



# UNITED DRILLING TOOLS LTD.

CIN : L29199DL 1985 PLCO 15796

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

Phones : +91-0120-4842400  
2462673, 4221777  
Fax No. : +91-0120-2462675

**USE PREFIX FOR CALLING -**

From Out side Country - 91-120  
From Out side State - 0120  
From New Delhi - 0120

**Please Reply to Head Office**

A-22, Phase-II, Noida-201305  
Distt. Gautam Budh Nagar,  
Uttar Pradesh, India  
E-mail : enquiry@udtltd.com  
Website : www.udtltd.com

31/08/2019

To,  
The Listing Compliance Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

Security Code: 522014  
Security ID: UNIDT  
ISIN: INE961D01019

**Sub: Submission of Revised Annual Report for the Financial Year 2018-19**

Dear Sir/Mam,

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the revised Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2019.

In furtherance of earlier letter dated 23/08/2019 w.r.t submission of annual report the following are clerical mistake in page no. 76 & 77 under cash flow statement.

Particulars	As at 31 <sup>st</sup> March, 2019	
	Wrong Printed	Correct
Trade Payable	524.59	-5113.18
Cash generated from operations	8760.42	3122.64
Cash flow before Extra Ordinary Items	8693.23	3055.45
Net cash flow from operating activities	8693.23	3055.45
Net increase in cash and cash equivalents	6611.58	973.80

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

This is for your information and record, please

Thanking You,

Yours faithfully  
For United Drilling Tools Limited

**Pramod Kumar Ojha**  
Company Secretary  
M. No. 8698



# UNITED DRILLING TOOLS LIMITED

**AN ISO 9001-2008 & API CERTIFIED COMPANY**

*WORLD CLASS QUALITY AND SERVICES  
AT UNMATCHED PRICE*



37<sup>th</sup>  
ANNUAL  
REPORT  
**2018-19**



# Engineered to Smoothen your daily Oil Production Through Innovation & Collaboration

## CASING PIPE WITH FAST MAKE UP CONNECTORS



Pin Connector



Box Connector

## INTEGRAL BLADE & REPLACEABLE SLEEVE STABILIZER



Replaceable Stabilizer  
(Mandrel & Sleeve)



Integral Blade  
Stabilizer

## SLICKLINE / E-LINE WINCHES



Slimsplit Winch



Landline Winch



Truckline



Flyline Winch



Scraping Winch

## ARTIFICIAL LIFT SYSTEMS

Orifice Valve



Wireline Gas Lift Valve



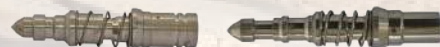
Dummy Valve



Side Pocket Mandrel



Latches



## AN ISO 9001-2008 & API CERTIFIED COMPANY



AN OHSAS 18001 CERTIFIED COMPANY  
Certificate No: 140108039102



AN ISO 14001 CERTIFIED COMPANY  
Certificate No: 140108029101



AN ISO 9001 CERTIFIED COMPANY  
CERTIFICATE No. 41952



Indonesia / UAE /  
UK / US



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



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## **CHAIRMAN'S MESSAGE**

### ***Dear Shareholders,***

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

UDTL is amongst one of India's private sector Company engaged in manufacturing of high-tech machines and tools being used by Oil, Gas, Drilling and Allied Industries, which constitute of key players of Indian economy. We are significant player in its segment and are preferred vendor for its clients in India. Built on strong values, UDTL is deeply rooted in the culture of safety, integrity and commitment and is dedicated to its vision of partnering India's economic growth and social well-being. Our focus is to continue growing as a responsible organization and the performance reflects its strength of operations.

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

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

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

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

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



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

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

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

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

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

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

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

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



**(Financial Year 2018-19)*****Overview***

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

***CHAIRMAN MESSAGE TOWARDS CSR:***

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

***A. Initiative towards Education to slum area of the society***

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

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





## *B. Initiative towards eradication of hunger from societies*

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

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

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



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

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

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

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





### *D. Initiative under "Women empowerment and skill development"*

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

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



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

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





## **CORPORATE INFORMATION**

### **Board of Directors**

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

**Mr. Arun Kumar Thakur**  
Chief Financial Officer

**Mr. Pramod Kumar Ojha**  
Company Secretary & Compliance Officer

### **Main Bankers**

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

### **Registrar & Share Transfer Agent**

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

### **Statutory Auditors**

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

### **Internal Auditors**

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

### **Secretarial Auditors**

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

### **Registered Office**

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

### **Head Office**

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



## Notice

**Notice** is hereby given that the Thirty Seventh Annual General Meeting of the members of UNITED DRILLING TOOLS LIMITED will be held on Friday, the 20<sup>th</sup> September, 2019 at 11.00 A.M. at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi- 110 065, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the reports of Board of Directors and Auditor's thereon;
2. To appoint a Director in place of Mr. Kanal Gupta, having DIN: 01050505, who retires by rotation and being eligible, offers himself for re-appointment.
3. Re-appointment of M/s R S Dani & Co., Chartered Accountants as Statutory Auditors of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Chapter X of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 the Company be and is hereby re-appoint M/s R S Dani & Co. (Firm Registration No.: 000243C), Chartered Accountants, Kothari Complex, near G.P.O, Bhilwara-311001 (Raj), as the Statutory Auditors of the Company for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company to be held in 2024 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

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

### **SPECIAL BUSINESS:**

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

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

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

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

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

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



applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Krishan Diyal Aggarwal (DIN: 00861164), who was appointed as an Independent Director of the Company for a term of five years up to 30<sup>th</sup> September, 2019, by the members at the 32<sup>nd</sup> Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and attained the age of 75 years and who is eligible for re-appointment in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 1<sup>st</sup> October, 2019 to till the conclusion of 42<sup>nd</sup> Annual General Meeting or upto 30<sup>th</sup> September, 2024 whichever is earlier and not liable to retire by rotation.”

7. Increase in the Remuneration of Mr. Pramod Kumar Gupta (DIN: 00619482), Chairman and Managing Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) as amended and effective from 2018 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V as amended, of the said Act and remuneration policy and performance evaluation and subject to such consents, approvals or permissions required from any statutory authorities as may be necessary, the consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mr. Pramod Kumar Gupta (DIN:

00619482), the Chairman and Managing Director of the Company up to Rs. 15,00,000/- per month (which includes all perquisite and allowances) with effect from 21<sup>st</sup> September, 2019 till 20<sup>th</sup> December, 2022 upon such terms and conditions as set out in the explanatory statement to the notice, as decided by Board of Directors of the Company on recommendation of nomination and remuneration committee of the Company.

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby also accorded that where in any financial year, the Company has no profits or inadequate profits as contemplated under the amended provisions of schedule V of the Companies Act, 2013, then remuneration as decided above be paid in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized (which term shall always be deemed to include any Committee as constituted by the Board) to vary the remuneration specified above from time to time as may be required to the extent the Board of Director may consider appropriate in accordance with the applicable provisions of Companies Act, 2013, any rules, regulations and schedules made there under for the time being in force.

**RESOLVED FURTHER THAT** Company Secretary of the Company, be and are hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with, or incidental to, giving effect to the above resolution, including filing of the resolution/application(s) with the Registrar of Companies, NCT of Delhi & Haryana, and any other authority, if any and to comply with all requirements in this regards.”

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

Sd/-

**Pramod Kumar Gupta**

**Chairman & Managing Director**

**Place: New Delhi**

**Date : 21<sup>st</sup> Aug, 2019**

**DIN: 00619482**



**Notes:**

1. **AS PER SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office/head office, duly completed and signed, not less than FORTY EIGHT (48) HOURS before the commencement of meeting. Proxies submitted on behalf of Companies, Societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder/Member.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are mentioned in another sheet as attached with this Notice.
3. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a certified true copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 14<sup>th</sup> September, 2019 to Friday, 20<sup>th</sup> September, 2019, both days inclusive for annual closing and determining the entitlement of the shareholders to the final dividend for FY 2018-19.

5. Final Dividend @6% (excluding 6% interim dividend which was already given to shareholders) on the paid up equity share capital for the year ended 31<sup>st</sup> March, 2019 has been recommended by the Board of Directors of the Company subject to the approval of the Shareholders at the ensuing AGM i.e 20<sup>th</sup> September, 2019 payment of such dividend will be made on 08<sup>th</sup> October, 2019 as under:
  - i. To all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the closure of business hours on Friday, 13<sup>th</sup> September 2019.
  - ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Friday, 13<sup>th</sup> September 2019.
6. Pursuant to section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 read with the relevant circular and amendments thereto ('IEPF Rules') the amount of Dividend which remaining unpaid or unclaimed for a period of seven years shall be transferred by the Company to the Investor Education and Protection Fund, constituted by the Central Government.
7. Members who have not encashed their dividend warrants in respect of dividend of 2016-17, 2017-18 & 2018-19, are requested to make their claim to the Share Department of the Company at Head office or Registered Office or Registrar & Share transfer Agent (RTA) i.e. Alankit Assignments Limited, 3E/7, Alankit Heights, Jhandewalan Extension, New Delhi - 110055
8. In terms of Section 152 of the Companies Act, 2013, Mr. Kanal Gupta having DIN: 01050505, whole time director, retire by rotation at the meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends such re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships/



Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

9. The relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts concerning the special business of the accompanying Notice, is annexed hereto.
10. Members, proxies and authorized representatives are requested to bring the duly completed attendance slip along with their copy of Annual Report to the Meeting.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nominations, Power of Attorney, Change of address, Change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited (RTA).
12. Members holding shares in physical form are requested to converting their holding in dematerialized form to eliminate all risks associated with physical shares and transfer of shares because SEBI has restricted to transfer of shares in physical form and for ease of portfolio management. Members can contact the Company or Alankit Assignment Ltd for assistance in this regard.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
14. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
15. As per the provision of Section 72, the Facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their Nomination are requested to register the same by submitting form SH-13. The said form can be downloaded from the Company's website [www.udtltd.com](http://www.udtltd.com). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Alankit Assignments Limited in case share are hold in physical form.
16. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
17. The Notice of AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website viz. [www.udtltd.com](http://www.udtltd.com)
18. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
19. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection by the members at the Registered Office of the Company during normal business hours on all working days, except Saturdays, up to and including the date of the AGM.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to



their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN, Bank Details and present address proof to the Company / Alankit Assignments Limited (RTA). Further they are requested to make its holding in demat form as earlier. Because trading of shares in physical form is restricted by the SEBI.

21. M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi has been appointed as scrutinizer for e-voting process as well as voting during the Annual General Meeting.
22. At thirty Second Annual General meeting of the Company the members approved appointment of M/s R S Dani & Co. (Firm Registration No.: 000243C), Chartered Accountants, Kothari Complex, near G.P.O Bhilwara-311001 (Raj), as the Statutory Auditors to hold office for a period of five years from conclusion of that AGM till the conclusion of Thirty Seventh AGM of the Company. In pursuance of the provision of Section 139 of the Act, their first term of five years has been expired so they are re-appointed for second term of consecutive five years from the conclusion of ensuing AGM till the conclusion of the Forty Second AGM.
23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.udtltd.com](http://www.udtltd.com) within two days i.e; 22<sup>nd</sup> September, 2019 of the passing of the resolutions at the Thirty Seventh AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.
24. The route map showing directions to reach the venue of the Thirty Seventh AGM is annexed.

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

**Place: New Delhi  
Date : 21<sup>st</sup> Aug, 2019**

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



## EXPLANATORY STATEMENT

### (Pursuant to section 102 of the Companies Act, 2013)

As required under section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the ordinary & special business mentioned under Item No. 3, 5 and 6 of the accompanying Notice:

#### **Item No. 3:**

In pursuant to the requirement of Regulation 36 of SEBI Listing Regulation-2015 and applicable provision of the Companies Act, 2013 after evaluating the performance of M/s R.S. Dani and Co., Chartered Accountants during previous term and in recommendation of audit committee, the Board of Director of the company re-appointed M/s R S Dani & Co., Chartered Accountants as a statutory auditors of the Company for the second term of five consecutive years with effect from 37<sup>th</sup> Annual General Meeting upto 42<sup>nd</sup> Annual General Meeting or 30<sup>th</sup> September, 2024 whichever is earlier on the such term as specified below:

1. The annual audit fee will be Rs. 3, 25,000/- (Three lac Twenty Five Thousand only) for quarterly, half yearly and annual Audit of the financial of the company and Rs. 75,000/- (Seventy Five Thousand) for Tax audit of the company.
2. The other expenses will be reimbursed on actual basis.

#### **Item No. 5**

Pursuant to the provisions of the Companies Act, 2013 (the Act), Mr. Shiv Sharan Kumar Bhagat (DIN: 00841981) was appointed as an Independent Director to hold office for a term of five consecutive years upto the conclusion of 37<sup>th</sup> AGM, by the Members of the Company in the 32<sup>nd</sup> Annual General Meeting.

As per Section 149 (10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years but

shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of upto five consecutive years on the Board of a Company.

Based on the recommendation of Nomination and Remuneration Committee, performance evaluation of the Independent Director and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Mr. Shiv Sharan Kumar Bhagat, being eligible for re-appointment as an Independent Director of the Company for another (second) term of five consecutive years from conclusion of 37<sup>th</sup> AGM to till conclusion of 42<sup>nd</sup> AGM of 30<sup>th</sup> September 2024 whichever is earlier.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Shiv Sharan Kumar Bhagat for the office of the Independent Director of the Company.

The Company has received declaration from Mr. S S K Bhagat that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

Mr. S S K Bhagat aged 86 years is a B. Tech (Civil) from recognized institution in India. He is retired civil Engineer from NDMC New Delhi, having more than 40 years’ experience in civil and construction.

His vast technical knowledge will be of immense benefit to the Company.

Mr. S S K Bhagat is over the age of 75 years & is not liable to retire by rotation and does not hold any equity shares in the Company.

In the opinion of the Board, Mr. S S K Bhagat fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014



and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. S S K Bhagat as an Independent Director setting out terms and conditions of his appointment would be available for inspection on website of the Company viz; www.udtltd.com.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. S S K Bhagat as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Shiv Sharan Kumar Bhagat as an Independent Director for another (second) term of five consecutive years with effect from conclusion of 37<sup>th</sup> Annual General Meeting to till conclusion of 42<sup>nd</sup> AGM or 30<sup>th</sup> September, 2024 whichever is earlier, for the approval by the shareholders of the Company.

Except Mr. Shiv Sharan Kumar Bhagat, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice. Mr. S S K Bhagat is not related to any Director or Key Managerial Personnel of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

### **Item No. 6**

Pursuant to the provisions of the Companies Act, 2013 (the Act), Mr. Krishan Diyal Aggarwal (DIN: 00861164) was appointed as an Independent Director to hold office for a term of five consecutive years upto the conclusion of 37<sup>th</sup> AGM, by the Members of the Company in the 32<sup>nd</sup> Annual General Meeting.

As per Section 149 (10) of the Act, an Independent Director

shall hold office for a term of upto five consecutive years but shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of upto five consecutive years on the Board of a Company.

Based on the recommendation of Nomination and Remuneration Committee, performance evaluation of the Independent Director and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Mr. Krishan Diyal Aggarwal, being eligible for re-appointment as an Independent Director of the Company for another (second) term of five consecutive years from conclusion of 37<sup>th</sup> AGM to till conclusion of 42<sup>nd</sup> AGM of 30<sup>th</sup> September 2024 whichever is earlier.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Krishan Diyal Aggarwal for the office of the Independent Director of the Company.

The Company has received declaration from Mr. Krishan Diyal Aggarwal that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

Mr. Krishan Diyal Aggarwal aged 76 years is a Post Graduate in Economics & Law. He is also member of certified Associate of Indian Institute of Banker. He has also diploma in Industrial finance and co-operative. He is retired from the post of manger of Reserve Bank of India. He has good knowledge and experience in the area of finance and Corporate Law.

Mr. Krishan Diyal Aggarwal hold 600 equity shares in the Company.

Mr. Krishan Diyal Aggarwal is over the age of 75 years and is not liable to retire by rotation.

In the opinion of the Board, Mr. Krishan Diyal Aggarwal fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.



Copy of the draft letter for appointment of Mr. Krishan Diyal Aggarwal as an Independent Director setting out terms and conditions of his appointment would be available for inspection on website of the Company viz; www.udtltd.com.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Krishan Diyal Aggarwal as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Krishan Diyal Aggarwal as an Independent Director for another (second) term of five consecutive years with effect from conclusion of 37<sup>th</sup> Annual General Meeting to till conclusion of 42<sup>nd</sup> AGM or 30<sup>th</sup> September, 2024 whichever is earlier, for the approval by the shareholders of the Company.

Except Mr. Krishan Diyal Aggarwal, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice. Mr. Krishan Diyal Aggarwal is not related to any Director or Key Managerial Personnel of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

### **Item No. 7**

Mr. Pramod Kumar Gupta is holding office as Chairman and Managing Director of the Company in terms of his re-appointment approved by the members at 35<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September 2017 for five years w.e.f. 21<sup>st</sup> December, 2017 to 20<sup>th</sup> December, 2022.

During the tenure of Mr. Pramod Kumar Gupta as Chairman and Managing Director of the Company, the Company has achieved growth in performance of the Company, improvements were noted in sales turnover, cost

reduction, operational efficiencies and bottom line figures. Further under his consistent strategic efforts the Company is expected to achieve growth in future.

In lieu of the above, the Board of Directors of the Company at their Meeting held on 21<sup>st</sup> August, 2019 on the recommendations of the Nomination and Remuneration Committee had approved the increase in remuneration of Mr. Pramod Kumar Gupta as hereunder subject to the approval of shareholders of the Company:

Name & Designation	Period of appointment / re-appointment	Salary including allowances & perquisites per month (Rs.)
Pramod Kumar Gupta  (Chairman and Managing Director)	5 years w.e.f. 21/12/2017 to 20/12/2022	Up to Rs.10,00,000 from 01/01/2019 to 20/09/2019 and Up to Rs. 15,00,000/- from 21/09/2019 till 20/12/2022

**The above monthly remuneration shall include all perquisites and allowances except those which are excluded as per amended schedule V of Companies Act, 2013 such as :**

**(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.**

**(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and**

**(c) Encashment of leave at the end of the tenure.**

The above remuneration as aforesaid to be allowed to the Chairman and Managing Director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013 as amended from time to time.

The Scope and quantum of remuneration and perquisites specified hereinabove, may be fixed, enhanced, enlarged, decreased, widened, altered or varied by the Board of



Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.

In absence of or inadequacy of profits in any financial year during the currency of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of amended Schedule V of the Companies Act, 2013 or such other amount

as may be provided in Schedule V as may be amended from time to time or an equivalent statutory re-enactments thereof.

