE GOVERNANCE REPORT AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IS NOT APPLICABLE TO THE COMPANY AS ITS PAID UP CAPITAL IS 19,176,225 YET THE COMPANY HAS VOLUNTARILY OPTED WITH THE VIEW TO HAVE GOOD CORPORATE GOVERNANCE

COMPANY’S PHILOSOPHY

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 goal 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 the UDT. In this pursuit, Company’s philosophy is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct. This enables customers and all stakeholders to be partners in the Company’s growth and prosperity. The Company continuously endeavors to improve-upon on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward. Keeping in view the Company’s size, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities;
- Ensuring timely flow of information to the Board and its Committees for meaningful and focused discussions in the meeting;
- Independent verification of the Company’s financial reporting;
- A sound system of internal control to mitigate the risks;
- Timely and balanced disclosure of all material information to all the stakeholders;



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- Compliance with applicable laws, rules, guidelines and regulations;
- Transparency and accountability; and
- Equitable and fair treatment to all its stakeholders including employees, customers, vendors, shareholders and investors.

BOARD OF DIRECTORS

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 2012, 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 2012, the total strength of the Board is 5 directors with an Executive Chairman. No directors are a member of more than ten committees or chairman of the more than five committee 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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges

RESPONSIBILITIES

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters that are reserved for its consideration and decision. Besides review of corporate performance and reporting to shareholders. The respective roles of Board and management are clearly demarcated. The management is required to (A) provide necessary inputs and basis to support the board in its decision making process in respect of the company's strategic, policies, targets and code of conduct, (B) manage day-to-day affairs of the company to best achieve target and goals approved by the Board, (C) implement all policies and the code of conducts, as approved by the Board, (D) provide timely, accurate, substantive and all material information, information, including all financial matters and exception if any, to the Board and/or its committee, (E) be responsible for ensuring internal control systems. The Board requires the organization to endeavour to conduct business and develop relationship in a responsible dignified and honest way and a formal code of conduct for employees in the policy framework.

BOARD MEETINGS

During the financial year under review 08 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 as follows:

30/04/2011, 19/06/2011, 09/07/2011, 30/07/2011, 27/08/2011, 28/09/2011, 25/10/2011, and 28/01/2012



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The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors/Committees are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Company has an effective post meeting follow up, review and reporting mechanism for the decisions taken by the Board / Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting/review by the members. The Secretarial Department while preparing the agenda notes, minutes etc., of the Meeting(s) is responsible for ensuring adherence to all applicable provisions of the Companies Act, 1956 and allied laws, rules, regulations and guidelines

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 2011-2012 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	08	Yes	Nil	Nil	1	Nil
Mr.S.S.K. Bhagat	Independent & Non Executive	08	Yes	Nil	Nil	Nil	1
Mr. V.B. Mishra	Independent & Non Executive	08	Yes	Nil	Nil	Nil	3
Mr.K.D. Aggarwal	Independent & Non Executive	08	Yes	Nil	Nil	2	1
Mr.U.S.Pandey	Independent & Non Executive	08	Yes	Nil	Nil	Nil	1

Notes:

1. The Directorship/Committee Membership is based on the latest disclosures received from Directors.
2. None of the Directors is a Member of the Board of more than 15 companies in terms of Section 275 of the Companies Act, 1956; Member of more than 10 Committees and Chairman of more than 5 Committees, across all companies in which he is a Director.



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RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

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

COMMITTEES OF THE BOARD

(i) Audit Committee

Composition

The Audit Committee of the Board is headed by Mr. K.D. Aggarwal, an Independent Non-executive Director. Mr. K.D. Aggarwal has vast, diverse and enriched experience in financial management, corporate affairs, accounting and audit matters. The other members of the Committee are Mr. V.B. Mishra, 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 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment and removal of the statutory auditors, fixation of audit fee and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including of subsidiaries/ associates, in particular the investments made by the unlisted subsidiaries of the Company, before submission to the Board for approval;
4. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audit;
6. Discussion with internal auditor on any significant findings and follow-up thereon;
7. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;



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8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
9. Reviewing the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters/letter of internal control weakness issued by statutory auditors, internal audit reports etc.;
10. Reviewing the Company's financial and risk management policies;
11. Reviewing the uses/applications of funds raised through public offerings; and
12. To perform such other function(s) as may be delegated by the Board from time to time.

Meetings and Attendance

During the year 2011-12, The members of the Audit Committee met four times i.e. 29/04/2011, 20/07/2011, 24/10/2011 and 20/01/2012. The table below gives the attendance record of the audit committee meeting.

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.

(ii) Remuneration Committee

Composition

The Remuneration Committee comprises of three Directors- As on 31st March 2012 Mr. K.D.Aggarwal Independent Non Executive Director, is the Chairman of the Committee the other members of the Committee are Mr.V.B Mishra and Mr Uma Shankar Pandey

Terms of Reference

1. Determining Remuneration Policy of the Company;
2. Recommending remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the Managing, Whole-time and other Director(s) including their relatives;
3. Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company; and



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4. Formulation of the detailed terms and conditions of stock options, granting of administration and superintendence thereof.

Meetings and Attendance

During the year 2011-12, two meeting of Remuneration Committee was held.

Remuneration Policy

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions, associates and units;
- Success, potential and performance of individual managers; and
- External competitive environment.

The Company's remuneration policy is based on three tenets: pay for responsibility, performance, potential and growth. Individual performance pay is determined by business performance of the business unit and the group as a whole clubbed with performance of individuals measured through the annual appraisal process.

Directors' Remuneration

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Executive Directors given below based on the recommendations of the Remuneration Committee as per remuneration policy of the Company, within the ceilings fixed by the shareholders. During the year, the Company paid sitting fees of Rs.5000 per Board meeting and Rs. 2500 per Committee Meeting to its non-executive Directors for attending meetings thereof.

During the financial year, there was no pecuniary relationship or transaction between the Company and its non-executive Directors. The Company has not granted any stock options to any of its non executive Directors.

(a) Equity Shares held by Directors as on 31st March 2012

Except as stated below, none of the Directors hold Equity Shares in the Company

Name of the Director	No. of shares
Mr. Pramod Kumar Gupta	558892

(iii) Share Transfer Committee

Composition

The Share Transfer Committee comprising of 2 Directors is headed by Mr. Pramod Kumar Gupta,



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who is the Chairman of the committee. The other members of the Committee are Mr. V.B Mishra.

Terms of Reference

The Committee oversees and reviews all matters connected with transfer of securities and also interalia approves issue of duplicate, split of share certificates, etc.

Meetings and Attendance

During the year 2011-12, The members of the Share Transfer Committee met 4 times i.e 08/09/2011, 16/12/2011, 23/01/2012, and 28/03/2012. The table given below gives the attendance record of the members of the share transfer committee.