The Company shall pay to or reimburse the Chairman and Managing Director and he shall be entitled to be paid and / or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

**STATEMENT PURSUANT TO SECTION II OF PART-II  
OF SCHEDULE V OF THE COMPANIES ACT, 2013**

I.	General Information	
(1)	Nature of Industry	UNITED DRILLING TOOLS LTD. is a leading manufacturer of wire line & well service equipment, Gas lift equipment, Downhole tools and large OD casing connectors in the world.
(2)	Date or expected date of commencement of commercial production	The Company commenced its commercial production on 30 <sup>th</sup> May, 1986.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable

(4) Financial performance based on given indicators		(Rs. in Lac)		
Particulars	2015-2016	2016-2017	2017-2018	2018-19
Paid up Capital	2019.170	2019.22	1015.15	2030.31
Reserve & Surplus	6908.31	8993.44	10118.74	11133.50
Revenue from operation	3508.06	8038.31	7342.65	15619.83
Other Income	128.87	135.91	48.41	92.97
Total Revenue	3636.93	8174.22	7391.06	15712.80
Profit before tax	664.43	2119.93	1378.04	2530.58
Profit after tax	652.99	2085.13	1273.12	2473.55
(5) Foreign investments or collaborations, if any	The Company has not entered into any Foreign Collaboration but foreign investment has been made into the Company.			



<b>II. Information about the appointees</b>	
(1) Background details	Mr. Pramod Kumar Gupta, 70 years has vast experience in the field of Manufacturing of Oil drilling equipment. He is Chairman and Managing Director of United Drilling Tools Limited since 1986. He was Industrial / Application Engineer from 1969 to 1975 in Sargent Welch Scientific Company Skokie, Illinois, USA & Colt Industries, Kansas City, KS, USA and Manufacturing Manager / Managing Corporate Planning from 1975 to 1982 in Smith International INC. & Combustion Engineering, CA, USA. He was Past President in International Marketing Co. Los Angeles, CA, USA from 1982 to 1996.
(2) Past remuneration	Rs. 10,00,000/- per month including all perquisite and allowances.
(3) Recognition or awards	None
(4) Job profile and his suitability	The Job required high level of planning, vision and strategy, techno commercial and leadership skills. It also calls for in depth understanding of the oil industry. Mr. Pramod Kumar Gupta is having vast experience of Corporate Management and particularly of oil industry and successfully working as a Chairman and Managing Director of the Company. He is ideally suited for the job.
(5) Remuneration proposed	The details of remuneration are set out above in Explanatory statement.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Pramod Kumar Gupta holds approx. 70% of equity shares of the company. Mr. Kanal Gupta S/o Mr. Pramod Kumar Gupta is a Whole time Director in the Company. Mr. Kanal Gupta also receive a remuneration Rs. 3,50,000/- per month including all perquisite and allowances.
<b>III. Other information</b>	
(1) Reasons of loss or inadequate profits	Factors such as general economic slowdown and consequent adverse market costs and high financial cost have severally affected the margins for products manufactured by the company.
(2) Steps taken or proposed to be taken for improvement	The company has initiated steps as cost control, borrowing, at cheaper rates and improving efficiency etc. Though the prices of raw materials and products are influenced by the external factors. The Company is making all possible efforts to improve the margins.
(3) Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in productivity and undertakes constant measure to improve it. Looking at the past performance and efforts being made during the year, the Company is expecting to achieve increase in productivity as well as in profits of the Company.



Brief information about Mr. Pramod Kumar Gupta as per Secretarial Standard -2 on General Meeting is appended below:

<b>Name of Director</b>	<b>Mr. Pramod Kumar Gupta</b>
DIN	00619482
Date of Birth	01/01/1948
Age	70
Nationality	Indian
Date of First Appointment on the Board	21/08/1985
Qualifications	a) B.E. (Mechanical Engineering) from Birla Institute of Technology, Ranchi, India b) M.S. (Industrial Engineering) from Kansas State University, U.S.A.
Experience	Mr. Pramod Kumar has vast experience in the field of Manufacturing of Oil drilling equipment. He is Chairman and Managing Director of United Drilling Tools Limited since 1986. He was Industrial / Application Engineer from 1969 to 1975 in Sagent Welch Scientific Company Skokie, Illinois, USA & Colt Industries, Kansas City, KS, USA and Manufacturing Manager / Managing Corporate Planning from 1975 to 1982 in Smith International INC. & Combustion Engineering, CA, USA.  He was Past President in International Marketing Co. Los Angeles, CA, USA from 1982 to 1996.
Number of shares held in the Company	1, 43, 63,800 equity Shares (70.75%)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn	Re-appointed as Chairman and Managing Director at 35 <sup>th</sup> Annual General Meeting of the Company held on 25 <sup>th</sup> September, 2017 for five years w.e.f. 21 <sup>st</sup> December, 2017 to 20 <sup>th</sup> December, 2022. Proposed remuneration – As specified above in the explanatory Statement. Remuneration last drawn – Rs. 10 Lakh per month including all perquisites and allowances (as per schedule V of the Companies Act, 2013- as it was case of inadequate profitability)
Number of Meetings of the Board attended during the financial year 2018-2019	No. of meeting held – 08 No. of meeting attended - 08
Disclosure of relationships between directors inter-se	Mr. Kanal Gupta, Whole Time Director of the Company is Son of Mr. Pramod Kumar Gupta
Disclosure of relationship with Manager and other Key Managerial Personnel of the company	No
Names of listed entities* in which he holds the directorship and the membership of the Committees of the Board (i.e., Audit Committee/ Nomination and Remuneration committee)	Nil

\* Excluding United Drilling Tools Limited



Accordingly, the Board recommends the Special resolution set out in item no. 7 of the notice for the approval of the members of the Company.

Save and except Mr. Pramod Kumar Gupta and Mr. Kanal Gupta, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed special resolution as set out in item no. 7.

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

Sd/-

Place: New Delhi

**Pramod Kumar Gupta**

Date: 21<sup>st</sup> Aug, 2019

**Chairman & Managing Director**

DIN: 00619482

**Brief Profile of Appointee Directors:-**

<b>Name of Director – Mr. Kanal Gupta (DIN: 01050505)</b>		
1.	Reason for Change	Re-appointed due to retire by rotation
2.	Date of Birth	27/10/1982
4.	Brief Profile	Mr. Kanal Gupta, Whole Time Director of the Company is a MBA in Finance and HR having vast experience in the Field of Management & Administration
5.	Disclosure of Relationship	Son of Mr. Pramod Kumar Gupta, Managing Director of the Company
6.	Directorship/ Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	2900

<b>Name of Independent Director – Mr. Shiv Sharan Kumar Bhagat (DIN: 00841981)</b>		
1.	Reason for Change	Re-appointed as Independent Director
2.	Date of Birth	22/04/1933
3.	Date & Term of Appointment	For second term of 5 consecutive years from 20 <sup>th</sup> September, 2019 to conclusion of 42 <sup>nd</sup> Annual General Meeting or 30 <sup>th</sup> September, 2024 whichever is earlier.
4.	Brief Profile	Mr. S S K Bhagat aged 86 years is a B. Tech (Civil) from recognized institution in India. He is retired civil Engineer from NDMC New Delhi
5.	Disclosure of Relationship	Not related to any Director or KMP of the Company
6.	Directorship/ Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	Nil

<b>Name of Independent Director – Mr. Krishan Diyal Aggarwal (DIN: 00861164)</b>		
1.	Reason for Change	Re-appointed as Independent Director
2.	Date of Birth	10/06/1943
3.	Date & Term of Appointment	For second term of 5 consecutive years from 20 <sup>th</sup> September, 2019 to conclusion of 42 <sup>nd</sup> Annual General Meeting or 30 <sup>th</sup> September, 2024 whichever is earlier.
4.	Brief Profile	Mr. Krishan Diyal Aggarwal aged 76 years is a Post Graduate in Economics & Law.
5.	Disclosure of Relationship	Not related to any Director or KMP of the Company
6.	Directorship/ Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	600



## DIRECTOR'S REPORT

Dear shareholders,

The Board of Directors of UDTL are pleased to present the 37<sup>th</sup> Annual Report of the Company together with the standalone Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### 1. SUMMARIZED FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2019 as aforesaid is summarized below:

Particulars	(Rs. in Lacs)	
	For the Current Year ended 31 <sup>st</sup> March, 2019	For the previous year ended 31 <sup>st</sup> March, 2018
Gross Turnover and other receipts	15712.80	7391.06
Profit/(Loss) before Interest and Depreciation	2917.40	1772.45
Less: Interest	100.14	125.40
Profit/(Loss) Before Depreciation	2817.26	1647.08
Less: Depreciation	286.68	269.02
Profit/(Loss) Before Tax	2530.58	1378.03
Less: Provision for taxation	57.03	104.92
Profit/(Loss) After Tax	2473.55	1273.11
Other Comprehensive income	(3.98)	(0.77)
Balance carried to Balance Sheet	2469.57	1272.34

### 2. BUSINESS PERFORMANCE

Despite of challenging environment the company has shown net profit of Rs. 24.69 Crores as compare to Rs.12.72 Crores last year. The Company was able to perform through its high-tech technology, operational excellence, and higher efficiency and well executed strategies.

Your Company is continuously trying to extend its reach into export markets as well as developing prospective customers in India and abroad. The company invested a lot for research and development of new technology which will result into substantial growth of the company in future.

To deliver a good performance and to remain competitive Cost is an important factor. The company got comparative advantage due to lower cost into research and development of new and more effacement products. It helps the company to manufacture world class quality product at a lower cost.

In a view to achieve substantial success, its units situated at SEZ Noida and SEZ Kandla played an important role in achieving its goals and targets.

### 4. DIVIDEND

#### a) Interim Dividend

Based on the company's performance, the Directors had been declared on its meeting held on 25<sup>th</sup> February, 2019 interim dividend at a rate of 6% on the paid up Equity capital i.e. Rs. 0.60/-per share of Rs. 10/-each for the financial year 2018-19.

#### b) Final Dividend

Your Board of Directors have recommended a Dividend at the rate of 6% on paid up Equity share capital i.e Rs. 0.60/-per share of Rs. 10/-each of the company for the financial year 2018-19. It is appropriated from the profit of the Company for the financial year 2018-19 subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Total Dividend (interim and final) on equity shares for the financial year 2018-19 would aggregate Rs. 2,92,82,364/- (including Dividend Distribution Tax of Rs. 49,18,612/-) @12% i.e Rs. 1.20 per equity shares of Rs. 10/-each.



#### 4. FUTURE OUTLOOK

In India, since the demand of Oil and Gas is increasing sharply in comparison to worldwide. The Government of India has taken several steps and policies to fulfill the demand hence future outlook of the Company seems promising because of the improving Indian and global economies. As demand of Oil and Gas is increasing day-by-day in India and in overseas, the demand for Company's products, which are directly linked to Oil sector, is also increasing. The Company has also implemented various quality systems and as a result of which it has improved the quality of our products and are cost effective too, therefore there is a considerable increase in acceptability of the Company's products in domestic and international markets. This may eventually lead to higher growth, turnover and profit of the Company.

#### 5. LISTING

The Equity shares of the Company are listed with BSE Ltd. formerly known as Bombay Stock Exchange, one of the recognized stock exchange of India. The company has appointed NSDL and CDSL, recognized Depository of India, as depository for keeping equity shares in electronic Form. The company has paid annual listing fee to BSE Ltd. (the SEBI authorized agency) for the financial year 2018-19.

#### 6. ISSUE OF BONUS SHARES

The Company had allotted 1,01,51,563 equity shares as fully paid up bonus shares in the ratio of 1:1 (one Equity share for every one existing equity share held on the record date) to its shareholders on 14<sup>th</sup> May, 2018, pursuant to the resolution passed by the shareholders on 30<sup>th</sup> April, 2018 through postal ballot.

#### 7. CONSOLIDATED FINANCIAL STATEMENTS

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

#### 8 SUBSIDIARIES, JOINT VENTURES AND

#### ASSOCIATE COMPANIES

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

#### 9. DIRECTORS & COMMITTEE

The Board of the Company was in conformity with the relevant provision of Section 149 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board & Committees of the Company comprises of eminent, experienced and reputed individuals from their respective fields. There were Four Independent Directors of the Company during the financial year 2018-19. There was no major change in the composition of Board of Director of the Company.

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





The composition of the Board of Directors are given below as on 31.03.2019:

S. No.	Name of the Director	Designation on the Board
1.	Mr. Pramod Kumar Gupta	Chairman and Managing Director
2.	Mr. Shiv Sharan Kumar Bhagat	Independent Director
3.	Mr. Krishan Diyal Aggarwal	Independent Director
4.	Mr. Kanal Gupta	Whole Time Director
5.	Mr. Pandian Kalyanasundaram	Independent Director
6.	Ms. Twinkle Singh	Woman and Independent Director
7.	Mr. Inderpal Sharma	Whole Time Director

## 9.1 BOARD EVALUATION

The Board of Director has carried out annual performance evaluation of its own performance, board committees, and individually pursuant to the provisions of the Act and SEBI listing regulations.

The performance of the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5<sup>th</sup> January, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive director and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meeting like preparedness on the issued to be discussed, meaningful and constructive contribution and inputs in the meeting etc.

In the Board meeting that followed the meeting of the independent directors and meeting of the Nomination and Remuneration committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of Independent directors was done by the entire board, excluding the independent director being evaluated.

## 9.2 REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report of the Company.



### 9.3 BOARD MEETINGS

There were Eight (8) Board Meetings and one (1) Independent Director's meeting held in Financial Year 2018-19, the details of which are given below and are in the Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings and various other requirements including Secretarial Standards as issued by the ICSI. The dates of Meetings held during the year are as under:-

Board Meetings: 14.05.2018, 29.05.2018, 11.08.2018, 26.09.2018, 14.11.2018, 12.01.2019, 07.02.2019 & 25.02.2019

Independent Directors' Meeting: 25.02.2019

### 9.4 AUDIT COMMITTEE

The Company's Audit Committee comprises of the following Independent Directors:-

Name	Status	Designation
Mr. Pandian Kaly- anasundaram	Chairman	Non-Executive & Inde- pendent Director
Mr. Krishan Diyal Aggarwal	Member	Non- Executive & In- dependent Director
Mr. Shiv Sharan Kumar Bhagat	Member	Non-Executive & Inde- pendent Director
Ms. Twinkle Singh	Member	Woman & Independ- ent Director
Mr. P.K. Ojha	Secretary	Company Secretary

The composition of audit committee was in conformity with the applicable provision of the Companies Act, 2013 and in pursuance to requirement of SEBI (LODR) Regulations, 2015. All the recommendations (if any), made by the Audit Committee were considered and accepted, by the Board particularly related to the finance of the company. The Audit Committee met four times during financial year 2018-19 as on 29.05.2018, 11.08.2018, 14.11.2018 & 07.02.2019

### 9.5 NOMINATION AND REMUNERATION COMMITTEE

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

Name	Status	Designation
Mr. Krishan Diyal Aggarwal	Chairman	Non- Executive & In- dependent Director
Mr. Shiv Sharan Kumar Bhagat	Member	Non-Executive & Inde- pendent Director
Mr. Pandian Kaly- anasundaram	Member	Independent Director

The members of Nomination and Remuneration Committee met three (3) times during the financial year 2018-19 as on 26.09.2018 ,14.11.2018 & 25.02.2019.

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

The Committee frame the Remuneration policy of the Company.

### 9.6 STAKEHOLDER GRIEVANCE/ RELATIONSHIP COMMITTEE

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

Name	Status	Designation
Mr. Pandian Kaly- anasundaram	Chairman	Non-Executive & Inde- pendent Director
Mr. Kanal Gupta	Member	Whole Time Director
Mr. Krishan Diyal Aggarwal	Member	Non-Executive and Independent Director
Mr. P.K. Ojha	Secretary	Company Secretary

During the financial year 2018-19, Eight (8) meetings of the Stakeholder Grievance/Relationship Committee were held to consider the shareholders issue and take prompt and appropriate steps to resolve their issue. The dates of Meeting of Stakeholders Relationship Committee held during the year are as under:

29.05.2018, 20.06.2018, 11.08.2018, 26.09.2018, 14.11.2018, 12.01.2019, 07.02.2019 & 20.02.2019.



## 10. CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee has been constituted in conformity with the law and provision of Companies Act. To strength the transparency and accountability most of the members including chairman of the committee are independent and non-executive Director of the Company. The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure-1** of this report in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the financial year 2018-19, the Committee was met Three (3) times to select NGOs and Agencies through which the CSR Activity was performed by the company. The details of its meetings are as follows: 11.08.2018, 26.09.2018 & 07.02.2019. The Committee after due verification of various NGO's as per the criteria laid down in the CSR Rules as issued by the Ministry of Corporate Affairs, New Delhi, selected many reputed NGOs for undertaking various CSR Projects/ Programs as specified in Schedule VII of the Companies Act, 2013 .

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there is no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared Annual Accounts on a going concern basis.
- v. They have laid down Internal financial controls to be followed by the Company and such internal financial

controls which are adequate and were operating effectively;

- vi. They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. BUSINESS RESPONSIBILITY REPORT

In pursuance to requirement of SEBI (LODR), Regulations, 2015, Business Responsibility Report must be part of Annual Report for top 100 listed Company. In purview of above regulation, it is not applicable to the company. Thus such report is not a part of Annual Report, but to the best practices our company has taken initiative to protect Environment, social and good governance perspective as stipulated under this regulations.

## 13. RELATED PARTY TRANSACTIONS

In pursuance to requirement of SEBI Listing regulations and relevant provision of the Companies Act, 2013, the details information regarding related party transaction occurs during the financial year 2018-19 has been disclosed in prescribed format AOC-2, in "Annexure -II" as a part of this annual report.

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

During the financial year 2018-19, there were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## 15. INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial control and compliance systems established and maintain by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19.

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has received declarations from all the Independent Directors of the Company confirming that



they meet the criteria of being appointed as independent director as prescribed under both the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by the SEBI. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review the non- executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2019 are: Mr. Pramod Kumar Gupta, Managing Director, Mr. Kanal Gupta, Whole time Director, Mr. Inderpal Sharma, whole time director, Mr. Arun Kumar Thakur-Chief financial officer, and Mr. Pramod Kumar Ojha-Company Secretary

## 17. AUDITORS

### 17.1 STATUTORY AUDITORS

M/s R S Dani & Co., Chartered Accountants had been appointed at Thirty Second Annual General meeting of the company to hold office for five years with effect from conclusion of that AGM to the conclusion of 37<sup>th</sup> AGM of the company whose tenure has been expired so they are re-appointed as statutory auditors of the company for second term of five consecutive year with effect from conclusion of 37<sup>th</sup> AGM to the conclusion of 42<sup>nd</sup> AGM of the Company.

The Company has received their consent and certificate of eligibility required in pursuance to provision of section 141 of the Act.

Accordingly an Audit Report along with Financial Statements as on 31<sup>st</sup> March, 2019 are being placed before the members for their consideration and adoption.

The finance for the financial year 2018-19 has been audited by M/s R S Dani & Co., Chartered Accountants.

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

or adverse remarks.

### 17.2 SECRETARIAL AUDITORS

The Board of the Directors of the Company had appointed M/s Balraj Sharma & Associates, Company Secretaries, New Delhi pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2019. The Secretarial Audit Report is annexed herewith as 'Annexure - III'.

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

### 17.3 INTERNAL AUDITORS

As per requirement of Section 138 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, M/s Pankaj Priti & Associates, Chartered Accountants, having vast experience in Taxation, Finance and Accounts was appointed to perform the duties of Internal Auditor of the Company for financial year 2018-19 and their quarterly report was reviewed by the Audit Committee as provided by them on quarterly basis. The Report of Internal Auditors did not contain any qualifications, reservations or adverse remarks.

## 18. CORPORATE GOVERNANCE

UDTL has adopted the best practices of Corporate Governance in prevailing industry and aims to run its business on the highest principles of governance and ethics. At UDTL, Corporate Governance is more than just adherence to the statutory and regulatory requirements, rather it is equally about focusing on voluntary practices that underlie the highest levels of transparency. UDTL's governance framework is driven by the objective of enhancing long term stakeholder's value without compromising on ethical standards and corporate social responsibilities. These guiding principles are also articulated through the Company's code of conduct, Corporate Governance Guidelines, charter of various subcommittees and disclosure policy. Complete disclosures regarding corporate governance are provided in the Corporate Governance Report, attached as "Annexure-



IV". A certificate from M/s R S Dani & Co. Practicing Chartered Accountants, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as part of annual report. Certificate of the CEO/CFO, interalia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

### **19. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

As per requirement of SEBI Listing Regulations, 2015 Management's Discussion and Analysis Report for the financial year 2018-19 is attached as "Annexure V"; forming part of the Annual Report.

### **20. DEMATERIALISATION OF EQUITY SHARES**

The company has provided the facility to demat the physical shares through CDSL & NSDL which two recognize depository participant in India. The demat ISIN of the company for equity shares is INE961D01019. M/s Alankit Assignments Ltd. is acting as its agent for demat and other related quarries of the shareholders for their equity shares. Share transfer Agent takes prompt action on request of the shareholders for dematerialization of equity shares within stipulated time.

### **21. HUMAN RESOURCE DEVELOPMENT**

Your Company continued to focus on attracting new talent while investing in organic talent development to help employees acquire new skills, explore new roles and realize their potential.

Progressive HR policies and ongoing employee engagement initiatives have made your Company an industry benchmark for talent retention.

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

### **22. INDUSTRIAL RELATIONS**

The relationship amongst the employees, in between management and workers/ employees is important factor for the organization, to achieve its goal and target. It also affects the product quality and quantity and efficiency of the employees. In UDTL the industrial relations amongst the employees within the organization were cordial. The employees maintained highest level of discipline and decency for the growth of the organization.

### **23. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return for the financial year ended 31st March, 2019 in Form MGT-9 is enclosed as "Annexure - VI" as a part of Annual Report as per requirement of the provision of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

### **24. CONSERVATION OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Energy continues to be a material aspect from climate change as well as operational perspective. The information required under the Companies Act, 2013 related to energy conservation, technology absorption, foreign exchange earnings and outgo are disclosed as "Annexure-VII" being a part of this report.

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

### **25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "Annexure -VIII" as a part of the annual report.

### **26. DEPOSITS FROM PUBLIC**

The Company has not accepted any deposit from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.



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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of Sexual Harassment complaints received and disposed off during the year 2018-19:

S.No	Particulars	Status
1.	No. of complaints received	NIL
2.	No. of complaints disposed off	NIL

## 28. ACKNOWLEDGEMENT

The Directors thank the Company's employees, customers, vendors, investors and other business associates. The Directors also thank the Government of India, Government of various states, financial Institutions, Bankers and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the UDTL family.

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

Place: New Delhi

Date: 21<sup>st</sup> Aug, 2019

**Pramod Kumar Gupta  
Chairman & Managing Director**

**DIN: 00619482**

## ANNEXURE - I CSR Activities

### 1. Brief Outline of the CSR Policy:-

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

### 2. Composition of CSR Committee:-

The Company constituted a CSR Committee under the Chairmanship of Mr. Shiv Sharan Kumar Bhagat, who is an Independent Director of the Company. Mr. Krishan Diyal Aggarwal & Mr. Pramod Kumar Gupta has also played an important and vital role as a member of this committee. To strengthen the CSR Committee Mr. P Kalyansundaram an Independent Director of the company joined the CSR Committee on dated 07<sup>th</sup> Feb, 2019 also plays an important role in CSR Project.

3. Average net profit of the Company for last three financial year: Rs. 13, 83, 56,320/-
4. Prescribed CSR Expenditure (two percent, of the amount as mention above): Rs. 27, 67,126/--
5. Details of CSR spent during the financial year 2018-19:-
  - i. Total amount spent for the financial year: 28,07,380/-
  - ii. Amount unspent, if any:- 92,091/-
  - iii. Manner in which the amount spent during the financial year is detailed below:-



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (in Rs.)	Cumulative expenditure up to the reporting period (in Rs.)	Amount Spent: Direct or through implementing agency
1.	Promoting health care	Promoting health care	New Delhi	7,50,000/-	7,50,000/-	7,50,000/-	Through implementing agency
2.	Setting up old age home	Setting up old age home for physically and mentally challenged destitute and senior citizens	New Delhi & Har- yana , Noida	6,40,000/-	6,40,000/-	13,90,000/-	Through implementing agency
3.	Eradicating Poverty	Providing blanket to needy persons of the society	Noida & Delhi	2,44,350/-	2,44,350/-	16,34,350/-	Directly to the needful
4.	Promotion of Education	Promoting Education in poor and privileged family	New Delhi & Noida	11,13,030/-	11,13,030/-	27,47,380/-	Through implementing Agency
5.	Contribution to relief fund set up by central and state Government	To mitigate with national calamity.	New Delhi and state of Orissa	50,000/-	50,000/-	27,97,380/-	Directly to CM-DRF & Bharat Ke Veer Fund
6.	Environmental Sustainability	To aware people about of importance of cleanness	New Delhi	10,000/-	10,000/-	28,07,380/-	Through Implementing Agency AIESEC

**Note:-**

- Reason for not spending the whole amount: The funds are required to spend on CSR Activity for FY 2018-19 is duly expended however, funds of an amount Rs. 92,091 not expended due to some projects are in under process.
- We, the undersigned affirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board**  
**United Drilling Tools Limited**  
 Sd/-  
**Pramod Kumar Gupta**  
 Chairman & Managing Director

**For and on behalf of the Board**  
**United Drilling Tools Limited**  
 Sd/-  
**Shiv Sharan Kumar Bhagat**  
 Chairman CSR Committee



**Annexure – II****Form No. AOC-2**

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

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

**I. Details of contracts or arrangements or transactions not at arm's length basis:-**

(a) Name(s) of the related party and nature of relationship: NIL

(b) Nature of contracts/arrangements/transactions: NIL

(c) Duration of the contracts / arrangements/ transactions: NIL

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

(e) Justification for entering into such contracts or arrangements or transactions: NIL

(f) Date(s) of approval by the Board Amount paid as advances, if any: NIL

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:-**

**(a) Name of the related party and nature of relationship:**

i. M/s P Mittal Manufacturing Pvt. Ltd in which Mr. Kanal Gupta & Mr. Pramod Kumar Gupta are members and Mr. Kanal Gupta also hold

Directorship in the Company.

- ii. M/s Parveen Industries Pvt. Ltd. in which relative of Mr. Pramod Gupta hold the Directorship in the Company.
- iii. Ms. Shunali Gupta, wife of Executive Director (Mr. Kanal Gupta).

**(b) Nature of contracts/arrangements/transactions:**

- i. The Company (UDTL) has taken Plant & Machinery on lease for the FY 2018-19 & given unsecured Loan with the approval of Shareholders of the Company.
- ii. The Company enter into transaction(s) for sale, purchase or supply of any goods in the ordinary course of Business.
- iii. Related Party appointed as Vice President of the Company.

**(c) Duration of the contracts/arrangements/ transactions:**

- i. One year for Plant & Machinery & three year for Unsecured Loan.
- ii. One year for transaction(s) with Parveen Industries Pvt. Ltd.
- iii. Appointment of Ms. Shunali Gupta for 25 years.

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- i. The Company paid Rs. 7,50,000/- per annum for plant and Machinery which was taken on lease. The Company given unsecured Loan of an amount Rs. 6 Cr. for a period of three years at interest rate of 8.00% per annum.
- ii. Purchase of Raw Material of an Amount Rs. 317.02 lac and sale of material of an amount Rs. 2,00,600/- at arm's length basis in the ordinary course of Business.
- iii. Ms. Shunali Gupta appointed as Vice-President of the Company with effect from 15<sup>th</sup> March, 2019



at a fix remuneration of Rs. 85,000/- per month including all benefits and perquisites.

**(e) Date(s) of approval by the Board, if any:**

- i. 29/05/2018 & 12/01/2019
- i. 29/05/2019
- ii. 25/02/2019

**(f) Amount paid as advances, if any: Nil**

### ***Annexure- III***

### ***Form No. MR-3***

#### **Secretarial Audit Report**

**For the Financial Year ended 31st March, 2019**

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

To,  
The Members,  
United Drilling Tools Limited

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

Based on my examination and verification of the Company's secretarial books, papers, minute books, forms and returns filed and other registers and records as maintained by the Company under Companies Act, 2013 and Securities Laws as applicable to the Company and also the information(s) and explanation(s) provided to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2019 has generally

complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place except occasional delays under the Acts, Rules, Regulations and Secretarial Standards as applicable to the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31st, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) Secretarial Standards including revised one as effective from 1st October, 2017, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India (ICSI);
- (iii) Securities Contract (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- (iv) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992 ('SEBI ACT');
  - a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)
  - c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - d) SEBI (Prohibition of Insider Trading) Regulations, 2015
  - e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - f) The SEBI (Issue and listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the financial year under review);



- g) The SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review)
- h) The SEBI (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ proposed to buyback any of its securities during the period under review)
- i) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period under review)
- (vi) The Compliances/processes/systems were verified on test check basis under following applicable Labour Laws from the documents/returns/information(s) as produced before me such as:
- Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
  - Employees' State Insurance Act, 1948;
  - Minimum Wages Act, 1948 read with rules made thereunder;
  - Payment of Wages Act, 1936 and rules made thereunder;
  - Equal Remuneration Act, 1976;
  - Payment of Gratuity Act, 1972, and rules made thereunder;
  - Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975;
  - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - National Holiday Act and National Holiday Rules, 1965;
  - Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
  - Workmen's Compensation Act, 1923 read with Employees Compensation Rules, 1924;
  - Factories Act, 1948;
  - The Maternity Benefits Act, 1961 and the Rules made thereunder;
  - Industrial Disputes Act, 1947;
  - The Industrial Employment (Standing Orders) Act, 1946;
  - Motor Vehicles Act, 1988
  - The Public Liability Insurance Act, 1991
  - The Contract Labour (Regulation And Abolition) Act, 1970
  - The Uttar Pradesh Municipal Corporation Act, 1959
- (vii) Environmental Laws such as:**
- The Water (Prevention and Control of Pollution) Act, 1974, read with the Water (Prevention and Control of Pollution) Rules, 1975;
  - Air (Prevention and Control of Pollution) Act, 1981 read with U.P. Rules;
  - Environment Protection Act, 1986 read with Environment Protection Rules;
  - Noise Pollution (Control and Regulation) Rules, 1999
  - The Uttar Pradesh Fire Prevention And Fire Safety Act, 2005
- (viii) Other Sector Specific Laws specifically applicable to the Company such as:**
- The Micro, Small and Medium Enterprises Development Act, 2006;
  - Special Economic Zones Act, 2005 and the Rules made thereunder;
- As per the information(s) furnished and explanation(s) as provided by the Company, its officers, agents and authorized representatives, there were no other sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2019.
- I report that, I have checked the Compliance Management System of the Company on the basis of Compliance Certificates issued by the Board of Directors of the Company and Senior Management of the Company so as to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of applicable Laws, Rules, Regulations and Guidelines and its verification was done on test check basis. However, I have not made a detailed examination



of the said records. I believe that the audit evidence which have been obtained is sufficient and appropriate to provide a reasonable basis for my audit. In my opinion and to the best of my information and according to explanations given to me, I believe that there are adequate systems and processes in the Company commensurate with the size and operations of the Company and the nature of its business to monitor and ensure compliance of laws specifically applicable to the Company, including other applicable general laws like labour laws and environmental laws applicable to the Company, although it requires further strengthening, regularity and probity.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except to the extent as mentioned below:

1. Delay in filing of e-Form PAS-3 for allotment of 10,151,563 (One Crore One Lakh Fifty One Thousand Five Hundred & Sixty Three) Bonus Shares of Rs. 10/- (Rupees Ten Only) beyond the statutory time period with additional fees vide SRN G90326802 DT. 23/06/2018 with the Office of Registrar of Companies, NCT of Delhi & Haryana, New Delhi.
2. Delay in filing of e- Form MGT -14 for the appointment of Secretarial Auditor for the financial year ended 31st March, 2019 beyond the statutory time period vide SRN G84038223 Dt. 19/04/2018 with requisite additional fees.
3. The Company received summons vide Reference No. MR/NOI/0062683/000/ENF.503/damages/30621 Dated 16th October, 2018 for hearing under Section 148 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and MP Act, 1952 for payment of interest under Section 7Q for the period from 11th January, 2017 to 16th October, 2018 from Employees Provident Fund Organisation for its NSEZ Unit amounting to Rs 14,028/- (Rupees Fourteen Thousand & Twenty Eight Only) and the same was paid on 14th November, 2018 vide TRRN Number 4371811005545.
4. The Company received a Show Cause Notice No. 15115/MR/NOI/COMPLIANCE-I/MR/NOI/14753 Dt. on 13th February 2019 from Employees Provident Fund Organisation, Ministry of Labour, Govt of India, Noida for violation of provisions of Employees'

Provident Fund and Miscellaneous Provisions Act, 1952 and MP Act, 1952 relating to non-remittance of minimum Administrative Charges in A/c No. 22 amounting to Rs 1,536/- (Rupees One Thousand Five Hundred & Thirty Six Only) to be paid as per the Govt. of India Notification Dt. 2nd February, 2015 in respect of EPF and allied contributions and the same was duly paid by the Company on 21st February, 2019.

#### I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors during the period under review.
- During the period under review, the Board of Directors in their meeting held on 19th March, 2018 recommended the issue of 1,01,51,563 (One Crore One Lakh Fifty One Thousand Five Hundred & Sixty Three) fully paid-up equity shares of Rs. 10/- (Rupees Ten only) each by way of Bonus issue in the proportion of 1 (One) fully paid-up equity share of Rs. 10/- (Rupees Ten only) each for every 1 (One) fully paid-up equity share of Rs. 10/- (Rupees Ten Only) each after obtaining approval of the shareholders through Postal Ballot/e-voting Dt. 30th April, 2018 and the same were duly listed on BSE vide its Notice No. 20180517-20 Dt. 17th May, 2018 w.e.f. 18th May, 2018.

According to the information(s) and explanation(s) given to me and records examined by me, the Company has generally been regular in maintaining statutory records and registers along with depositing statutory dues and filing returns with the appropriate authorities in respect of PF, ESI and other labour laws and generally regular in payment of statutory dues and filing of statutory returns in respect of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948;

There are adequate systems and processes to ensure compliance with applicable Laws, Rules, Regulations and Guidelines particularly for labour laws and environmental laws except for certain occasional inadequate / apparent compliances in the Public Liability Insurance Act, 1991 and other labour laws as prima facie the records have been made and maintained by the Company. However I have not made a detailed examination of the same with the view to



determine whether they are accurate or complete.

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

Adequate notices were given to all the Independent Directors by registered courier to schedule the Board Meetings and its Committees Meetings. Notice along with Agenda and detailed notes on agenda were sent at least seven days in advance except where consent of the directors was received for scheduling meeting at a shorter notice and as system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**For Balraj Sharma & Associates  
Company Secretaries  
Sd/-**

**Balraj Sharma  
(Proprietor)  
FCS No.: 1605  
C P No.:824**

**Place: New Delhi**

**Date: 21<sup>st</sup> Aug, 2019**

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

**“Annexure-A”**

To,  
The Members  
United Drilling Tools Limited

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial

Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Balraj Sharma & Associates  
Company Secretaries  
Sd/-**

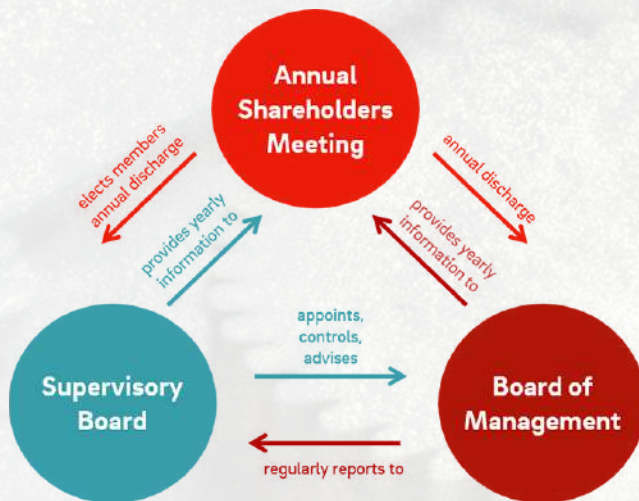
**Balraj Sharma  
(Proprietor)  
FCS No.: 1605  
C P No.:824**

**Place: New Delhi**

**Date: 21<sup>st</sup> Aug, 2019**



***Annexure- IV***  
***CORPORATE GOVERNANCE***  
***REPORT***



### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective corporate governance practices constitutes the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance is to ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the UDTL culture and ethos.

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its employees including Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors. The Company's corporate governance philosophy has been further strengthened through the UDTL Code of conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.

The Company is in compliance with the requirements

stipulated under regulation 17 to 27 read with schedule V and clauses (b) (i) of sub -regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

### 2. BOARD OF DIRECTORS

- i. As on 31<sup>st</sup> March 2019, the total strength of the Board was Seven (7) Directors, Out of which, Four (i.e 57.14 percent) are Non-Executive Director and Three (i.e 42.8 percent) are Executive Director. The composition of Board is in conformity with Regulation 17 of SEBI Listing Regulation read with Section 149 of the Act.
- ii. None of independent directors serve as an Independent director on more than seven listed entities during the financial year 2018-19.
- iii. Independent Directors are non-executive directors as defined under regulation 16(1) (b) of the SEBI Listing Regulations read with section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of Independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

#### 2.1 BOARD MEETINGS

During the financial year 2018-19 under review 08 (Eight) Board Meetings were held and the time gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held are 14.05.2018, 29.05.2018, 11.08.2018, 26.09.2018, 14.11.2018, 12.01.2019, 07.02.2019 & 25.02.2019.