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Pramod Gupta	4	4
Mr V.B Mishra	4	4

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

Code of Conduct

The Code of Conduct (the Code) as adopted by the Board is a comprehensive Code to ensure good governance and to provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors and Senior Management Personnel of the Company including its subsidiaries. An Annual affirmation has been obtained from all members of the Board and Senior Management Personnel as on 31st March, 2012. In terms of Clause 49 of the Listing Agreement, a declaration signed by the Managing Director is annexed at the end of the Report:

ANNUAL GENERAL 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
2007-2008	New Friends Club, New Friends Colony Near Telephone Exchange Mathura Road New Delhi-110065	Monday the 29 th September 2008 at 11.30 A.M	Yes
2008-2009	New Friends Club, New Friends Colony Near Telephone Exchange Mathura Road New Delhi-110065	Friday the 25 th September 2009 at 11.30 A.M	Yes



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2009-2010	New Friends Club, New Friends Colony Near Telephone Exchange Mathura Road New Delhi-110065	Friday the 24 th September 2010 at 11.30 A.M	Nil
2010-11	Maharanibagh Community Centre 1, Central Revenue, Maharanibagh New Delhi-110065	Wednesday the 28 th September 2011 at 2.30 PM	Yes

Disclosures

a) Compliances

The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All returns/Reports were filed with Stock Exchanges/ other authorities.

Means of Communication

The Company regularly intimates information like quarterly financial results and media releases on significant developments in the Company. The financial results are normally published in Jan Satta (Hindi) and Financial Express (English), Annual Report containing inter-alia Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

Designated E-mail id

To enable the shareholders to register their queries and / or grievances, the company has dedicated an E-mail id info@uniteddrilling.com. All Investors are requested to avail this facility.

GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : 26th September 2012
Time : 11.30 A.M
Venue : Maharani Bagh Community Centre
1 Central Avenue Maharani Bagh New Delhi-110065

b) Book Closure dates

From 22nd September 2012 to 26th September 2012 (Both Days Inclusive).

c) Share Transfer Mechanism

The share transfers received in physical form are processed through Registrar and Share Transfer Agent (RTA), within seven days from the date of receipt, subject to the documents being valid and



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complete in all respects. The share certificates duly endorsed are returned immediately to the shareholders by RTA. The details of transfers/transmission so approved, is placed before the Share Transfer Committee for its confirmation. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificate on half – yearly basis confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and a Secretarial Audit Report for reconciliation of the share capital of the Company obtained from a practicing Company Secretary have been submitted to the concerned stock exchange within stipulated time.

Adoption of Mandatory and Non- Mandatory Requirements

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirements of Clause 49:

- (a) **Remuneration Committee:** The Company has set-up a Remuneration Committee to commend, review remuneration of managerial personnel including their relatives. The composition of the committee and the details of meetings held and attendance of members thereat are given elsewhere in this Report. The Chairman and all the members of the Remuneration Committee were present at the last Annual General Meeting held on 28th September 2011 to answer the Shareholders' queries.
- (b) The financial statements of the Company, on stand-alone basis, are unqualified.
- (c) **Presentations before Board/Committees:** Various presentations by Company's executives and expert agencies were made before the Audit Committee, Share transfer Committee and the Board in order to apprise the Directors about the business model of the Company, risk profile of its business, assessment of their responsibilities and suggesting ways to effectively discharge them.

Capital Integrity Audit

The Secretarial Audit Report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges where the securities of the Company are listed.

ANNEXURE TO DIRECTOR'S REPORT

Balraj Sharma & Associates
Practicing Company Secretaries

206, Munish Plaza, 20
Ansari Road, Opp. Fire Station
Daryaganj, New Delhi-110002
Phone: 23280420, 23254488
23274488, 9810065041 (M)
Email:balrajsharmafcs@yahoo.co.in



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FORM [Rule-3] COMPLIANCE CERTIFICATE

Company CINL29199DL1985PLC015796

Nominal Capital: Rs.25, 00, 00, 000/-
Paid Up Capital: Rs.1, 91, 76,225/-

To
The Member
M/S UNITED DRILLING TOOLS LTD.
B-94, Shashi Garden, Patparganj
New Delhi-110091

We have examined the registers, records, books and papers of UNITED DRILLING TOOLS LIMITED, having Registered Office at B-94, Shashi Garden, Patparganj, New Delhi-110091 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies on the dates as mentioned in the said annexure.
3. The company, being public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 8 (Eight) times on 30.04.2011, 14.06.2011, 09.07.2011, 30.07.2011, 27.08.2011, 28.09.2011, 25.10.2011, 28.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes book maintained for the purpose.
5. The company closed its Registers of Members from 24.09.2011 to 28.09.2011 (both day inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 28.09.2011 after giving due notice to the members of the company and resolution passed thereat were duly recorded in the minutes book maintained for the purpose.
7. One (1) Extra Ordinary General Meeting was held on 10.09.2011 during the financial year after giving due notice to the members of the company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to in section 295 of the Act.



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9. The company has duly complied with the provision of Section 297 of the Act in respect of contracts specified in that Section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - i not made any allotment securities during the financial year but delivered all the certificates on lodgment thereof for transfer and transmission of securities during the financial year in accordance with the provision of the Act.
 - ii not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii not posted dividend warrants to any member of the company as no dividend was declared during the financial year.
 - iv not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interests accrued thereon which have remained unclaimed/unpaid for a period of seven years to Investor Education and Protection Fund being not applicable.
 - v Duly complied with the requirements of the Section 217 of the Act.
14. The Board of Directors of the Company was duly constituted. There was no appointment of additional director, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointment any Managing Director/Whole time director/Manager during the financial year but has revised the remuneration of Mr. Pramod Kumar Gupta Chairman cum Managing Director of the Comany w.e.f. 1st April, 2011 under provision of Section 269 read with 198,309 and 310 of the Companies act, 1956.
16. The company has not appointed any sole selling agents during the financial year.
17. The company has obtained all necessary approvals from the Hon'ble Delhi High Court as prescribed under section 394 of the Act as detailed below :-
 - (i) Under Section 394 of the Companies Act, 1956 vide Order No. 4450 Dt. 06.03.2012 of the Hon'ble Delhi High Court for amalgamation / merger with P & K Hightech Systems Private Limited.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provision of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.



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20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from members, financial institutions (banks) and other during the financial year ended on 31st March, 2012 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act has been passed in duly convened Annual General Meeting held on 29th September, 2005.
25. The Company has not made any Loan, or advances or given guarantees or provided securities to other body Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny in compliance with the Order No. 4450 Dt. 06.03.2012 of the Hon'ble Delhi High Court for approval of Scheme of Amalgamation with P & K Hightech Systems Private Limited.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company during the financial year, for the offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has generally deposited in time both employee's and employer's contribution to provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place : New Delhi
Date : 14.08.2012

Balraj Sharma & Associates
S/D
Company Secretary
FCS 1605
CP No. 824



Annexure A

REGISTERS AS MAINTAINED BY THE COMPANY

A. FINANCIAL BOOKS

- (a) Journal
- (b) Ledger
- (c) Cash book
- (d) Bank Book
- (e) Vouchers

B. SECRETARIAL BOOKS

- 1. Register of members u/s 150
- 2. Minutes of General Meeting u/s 193
- 3. Minutes of Board Meeting u/s 193
- 4. Register of Contract in which Directors are interested u/s 301
- 5. Register of Directors u/s 303
- 6. Register of Directors' shareholding u/s 307
- 7. Register of Loans, Advances and Investments u/s 372A (old)
- 8. Register of share transfer
- 9. Register of Charges
- 10. Register of Share Application and Allotment (old).
- 11. Register of Renewed and Duplicate Certificate u/r-7



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Annexure B

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012.

Sl. No.	Form/Return	Filed u/s	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee is paid
1.	Compliance Certificate (e-Form 66)	Proviso of Sec 383A(1)	31.03.2011 (Date of A.G.M. 28.09.2011)	5.10.2011	Yes	No
2.	Balance Sheet & P&L A/c. (e-form 23AC & 23ACA)	220	31.03.2011 (Date of A.G.M. 28.09.2011)	28.12.2011	Yes	No
3.	Annual Return (e-Form-20B)	159	31.03.2011 (Date of A.G.M. 28.09.2011)	25.11.2011	Yes	No
4.	e-Form-8	135	Modification of Charge (Date of Modification 14.06.2011)	15.07.2011	No	Yes
5.	e-Form-23	269 read with 198,309 and 310	Increase in remuneration to paid to the Managing Director (Date of Board Meeting 30.04.2011)	06.09.2011	No	Yes
6.	e-Form-23	391 and 394	Obtaining approval of shareholders of revised scheme of Amalgamation (Date of E.G.M. 10.09.2011)	07.10.2011	Yes	No



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7.	e-Form-23	269 read with 198,309 and 310	Increase in the managerial remuneration of Chairman cum Managing Director (Date of AGM 28.09.2011)	07.11.2011	Nb	Yes
8.	e-Form 21	394	Approval of Scheme of Amalgamation (Date of Order 06.03.2012)	06.06.2012	Yes	Nb



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AUDITOR'S REPORT

TO THE MEMBERS OF M/S UNITED DRILLING TOOLS LTD

The Members of United Drilling Tools Ltd.

1. We have audited the attached Balance Sheet of **M/S. United Drilling Tools Ltd** as at March 31st 2012 and the related Profit & Loss Account and the cash flow statement for the year ended on that date annexed there to, which we have signed under reference to this report. These financial statements are the responsibility of the Company's managements. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's report) (Amendment) order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us. Further to our comments in the annexure referred to in paragraph above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representation received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2012.



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- (b) In the case of the profit and loss account, of the Profit for the period ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows for the period ended on that date.

AGRAWAL DHRUV & CO.
Chartered Accountants
(FRN 008900N)

CA. Dhruv K. Agrawal
Proprietor
(M.No. 087665)

Place: New Delhi
Date : 14-08-2012

**ANNEXURE TO THE AUDITORS REPORT**

(Referred to in paragraph (3) of our report of even date)

- 1) The company maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 2) All the Assets are physically verified by the management as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. However, management is preparing a phased programme designated to cover all items over a period of three years.
- 3) In our opinion and according information and explanations given to us, during the year, the company has disposed off old and obsolete plant and machinery having book value of Rs. 10.35 Lacs
- 4) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 5) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 6) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 7) In our opinion and as per information and explanation given to us, the following are the particulars of loans taken by the company from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act 1956.

S.No.	Name of Party	Relationship with company	Year end Balance
1.	Dr. Kanal Gupta	Mg. Director's relative	2,05,324/-
2.	Neha Gupta	Mg. Director's relative	5,13,313/-

- 8) In our opinion and as per information and explanation given to us, here is no loans granted by the company to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 9) As per records of company supplied to us and information & explanations given to us, no interest have been granted on loans which have been taken from/granted to companies, firms or other parties listed in the registers maintained under section 301 and are not, prima facie, prejudicial to the interest of the company.
- 10) In our opinion, the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- 11) In our opinion and as per information and explanation given to us, there is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the registers



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maintained under section 301 of the Companies Act, 1956.

- 12) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- 13) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the registers maintained under Section 301 have been so entered.
- 14) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 15) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, framed there under apply. According to the information and explanation given to us, no order has been passed by the National Company Law Tribunal, Company Law Board, Reserve Bank of India or any court or any other tribunal on the company in respect of deposits.
- 16) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 17) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and reports have been made and maintained.
- 18) According to the records of the company, the company has been regular in deposit with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, wealth tax, custom duty, excise – duty, cess and other statutory dues applicable to it.
- 19) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund Employees, State Insurance, Income-tax, Sales tax, Wealth-tax, Custom Duty, Excise duty, cess and any other statutory dues have been deposited regularly during the year with the appropriate authorities. There were no arrears of the aforesaid dues as on the date of the Balance Sheet for a period of more than six months from the date they became payable.
- 20) In our opinion and according to the information & explanation given to us, there are no dues of sales tax, income tax, custom tax/wealth tax, excise duty/ cess which have not been deposited on account of any dispute.



UNITED DRILLING TOOLS LTD

- 21) The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 22) Based on our examinations of documents and records we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 23) Based on our examinations of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records.
- 24) The company has not given any guarantee for loans taken by others from the bank or financial institutions.
- 25) The company has not raised any new term loans during the year.
- 26) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 27) During the period covered by our audit report, the company has not issued debentures.
- 28) The company has not raised any money by way of public issue during the year.
- 29) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- 30) In our opinion, the Company is not a dealer or trader in shares, securities, debenture and other investments.
- 31) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 32) Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

AGRAWAL DHRUV & CO.
Chartered Accountants
(FRN 008900N)

CA. Dhruv K. Agrawal
Proprietor
(M.No. 087665)

Place: New Delhi
Date : 14-08-2012


UNITED DRILLING TOOLS LTD
**UNITED DRILLING TOOLS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2012**

Amount in Rs.