#### 2.2 COMPOSITION AND ATTENDANCE

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



Name of Directors	Category	Financial Year 2018-2019 Attendance at		No. of Directorship in other companies*		No. of Committee position held in public companies including UDTL	
		Board Meeting	Last AGM	Chairman	Member	Chairman	Member
Mr. Pramod Kumar Gupta	Executive Director	08	Yes	NIL	NIL	00	01
Mr. Shiv Sharan Kumar Bhagat	Independent & Non-Executive	08	Yes	NIL	NIL	01	02
Mr. Krishan Diyal Aggarwal	Independent & Non-Executive	07	Yes	NIL	NIL	01	03
Mr. Kanal Gupta	Executive Director	07	Yes	NIL	01	00	01
Ms. Twinkle Singh	Independent, Woman & non-Executive Director	08	Yes	NIL	NIL	00	01
Mr. Pandian Kalyanasundaram	Independent & Non-Executive Director	08	Yes	NIL	NIL	02	02
Mr. Inderpal Sharma	Executive Director	08	Yes	NIL	NIL	00	00

### Notes:

- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- None of the Director is a member of the Board in more than 20 companies including alternate Directorship in terms of Section 165 of the Companies Act, 2013 or more than 10 public Companies; As per Listing Agreement Directors are not member in more than 10 Committees and Chairman of more than 5 Committees, across all Companies in which he is a Director.
- In pursuant to the provisions of Section 2(77) of Companies Act, 2013 and Rule 4 of the Companies (Specification of details) Rule-2014, Mr. Kanal Gupta, whole time director of the Company is related to Mr. Pramod Kumar Gupta, Chairman & Managing Director of the Company.
- Mr. Kanal Gupta, Whole Time Director of the Company whose office as directorship was counted as rotational, is retire by rotation and being eligible for re-appointment. The confirmation of re-appointment as required, placed before the member at ensuing Annual General Meeting.
- The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Web link: [www.udt ltd.com](http://www.udt ltd.com)
- During FY 2018-19, information as mentioned in Part A of schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- During FY 2018-19, one meeting of the Independent Directors was held on 25<sup>th</sup> February, 2019 to review the performance of Non-Independent Directors, Board as whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.
- The Board periodically reviews the compliance reports of all laws applicable to the Company.

### 2.3 RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

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

### 3. COMMITTEES OF THE BOARD

There are six committees as on 31st March, 2019, which comprises four are the statutory committees and other two committees are also formed which is optional as per need of the Company.

#### 3.1 AUDIT COMMITTEE

The Audit Committee of the Company was constituted in line with the provisions of Regulation 18 of the SEBI (Listing



Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

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

- i. Oversight of financial reporting process.
- ii. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- iii. Evaluation of internal financial controls and risk management systems.
- iv. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- v. Approval policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

**b) Composition**

Mr. Pandian Kalyanasundaram, an Independent Non-Executive Director is the Chairman of the Audit Committee. Mr. Pandian Kalyansundaram has vast, diverse and enriched experience in Financial Management, Corporate Affairs, Accounting and Audit matters. The other members of the Committee were Ms. Twinkle Singh, Mr. Krishan Diyal Aggarwal and Mr. Shiv Sharan Kumar Bhagat, all were Independent Non- Executive Director.

**c) Other Information:-**

- i. All the members have requisite Financial, Accounting and Management experience.
- ii. The Audit Committee comprises of in term of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015.
- iii. The Company Secretary of the Company is a Secretary and compliance officer of the Audit Committee who insure compliance of and effective implementation of the Insider Trading Code.
- iv. Committee invites such of the executives particularly the head of finance function and internal auditors, as it

considers appropriate, to be present at its meetings.

**d) Meetings and Attendance**

There were four (4) meeting of the Audit Committee, held in financial year 2018-19, the date of such meeting was: 29.05.2018, 11.08.2018, 14.11.2018 & 7.02.2019. The time gap between two meetings did not exceed one hundred and twenty days. The table below gives the attendance record of the Audit Committee meetings.

Numbers of Meetings held and Attendance:-

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	04	03
Mr. Shiv Sharan Kumar Bhagat	04	04
Mr. Pandian Kalyanasundaram	04	04
Ms. Twinkle Singh	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.

**2 NOMINATION & REMUNERATION COMMITTEE**

**a) Terms of reference:**

Committee is constituted in line with the provision of Regulation 19 of SEBI Listing regulation and Section 178 of the Act.

- i. Recommend to the Board the setup and Composition of the Board and its committees.
- ii. Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- iii. Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- iv. Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of Directors.
- v. Oversee familiarization programs for Directors.

**b) Composition**

During the financial year 2018-19, the Remuneration Committee was comprises by three (3) Directors such as



Mr. Krishan Diyal Aggarwal, Independent Non-Executive Director, is the Chairman of the Committee and the other members of the Committee are Mr. P Kalyanasundram and Mr. Shiv Sharan Kumar Bhagat. They all are Independent and Non-Executive Director of the company.

#### c) Meetings and Attendance

There were three (3) meetings of Nomination and Remuneration Committee held as on 26.08.2018, 14.11.2018 & 25.02.2019 during the financial year 2018-19. All the members of the committee was present in all meetings.

#### d) Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An Indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.

#### e) Remuneration Policy:-

Remuneration policy of the company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component). Annual increment are recommended by the Nomination and Remuneration committee with in the salary scale approved by the Board and members.

The Company pays sitting fees of Rs. 36,000/- per meeting to its Non-Executive Directors for attending meetings of the Board including committees in which Rs. 6,000/- is included as reimbursement of out of packet expenditure.

#### 4. REMUNERATION OF DIRECTORS:

The Company has paid sitting fee to all the Non-Executive Directors of the Company. There is no pecuniary relationship between Non-Executive Directors and the Company except sitting fee paid to them for attending meeting of the Board and Committees. There is no stock option to the Directors of the Company in reference to their Services. The remuneration of Mr. Pramod Kumar Gupta is increased to

Ten Lac per month with effect from 1<sup>st</sup> January, 2019.

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager
1.		Pramod Kumar Gupta, Managing Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	83,78,400
	(b) Contribution to P.F.	21,600
	Total (A)	84,00,000
2.		Mr. Inderpal Sharma, Whole Time Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 (includes all allowances)	5,70,672
	(b) Contribution to P.F.	21,600
	Total (B)	5,92,272
3.		Mr. Kanal Gupta Whole Time Director
	Gross Salary	
	(c) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 (includes all allowances)	47,65,900
	(d) Contribution to P.F.	21,600
	Total	47,87,500



<b>B. Sitting Fee and remuneration of other Director:</b>					
S. No	Particulars of Remuneration (in Rs.)	Name of Directors			
		Mr. Krishan Diyal Aggarwal	Mr. Shiv Sharan Kumar Bhagat	Mr. Pandian Kaly- anasundaram	Ms. Twinkle Singh
1.	Fee for attending Board Com- mittee Meeting	1,90,000	2,20,000	2,20,000	2,20,000
2.	Commission	NIL	NIL	NIL	NIL
3.	Others, Consultancy	NIL	NIL	NIL	NIL
	Total (1)	1,90,000	2,20,000	2,20,000	2,20,000

### 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year 2018-19, the Stakeholder' Relationship Committee was re-constructed under the Chairmanship of Mr. P Kalyanasundaram, an Independent & Non-Executive Director of the Company and other members were Mr. K. D Aggarwal and Mr. Kanal Gupta, another member of this Committee and Mr. P.K. Ojha, Company Secretary of the Company acts as a Compliance Officer of this Committee.

During the financial year 2018-19, there were Eight (8) meetings held by this Committee, the details of which are given below:-

29.05.2018, 20.06.2018, 11.08.2018, 26.09,2018, 14.11.2018, 12.01.2019, 07.02.2019 & 20.02.2019;

Numbers of meetings held and attendance:-

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Kanal Gupta	08	08
Mr. Krishan Diyal Aggarwal	08	07
Mr. Pandian Kalyanasundaram	08	08

Following are the details of the Shareholders' Complaints during the FY 2018-19

Number of complaint received During the financial year 2018-19	Number of complaint Resolved during the year	Pending complaints
6 (Six)	6(Six)	NIL

### 4. GENERAL BODY MEETINGS

(a) Location, date and time of last three (3) Annual General Meetings (AGMs) and Special Resolutions passed thereat:

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2015-16	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Wednesday, the 21 <sup>st</sup> day of September, 2016 at 11.00 A.M	NO
2016-17	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Monday, the 25 <sup>th</sup> day of September, 2017 at 10.30 A.M	YES
2017-18	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Wednesday, the 26 <sup>th</sup> September, 2018 at 11.30 A.M	NO



**a) Postal Ballot:-**

First time, during the FY 2018-19, the company had sought the approval of the shareholders by way of a special resolution through notice of postal ballot dated 19<sup>th</sup> March, 2018 for:-

- Amendment of Memorandum of Association of the company to align it with the Companies Act, 2013
- Amendment of object clause of the memorandum of

the company

- Issue of Bonus shares

Which was duly passed and results of which were announced on 1<sup>st</sup> May, 2018. Mr. Balraj Sharma, FCS No. 1605 of M/s Balraj Sharma & Associates, practicing company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Description of the Resolutions	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	No. of members voted through both mode	No of valid vote cast (shares)	Percentage of total number of valid votes cast	No. of members voted through both mode	No of valid vote cast (shares)	Per-centage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (shares)
Amendment of Memorandum of Association of the company to align it with the Companies Act, 2013	57	8890874	99.99	0	0	0	4	500
Amendment of object clause of the memorandum of the company	57	8890874	99.99	0	0	0	4	500
Issue of Bonus shares	57	8890874	99.99	0	0	0	4	500

Second Time, during the FY 2018-19 the Company had sought shareholders' approval by way of special resolution through notice of postal ballot dated 14.11.2018 for increase of Remuneration of Managing Director of the company and to grant of inter corporate loan which was duly passed and result was announced on 28.12.2018. Mr. Akash Gupta, Company Secretaries in practice, M. No. 30099, was appointed as scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

***Procedure for postal ballot:***

The Postal ballot was carried out as per the provisions of Sections 108 & 110 and other applicable provisions of the Act, read with the Rules framed thereunder.



Description of the Resolutions	Votes in favour of the resolution		Votes against the resolution		Invalid votes	
	No of valid vote cast (shares)	Percentage of total number of valid votes cast	No of valid vote cast (shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (shares)
To Increase remuneration of Managing Director of the Company	17776713	99.99	100	0.00056	4	400
To grant inter corporate Loan	17776713	99.99	100	0.00056	4	400

5. A Certificate has been received from Balraj Sharma and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

#### 6. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express and Jansatta (Hindi) circulated in Regional Area. The results are also displayed on the website of the Company i.e. www.udtlttd.com and also available on the website of BSE Ltd. viz. www.bseindia.com. The Company also files the Corporate Governance report, Shareholding pattern, quarterly financial results, etc. in the BSE Listing Centre.

#### 7. GENERAL SHAREHOLDERS INFORMATION

##### a) ANNUAL GENERAL MEETING

Date : 20<sup>th</sup> September, 2019  
Day : Friday  
Time : 11.00 A.M  
Venue : Maharani Bagh Community Centre, 1, Central Avenue, Maharani Bagh, New Delhi -110065

As required under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial standard 2, particulars of Directors seeking appointment/re-appointment at this

AGM are given in the Annexure to the Notice of this AGM.

##### b) FINANCIAL YEAR: 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

c) **DIVIDEND PAYMENT DATE:** The Board of Directors of the Company has recommended final dividend at the rate of Rs. 0.60/- per equity share of Rs. 10/- each to be paid to all shareholders of the Company as on the record date i.e; 13<sup>th</sup> September, 2019, subject to the approval of the Shareholders in the ensuing annual general meeting and shall be paid on 08<sup>th</sup> October, 2019.

##### d) NAME OF STOCK EXCHANGE: - BSE Limited

P.J. Tower, Dalal Street,  
Mumbai-400001

The Company has paid Annual Listing Fee for the Financial Year 2018-19.

i. **STOCK CODE:-**522014

ii. **ISIN:** INE961D01019

Listing fee as applicable have been paid.

e) Corporate Identity Number (CIN) of the company: L29199DL1985PLC015796



f) i. MARKET PRICE RATE DURING THE FINANCIAL YEAR APRIL, 2018 TO MARCH, 2019:-

S. No	Name of the Month	High Price	Low Price	No. of shares traded
1.	April-2018	312.35	230.00	13543
2.	May-2018	333.00	145.40	26474
3.	June-2018	158.00	111.55	10630
4.	July-2018	140.00	100.00	14194
5.	August-2018	149.40	108.00	27494
6.	September-2018	170.00	126.10	74005
7.	October-2018	133.50	111.10	12845
8.	November-2018	145.90	114.00	17934
9.	December-2018	140.30	112.50	17319
10.	January-2019	165.00	122.00	140043
11.	February-2019	136.00	94.30	110358
12.	March-2019	134.40	108.10	21396

g) Registrar to an Issue and Share Transfer Agents:-

Alankit Assignments Limited

3E/7, Alankit Height

Jhandewalan Extension, New Delhi-110055

h) **Share Transfer System:** - Transfers of equity shares in electronic form are effected through the depositories by share transfer agent. There is no involvement of the Company. In pursuance to SEBI notification, the physical transfer of shares are prohibited but the transmission and transposition is allowed in pursuant to legal provision as provided by the Act and SEBI Listing Regulations.

i) Distribution of shareholding:-

*DISTRIBUTION SUMMARY AS ON 31<sup>st</sup> March, 2019*

Shareholding No of shares	SHAREHOLDER:-			Total	%
	Physical Number	NSDL Number	CDSL Number		
1 to 5000	3161	1266	841	5268	99.358
5001 to 10000	3	9	4	16	0.302
10001 to 20000	0	7	5	12	0.226
20001 to 30000	0	0	1	1	0.019
30001 to 40000	0	1	0	1	0.019
40001 to 50000	0	0	1	1	0.019
50001 to 100000	0	0	0	0	0.000
100001 to 500000	0	0	0	0	0.000
500001 to Above	0	1	2	3	0.057
<b>Total</b>	<b>3164</b>	<b>1284</b>	<b>854</b>	<b>5302</b>	<b>100</b>



Shares Sharehold- ing value of Rs.	SHAREHOLDING:-			Total	%
	Physical (in Rs.)	NSDL (in Rs.)	CDSL (in Rs.)		
1 to 5000	1186112	648385	300899	2135396	10.517
5001 to 10000	22800	54728	35940	113468	0.559
10001 to 20000	0	115501	68602	184103	0.907
20001 to 30000	0	0	23000	23000	0.113
30001 to 40000	0	35000	0	35000	0.172
40001 to 50000	0	0	40321	40321	0.199
50001 to 100000	0	0	0	0	0.000
100001 To 500000	0	0	0	0	0.000
500001 to above	0	2617778	15154060	17771838	87.533
<b>Total</b>	<b>1208912</b>	<b>3471392</b>	<b>15622822</b>	<b>20303126</b>	<b>100</b>

**(J) Dematerialization of shares as on 31.03.2019****PHYSICAL/NSDL/CDSL/SUMMARY REPORT AS ON 31ST MARCH, 2019**

Particulars	Shares	Percentage (%)
Physical	12,08,912	5.95
NSDL	34,71,392	17.10
CDSL	1,56,22,822	76.95
<b>Total</b>	<b>2,03,03,126</b>	<b>100</b>

**(a) Plant Locations:-**

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

**(b) Address of Correspondence:- A-22, Phase-II, Noida-201305****8. OTHER DISCLOSURE:-**

Particulars	Regulations	Details	Website link for detail/ policy
Related party transaction	Regulation 23 of SEBI Listing Regulation and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit committee. The Boards approved policy for related party transactions is uploaded on the website of the company.	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>



Details of Non-compliance by the Company, penalty imposed on the company by the stock exchange , or SEBI or any Statutory authority on the matter related to capital markets	Schedule V ( C ) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulation	<ul style="list-style-type: none"> <li>• The Auditor's report on financial statements of the Company are unqualified.</li> <li>• Internal Auditors of the Company, make quarterly presentations to the audit committee on their reports.</li> </ul>	
Subsidiary Company	Regulations 24 of the SEBI listing Regulations	The Company does not have any material unlisted Indian subsidiary company. The company has a policy for determining "material Subsidiaries" which is disclosed on its websites	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>
Policy on Archival and Preservation of documents	SEBI Listing Regulations 9	The Company had adopted a Policy on Archival and Preservation of Documents	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>
Policy on Determination of Materiality for Disclosures	SEBI Listing Regulations 30	The Company had adopted a Policy on Determination of Materiality for Disclosures	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>
Reconciliation of Share Capital Audit Report	Regulation 76 of the SEBI (DP) Regulations, 2018 and SEBI circular no D & C C / F I T T C / Cir-16/2002 dated December, 31, 2002	A qualified practicing Company Secretary Carried out a share capital audit to reconcile the total admitted equity share capital with the NSDL and CDSL and the total issued and listed equity share capital. The Audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March, 31, 2019. The Annual Report of the Company contains a certificate by the Chief Executive officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>



Dividend Distribution Policy	Regulations 43A of the SEBI listing Regulations	Not applicable to the Company.	
Terms of Appointment of Independent Directors	Regulations 46 of the SEBI listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	<a href="http://www.udtltd.com/Investor/Policy%20of%20UDT">www.udtltd.com/Investor/Policy of UDT</a>

## Annexure - V

# MANAGEMENT DISCUSSION & ANALYSIS

## 1. OVERVIEW

### ECONOMIC SCENARIO

#### World Economic Scenario

Global growth has been downgraded to 2.60 % which is below previous projections showing the weakness observed during couple of months of 2019 and it is projected at 2.7 % in 2020. Major developed countries and emerging market and developing economies (EMDE's) have also shown a slowdown resulting GDP targets have to be reduced. Lack of investments is one of the major factor for GDP's slow down. EMDE'S are also not spending on research and development therefore they have to depend the developed countries for advanced technologies. It is experienced that labour intensive projects not equipped with advanced technologies cannot survive for a longer period in private sector.

Trade war between USA and China has also given an opportunity to developing countries to grab the business from China and to increase their exports. Some of the developing countries like Bangladesh, Vietnam and Myanmar have also been able to capitalize it. Structural reforms are essential for business climate which will attract the investors and boost the growth prospects of EMDE's

The marathon effort by OPEC and its allies to curb supply

and prop up oil prices faced a moment of fatigue in June 19, just as the alliance met in Vienna and agreed to keep their pact going for another nine months. Saudi Arabian production rose a little, as did non-OPEC Russia's. OPEC, for its part, kept production within agreed limits for a fifth straight month.

Slowdown of economy globally keep the price of crude oil under pressure in the recent years which force OPEC countries to cut their production.it led to increase in the price of crude oil. They have to run the refinery on a low margin for a long time. Renewable source of energy projects also could not compete and remain under pressure due to low price of crude oil.

#### Indian Economic Scenario

India has been one of the fastest growing economy globally and occupied 6<sup>th</sup> largest economy overtook France but slipped to 7<sup>th</sup> position. It's sure that we shall overtake UK and France shortly because their GDP's are marginally a head of us and our GDP growth percentage is more than growth of these countries. Although Indian economy presently facing challenges which is temporarily and cyclical in nature. Service sector has performed very well in the first quarter of current financial year and achieved the target.