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	19,176,225	19,176,225
(b) Reserves and Surplus	2	163,544,668	31,569,680
(2) Shares to be Issued in pursuant to the Scheme of Amalgamation	3	134,504,610	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	7,767,405	9,130,594
(b) Deferred Tax Liabilities		1,661,852	
(4) Current Liabilities			
(a) Short-Term Borrowings	5	43,189,315	3,047,436
(b) Trade Payables		29,279,028	15,774,272
(c) Other Current Liabilities	6	13,406,835	34,575,928
(d) Short-Term Provisions	7	4,496,586	1,374,459
Total Equity & Liabilities		417,026,524	114,648,594
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	20,180,960	15,045,976
(ii) Intangible Assets	8	256,370,800	
(iii) Capital Work in Process	8	34,533,449	-
(b) Deferred tax assets (net)			236,019
(c) Long term loans and advances	9	1,865,713	120,391
(d) Other non-current assets		-	-



UNITED DRILLING TOOLS LTD

(2) Current Assets			
(a) Inventories	10	52,128,253	26,681,563
(b) Trade receivables	11	16,797,626	19,189,405
(c) Cash and cash equivalents	12	13,725,801	38,092,461
(d) Short-term loans and advances	13	21,423,922	15,282,779
Total Assets		417,026,524	114,648,594
Significant Accounting Policies and Notes on Financial Statement	22		

Notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

FOR AGRAWAL DHRUV & CO.
(FRN 008900N)
(CA Dhruv Agrawal)
Place: Noida
Dated: 14.08.2012

Sh. Pramod Kumar Gupta
Sh. S.S. K. Bhagat
Sh. V.B. Mishra
Sh. K.D. Aggarwal
Sh. U.S. Pandey

For and on behalf of the Board
Chairman-cum-Managing Director
Director
Director
Director
Director



UNITED DRILLING TOOLS LTD

**UNITED DRILLING TOOLS LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

Amount in Rs.

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	14	380,236,874	266,651,178
II	Other Income	15	2,703,364	2,170,656
III	III. Total Revenue (I +II)		382,940,238	268,821,834
IV	Expenses:			
	Cost of Materials Consumed	16	300,393,422	220,852,531
	Purchase of Stock-in-Trade			-
	Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	17	1,660,783	4,074,677
	Employee Benefit Expense	18	16,257,950	9,327,008
	Financial Costs	19	5,464,997	4,011,387
	Other Expenses	20	45,575,707	20,348,976
	Depreciation and Amortization Expense	8	3,690,223	2,793,773
	IV. Total Expenses		373,043,082	261,408,352
V	Profit before exceptional and extraordinary items and tax	(III - IV)	9,897,156	7,413,482
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		9,897,156	7,413,482
VIII	Extraordinary Items		-	-
IX	Profit before tax(VII - VIII)		9,897,156	7,413,482
X	Tax expense:			
	(1) Current tax		3,122,127	1,374,459
	(2) Deferred tax		(50,812)	(343,605)
	(3) For earlier period		-	-
	(4) MAT Credit available			717,349
XI	Profit(Loss) from the period from continuing operations	(IX-X)	6,825,841	7,099,977
XII	Profit/(Loss) from discontinuing operations		-	-



UNITED DRILLING TOOLS LTD

XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		6,825,841	7,099,977
XVI	Earning per equity share:	21		
	(1) Basic		3.47	3.61
	(2) Diluted		1.26	3.61
	Significant Accounting Policies and Notes on Financial Statement	22		

Notes attached there to form an integral part of Profit & Loss Statement.
This is the Profit & Loss Statement referred to in our Report of even date.

FOR AGRAWAL DHRUV & CO.
(FRN 008900N)
(CA Dhruv Agrawal)
Place: Noida
Dated: 14.08.2012

Sh. Pramod Kumar Gupta
Sh. S.S. K. Bhagat
Sh. V.B. Mishra
Sh. K.D. Aggarwal
Sh. U.S. Pandey

For and on behalf of the Board
Chairman-cum-Managing Director
Director
Director
Director
Director

UNITED DRILLING TOOLS LTD


UNITED DRILLING TOOLS LTD.
Notes on Balance Sheet as at 31st March, 2012

Note 1) Share Capital

Amount in Rs.

Sr. No.	Particulars	Current Year	Previous Year		
1	AUTHORIZED CAPITAL				
	2,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity shares of Rs. 10/- each)	250,000,000	150,000,000		
		250,000,000	150,000,000		
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL				
	Equity Shares 19,67,400 (Pre.Yr. 19,67,400) Equity Shares of Rs. 10/- each, Fully Paid up Equity Shares Less : Calls in Arrears	19,674,000 497,775	19,674,000 497,775		
	Total	19,176,225	19,176,225		
1.1	Reconciliation of the number of share outstanding	31/03/2012	31/03/2011		
	Equity Shares Opening (01/04/2011)	1,967,400	1,967,400		
	Closing (31/03/2012)	1,967,400	1,967,400		
1.2	DETAILS OF SHARE HOLDING (MORE THAN 5%) (Given for only Issued & Subscribed Capital)	31/03/2012		31/03/2011	
S. No.	Name of the party	No. of Shares	% of Holding	No. of Shares	% of Holding
1	Pramod Kumar Gupta	558,852	28.41	558,852	28.41



UNITED DRILLING TOOLS LTD

1.3 Rights, preferences and restrictions attached to shares

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

1.4	Aggregate number of Bonus shares issued and shares issued for consideration other than cash during the last five years	No. of Shares	
		31/03/2012	31/03/2011
	Shares issued other than cash during the last five years	Nil	Nil

Note 2) Reserve & Surplus

Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve		
	As per last Balance Sheet	10,021,704	10,101,698
	Less : Depreciation of revaluation	495,088	79,994
		9,526,616	10,021,704
2	Securities Premium Reserve		
	As per last Balance Sheet	-	-
	Add : On merger of P&K Hitech Systems P. Ltd. (Refer point B 5 of Note 22)	124,868,190	-
		124,868,190	-
3	General Reserve		
	As per last Balance Sheet	809,335	809,335
		809,335	809,335
4	Profit & Loss Account		
	As per last Balance Sheet	20,738,641	13,638,664
	Add: Profit for the period	6,825,841	7,099,977
	Add : On merger of P&K Hitech Systems P. Ltd. (Refer point B 5 of Note 22)	2,641,649	-
	Less : Deferred tax for earlier years	1,865,604	-
		28,340,527	20,738,641
	TOTAL	163,544,668	31,569,680



UNITED DRILLING TOOLS LTD

Note 3) Shares to be Issued in pursuant to the Scheme of Amalgamation (Refer point B 5 of Note 22)

1	Equity shares to be Issued - on Amalgamation of P&K Hightech Systems Pvt. Ltd. 34,38,791 (Pre.Yr. NIL) Equity Shares of Rs. 10/- each, Fully Paid up Equity Shares	34,387,910	-
2	Preference Shares to be Issued - on Amalgamation of P & K Hightech Systems Pvt. Ltd. 1,00,11,67 12% Cumulative compulsory redeemable Pref. Shares of Rs. 100/- each. (Previous Year NIL)	100,116,700	-
TOTAL		134,504,610	-