India will continue to be the fastest growing economy and is expected to advance it's position for the coming few years. The country is expected to grow more than 7 % in this fiscal and at a rate of 7.5% for the next year because we are one of the largest consumers globally. Other countries look at our country in view of such a big market which attracts investment, increase in tax collections which further invested in infrastructure projects and public expenditure. Other measures taken by the central government like



implementation of GST, RERA, insolvency and bankruptcy, bank recapitalization will boost the GDP in the long run

India has already advanced its ranking to the 77<sup>th</sup> position in the World Bank's ease of doing Business Index, 2018. This was the result of measures taken by the Central Government like GST Insolvency and bankruptcy and RERA etc. The GST collection also crossed magic figure of 1 lakh crore in the month of Oct 2018. This level of GST collection will be maintained in future also. FDI's for the year came down by 7% to USD 33.49 billion during the April-December period, with Singapore being the largest source, investing USD 12.97 billion although Singapore also has shown a decline in GDP after a gap of a decade or so.

According to the international organisation like IMF and world bank, India will continue to remain one of the world's fastest-growing large economy in next couple of years ahead of China. As per the report, India's GDP growth is expected to accelerate more than 7% in 2019-20. In the case of China, the growth is estimated to decelerate to less than 7% in 2019

As India has emerged one of the fastest growing major economy in the world and is expected to advance its position globally. In the current budget Central government has already projected 5 trillion economy of our country in the next five years and they have already working on it to achieve the same. ISRO has also done a tremendous job for Mission Mangal and other countries prefer to launch their satellites from our country with the help of ISRO due to the economic benefits.

India's revenue receipts are estimated to touch INR 30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like Insolvency and bankruptcy and Goods and Services Tax (GST). India is also focusing on renewable sources like wind projects, solar energy to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

## OIL & GAS INDUSTRY

### Global Scenario

Oil and gas industries were facing challenges because of low price of crude oil and slow down of economy. It kept pressure on OPEC countries to cut their production giving the opportunity to U.S. oil companies to increase their production. Reinstatement of sanction on IRAN further boosted their production. In general, the industry feels much healthier than it did 12 months ago: The price of oil has rebounded. After appearing limited to a range between the mid-\$40s and \$50 per barrel (bbl), Brent crude is now trading around \$70 / bbl. The industry is thus recovering from the brutal last few years of weak prices, enforced capital discipline, portfolio realignments, and productivity efficiencies. Thus, it looks that in oil markets, the depths of the post-2014 downturn seem to be behind us.

Oil prices also increased due to refusal by USA administration to extend the sanction waivers for buying Iranian oil to major economies, including India, China and Turkey, beyond 2<sup>nd</sup> May 2019. Oil prices further expected to increase in the coming days. OPEC members agreed to cut the oil production in order to control the falling prices in the international market. In December last year, Venezuela is already suffering from US sanctions and reduced production. In this context, the sanctions on Iran will lead to increase in the production which may impact on oil prices.

These more positive signals have helped US crude oil and natural gas liquids (NGL) production enjoy another impressive growth year, adding an estimated two million b/d in 2018, led by the prolific Permian Basin. Natural gas is a different story, as 2018 prices in the United States remained anchored around \$3, as plentiful, low-cost US supply continued to meet growing demand in domestic and export markets. Indeed, across oil and natural gas, increasing US exports are helping to bolster activity, with all showing continued growth in shipping to international markets. The United States has been a larger producer, but now it is capitalising the situation as a leading exporter of crude oil and other refined products and by products and may further influence the oil prices in global market.

Capital expenditure which were dropped couple of years back globally since divergence to other renewable source of energy has now been increasing again by 6% year on year. Oil and gas rig activity levels are rising, driven by the North



American market, and major projects are being approved. This is because of low level of crude oil and slow down globally.

Many people in the industry continue to neglect the supply side of the global energy situation and assume an overconfidence in supply. Demand continues to exceed annual forecasts, inventories are being reduced, and reserves are not being replaced. Market values — for example, backwardation (in which futures prices trade below expected market prices) and forward pricing curves — reflect a belief that supply is easy to increase and demand will flatten. Nonetheless, the world will remain dependent on oil and gas. Renewable. Renewable sources were introduced couple of decades back but could not make their presence significantly because of high capital intensive project and poor recovery system of debtors.

Further, the global economic growth of Oil and Gas industry is also driven by the increasing demand of crude oil of Emerging Markets and Developing Economies like China, India, Brazil, Germany and France. Developing economies account for over 80% of the expansion in the world output, with India and China accounting for about half of the growth.

### **India Scenario**

The oil & gas sector is among the eight core industries in India and plays a significant role in framing policy, tax structure, other schemes of central government and for all the other important sections of the economy. This is not only main source of revenue to central government by way of Duty, GST, Cess etc but support other sectors also to grow. Presently being the third largest energy consumer globally, the demand for energy is expected to increase threefold by 2035 linking the economic growth directly to the energy demand therefore, the need for oil and gas is projected to grow more, making the sector quite conducive for investment.

The government has also promoting other renewable source of energy to cater demands of energy. The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment, as attested by the presence of Reliance Industries

Ltd (RIL) and Cairn India.

### **Investments:**

According to data released by the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural gas sector attracted FDI worth US\$ 7.00 billion between April 2000 and December 2018. Gas pipeline infrastructure in the country stood at 16,226 km at the beginning of February 2019.

### **Government Initiatives:**

Some of the major initiatives taken by the Government of India to promote oil and gas sector are:

- Government of India is planning to set up around 5,000 compressed bio gas (CBG) plants by 2023.
- Government of India is planning to invest ` 70,000 crore (US\$ 9.97 billion) to expand the gas pipeline network across the country.
- In September 2018, Government of India approved fiscal incentives to attract investments and technology to improve recovery from oil fields which is expected to lead to hydrocarbon production worth ` 50 lakhs crore (US\$ 745.82 billion) in the next twenty years. State-run oil firms are planning investments worth ` 723 crore (US\$ 111.30 million) in Uttar Pradesh to improve the liquefied petroleum gas (LPG) infrastructure in a bid to promote clean energy and generate employment.
- A gas exchange is planned in order to bring market-driven pricing in the energy market of India and the proposal for the same is ready to be taken to the Union Cabinet.
- The Oil Ministry plans to set up bio-CNG (compressed natural gas) plants and allied infrastructure at a cost of ` 7,000 crore (US\$ 1.10 billion) to promote the use of clean fuel.
- India is planning to expand its natural gas network to more of its urban masses. This project aims to see 10 million homes linked to gas grids by 2020.

### **Future Prospects:**

Energy demand of India is anticipated to grow more than the energy demand of other major economies being the fastest growing economy of our country. Consequently, India's



energy demand as a percentage of global energy demand is expected to rise to 11 per cent in 2040 from 5.58 per cent in 2017. Crude oil consumption is expected to grow at a CAGR of 3.60 per cent to 500 million tonnes by 2040 from 221.76 million tonnes in 2017. Natural Gas consumption is forecasted to increase at a CAGR of 4.31 per cent to 143.08 million tonnes by 2040 from 54.20 million tonnes in 2017

#### (a) INDUSTRY STRUCTURE & DEVELOPMENT

UDTL is an engineering organization which is fully equipped with latest plant and machinery. By using latest and sophisticated technology in its production we aim to become a world class manufacturing company. The Company is manufacturing and supplying various kind of oil drilling tools, equipment and accessories to clients of repute like Oil & Natural Gas Corporation Ltd. and Oil India Ltd. Your Board is very much confident about the success of the existing as well as new projects. The Company has developed a new product “casing pipe” with connector which is produced/manufactured by unit situated at Kandla SEZ Gandhidham, Gujarat.

#### (b) MARKET ENVIRONMENT AND OUTLOOK

The principle of the Government, as outlined by the Prime Minister of India are Energy Access, Energy Efficiency, Energy Sustainability and Energy security. Towards achieving this, the Government has taken several initiative such as 100 % FDI in upstream and private sector refining project and 49% public sector without any disinvestment or dilution of domestic equity in the existing PSUs, led to increase in production and exploitation of all domestic petroleum resources.

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

#### (c) OPPORTUNITIES & THREATS

The Opportunities and Threats are a part of day to day functioning of the organization. It is a tool which help the organization to identify and utilize it in favour to achieve its Goal and Targets. The Company has taken various steps to capture larger share in the market to cater vast opportunity for the industry as oil market is totally in a swing mood as a

whole. The management is optimistic as to the future outlook of the Company in the medium to long term prospective. The major threats of oil industry depend upon condition of foreign market. The management has taken preventive measure to mitigate the situation.

#### (d) RISKS & CONCERNS

In concern to Oil industry, risk factor is associated with large parameter which depends upon various facts such as market condition, demand and supply, prices of crude oil in internal market etc. UDTL has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth. Your Company is tender based company which fully depends upon demand and supply of the products. Further operational risk of UDTL is certain due to up keeping of maintenance schedules as recommended. The Board is concerned over the state of affairs and shall take suitable steps, yet the regulatory risk involved cannot be ruled out.

#### (e) INTERNAL CONTROL SYSTEMS & ITS ADEQUACY

The internal control of the organization aims to maintain harmony and goal oriented initiatives, plays an important role. In UDTL to maintain Corporate Governance there are various committees like Audit Committee, Stakeholders' Grievance Committee and Nomination and Remuneration Committee has been constituted. The Company hopes that with transparency, the Company will be able to maintain a fair growth during the next fiscal year. Internal control systems have been tightened with Internal Audit Committee, besides holding regular meetings with Departmental Heads to monitor progress or problems and sorting them out.

#### (f) DISCUSSION ON FINANCIAL PERFORMANCE

The financial performance of UDTL in the financial year 2018-19 in comparison to the previous year is very good, our Company delivered good financial performance on a consolidated basis, with improvements across key parameters. The financial highlights on the revenue generation of the Company have been already mentioned above in this report. It is satisfactory as compared to the market trend of Oil Industries, because of various positive factors and steps initiated by management towards progress of the Company.



**(g) HUMAN RESOURCE**

A young, talented, self-motivated & educated Employee is a key factor to the overall development of the organization. The Human Resource plays an important role to meet the object and goal of the company. Thus Human resource in UDTL continues to be core strength and always endeavors them to work towards a sound, proactive & progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations. The HR function has strengthened its impact in its day-to day functioning, and is raising its bar of excellence to ensure timely availability of required talent and capabilities and engage and help talent to perform sustainably. The function continues to strive towards ensuring that the HR philosophy is translated into action.

**(h) FINANCE AND CONTROL**

UDTL's Finance Team comprises of qualified Chartered Accountants having more than 10 years' experience and experts at the corporate level is complemented by independent finance teams of various business units to ensure an effective and dynamic system of flexibility and control. This structure ensures financial propriety and accurate reporting of business transactions, ensuring that all statutory requirements are strictly adhered to and are continuously monitored.

**(I) KEY FINANCIAL RATIO**

1. The company has achieved a turnover of INR 15619.83 lakh for the Financial year 2018-19 as against turnover of INR 7391.06 lakh for the financial year 2017-18 which is a tremendous growth of 213 % despite slowdown in the economy. We maintained a consistency also in paying dividend to shareholders of the company.
2. The company has also made a significant increase of more than 200% in earning valuable foreign exchange to INR 15536.24 for the financial year 2018-19 as against INR 7295.80 for the financial year 2017-18.
3. Your company has been run efficiently as evident from the Financials. Current ratio of the company has improved to 5.35 for the financial year 2018-19 as against 1.72 for the financial year 2017-18. Lowering of inventory cost and controlling debtors efficiently by our team made it possible to maintain such an excellent

ratio. Packing credit loan of INR which stood at INR 1531.86 lakh as on 31st March 2018 has been repaid fully during the year and stood Nil as on 31st March 2019.

4. Our team put a lot of effort to achieve an excellent growth in turnover which resulted profit of INR 2530.58 lakhs before tax in the current year and we were able to repay packing credit loan fully and reduce our other current liabilities significantly and comfortably during the year. Repayment of loan and reduction in liability improved Debt equity ratio substantially to 0.13 for the financial year 2018-19 as against 0.77 for the financial year 2017-18.
5. Return on net worth of the company has also been improved to 19.22 % for the financial year 2018-19 as against 12.37 % for the financial year 2017-18. It clearly evident that company has earned the profit which is far more than the rate of return as prevalent in the market now and the same is shared with the shareholders by way of dividend and Bonus share last year. The company has utilized the resources efficiently which has yielded a good return despite slow down worldwide.
6. Considering the significant improvement in ratios relating to financials for the financial year 2018-19. Our credit rating has also been improved to BBB- from BB+ which was rated in May 2018 lastly.

**7. Key high lights of Financials**

Particulars	2018-19 (Lacs)	2017-18 (Lacs)
Turnover	15619.83	7342.65
Profit Before Tax	2530.58	1378.04
Profit after tax	2473.55	1273.12
Net worth	13167.65	11137.74
Cash and Cash equivalents	1108.97	135.17
Other Financial Assets (FDR )	1966.21	679.53
Other Non-current assets	2168.92	1496.22
Current Liabilities	1229.49	7993.51



**2. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has adopted Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and Companies Accounting (Standards) Rules, 2014. Further its adopt IND-AS accounting system as prescribed by Ministry of Corporate Affairs, Government of India. It represents true and fair view of the underlying business transactions.

For and on Behalf of the Board  
United Drilling Tools Limited  
Sd/-

Pramod Kumar Gupta  
Chairman & Managing Director  
DIN: 00619482

Place: New Delhi  
Date: 21<sup>st</sup> Aug, 2019

**ANNEXURE – VI****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN: - L29199DL1985PLC015796
- ii) Registration Date: 24.05.1985
- iii) Name of the Company: - **United Drilling Tools Limited**
- iv) Category / Sub-Category of the Company: - **Company having Share Capital**
- v) Address of the Registered Office and Contact Details: - **139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001**
- vi) Whether listed Company: - **Yes**

vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any: -

**Alankit Assignments Limited**

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

Tel. No. 011-42541956

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main Products/services	NIC Code of the Product/ Service	% to Total turnover of the company
1.	Casing Pipe	28221	62.82
2.	Connector	28221	18.48

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/ GIN	HOLD- ING/ SUBSIDI- ARY /ASSOCI- ATES	% OF SHARES HELD	APPLI- CABLE SEC- TION
1.	The company has no holding, subsidiary and associate companies.				



IV. SHAREHOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)  
i) Category -wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters	75,78,105	00	75,78,105	74.65	1,51,55,260	2,200	1,51,57,460	74.66	Number of shares increase due to bonus issue in ratio of 1:1.
a) Individual/HUF									
b) Central Govt.	00	00	00	00	00	00	00	00	
c) State Govt.(s)	00	00	00	00	00	00	00	00	
d) Bodies Corp.	00	00	00	00	00	00	00	00	
e) Banks/FI	00	00	00	00	00	00	00	00	
f) Any other...	00	00	00	00	00	00	00	00	
<b>Sub-Total (A) (1):-</b>	<b>75,78,105</b>	<b>00</b>	<b>75,78,105</b>	<b>74.65</b>	<b>1,51,55,260</b>	<b>2,200</b>	<b>1,51,57,460</b>	<b>74.66</b>	
(2) Foreign									
a) NRIs- Individuals	00	00	00	00	00	00	00	00	
b) Others Individuals	00	00	00	00	00	00	00	00	
c) Bodies Corp:	00	00	00	00	00	00	00	00	
d) Banks / FI	00	00	00	00	00	00	00	00	
e) Any other...	00	00	00	00	00	00	00	00	
Sub Total (A) (2):-	00	00	00	00	00	00	00	00	
<b>Total Shareholding of Promoter (A)= (A) (1)+(A)(2)</b>	<b>75,78,105</b>	<b>00</b>	<b>75,78,105</b>	<b>74.65</b>	<b>1,51,55,260</b>	<b>2,200</b>	<b>1,51,57,460</b>	<b>74.66</b>	
B. Public Shareholding	00	00	00	00	00	00	00	00	
1. Institutions									
a) Mutual Funds									
b) Banks/Fi	00	00	00	00	00	00	00	00	
c) Central Govt.	00	00	00	00	00	00	00	00	
d) State Govt(s)	00	00	00	00	00	00	00	00	
e) Venture Capital funds	00	00	00	00	00	00	00	00	
f) Insurance Companies	00	00	00	00	00	00	00	00	
g) FIIs	00	00	00	00	00	00	00	00	
h) Foreign Venture Capital Funds	00	00	00	00	00	00	00	00	
i) Others (Specify)	00	00	00	00	00	00	00	00	
<b>Sub Total (B) (1):-</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	
2. Non -Institutional									
a) Body Corporates	00	00	00	00	00	00	00	00	
i) Indian	49,590	13,15,939	13,65,529	13.45	26,58,605	13,900	26,72,505	13.16	-0.29



ii) Overseas	00	00	00	00	00	00	00	00	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	4,12,497	7,06,402	11,18,899	11.02	10,08,657	11,74,412	21,83,069	10.75	-0.27
ii) Individuals shareholders holding nominal share Capital in excess of Rs. 2 lakh	23,566	00	23,566	0.23	1,46,460	00	1,46,412	0.72	+0.49
c) Others (Specify) NRI	12,456	16,603	29,059	0.29	31,088	18,400	49,488	0.244	-0.04
NBFCs registered with RBI	50	00	50	00	100	00	100	00	0
HUF	35,189	00	35,189	0.35	92,287	00	92,287	0.455	+0.1
Clearing Member	766	00	766	0.01	957	00	957	0.005	+0.04
Trust	400	00	400	0.01	800	00	800	0.01	No change
<b>Sub Total (B) (2);-</b>	<b>5,34,514</b>	<b>20,38,944</b>	<b>25,73,458</b>	<b>25.35</b>	<b>39,38,954</b>	<b>12,06,712</b>	<b>51,45,666</b>	<b>25.34</b>	<b>-0.1 (decrease)</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>5,34,514</b>	<b>20,38,944</b>	<b>25,73,458</b>	<b>25.35</b>	<b>39,38,954</b>	<b>12,06,712</b>	<b>51,45,666</b>	<b>25.34</b>	<b>-0.1 (decrease)</b>
C. Shares held by Custodian for GDRs & ADRs	00	00	00	00	00	00	00	00	00
<b>Grand Total (A+B+C)</b>	<b>81,12,619</b>	<b>20,38,944</b>	<b>1,01,51,563</b>	<b>100</b>	<b>1,90,94,214</b>	<b>12,08,912</b>	<b>2,03,03,126</b>	<b>100</b>	<b>No Change</b>

### (i) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
1	Pramod Kumar Gupta	7181900	70.75	NIL	1,43,63,800	70.75	6,00,000	NIL
2.	Kanal Gupta	600	0.01	NIL	2,900	0.01	NIL	NIL
3.	Prabha Gupta	3,95,605	3.89	NIL	7,90,760	3.89	NIL	NIL
	<b>Total</b>	<b>75,78,105</b>	<b>74.65</b>	<b>NIL</b>	<b>1,51,57,460</b>	<b>74.66</b>	<b>NIL</b>	<b>NIL</b>



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

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	AT the beginning of the year	75,78,105	74.65	75,78,105	74.65
2.	Date wise Increase / Decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus / sweat equity etc.);	Increase:- (1) Acquire 75,78,105 equity shares by way of Bonus as on 14/05/2018. (2) Acquire 2200 equity Shares through off-line transfer as on 21/01/2019 Decrease:- Off-line transfer 950 equity shares as gift at different dates	00		0.0
3.	At the end of the year	1,51,57,460	74.66	1,51,57,460	74.66

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

S No.	Name of top 10 Shareholders	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Cairn Oil Solution Pvt. Ltd.	1308889	12.893	2617778	12.893
2.	Manish Kumar Sumatilal Mehta Jt: Kashmir Manish Mehta	23566	0.232	40321	0.199
3.	Ramji Bhimshi Nagda	10442	0.103	35000	0.172
4.	Haresh Mulchand Poladia	13000	0.128	23000	0.113
5.	Rita Hitendra Haria Jt: Hitendra Khushalchand Haria	00	00	20000	0.099
6.	Hasmukh MKegehji Mota Jt: Lata Hasmukh Mota	0	00	18481	0.091
7.	Babu lal Goyal	7965	0.078	17930	0.088
8.	Dharmesh R. Shah HUF	8000	0.079	16000	0.079
9.	Khushalchand Shamji Haria	7927	0.078	15854	0.078
10.	Varshben Kamleshbhai Prajapati	7856	0.076	15332	0.076



## (v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of Director	No. of shares	% of total shares of the company	No. of shares
<b>1. Mr. Pramod Kumar Gupta</b>				
At the beginning of the year	71,81,900	70.75	71,81,900	70.75
Increase during the year with reason	Acquire 7181900 equity shares by way of bonus as allotted by the Company on 14th May, 2018 shares			
At the End of the year	1,43,63,800	70.75	1,43,63,800	70.75
<b>2. Mr. Kanal Gupta</b>				
At the beginning of the year	600	0.01	600	0.01
Increase during the year with reason	Acquire 600 Equity shares by way of bonus as allotted by the Company on 14th May, 2018 and 1,700 equity shares as off-line Transfer on 21/01/2019			
At the End of the year	2,900	0.01	2,900	0.01
<b>3. Mr. K.D. Aggarwal</b>				
At the Beginning & end of the year 2018-19	300	0.0029	300	0.0029
Increase during the year with reason	Acquire 300 equity shares by way of bonus as allotted by the Company on 14th May, 2018 .			
At the end of the year	600	0.0029	600	0.0029

Note: Except above Directors, no other Directors and KMP hold any shares of the Company.