Note 4) Long Term Borrowings

Sr. No.	Particulars	Current Year	Previous Year
1	Bonds / Debentures	-	-
2	Secured		
	- Term Loan from Bank	0.00	-
	Less: Current Maturity	0.00	-
	- Vehicle Loans from Banks	10,67,705	-
	Less: Current Maturity	<u>6,78,238</u>	-
		389,467	1,107,491
3	Unsecured		
	From Corporate bodies	4,726,016	8,023,103
	From Shareholders	2,651,922	-
			-
	Total	7,767,405	9,130,594

4.1	The Secured Loan of Rs. 10,67,705/- is secured by way of hypothecation of vehicles and payable in variable installments in next two years.
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UNITED DRILLING TOOLS LTD

Note 5) Short Term Borrowings			
Sr. No.	Particulars	Current Year	Previous Year
1	Secured Working Capital Loan from Bank	43,189,315	3,047,436
2	Unsecured	-	-
	Total	43,189,315	3,047,436

5.1 The Cash Credit Limit i.e. Working Capital loan is secured by hypothecation of all present and future Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.

Note 6) Other Current Liabilities			
Sr. No.	Particulars	Current Year	Previous Year
1	For Capital Goods	579,116	-
2	Current Maturity of Car Loan	678,238	-
3	Liabilities for Expenses	9,526,922	9,151,963
4	Advances from Customers	919,700	21,943,883
5	Outstanding Liabilities	1,702,859	3,480,082
	Total	13,406,835	34,575,928

Note 7) Short Term Provisions			
Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Taxation	4,496,586	1,374,459
	Total	4,496,586	1,374,459



UNITED DRILLING TOOLS LTD

UNITED DRILLING TOOLS LTD. SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 Note No. 8

Description of Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1.04.11	Addition During Year	Adjustment/ Deduction	As on 31.03.12	As on 1.04.11	For the Year	Adjustment/ Deduction	Upto 31.03.12	As on 31.03.12	As on 31.03.11
Tangible										
Car	11,119,387	0	965,000	10,154,387	6,471,598	1,102,002	491,111	7,082,489	3,071,898	3,357,804
Scooter	9,590	0	0	9,590	9,575	15	0	9,590	0	15
Cycle	9,385	0	0	9,385	4,509	991	0	5,500	3,885	20
Furniture & Fixture	1,298,594	75,659	0	1,374,253	837,994	87,817	0	925,811	448,442	249,525
Office Equipment	1,888,713	266,435	0	2,155,148	689,287	191,040	0	890,327	1,204,821	810,545
Electric Fitting	511,946	208,397	0	720,343	426,100	48,498	0	474,598	245,745	41,952
Plant & Machinery	26,840,570	1,444,971	5,325,017	22,960,524	17,789,231	1,455,611	4,764,516	14,480,326	8,480,198	8,587,442
Testing & Equipment	127,476	0	0	127,476	120,060	993	0	121,853	6,423	7,416
Tools & Dies	3,566,504	280,067	0	3,846,571	2,207,818	177,980	0	2,385,798	1,460,773	1,106,145
Generator	1,499,310	0	0	1,499,310	705,408	107,953	0	813,361	685,949	742,376
Fire Fighting & Equipment	52,076	0	0	52,076	38,857	1,816	0	40,873	11,493	6,915
Computer	798,887	6,900	0	805,787	658,355	54,951	0	713,306	92,481	135,811
Land	1,028,100	0	0	1,028,100	0	0	0	0	1,028,100	0
R&D Tech Equip P & M Building	2,270,165	0	0	2,270,165	315,781	271,855	0	587,636	1,682,529	0
	3,929,806	0	0	3,929,806	2,042,792	188,701	0	2,231,493	1,698,313	0
TOTAL	54,950,589	2,282,429	6,290,817	50,942,921	32,327,365	3,690,223	5,255,627	30,761,961	28,188,960	15,845,976
Intangible										
Patented Technology	256,370,800	0	0	256,370,800	0	0	0	0	256,370,800	0
Capital WIP										
NSEZ P & M		15,128,024		15,128,024					15,128,024	
NSEZ Land		9,850,000		9,850,000					9,850,000	
NSEZ Bid. WIP		14,250		14,250					14,250	
KSEZ		7,814,724		7,814,724					7,814,724	
Preop. Exp. NSEZ		677,314		677,314					677,314	
Preop. Exp. KSEZ		1,049,137		1,049,137					1,049,137	
TOTAL		34,533,449		34,533,449					34,533,449	
TOTAL	311,321,389	36,815,878	6,290,817	341,847,170	32,327,365	3,690,223	5,255,627	30,761,961	311,885,289	15,845,976
Previous Year	36,491,942	28,797	0	39,172,839	21,253,096	2,873,767	0	24,126,863	15,045,976	15,273,946



UNITED DRILLING TOOLS LTD

UNITED DRILLING TOOLS LTD. Notes on Balance Sheet as at 31st March, 2012

Note 9 Long Term Loans and Advances			
Sr. No	Particulars	Current Year	Previous Year
1	Capital Assets	1,561,264	
2	Security Deposit		
	a) Unsecured, Considered Good :		
	Other Deposit (As per 8.1)	304,449	120,391
		-	-
	Total	1,865,713	120,391

Note 10 Inventories			
Sr. No	Particulars	Current Year	Previous Year
1	Raw Material	29,663,978	5,236,411
2	Work-in-Progress	20,415,698	13,680,762
3	Finished Goods	1,272,238	2,431,180
4	Stock-in-Trade	-	-
5	Stores & Spares	776,339	165,584
6	Stores of Capital Goods (P&M - NSEZ)	-	5,167,626
	Total	52,128,253	26,681,563

Note 11 Trade Recievables			
Sr. No	Particulars	Current Year	Previous Year
1	<u>Unsecured, Considered Good :</u>		
	<u>Outstanding for more than six months</u>	3,775,941	2,888,277
	<u>Others</u>	13,021,685	16,301,128
	Total	16,797,626	19,189,405



UNITED DRILLING TOOLS LTD

Note 12 Cash & Cash Equivalent			
Sr. No	Particulars	Current Year	Previous Year
1	Cash at Bank		
	In Current Account	6,034,703	260,310
	Fixed Deposit for Margin Money	7,472,487	3,890,451
	Fixed Deposit - Others		33,709,102
2	Cash-in-Hand		
	Cash Balance	218,611	232,598
	Total	13,725,801	38,092,461

Note 13 Short Terms Loans and Advances			
Sr. No	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
	a) <u>Unsecured. Considered Good :</u>	-	-
2	Others		
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Balance With Revenue Authorities	6,010,235	10,614,256
	Other Advance	15,413,687	4,668,523
	Total	21,423,922	15,282,779

UNITED DRILLING TOOLS LTD

UNITED DRILLING TOOLS LTD.
Notes Forming Part of Statement of Profit & Loss as at 31st March, 2012

Note 14 Revenue from Operations			
Sr. No	Particulars	Current Year	Previous Year
1	Sales	380,236,874	266,651,178
	Total	380,236,874	266,651,178

Note 15 Other Income			
Sr. No	Particulars	Current Year	Previous Year
1	Interest Received	1,333,054	1,428,339
2	Profit on sale of Fixed assets	659,324	-
3	Misc. Income	710,986	430,498
4	Foreign Exchange Fluctuation	-	311,819
	Total	2,703,364	2,170,656

Note 16 Cost of Material Consumed			
Sr. No	Particulars	Current Year	Previous Year
	RAW MATERIALS AND STORES		
	Opening Stock	5,818,444	19,433,416
	Add: Purchase less returns	325,015,295	206,821,110
		330,833,739	226,254,526
	Less: Closing stock	30,440,317	5,401,995
	RAW MATERIAL CONSUMED	300,393,422	220,852,531

16.1	Opening Stock of current year include Rs. 4,16,449/- Opening Stock of earstwhile P &K Hightech Systems Pvt. Ltd. Which amalgamated in United Drilling Tools Ltd. W.e.f 1.4.2011. (Refer point 5 of Note 22)		
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Note 17 Change in Inventories			
Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock		
	Work-in- Progress	19,622,911	19,678,552
	Finish Fabrics	3,725,808	508,067
		23,348,719	20,186,619
2	Closing Stock		
	Work-in- Progress	20,415,698	13,680,762
	Finish Fabrics	1,272,238	2,431,180
		21,687,936	16,111,942
3	Change in Stock		
	Work-in- Progress	- 792,787	5,997,790
	Finish Fabrics	2,453,570	- 1,923,113
	Total	1,660,783	4,074,677

17.1 Opening Stock of current year include Rs. 59,42,149/- in WIP and Rs. 12,94,628/- Opening Stock of earstwhile P &K Hightech Systems Pvt. Ltd. Which amalgamated with United Drilling Tools Ltd. W.e.f 1.4.2011. (Refer point 5 of Note 22)

Note 18 Employment Benefit Expenses			
Sr. No	Particulars	Current Year	Previous Year
1	Salary and Wages	10,929,762	7,629,731
2	P.F. and other benefits	948,395	157,750
3	Bonus	297,343	200,000
4	Gratuity	112,232	39,318
5	Employee Welfare	370,218	100,209
6	Director's Salary	3,600,000	1,200,000
	Total	16,257,950	9,327,008



UNITED DRILLING TOOLS LTD

Note 19 Financial Cost			
Sr. No	Particulars	Current Year	Previous Year
1	Interest to Banks	2,442,267	2,505,791
2	Other Interest	699,522	1,024,165
3	Other Borrowing Costs	2,323,208	481,431
	Total	5,464,997	4,011,387

Note 20 Other Expenses			
Sr. No	Particulars	Current Year	Previous Year
	(a) Manufacturing Expenses		
	Power, Fuel & Water charges	3,478,353	1,758,287
	Freight & Cartage	7,094,659	2,255,817
	Security Service Charges	582,443	325,568
	Testing & Painting Expenses	72,373	320,742
	Job Charges paid	2,672,929	683,076
	Repair & Maintenance		
	Plant & Machinery	984,178	281,656
	Building	40,610	
	Others	761,383	638,214
	TOTAL (a)	15,686,928	6,263,360
	(b) Administrative and Other Expenses		
	Printing & Stationary	568,974	464,338
	Postage, Telegram & Telephones	374,020	632,174
	Subscription & Membership Fees	62,345	61,026
	Director's Sitting Fee	116,000	118,389
	Rent, Rates & Taxes	801,250	3,046,373
	Travelling Directors	2,367,188	848,172
	" " Others	1,699,333	921,137
	Vehicle & Conveyance	2,148,629	1,100,625
	Charity & Donation	74,500	22,600
	LD Charges	1,109,073	84,965
	Legal & Professional	1,269,784	1,411,239
	Insurance Charges	707,151	348,799
	Foreign Exchange Fluctuation	4,861,939	-



UNITED DRILLING TOOLS LTD

Audit Fees	30,000	30,000
Books & Periodicals	113,874	9,820
Miscellaneous Expenses	693,714	594,085
Registration & Filing Fee	676,428	1,013,318
TOTAL (b)	17,674,202	10,707,060
(c) Selling and Distribution Expenses		
Sales Promotion	12,214,577	3,135,964
Sales Commission		242,592
Rebate, Claims & Discount		
TOTAL (c)	12,214,577	3,378,556
TOTAL (a to c)	45,575,707	20,348,976

Note 21 Earning Per Share (EPS)			
Sr. No	Particulars	Current Year	Previous Year
1	Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder	6,825,841	7,099,977
2	Weighted Average number of Equity Shares used as denominator for calculating EPS	1,967,400	1,967,400
3	Basic EPS	3.47	3.61
4	Diluted EPS	1.26	3.61
5	Face Value Per Equity Share	10	10



UNITED DRILLING TOOLS LTD

Note 22

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respect with the Notified Accounting Standards pursuant to Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

2. USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialized.

3. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Goods - Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT but includes Excise Duty.

Interest - Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Benefits / Incentives - Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognised in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

4. EXPENDITURE

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

5. FIXED ASSETS AND DEPRECIATION

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

b) Depreciation on Fixed Assets is provided on Written Down Value method at the rates specified



UNITED DRILLING TOOLS LTD

in Schedule XIV to the Companies Act, 1956.

6. INTANGIBLE ASSETS

The company has intangible assets acquired on amalgamation except this Intangible asset is not recognized by the company.

7. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

8. INVENTORIES

- a) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realisable value.
- b) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of Cenvat credit.
- c) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.
- d) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.

9. EMPLOYEE BENEFITS

- a) Defined Contribution Plan :

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

- b) Defined Benefit Plan :

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

10. DEFERRED REVENUE EXPENDITURE

Company do not recognize Deferred Revenue Expenditure.

11 FOREIGN CURRENCY TRANSACTIONS

- a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign



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currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) **Conversion**

Foreign currency monetary items are reported using the closing rate.

c) **Exchange Difference**

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

12. RESEARCH AND DEVELOPMENT

Equipment purchased for research and development is capitalised when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged to Profit & Loss account in the period in which it is incurred.

13. PRIOR PERIOD ADJUSTMENTS

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

14. INVESTMENTS

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

15. BORROWING COST

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

16. TAXATION

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

17. LEASES

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

18. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS'



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Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the financial statements.

19. SEGMENT REPORTING

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

Primary Segment :

Business Segment: The Company's operating business are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The company operate in only one segment of business.

Secondary Segment :

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- (a) Sales within India
- (b) Sales outside India

Segment Assets denotes for debtors only.