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

(Rs in Lac)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1554.89	--	---	1554.89
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	8.93	--	--	8.93
<b>Total (i+ii+iii)</b>	<b>1563.82</b>	<b>NIL</b>	<b>NIL</b>	<b>1563.82</b>
<b>Changes in Indebtedness during the financial year</b>				
• Addition	-----	--	--	--
• Reduction	1540.79	--	--	1540.82
<b>Net Change</b>	<b>1540.82</b>	<b>NIL</b>	<b>NIL</b>	<b>1540.82</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	23.03	--	--	23.03
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	---	--	--	---
<b>Total (i+ii+iii)</b>	<b>23.03</b>	<b>NIL</b>	<b>NIL</b>	<b>23.03</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manger			Total Amount In Lac
		Pramod Kumar Gupta	Inderpal Sharma	Kanal Gupta	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) income tax Act, 1961	84.00 NIL NIL	6.01 NIL NIL	47.88 NIL NIL	137.89 NIL NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of Profit - others, specify	NIL NIL	NIL NIL	NIL NIL	NIL NIL
5.	Others , please specify	NIL		NIL	NIL
	<b>Total (A)</b>	<b>84.00</b>	<b>6.01</b>	<b>47.88</b>	<b>137.89</b>
	Ceiling as per the Companies Act-2013	<b>247.31</b>			<b>247.31</b>

## B. Remuneration (Rs. in Lac) of other Director:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Krishan Diyal Aggarwal	Mr. Shiv Sharan Kumar Bhagat	Ms. Twinkle Singh	Mr. Pandian Kalyanasundaram	
1. Independent Directors					
• Fee for attending Board Committee Meeting	1.90	2.20	2.20	2.20	8.50
• Commission	NIL	NIL	NIL	NIL	NIL
• Others, Please specify	NIL	NIL	NIL	NIL	NIL
<b>Total (1)</b>	<b>1.90</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>8.50</b>
1. Others Non-Executive Directors					
2.					
• Fee for attending Board committee meeting					
• Commission					
• Others, please specify					
<b>Total (2)</b>					
<b>Total (B) =(1+2)</b>	<b>1.90</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>8.50</b>
<b>Total Managerial Remuneration</b>					<b>146.39</b>
Overall Ceiling as per act	Total managerial Remuneration shall not increase 11% of Net Profit of the Company.				



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

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	Gross Salary				
	(a) Salary as per provision of Contained in section 17(1) of the Income tax Act,1961	No CEO in the company	6.42	5.55	11.97
	(b) Value of perquisites u/s 17(2) income tax Act,1961	NIL	NIL	NIL	NIL
	(c) Profit in lieu of salary u/s 17(3) Income tax Act,	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NIL	NIL	NIL
3.	Sweat Equity	NA	NIL	NIL	NIL
4.	Commission				
-	As % of profit	NA	NIL	NIL	NIL
-	Others , specify				
5.	Others , please specify	NA	NIL	NIL	NIL
	<b>Total</b>		<b>6.42</b>	<b>5.55</b>	<b>11.97</b>

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

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



### Annexure - VII

#### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

##### A) Conservation of energy:

UDTL is very keen and active towards conservation of Energy in its overall operations. The Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives towards conservation of energy were:

- Smart metering and integration with building management system led to improved monitoring of energy conservation.
- Campaigns and event management awareness program helps UDTL to conservation of Energy.

##### B) Technology absorption:

The development of latest Technology to improve the products quality and it is essential for the organization to be environmental friendly. The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

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

##### C) Foreign exchange earnings and Outgo:

The Forex management is an important mechanism which reflect the economy strength of any Country which was decided by the export and import ratio of products, hence the Company has continued to maintain its focus and availed export opportunities based on economic considerations.

Particulars	2018-19 (Rs. in Lac)	2017-18 (Rs. in Lac)
Foreign Earning at FOB value	15,536.24	7,295.80
Outgo: Total foreign Exchange outgo including cost of Im-ported material	1,200.50	1069.00

### Annexure - VIII

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

- i) Number of Employees on roll :- 184 (One Hundred Eighty Four)
- ii) Average increase in salary of the Employee of the company: - 8 (Eight) Percent.
- iii) Employed throughout the Financial Year 2018-19

Name	Age	Qualifica- tion	Designa- tion	Date of com- mencement of employ- ment	Experi- ence	Gross remu- neration	Previous employ- ment	Designation
Pramod Kumar Gupta	70	M.S.I.E (P.E) (USA)	Chair- man cum Managing Director	21/08/1985	35 years	84,00,000/-	Nothing	NA
Kanal Gupta	35	MBA in finance and HR	Whole Time Director	28/02/2015	5 years	47,87,500	Nothing	NA



## iv) Employed for a part of the Financial Year 2018-19

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

None of the Employees of the Company was in receipt of Rs. 5 Lacs monthly as a salary for his part time employment.

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (Amount In lac)	% increase in Remuneration in the Financial Year 2018-2019	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Pramod Kumar Gupta Managing Director	84.00	16	39:1	Satisfactory
2.	Mr. Shiv Sharan Kumar Bhagat Independent Director	2.20	33.33	1:1	
3.	Mr. Krishan Diyal Aggarwal Independent Director	1.90	15.15	1:1	
4.	Mr. Kanal Gupta Whole time Director	47.88	NIL	22:1	
5.	Ms. Twinkle Singh Women Director	2.20	52	1:1	
6.	Mr. Pandian Kalyansundaram Independent Director	2.20	25	1:1	
7.	Inderpal Sharma Whole Time Director	6.01	16	3:1	
8.	Mr. Arun Kumar Thakur (CFO)	5.55	10.5	3:1	Satisfactory
9.	Mr. P.K. Ojha (Company Secretary)	6.42	6	3:1	Satisfactory

(Note: Sitting fee given to Director for Board and Committee meeting taken as remuneration and Median is taken as Rs. 2,13,500 , the % increase in median in comparison to last financial year is 3 (Three approx.)

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



## VI. Top Ten employees in term of remuneration drawn in FY 2018-19

S.No.	Name & Age	Designation	Remuneration Received (Rs.)	Qualification and Experience	Date of joining	% Share holding	Relation with Director	% increase in Salary
1.	Shri Lal Sahoo, 61 years old	DGM- Design	12,60,000	Diploma in Mechanical	05/09/2017	NIL	Not Related	5
2.	Mukesh Mehta	DGM- accounts and finance	9,75,000	CA	14/06/2018	NIL	Not Related	-
3.	Ajit Kumar, 36 years old	Sr. Manager Operation	9,11,935	Diploma in Mechanical	23/07/2018	NIL	Not Related	-
4.	C.P Sharma, 55 years old	DGM-HR & Admin)	7,99,548	M.Com. & PGDPM	02/2/2009	NIL	Not Related	11.29
5.	Jyoti K Singh, 40 years old	Dy. Manager (sales & Marketing)	7,86,000	B.E (Electronic and communication)	15/04/2010	NIL	Not Related	16.36
6.	Gyanveer Singh, 56 years old	Joint Manager (export)	6,11,000	B.E(Mechanical)	01/08/2016	NIL	Not Related	10.41
7.	Yogesh Yadav, 45 years old	Dy. Manager Operation	5,84,400	B.A	01/09/2008	NIL	Not Related	12.71
8.	Mohd. Shafi Ahmmad, 59 years old	Plant Incharge	5,67,900	10th	17/10/1994	NIL	Not Related	16.15
9.	Shantanu Maitra, 31 years old	Design Engineer	5,49,000	B.Tech	31/03/2011	NIL	Not Related	17.07
10.	Binay Chaoudhary, , 41 years old	Sr. Officer (Purchase)	5,21,850	B.Com.	22/12/2014	NIL	Not Related	11.25

## TO WHOMSOEVER IT MAY CONCERN

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including the code for Independent Directors. These Codes are available on the Company's website i.e; [www.udt ltd.com](http://www.udt ltd.com)

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2019, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

**For and on Behalf of the Board**  
**United Drilling Tools Limited**  
Sd/-  
**Pramod Kumar Gupta**  
**Chairman & Managing Director**  
**DIN: 00619482**

Place: Noida  
Date: 24<sup>th</sup> May, 2019



## INDEPENDENT AUDITOR COMPLIANCE CERTIFICATE

To  
The members of  
**United Drilling Tools Limited**

1. We have examined the compliance of conditions of Corporate Governance by **United Drilling Tools Limited** (“the Company”) for the year ended on 31st March, 2019 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2018 to March 31, 2019.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the respective periods of applicability as specified under 1 above, during the year ended March 31, 2019
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Noida  
Date: 24<sup>th</sup> May, 2019

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



## COMPLIANCE CERTIFICATE

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

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year 2018-19 and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative as per the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- 1) Significant changes in internal controls over financial reporting during the year;
  - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - 3) Instances of significant fraud of which we became aware of and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over financial reporting.

**For United Drilling Tools Limited**

Sd/-

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

**United Drilling Tools Limited**

Sd/-

**Arun Kumar Thakur**  
Chief Financial Officer

Place: Noida

Date: 24<sup>th</sup> May, 2019



**Form No. SH-13****Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and  
rule 19 (1) of the Companies (Share Capital and Debentures) Rules 2014]

To

**Name of the company:**

**Address of the company:**

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

**(2) PARTICULARS OF NOMINEE/S —**

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

**(3) IN CASE NOMINEE IS A MINOR--**

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

**Name:**

**Address:**

**Name of the Security**

**Holder (s)**

**Signature**

**Witness with name and address**



**Form No. SH-14****Cancellation or Variation of Nomination**

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of ..... as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied )

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:
- vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

- i. Date of Birth:
- ii. Date of attaining majority
- iii. Name of guardian:
- iv. Address of guardian:

**Signature**

**Name of the Security**

**Holder (s)**

**Witness with name and address**



**DIVIDEND CLAIM FORM**

From:

To  
Shares Department  
**United Drilling Tools Limited**  
A-22, Phase-II, Noida - 201305  
Distt. Gautam Budh Nagar, (UP)

Sub: Folio No/DP ID & CI ID:  
Non-receipt of Dividend for the financial year \_\_\_\_\_

Dear Sir,

I / we, wish to inform you that the Dividend for the Financial year \_\_\_\_\_ has not been received by me/us.

I/We, request you to kindly send me/us the dividend amount and/or inform me/us the procedure for claiming the said dividend amount.

Thanking you,

Yours faithfully

Signature of the 1st Holder \_\_\_\_\_

Signature of the 2nd holder \_\_\_\_\_

Signature of the 3rd Holder \_\_\_\_\_

Enclosed; ID Proof, Address Proof & Cancel Cheque



## Independent Auditor's Report

**To**  
**The Members of United Drilling Tools Limited**  
**Report on the Audit of the Financial Statements**

### *Opinion*

1. We have audited the accompanying financial statements of United Drilling Tools Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### *Basis for Opinion*

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements

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

### *Key Audit Matters*

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the no matters described below to be the key audit matters to be communicated in our report.

### *Information Other than the Financial Statements and Auditor's Report Thereon*

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### ***Management's Responsibility for the Financial Statements***

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider



quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on Other Legal and Regulatory Requirements***

14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

16. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

17. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for



material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R S Dani & Co.**

Chartered Accountants  
(Firm's Registration No. 000243C)

**Ashok Mangal**

Partner  
(Membership No.071714)

Place : Noida,  
Date : 29<sup>th</sup> May, 2019

***Annexure "A" to the Independent  
Auditors' Report on the Ind  
AS Financial Statement of  
United Drilling Tools Limited***

The Annexure referred to in paragraph 1, under report on Other Legal and Regulatory Requirements' section of our report of even date to the members of United Drilling Tools Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2019,

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

***(i) In respect of fixed assets :***

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the Company has a regular program of physical verification of its fixed assets by which fixed assets are verified and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
  - (iii) According to the information and explanations given to us and on the basis of our examination of the



records of the Company, the Company has granted unsecured loans to entities covered in the register maintained under section 189 of the Companies Act, 2013 and with respect to the same:

- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government of India under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) **In respect of statutory dues :**
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, GST and cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise and GST. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, GST, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, duty of excise, service tax, GST and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
  - (viii) In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from government or debenture holders during the year.
  - (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
  - (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
  - (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
  - (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
  - (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
  - (xiv) According to the information and explanations give



to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For R. S. DANI & CO.**

Chartered Accountants  
(Firm Reg. No. 000243C)

**Ashok Mangal**

Partner  
M. No. 071714

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019.

***Annexure “B” to the Independent Auditors’ Report on the Ind AS Financial Statement of United Drilling Tools Limited***

The Annexure referred to in paragraph 2(f), under report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of United Drilling Tools Limited, on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2019,

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

1. We have audited the internal financial controls over financial reporting of United Drilling Tools Limited (“the Company”) as of 31<sup>st</sup> March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

***Management’s Responsibility for Internal Financial Controls***

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



### ***Auditors' Responsibility***

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### ***Meaning of Internal Financial Controls over Financial Reporting***

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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

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



**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. S. DANI & CO.**

Chartered Accountants  
(Firm Reg. No. 000243C)

**Ashok Mangal**

Partner  
M. No. 071714

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



***Financial Statements Balance Sheet as at***  
***31<sup>st</sup> March, 2019***

Particulars	Note No.	Rs. In Lacs	
		“For the Current Year as at 31 <sup>st</sup> March 2019”	“For the Previous Year as at 31 <sup>st</sup> March 2018”
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	1	990.62	1,114.11
Capital work-in-progress	1	-	-
Intangible assets	1	2,437.24	2,540.21
Intangible assets under development	1	145.91	104.26
<b>Financial assets</b>			
Investments	2		
Loans	3	606.13	-
Other Financial Assets	4	1,966.21	679.53
Other non-current assets	5	2,168.92	1,496.22
<b>Total non current assets</b>		<b>8,315.03</b>	<b>5,934.33</b>
<b>Current assets</b>			
Inventories	6	2,299.02	6,126.91
<b>Financial assets</b>			
Investments	7		
Trade and other receivables	8	2,744.44	7,087.25
Cash and cash equivalents	9	1,108.97	135.17
Loans and advances	10	258.76	219.11
Other current assets	11	163.94	162.29
<b>Total current assets</b>		<b>6,575.13</b>	<b>13,730.72</b>
<b>Total Assets</b>		<b>14,890.16</b>	<b>19,665.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	2,034.15	1,019.00
Other equity	13	11,133.50	10,118.74
<b>Total Equity</b>		<b>13,167.65</b>	<b>11,137.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long term borrowings	14	14.01	23.03
Other financial liabilities	15	-	-



Particulars	Note No.	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Provisions	16	71.76	60.16
Deferred tax liabilities (Net)	17	397.88	409.55
Other non-current liabilities	18	9.37	41.07
<b>Total non current liabilities</b>		<b>493.02</b>	<b>533.81</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	19	-	1,531.86
Trade and other payables	20		
Dues to Micro and Small Enterprises		0.56	-
Other then dues to Micro and Small Enterprises		524.59	5,638.34
Other financial liabilities	21	9.03	8.93
Other current liabilities	22	695.31	814.38
Short-term provisions	23	-	-
<b>Total current liabilities</b>		<b>1,229.49</b>	<b>7,993.51</b>
<b>Total liabilities</b>		<b>1,722.51</b>	<b>8,527.32</b>
<b>Total Equities and Liabilities</b>		<b>14,890.16</b>	<b>19,665.06</b>
Significant Accounting Policies and other disclosures on Financial Statements	32		

In terms of our report of even date attached.

**For United Drilling Tools Limited**

**For R S Dani & Co.**  
Chartered Accountants  
(FRN 000243C)

**Ashok Mangal**  
Partner  
M.No. 071714

**Pramod Kumar Gupta**  
Managing Director  
(DIN 00619482)

**S.S.K. Bhagat**  
Director (DIN 00841981)

**K.D. Aggarwal**  
Director (DIN 00861164)

**Twinkle Singh**  
Director (DIN 07777298)

**Dr. Kanal Gupta**  
Whole Time Director  
(DIN 01050505)

**Inderpal Sharma**  
Whole Time Director  
(DIN 07649251)

**P Kalayanasundaram**  
Director (DIN 02568099)

**P K Ojha**  
Company Secretary

**A K Thakur**  
CFO

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



***Statement Of Profit & Loss For The Year Ended on  
31<sup>st</sup> March, 2019***

Particulars	Note No.	Rs. In Lacs	
		"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
<b>INCOME</b>			
Revenue from operations	24	15,619.83	7,342.65
Other Income	25	92.97	48.41
<b>Total Income</b>		<b>15,712.80</b>	<b>7,391.06</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	6,331.37	7,311.80
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	3,992.09	(3,193.89)
Employee Benefit Expense	28	1,023.25	671.27
Financial Costs	29	100.14	52.28
Depreciation and Amortization Expense	1	286.68	269.02
Other Expenses	30	1,448.69	902.54
<b>Total Expenses</b>		<b>13,182.22</b>	<b>6,013.03</b>
<b>Profit before Tax</b>		<b>2,530.58</b>	<b>1,378.03</b>
<b>Tax expense:</b>			
(1) Current tax MAT		540.07	294.09
(2) Current Tax		68.70	-
(3) Deferred tax		(11.67)	103.26
(4) For earlier period		-	1.65
(5) Less : MAT Credit available		540.07	294.09
<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>2,473.55</b>	<b>1,273.12</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss		(5.49)	(0.77)
Income tax relating to items that will not be reclassified to the profit or loss		(1.51)	-
Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to the profit or loss			
<b>Total comprehensive income for the year</b>		<b>2469.57</b>	<b>1272.35</b>



Particulars	Note No.	Rs. In Lacs	
		"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
Earning per equity share:	31		
(1) Basic		12.16	12.53
(2) Diluted		12.16	12.53
Significant Accounting Policies and other disclosures on Financial Statements	32		

In terms of our report of even date attached.

**For United Drilling Tools Limited**

**For R S Dani & Co.**  
Chartered Accountants  
(FRN 000243C)

**Ashok Mangal**  
Partner  
M.No. 071714

**Pramod Kumar Gupta**  
Managing Director  
(DIN 00619482)

**S.S.K. Bhagat**  
Director (DIN 00841981)

**K.D. Aggarwal**  
Director (DIN 00861164)

**Twinkle Singh**  
Director (DIN 07777298)

**Dr. Kanal Gupta**  
Whole Time Director  
(DIN 01050505)

**Inderpal Sharma**  
Whole Time Director  
(DIN 07649251)

**P Kalayanasundaram**  
Director (DIN 02568099)

**P K Ojha**  
Company Secretary

**A K Thakur**  
CFO

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



***Cash Flow Statement For The Year Ended as on***  
***31<sup>st</sup> March, 2019***

Particulars	Rs. In Lacs	
	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax	2,525.09	1,377.25
<b>Items Adjustment for :</b>		
Depreciation	286.68	269.02
Profit on sale of Fixed Assets	0.75	
Operating profit Before Change in working capital	2,811.02	1,646.27
<b>Adjustment for :</b>		
Trade & Other Receivable	4,342.81	(6,314.69)
Inventories	3,827.89	(3,631.78)
Loans & Advances	(41.30)	(147.74)
Trade Payable	-5113.18	5,527.06
Other Non Current Assets	(2,565.52)	187.77
Other Current Liabilities	(118.98)	626.71
Provisions	11.61	17.21
Short Term Provisions	-	-
Other Non Current Liabilities	(31.71)	(24.03)
Cash Generated from operations	3122.64	(2,113.22)
Less : Direct Taxes paid	67.19	1.65
Cash flow before Extra Ordinary Items	3055.45	(2,114.88)
Less : Profit/(Loss) on Sale of Fixed Assets		(1.07)
<b>Net cash flow from operating activities</b>	<b>3055.45</b>	<b>(2,113.81)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Increase/Transfer of fixed Assets	105.24	237.95
Sales of fixed Assets	4.12	0.59
<b>Encashment of Investment</b>		
<b>Net cash used in investing activities</b>	<b>101.12</b>	<b>237.36</b>



Particulars	Rs. In Lacs	
	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>CASH FLOW FROM FINANCE ACTIVITES</b>		
Proceeds from Banks, Financial Institution	(1,531.86)	1,531.86
Other Secured Loans	(9.03)	14.33
<b>Unsecured Loans</b>		
Preferential Share Capital (Redemption)	-	(1,001.17)
Payment of dividend	(439.65)	(147.05)
Receipt in Calls in Arrear	-	0.94
<b>Net Cash Flow from Financing Activities</b>	<b>(1,980.53)</b>	<b>398.92</b>
<b>Net increase in cash and equivalents</b>	<b>973.80</b>	<b>(1,952.25)</b>
Cash and Cash Equivalents as at 1.4.2018 (Op. Bal.)	135.17	2,087.42
Cash and Cash Equivalents as at 31.3.2019 ( Clo.Bal.)	1,108.97	135.17

In terms of our report of even date attached.

**For United Drilling Tools Limited**

**For R S Dani & Co.**  
Chartered Accountants  
(FRN 000243C)

**Ashok Mangal**  
Partner  
M.No. 071714

**Pramod Kumar Gupta**  
Managing Director  
(DIN 00619482)

**S.S.K. Bhagat**  
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**P Kalayanasundaram**  
Director (DIN 02568099)

**P K Ojha**  
Company Secretary

**A K Thakur**  
CFO

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



**Financial Statements -  
Statement of changes in equity for the year ended**

**31<sup>st</sup> March, 2019**

Rs. In Lacs

**A. Equity share capital**

	Balance at the beginning of the reporting period i.e. 1st April, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019
Equity share capital	1,018.06	(2.90)	1,015.16	1,015.16	2,030.31
Share Forfeiture Account	-	3.84	3.84		3.84
<b>Total</b>	<b>1,018.06</b>		<b>1,019.00</b>	<b>1,015.16</b>	<b>2,034.16</b>

**Note : Details of Changes**

Increase in Equity for receipt of Calls in arrear		0.94			
Increase in Equity for issue of Bonus Shares		-		1,015.16	
Decrease in Equity due to money transferred to Share Forfeiture A/c being amount paid up on forfeited Equity Shares		(3.84)			
Net Amount Increase / (Decrease)		(2.90)		1,015.16	
Decrease in Issued and paid up Equity for forfeiture of Shares ( Paid up Value)		7.69			

**B. Other Equity**

	Share Application Money Pending Allotment	Reserves and Surplus					Other comprehensive income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>As on 31st March, 2018</b>								
Balance at the beginning of the reporting period i.e. 1st April, 2017	-	1,783.04	1,001.17	1,248.68	8.09	4,952.46		8,993.44
Total comprehensive income for the year	-	-	-	-	-	1,273.12	(0.77)	1,272.35
<b>Dividends</b>	-	-	-	-	-	<b>122.17</b>		<b>122.17</b>
<b>Tax on Dividends</b>	-	-	-	-	-	<b>24.87</b>		<b>24.87</b>



								Rs. In Lacs
Transfer to retained earnings								-
Balance at the end of the reporting period i.e. 31st March, 2018		1,783.04	1,001.17	1,248.68	8.09	6,078.53	(0.77)	10,118.74
	Share Application Money Pending Allotment	Reserves and Surplus					Other comprehensive income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>As on 31<sup>st</sup> March, 2019</b>								
Balance at the beginning of the reporting period i.e. 1st April, 2018		1,783.04	1,001.17	1,248.68	8.09	6,078.53	(0.77)	10,118.74
Total comprehensive income for the year						2,473.55	(3.98)	2,469.57
Dividends						365.46		365.46
Tax on Dividends						74.19		74.19
Less :Issue of Bonus Shares			1,001.17	13.99				1,015.16
Transfer to / (from) retained earnings					491.91	(491.91)		-
Balance at the end of the reporting period i.e. 31st March, 2019		1,783.04	-	1,234.69	500.00	7,620.52	(4.75)	11,133.50

In terms of our report of even date attached.

**For United Drilling Tools Limited**

**For R S Dani & Co.**  
Chartered Accountants  
(FRN 000243C)

**Ashok Mangal**  
Partner  
M.No. 071714

**Pramod Kumar Gupta**  
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Company Secretary

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CFO

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



***Notes to the Financial Statements For the Year ended***  
***31<sup>st</sup> March, 2019***

**Note No. -1- PROPERTY, PLANT & EQUIPMENT****Rs. In Lacs**

OWN ASSETS	GROSS BLOCK										
	As on	Add/Ded. Due to Inter Unit/head Tr.	Additions	Adjustment/Deduction	Impact of IND AS Transactions	As on	Add/Ded. Due to Inter Unit/head Tr.	Additions	Adjustment/De-duction	As on	
	1-Apr-17					1-Apr-18				31-Mar-19	
<b>Tangible Assets</b>											
Land	66.92	-	-	-	-	66.92	-	-	-	66.92	
Building	809.67	-	-	-	-	809.67	-	-	-	809.67	
Plant & Machinery	417.96	-	37.39	-	-	455.34	(152.99)	8.54	-	310.90	
Electric Fitting	82.83	-	0.04	-	-	82.87	24.76	-	-	107.64	
Office Equipment	53.90	-	3.26	-	-	57.17	-	2.11	-	59.28	
Testing & Other Equipment	31.88	-	46.23	-	-	78.11	126.33	10.58	-	215.02	
Tools & Dies	151.75	-	14.77	-	-	166.52	-	5.26	-	171.78	
Generator	25.09	-	11.75	-	-	36.84	1.90	-	-	38.74	
Fire Fighting & Equipment	18.09	-	0.10	-	-	18.19	-	0.21	-	18.40	
R&D Tech Equip P & M	140.61	-	-	-	-	140.61	-	29.45	-	170.06	
Furniture & Fixture	34.44	-	1.72	-	-	36.17	-	0.60	-	36.76	
Computer	33.32	-	3.72	-	-	37.04	-	1.93	-	38.97	
Vehicles	168.64	-	68.98	3.70	-	233.92	-	4.92	24.96	213.87	
<b>TOTAL (A)</b>	<b>2,035.10</b>		<b>187.98</b>	<b>3.70</b>		<b>2,219.38</b>		<b>63.59</b>	<b>24.96</b>	<b>2,258.01</b>	
<b>Intangible Assets *</b>											
Patented Technologies	4,758.81	-	-	-	-	4,758.81	-	-	-	4,758.81	
Software	-	-	5.61	-	-	5.61	-	-	-	5.61	
<b>TOTAL (B)</b>	<b>4,758.81</b>		<b>5.61</b>			<b>4,764.42</b>				<b>4,764.42</b>	
<b>TOTAL (A+B)</b>	<b>6,793.91</b>		<b>193.59</b>	<b>3.70</b>		<b>6,983.80</b>		<b>63.59</b>	<b>24.96</b>	<b>7,022.43</b>	
Intangible Asset under development	59.90	-	44.36	-	-	104.26	-	41.65	-	145.91	
1.1	For Properties pledged as security - refer Note 19.1										
1.2	Intangible Assets are other then internally generated except which is under development.										
1.3	There are some changes in internal classification of Fixed Assets, among Plant & machinery, Electric Fittings and Testing & Other Equipments, the depreciation rate being the same there are no changes in the results for current year or earlier year.										



Rs. In Lacs

										NET BLOCK		
DEPRECIATION										NET BLOCK		
As on	Add/Ded. Due to Inter Unit/head Tr.	Additions	Adjustment/Deduction	Impact of IND AS Transactions	As on	Add/Ded. Due to Inter Unit/head Tr.	For the Year	Adjustment/Deduction	As on	As on	As on	
1-Apr-17					1-Apr-18				31-Mar-19	31-Mar-19	31-Mar-18	
-	-	0.91	-	-	0.91	-	0.91	-	1.83	65.09	66.01	
257.80	-	52.43	-	-	310.23	-	47.45	-	357.68	451.99	499.44	
211.68	-	38.19	-	-	249.87	(97.80)	37.74	-	189.80	121.09	205.47	
45.10	-	6.84	-	-	51.94	17.60	5.60	-	75.14	32.50	30.94	
44.56	-	5.10	-	-	49.67	-	3.75	-	53.42	5.86	7.50	
14.49	-	6.51	-	-	21.00	79.05	15.83	-	115.89	99.13	57.11	
84.85	-	23.00	-	-	107.85	-	19.47	-	127.32	44.46	58.67	
17.03	-	1.93	-	-	18.96	1.15	3.24	-	23.35	15.39	17.88	
7.73	-	1.88	-	-	9.61	-	1.56	-	11.17	7.23	8.58	
68.08	-	13.13	-	-	81.21	-	14.69	-	95.90	74.16	59.40	
25.27	-	2.50	-	-	27.77	-	2.22	-	30.00	6.77	8.39	
26.94	-	4.70	-	-	31.64	-	3.51	-	35.15	3.82	5.41	
135.93	-	10.72	2.04	-	144.61	-	27.75	21.59	150.76	63.12	89.31	
939.47		167.84	2.04	-	1,105.27	-	183.72	21.59	1,267.40	990.62	1,114.11	
2,123.04	-	99.54	-	-	2,222.57	-	101.38	-	2,323.95	2,434.86	2,536.24	
-	-	1.64	-	-	1.64	-	1.58	-	3.22	2.38	3.97	
2,123.04		101.18	-	-	2,224.21	-	102.96	-	2,327.17	2,437.24	2,540.21	
3,062.51		269.02	2.04	-	3,329.48	-	286.68	21.59	3,594.57	3,427.86	3,654.32	
										145.91	104.26	



Rs. In Lacs

<b>NOTE 2 - INVESTMENTS</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Investments	-	-
<b>Total</b>	-	-
<b>NOTE 3 - LOANS</b>		
Particulars	As at 31.3.2019	As at 31.3.2018
Loans	606.13	-
<b>Total</b>	606.13	-
Note : The amount includes principal of Rs. 600 Lacs and interest due on 31 <sup>st</sup> March, 2019 amounting to Rs. 6.13 Lacs due to related party refer note 32(D)10.		
<b>NOTE 4 - OTHER FINANCIAL ASSETS</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Fixed Deposit - Others	1,966.21	679.53
<b>Total</b>	1,966.21	679.53
<b>NOTE 5 - OTHER NON CURRENT ASSETS</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Security Deposits & Advances	33.39	35.23
<b>Advance Income Tax ( Net of Provisions) and MAT</b>	<b>2,122.12</b>	<b>1,433.88</b>
Other Non Current assets	13.41	27.11
<b>Total</b>	<b>2,168.92</b>	<b>1,496.22</b>
<b>NOTE 6 - INVENTORIES</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
(Valued at cost or Market value whichever is lower) Raw Material	775.02	611.59
Work-in-Progress	1,090.67	4,128.92
Finished Goods	184.52	1,138.36
Stores & Spares	248.81	248.04
<b>Total</b>	<b>2,299.02</b>	<b>6,126.91</b>



Rs. In Lacs

<b>NOTE 7 - INVESTMENTS</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Investments	-	-
<b>Total</b>	-	-
<b>NOTE 8 - TRADE AND OTHER RECEIVABLES</b>		
Particulars	As at 31.3.2019	As at 31.3.2018
Unsecured, Considered Good :		
Outstanding for more than six months	10.18	16.49
Others	2,734.26	7,070.76
<b>Total</b>	<b>2,744.44</b>	<b>7,087.25</b>
<b>NOTE 9 - CASH &amp; CASH EQUIVALENT</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Cash at Bank		
In Current Account	1,083.80	134.76
Unpaid Dividend Account	24.19	-
Cash-in-Hand	-	
Cash Balance	0.98	0.41
<b>Total</b>	<b>1,108.97</b>	<b>135.17</b>
<b>NOTE 10 - LOANS AND ADVANCES</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Unsecured Considered Good		
Other Advance	258.76	219.11
<b>Total</b>	<b>258.76</b>	<b>219.11</b>
<b>NOTE 11 - OTHER CURRENT ASSETS</b>		
Particulars	As at 31.3.2019	As at 31.3.2018
Unsecured Considered Good		
Balance with GST/Excise/Service Tax and other authorities	163.94	162.29
<b>Total</b>	<b>163.94</b>	<b>162.29</b>



Rs. In Lacs

<b>NOTE 12 - EQUITY</b>		
<b>Particulars</b>	<b>“As at 31<sup>st</sup> March 2019”</b>	<b>“As at 31<sup>st</sup> March 2018”</b>
<b>Authorized Capital</b>		
3,69,88,330 Equity Shares of Rs. 10/- each.	<b>3,698.83</b>	<b>3,698.83</b>
( As at 31st March 2017 : 3,69,88,330 Equity Shares of Rs. 10/- each)		
( As at 1st April 2016 : 3,69,88,330 Equity Shares of Rs. 10/- each)		
Pref. Shares of Rs. 100/- each.		
10,01,167 5% Cumulative compulsory redeemable		
( As at 31st March 2017 : 10,01,167 Shares)	<b>1,001.17</b>	<b>1,001.17</b>
( As at 1st April 2016 : 10,01,167 Shares)		
	<b>4,700.00</b>	<b>4,700.00</b>
<b>Issued , Subscribed &amp; Paid Up Capital</b>		
<b>Equity Shares</b>		
1,01,51,563 Equity Shares of Rs. 10/- each, Fully Paid up	<b>2,030.31</b>	<b>1,015.16</b>
(As at 31st March, 2017 : 1,02,28,413 Equity Shares of Rs. 10/- each)		
(As at 1st April, 2016 : 1,02,28,413 Equity Shares of Rs. 10/- each)		
Less : Calls in Arrears	-	-
<b>Sub - Total</b>	<b>2,030.31</b>	<b>1,015.16</b>
Share Forfeiture Account	<b>3.84</b>	<b>3.84</b>
(76,850 shares forfeited during the year for non payment of calls in arrear money of Rs. 5/-)		
<b>Total</b>	<b>2,034.15</b>	<b>1,019.00</b>
<b>12.1 Reconciliation of the number of share outstanding</b>		
<b>Equity Shares ( No's)</b>		
Opening	<b>10,151,563</b>	<b>10,228,413</b>
Less : Shares Forfeited		<b>76,850</b>
Add : Issued (Bonus Shares)	<b>10,151,563</b>	
Closing	<b>20,303,126</b>	<b>10,151,563</b>



Rs. In Lacs

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
12.2 Details of Share Holding ( More then 5%) (Given for only Issued & Subscribed Capital)		
<b>Equity Shares</b>		
Name Of the party	No. Of Shares	% of Holding
Pramod Kumar Gupta	14,363,800	70.75
Cairn Oil Solution Pvt. Ltd.	2,617,778	12.89
	<b>As at 31.3.2018</b>	
Pramod Kumar Gupta	7,181,900	70.75
Cairn Oil Solution Pvt. Ltd.	1,308,889	12.89
12.3 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.		
12.4 Aggregate number of shares issued for consideration other then cash		
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. ( No's)	8,261,013	8,261,013
<b>NOTE 13 - OTHER EQUITY</b>		
Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>A. Capital Redemption Reserve</b>		
As per last Balance Sheet	1,001.17	1,001.17
Less : Issue of Bonus Shares	1,001.17	-
	-	1,001.17
<b>B.Capital Reserve</b>		
As per last Balance Sheet	1,783.04	1,783.04
	-	-
	1,783.04	1,783.04
<b>C. Securities Premium Reserve</b>		
As per last Balance Sheet	1,248.68	1,248.68
Less : Issue of Bonus Shares	13.99	
	1,234.69	1,248.68



Rs. In Lacs

	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>D. General Reserve</b>		
As per last Balance Sheet	8.09	8.09
Add: Transfer from retain earnings	491.91	-
	500.00	8.09
<b>E. Retained Earnings</b>	-	
As per last Balance Sheet	6,078.53	4,952.46
Add: Profit for the Year	2,473.55	1,273.12
	8,552.08	6,225.58
Less : Appropriations		
Transfer to General Reserve	491.91	
Dividends ( Including dividend distribution tax)	439.65	147.05
	7,620.52	6,078.53
<b>F. Other Comprehensive Income</b>		
As Per Last Balance Sheet	(0.77 )	-
Add: Movement in OCI ( Net) during the year	(3.98)	(0.77)
	(4.75)	(0.77)
<b>TOTAL ( A to F)</b>	<b>11,133.50</b>	<b>10,118.74</b>

**NOTE 14 - BORROWINGS**

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>Secured</b>		
Vehicle Loans from Banks	23.04	31.96
Less : Taken to Current Liability	9.03	8.93
	14.01	23.03
<b>Unsecured</b>		
From Corporate bodies	-	-
<b>Total</b>	<b>14.01</b>	<b>23.03</b>

Note 14.1 : The Secured Loan of Rs. 4.20 Lacs ( Previous Year 8.70 Lacs) is secured by way of hypothecation of vehicles and payable in variable installments in next 11 monthly (24 Monthly) installments. The applicable rate of interest is 11.5%.