20. CASH FLOW STATEMENTS

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) notified under the Companies (Accounting Standards) Rules, 2006. The Cash flows from regular revenue generating, financing and investing activity of the company are segregated.

21. EARNING PER SHARE

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

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

22. DERIVATIVE INSTRUMENTS

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

B. NOTES ON ACCOUNTS

1) Contingent Liabilities not provided for :

- i. Counter guarantees against Bank guarantees given by banks Rs. 2,59,31,062/- (Pr. Yr.



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Rs. 62,36,515/-)

- 2) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business. The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- 3) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.
- 4) The Deferred Tax Assets/ Liabilities as on 31.3.2010 comprise of following:

	Particulars	Current Year (Rs)	Previous Year (Rs)
A.	Deferred Tax Liability/(Assets)- Depreciation	16,61,852	(2,36,019)
	Net Deferred Tax Liability/(Assets)	16,61,852	(2,36,019)

5) Scheme of Amalgamation

- I. A Scheme of Amalgamation was framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, for amalgamation of P & K Hightech Systems Pvt Ltd (the Transferor Company) with United Drilling Tools Ltd (the Transferee Company).
- II. Salient features of the Scheme of Amalgamation are as follows:
 - a. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company will be transferred to and vest in the Transferee Company.
 - b. All the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
 - c. Appointed Date for amalgamation will be 1st April, 2011.
 - d. The Transferee Company will issue 79 (seventy nine) Equity Shares of Rs. 10 each, credited as fully paid-up, of the Transferee Company for every 200 (two hundred) Equity Shares of Rs. 10 each held in the Transferor Company- P & K Hightech Systems Pvt Ltd.
 - e. The Transferee Company will issue 115 (one hundred fifteen) 12% Cumulative Compulsory Redeemable Preference Shares of Rs. 100 each, credited as fully paid-up, of the Transferee Company, for every 1,000 (one thousand) Equity Shares of Rs. 10 each held in the Transferor Company- P & K Hightech Systems Pvt Ltd.
 - f. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- III. The aforesaid Scheme of Amalgamation was approved by the Hon'ble High Court of Delhi vide its order dated 6th March, 2012. The Scheme became effective on 6th June, 2012, being the date of filing of the High Court Order with the ROC. Since the Scheme is operative from the Appointed Date, 1st April, 2011, it has been given effect to in the present audited accounts.



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Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Company.

- IV. The Transferee Company is engaged in manufacturing of drilling tools and equipments for oil drilling & exploration industry and other related activities. Whereas, prior to the Scheme of Amalgamation, the Transferor Company was engaged in manufacturing of gas lift systems and other high tech equipments for oil drilling & exploration industry and other related activities.
- V. In terms of the Scheme of Amalgamation, the Transferee Company will issue 34,38,791 Equity Shares of Rs. 10 each, credited as fully paid up, and 10,01,167 12% Cumulative Compulsory Redeemable Preference Shares of Rs. 100 each, credited as fully paid-up, to the Shareholders of the Transferor Company, in exchange of 100% Equity Share Capital of the Transferor Company after cancellation of cross holding, if any.
- The aforesaid Shares to be issued by the Transferee Company have been disclosed under the head **"Shares to be issued pursuant to the Scheme of Amalgamation"** in the Balance Sheet.
- VI. Amalgamation of Transferor Company with the Transferee Company has been accounted for under the Pooling of Interests Method as per Accounting Standard-14 (AS-14) as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, all the assets, liabilities and reserves of each of the Transferor Company have been recorded in the Company's books at their existing carrying amounts and in the same form. Inter-company balances, if any, stand cancelled.
- VII. The following accounting treatment has been given to some of the issues pertaining to the Scheme:

Deficit of Rs. 4,74,46,610 arising out of amalgamation being difference between pre-merger paid up Share Capital of the Transferor Company and paid-up value of new Equity and Preference Shares to be issued by the Transferee Company on amalgamation, has been adjusted in the Securities Premium Account in the books of the Transferee Company.

6) Employee Benefit Obligations

a) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is Rs. 6,68,405/- (Pre. Yr. Rs. 4,08,155/-)

b) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to Rs. 9,14,872/- (Previous Year Rs. 9,18,373/-) on actual liability basis as on the date of balance sheet. It is non funded.

c) Other Long Term Employee Benefits



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Liability of Leave Encashment is provided in the books of account amounting to Rs. 1,90,685/- (Previous Year Rs.1,88,154/-) on actual calculation basis as on balance sheet date. It is non funded.

- 7) Since the Scheme of Amalgamation has been given effect to in the current year accounts, the current year's figures are not comparable with that of previous year. The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.
- 7A) The company has not provided depreciation on Intangible Assets acquired on amalgamation as the company is doing further research to adapt the technology in enhanced recovery of oil from low performing oil well globally.
- 8) Financial Derivative Instruments

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

Amount in Rs.

Particular	31.03.2012		31.03.2011	
	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
A Forward Exchange Contracts outstanding as at currency				
USD/INR (Sale)	0		0	
EURO/INR (Sale)	0		0	
USD/INR (Purchase)	0		0	
B Foreign currency exposure not covered by derivative instrument				
1. Amount receivable on account of export of goods and services:				
USD	91706	5374498	2,58,359	1,20,98,346
Euro				

9. DISCLOSURES UNDER ACCOUNTING STANDARDS

(A) SEGMENT REPORTING

(a) Primary Segment Reporting (By Business Segments)

(i) The Company is engaged in engineering segments only.

(b) Secondary Segment reporting on the basis of geographical segment is as below:

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(Amt. in Rs.)

Particulars	2011-12	2010-11
1. Segment Revenue		
- Within India	12,21,29,837	10,82,28,343
- Outside India	25,81,07,037	15,84,22,835
Total Revenue	38,02,36,874	26,66,51,178
2. Segment Assets*		
- Within India	41,16,52,026	10,25,50,248
- Outside India	53,74,498	1,20,98,346
Total Assets	41,70,26,524	11,46,48,594
*Segment Assets outside India is entirely related to Sundry Debtors.		

(B) RELATED PARTY DISCLOSURES

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

List of Related Parties with whom transactions have taken place :-**(a) Key Management Personnel :-**

Name of Person	Relationship
Shri Pramod Kumar Gupta,	Chairman & Managing Director

(b) Relatives

Dr. Kanal Gupta	Son of Shri P K Gupta
Neha Gupta	Daughter of Shri P K Gupta

(C) Associates :-

Macro Steel Engineers P. Ltd.

Details of Transactions with related parties :-

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Rent Payment	6,00,000	6,00,000
2	Salary	36,00,000	12,00,000
3	Unsecured Loan (Cr.)	7,18,637	33,00,000
4	Purchase	2,69,07,000	1,37,45,790

The balance with related parties as on 31.03.2012 was Rs. 7,18,637/- (cr.) (Previous Yr. Rs. 64,17,334 (cr.))



UNITED DRILLING TOOLS LTD

10. Expenditure in Foreign Currency

S.No.	Particulars	Current Year Rs.	Previous Year Rs.
	Travelling	14,26,939	9,04,224
	Purchases	10,01,64,870	2,32,20,288

11. Earning in Foreign Currency

S.No.	Particulars	Current Year Rs.	Previous Year Rs.
(i)	Export of Goods at FOB value in FC	25,81,07,037	15,84,22,835

12. Managerial Remuneration

S.No.	Particulars	Current Year Rs.	Previous Year Rs.
	Salary & Perquisites	24,00,000	12,00,000

As per of our report of even date attached.

FOR AGRAWAL DHRUV & CO.
(FRN 008900N)
(CA Dhruv Agrawal)
Place: Noida
Dated: 14.08.2012

Sh. Pramod Kumar Gupta
Sh. S.S. K. Bhagat
Sh. V.B. Mishra
Sh. K.D. Aggarwal
Sh. U.S. Pandey

For and on behalf of the Board
Chairman-cum-Managing Director
Director
Director
Director
Director



United Drilling Tools Ltd.
Accounting Year 2011-12
Cash flow Statement for the year ended March 31st 2012.

	(Rs. In Lacs) 31.03.2012	(Rs. In Lacs) 31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	98.97	74.13
Items Adjustment for :		
Depreciation	36.90	27.94
Misc. Expenses written off		-
Operating profit Before Change in working capital	135.87	102.07
		-
Adjustment for :		
Trade & Other Receivable	23.92	107.00
Inventories	-254.47	198.04
Loans & Advances	-78.86	-18.47
Trade Payable & others	-76.64	125.35
Cash Generated from operations	-250.18	513.99
Less : Direct Taxes paid	-	-7.58
Cash flow before Extra Ordinary Items	-250.18	506.41
Less : Profit on Sale of Fixed Assets	-6.59	-
Net cash flow from operating activities	-256.77	506.41
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase/Transfer of fixed Assets	-3007.64	-26.82
Sales of fixed Assets	11.99	-
Encashment of Investment		-
Net cash used in investing activities	-2995.65	26.82
CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution (Secured Loans)	401.42	-226.68
Unsecured Loans	-13.63	30.14
Proceeds from share Capital to be Issued	1345.05	0.08
Capital Reserve & Surplus	1275.93	-
Net Cash Flow from Financing Activities	3008.76	-196.46
Net increase in cash and equivalents	-243.66	283.13



UNITED DRILLING TOOLS LTD

	Cash and Cash Equivalents as at 1.4.2011 (Op. Bal.)	380.92	97.79
	Cash and Cash Equivalents as at 31.3.2012.(Clo.Bal.)	137.26	380.92

AUDITORS CERTIFICATE

We have verified the above cash flow statement of United Drilling Tools Ltd. For the year ended 31st March 2012. The statement has been prepared by the Company in accordance with the requirements of listing Agreement with Stock Exchange and is used on and in accordance with corresponding profit & loss Account and Balance sheet of the company.

FOR AGRAWAL DHUV & CO.
(FRN 008900N)
(CA Dhruv Agrawal)
Place: Noida
Dated: 14.08.2012

Sh. Pramod Kumar Gupta
Sh. S.S. K. Bhagat
Sh. V.B. Mishra
Sh. K.D. Aggarwal
Sh. U.S. Pandey

For and on behalf of the Board
Chairman-cum-Managing Director
Director
Director
Director



UNITED DRILLING TOOLS LTD

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

State Code

Balance Sheet Date

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

Right Issue

Bonus Issue

Private Placement

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Sources of Funds

Paid-up Capital

To be Issued

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Total Assets

Reserves & Surplus

Deferred Tax Liabilities

Unsecured Loans

Investments

Deferred Tax

IV. Performance of Company (Amount in Rs. Thousand)

Turnover and other income

Profit/Loss before tax

(Please tick appropriate Box + for Profit for loss)

Earning Per Share Rs.

Total Expenditure

Profit/Loss after tax

Divident rate % on preference share



UNITED DRILLING TOOLS LTD

V. Generic Names of principal products/services of Company (as per monetary terms)

Item Code No.	Product Description

FOR AGRAWAL DHRUV & CO.
(FRN 008900N)
(CA Dhruv Agrawal)
Place: Noida
Dated: 14.08.2012

Sh. Pramod Kumar Gupta
Sh. S.S. K. Bhagat
Sh. V.B. Mishra
Sh. K.D. Aggarwal
Sh. U.S. Pandey

For and on behalf of the Board
Chairman-cum-Managing Director
Director
Director
Director
Director



UNITED DRILLING TOOLS LTD

UNITED DRILLING TOOLS LIMITED

REGISTERED OFFICE :
B-94, SHASHI GARDEN, PATPARGANJ, DELHI-110092

PROXY FORM

Folio No.
Client ID No.....
No. of Shares Held

I/We of
in the district of
being a member of United Drilling Toold Ltd. hereby appoint
..... of
..... of falling him of as my/our proxy to
vote for me/us on my/our behalf at the 30th Annual General Meeting of Company to be held on Wednesday, the 26th
September, 2012 at 11.30 a.m. at Maharani Bagh Community Centre, 1, Central Avenue, Maharani Bagh, New Delhi-
110065 and at any adjournment thereof.

Signed this.....Day of 2012.

**Affix Rs. 1
Revenue
Stamp**

- Important :** 1. This form duly completed and signed across the stamp as per the specimen signature registered with the Company should be deposited at the registered office of the Company not less than 48 hrs before the time fixed for the commencement of the meeting.
2. The proxy need not be member of the company.

UNITED DRILLING TOOLS LIMITED

REGISTERED OFFICE :
B-94, SHASHI GARDEN, PATPARGANJ, DELHI-110092

ATTENDANCE SLIP

Members Name I hereby record my presence at the
30th Annual General Meeting of
United Drilling Tools Ltd.
on Wednesday, the 26th September, 2012
at 11.30 a.m. at Maharani Bagh CommunityCentre, 1,
Central Avenue, Maharani Bagh, New Delhi-110065
Folio No..... I certify that I am a Registered Member of
Client ID No. United Drilling Toold Ltd. & hold share in the Company
Name of Proxy

- (if attending for Member) Signature of the Member/Proxy
- Members/Proxies are requested to bring the Duly signed Attendance slip to the meeting and hand it over at the entrance
 - For the convenience of Members, persons other than Members/proxies will not be admitted.

BOOK-POST

If undelivered please return to :
(Registered Office)

United Drilling Tools Ltd.

B-94, SHASHI GARDEN, PATPARGANJ, DELHI-110091