Note 14.2 : The Secured Loan of Rs. 18.83 Lacs ( Previous Year 23.26 Lacs) is secured by way of hypothecation of vehicles and payable in variable installments in next 42 monthly installments. The applicable rate of interest is 8.7%.



Rs. In Lacs

**NOTE 15 - OTHER FINANCIAL LIABILITIES**

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Preferential Shares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 16 - PROVISIONS**

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Provision for employees benefit	71.76	60.16
<b>Total</b>	<b>71.76</b>	<b>60.16</b>

**NOTE 17 - DEFERRED TAX LIABILITIES (NET)**

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
A. Deferred tax liability		
At the Start of the year	409.55	306.29
Charge/(Credit) to the statement of Profit & Loss	(11.67)	103.26
Deferred tax liabilities ( A-B)	397.88	409.55
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	418.57	430.00
Provisions	(20.69)	(20.45)
<b>Total</b>	<b>397.88</b>	<b>409.55</b>

**NOTE 18 - OTHER NON CURRENT LIABILITIES**

	As at 31.3.2019	As at 31.3.2018
-		
Other Non Current Liabilities	9.37	41.07
	-	-
<b>Total</b>	<b>9.37</b>	<b>41.07</b>

**NOTE 19 - SHORT TERM BORROWINGS**

Particulars	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Secured - At Amortised Cost		
Working Capital Loan from Banks	-	1,531.86
<b>Total</b>	<b>-</b>	<b>1,531.86</b>

Note 19.1 The Working Capital loan from banks is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.



Rs. In Lacs

<b>NOTE 20 - TRADE PAYABLES</b>		
<b>Particulars</b>	<b>“As at 31<sup>st</sup> March 2019”</b>	<b>“As at 31<sup>st</sup> March 2018”</b>
Dues to Micro and Small Enterprises	0.56	
Other then dues to Micro and Small Enterprises	524.59	5,638.34
	-	-
<b>Total</b>	<b>525.15</b>	<b>5,638.34</b>
<p>Note 20.1 There are no amounts overdue and Nil interest payable to Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.</p>		
<b>NOTE 21 - OTHER FINANCIAL LIABILITIES</b>		
<b>Particulars</b>	<b>“As at 31<sup>st</sup> March 2019”</b>	<b>“As at 31<sup>st</sup> March 2018”</b>
Current Maturity of Long Term Loan	9.03	8.93
	-	-
<b>Total</b>	<b>9.03</b>	<b>8.93</b>
<b>NOTE 22 - OTHER CURRENT LIABILITIES</b>		
<b>Particulars</b>	<b>“As at 31<sup>st</sup> March 2019”</b>	<b>“As at 31<sup>st</sup> March 2018”</b>
Liabilities for Expenses	176.10	270.97
Advances from Customers	393.04	199.74
Other Payables	126.17	343.67
<b>Total</b>	<b>695.31</b>	<b>814.38</b>
<b>NOTE 23 - SHORT TERM PROVISIONS</b>		
<b>Particulars</b>	<b>“As at 31<sup>st</sup> March 2019”</b>	<b>“As at 31<sup>st</sup> March 2018”</b>
Provision for Taxation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Provision for Taxation	67.19	-
Less : Reduced from advance taxes paid	67.19	-
Balance Amount	-	-



Rs. In Lacs

**NOTE 24 - REVENUE FROM OPERATIONS**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
Sale of Products	15,619.83	7,340.75
	-	-
Consulting and Engineering Services	-	1.90
	-	-
<b>Total</b>	<b>15,619.83</b>	<b>7,342.65</b>

**NOTE 25 - OTHER INCOME****Particulars**

Interest Received	81.18	44.14
Profit on Sale of Fixed Assets	0.75	
Misc. Income and w/off	11.04	4.27
<b>Total</b>	<b>92.97</b>	<b>48.41</b>

**NOTE 26 - COST OF MATERIAL CONSUMED**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
<b>MATERIALS AND STORES</b>		
Opening Stock	859.63	421.73
Add: Purchase and expenses less returns	6,495.57	7,749.70
	7,355.20	8,171.43
Less: Closing stock	1,023.83	859.63
<b>MATERIAL CONSUMED</b>	<b>6,331.37</b>	<b>7,311.80</b>

**NOTE 27 - CHANGE IN INVENTORIES**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
<b>Inventories (At commencement)</b>		
Work-in- Progress	4,128.92	2,042.84
Finish Goods	1,138.36	30.55
	5,267.28	2,073.39
<b>Inventories (At close )</b>		
Work-in- Progress	1,090.67	4,128.92
Finish Goods	184.52	1,138.36
	1,275.19	5,267.28
<b>Change in Stock (Increase)/Decrease in Inventory</b>		
Work-in- Progress	3,038.25	(2,086.08)
Finish Goods	953.84	(1,107.81)
<b>Total</b>	<b>3,992.09</b>	<b>(3,193.89)</b>



Rs. In Lacs

**NOTE 28 - EMPLOYEES BENEFIT EXPENSES**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
Salary and Wages	932.25	589.61
Contribution to PF and other funds & benefits	43.95	36.54
Bonus	20.52	13.31
Gratuity	8.81	16.93
Employee Welfare	17.72	14.88
<b>Total</b>	<b>1,023.25</b>	<b>671.27</b>

**NOTE 29 - FINANCIAL COST**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
Interest to Banks	29.52	14.77
Other Interest	4.44	2.85
Other Borrowing Costs	66.18	34.66
<b>Total</b>	<b>100.14</b>	<b>52.28</b>

**NOTE 30 - OTHER EXPENSES**

Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
<b>(a) Manufacturing Expenses</b>		
Power, Fuel & Water charges	96.32	79.12
Security Service Charges	39.79	35.43
Testing, Painting & Inspection Expenses	77.01	49.88
Job Charges	27.07	5.40
Repair & Maintenance		
Plant & Machinery	39.44	19.21
Building	2.36	13.18
Others	31.24	45.33
<b>TOTAL (a)</b>	<b>313.23</b>	<b>247.55</b>
<b>(b) Administrative and Other Expenses</b>		
Printing & Stationary	17.50	11.75
Postage, Telegram & Telephones	24.74	20.14
Subscription & Membership Fees	13.14	11.84
Director's Sitting Fee	8.50	7.25
Rent	77.12	51.59
Travelling Directors	69.72	32.72
Others	30.65	19.31
Vehicle & Conveyance	63.47	35.14



Rs. In Lacs		
	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
Charity & Donation	1.81	0.96
Legal & Professional	21.72	28.92
Insurance Charges	19.18	7.86
CSR Expenses	28.07	35.60
Auditor's Remunerations		
Audit Fee	3.25	2.50
Tax Audit Fee	0.75	0.50
Reimbursement of expenses	1.48	1.01
Books & Periodicals	1.12	1.91
Rates, Taxes and Filing Fee	26.49	11.23
Applicable Loss on Foreign Currency transactions and translations	433.42	73.12
Miscellaneous Expenses	90.77	129.08
<b>Total (B)</b>	<b>932.90</b>	<b>482.43</b>
<b>(c) Selling and Distribution Expenses</b>		
Selling Expenses	90.81	99.75
Distribution Expenses (Freight, Cartage & Insurance etc.)	111.75	72.82
<b>Total (C)</b>	<b>202.56</b>	<b>172.57</b>
<b>Total (a to c)</b>	<b>1,448.69</b>	<b>902.55</b>
<b>NOTE 31 - EARNING PER SHARE (EPS)</b>		
Particulars	“For the current year ended as at 31 <sup>st</sup> March 2019”	“For the previous year ended as at 31 <sup>st</sup> March 2019”
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (Rs. Lacs)	2,469.57	1,272.35
Weighted Average number of Equity Shares used as denominator for calculating EPS	20,303,126	10,151,563
Basic EPS Rs.	12.16	12.53
Diluted EPS Rs.	12.16	12.53
Face Value Per Equity Share Rs.	10.00	10.00



**Note 32*****Significant Accounting Policies and Other Disclosures on Financial Statements*****A. CORPORATE INFORMATION**

United Drilling Tools Limited (“UDTL” or “the company”) is a listed entity incorporated in India. The company is a leading manufacturer of Oil Drilling Equipment in the country. The company has obtained Global quality standards for its major products. The address of its registered Office and principal place of business are disclosed in the introduction to the annual report.

**B. SIGNIFICANT ACCOUNTING POLICIES****B.1 BASIS OF PREPARATION AND PRESENTATION**

These financial statements have been prepared under the historical cost convention and on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

Up to the year ended 31st March 2017, the company has prepared its financial statements in accordance with the requirement of Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standard as prescribed under section 133 of the companies Act, 2013 (“Act”) read with Rule 7 of the companies (Accounts) rules, 2014, other pronouncement of The Institute of Chartered Accountants of India and Guidelines issued by the Securities and Exchange Board of India (SEBI).

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), including the rules notified under the relevant provisions of the companies Act.,2013.

The company’s financial statements are presented in Indian

Rupees, which is also its functional currency.

The accounting policies are applied consistently to all the periods presented in the financial statements.

**B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :****(a). Property, Plant and Equipment**

Property, Plant and Equipment 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.

Depreciation on Property, Plant and Equipment is provided on useful life of the assets on Written Down Value method as specified in Schedule II to the Companies Act, 2013.

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

**(b) Intangible Assets**

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



contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Technology Asset acquired on amalgamation is amortized over useful life of the underlying Asset.

Computer Software is amortized over a period of life as specified in schedule II of the companies act and on Written Down Value method as specified in Schedule II to the Companies Act, 2013.

### (c) Revenue Recognition

- (i) 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.
- (ii) Revenue from sale of goods 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/GST or other taxes collected on behalf of the government.
- (iii) Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.
- (iv) Interest - Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) 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.

### (d) Expenditures

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

### (e) Inventories

- (i) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realizable value.
- (ii) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of GST/Cenvat credit.

- (iii) 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.
- (iv) 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.
- (v) Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

### (f) Employee Benefit

#### (i) Short Term Employee Benefit :

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

#### (ii) Post Employment Benefits : 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.

#### Defined Benefit Plan :

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of actuarial valuation as at the date of Balance Sheet which is not funded.

### (g) Foreign Currency Transactions

#### (i) Initial Recognition

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



- (ii) Foreign currency monetary items are reported using the closing rate.
- (iii) Any gain or loss on account of exchange difference arising either on the settlement or on re-statement of foreign currency monetary items is recognised in the Profit & Loss account.

#### **(h) Research and Development**

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

#### **(i) 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, if material charged to other equity and carried to Balance Sheet.

#### **(j) Investments**

Investments that are readily realizable and intended to be held for not more than a year classified as current investments. All other investments are classified as long-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.

#### **(k) Finance Cost**

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

#### **(l) Tax Expenses**

The Tax expense for the period comprise Current and

Deferred Tax. Tax is recognized in Statement of Profit and Loss except to the extent that it related to the items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

#### **Current Tax**

Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act,1961.

#### **Deferred tax**

Deferred Tax is recognized subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### **(m) Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are



capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

#### **(n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Contingent liabilities are not recognized but are disclosed in notes.

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

#### **(o) Segment Reporting**

The accounting policies adopted by the company for segment reporting are in line with the Ind AS 108 .

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

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

- (a) Sales in Indian Currency
- (b) Sales in foreign currency (USD)

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

#### **(p) 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.

#### **(q) Recent Accounting Pronouncements**

**Appendix B to Ind AS 21,** Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.”

#### **Ind AS 115**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 (“amended rules”). As per the amended rules, Ind AS 115 “Revenue from contracts with customers” supersedes Ind AS 11, “Construction contracts” and Ind AS 18, “Revenue” and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about



the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1<sup>st</sup> April 2018.

**The standard permits two possible methods of transition:**  
Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

#### (r) Financial Instruments

##### (i) Financial Assets

###### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

###### B. Subsequent measurement

###### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows

that are solely payments of principal and interest on the principal amount outstanding.

###### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost, if any.

#### D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

#### E. Impairment of financial assets

In accordance with Ind AS 109, the Company evaluate impairment of financial assets at fair value through profit and loss (FVTPL).

##### (ii) Financial liabilities

###### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

###### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### (iii) Derivative and Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments such as currency swaps and forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at



fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used and is amortised to Statement of Profit and Loss over the period of maturity.

### C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of company's financial statements in conformity with Ind AS require management to make judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying value of the assets or liabilities affected in future period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

#### 1. Depreciation / Amortisation and useful lives of Property, Plant and Equipment / Intangible Assets

**Tangible Assets**  
Depreciation on Property, Plant and Equipment is provided on useful life of the assets which is taken as specified in Schedule II to the Companies Act, 2013 and depreciation is charged on Written Down Value method after taking into residual value of the assets in order to determine the amount of depreciation / amortization to be recorded during reporting period.

#### **Intangible Assets**

The intangible asset is amortized over a period of estimated useful life of asset, taking into account of anticipated technological changes. The depreciation / amortization for the future period is revised if there are significant changes from previous estimates.



## 2. Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## 3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## D. OTHER NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities not provided for :

- (i) Counter guarantees against Bank guarantees given by banks Rs. 600.13 Lacs (Pr. Yr. Rs. 2314.63 Lacs) .
- (ii) Letter of Credit opened by Banks Rs. 294.80 Lacs ( Pr. Year Rs. 142.57 lacs )
- (iii) Bill discounted by bank Rs. NIL ( Pr. Yr. Nil).

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

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

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

## 3. Employee Benefit Obligations

### (i) 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. 30.90 lacs (Pre. Yr. Rs. 25.19 lacs)

### (ii) 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. 71.76 lacs ( Previous Year Rs. 60.16 lacs ) on actuarial liability basis as on the date of balance sheet. It is non funded.

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

Particulars	Rs. In Lacs	
	"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
Present value of obligation at the beginning of the period	60.16	42.95
Interest cost	4.59	3.24
Past service cost	-	10.29
Current service cost	4.22	3.41
Benefits paid	(2.69)	(0.50)
Actuarial (gain)/loss on obligation	5.49	0.77
Present value of obligation at the end of period	71.76	60.16

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

Particulars	Rs. In Lacs	
	"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
In Income Statement		
Past service cost	-	10.29
Current service cost	4.22	3.40
Interest Cost	4.59	3.24
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	8.81	16.93
In Other Comprehensive Income	(5.49)	(0.77)
Net actuarial (gain)/loss recognized in the period	5.49	0.77
Net (Income)/ Expense For the period Recognised in OCI	3.98	0.77



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

Particulars	Rs. In Lacs	
	"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
Present value of obligation as at the end of period	71.76	60.16
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	71.76	60.16

**The assumptions used in Actuarial Valuation:-**

Particulars	Rs. In Lacs	
	"As at 31 <sup>st</sup> March 2019"	"As at 31 <sup>st</sup> March 2018"
i) Discounting Rate	7.59	7.63
ii) Future salary Increase	5.50	5.50

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

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

**(iii) Other Long Term Employee Benefits**

Liability of Leave Encashment is provided in the books of account amounting to Rs. 25.66 lacs (Previous Year Rs. 23.51 lacs) on actual calculation basis as on balance sheet date. The liability is paid annually or during the year therefore actuarial valuation is not required. It is unfunded.

- The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.
- (i) The company is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred in debited to intangible assets under development.  
(ii) The provision for taxation has been made after considering the benefits available to SEZ units under Income Tax Act.

**6. Financial Derivative Instruments**

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency.

**The information on derivative instruments and foreign currency exposure are as follows:**

Particular	Figures in lacs			
	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
A Forward Exchange Contracts outstanding (USD)	-	-	8.00	520.35
B.1 Foreign currency exposure not covered by derivative instrument				
1. Amount receivable on account of export of goods and services.(USD)	35.56	2463.12	98.44	6402.90
2. Advances given in USD	1.81	125.27	2.24	145.58
3. Amount in FC A/c in bank (USD)	11.13	770.90	0.89	57.86
<b>Sub Total (B.1)(USD)</b>	<b>48.50</b>	<b>3359.30</b>	<b>101.57</b>	<b>6606.34</b>
4. Advances given in (Euro)	0.01	0.38	-	-
5. Advances given in (GBP)	0.45	40.38	-	-
B.2 4. Amount of Bank Credit (PCFC) (USD)			23.55	1531.86
5. Amount payable on account of import of goods and services.(USD)	5.30	367.34	83.55	5434.67
<b>Sub Total (B.2)</b>	<b>5.30</b>	<b>367.34</b>	<b>107.10</b>	<b>6966.53</b>
<b>Total (B1+B2) (USD)</b>	<b>53.80</b>	<b>3726.63</b>	<b>208.67</b>	<b>13572.86</b>
<b>Total (Euro)</b>	<b>0.01</b>	<b>0.38</b>	-	-
<b>Total (GBP)</b>	<b>0.45</b>	<b>40.38</b>	-	-



**7. Segment Reporting**

- (i) The Company is engaged in only one business segment hence no business segment reporting required.  
(ii) Other Segment reporting on the basis of Local Currency and Foreign Currency segments as below:

Particulars	Rs. In Lacs	
	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
1. Segmental Revenue		
- Revenue in Local Currency	83.59	46.85
- Revenue in Foreign Currency	15536.24	7295.80
<b>Total Revenue</b>	<b>15619.83</b>	<b>7342.65</b>
2. Segmental Assets*		
- Assets in Local Currency	11490.11	13058.72
- Assets in Foreign Currency	3400.05	6606.33
<b>Total Assets</b>	<b>14890.16</b>	<b>19665.05</b>
2. Segmental Liabilities		
- Liabilities in Local Currency	14522.82	12698.53
- Liabilities in Foreign Currency	367.34	6966.52
<b>Total Liabilities</b>	<b>14890.16</b>	<b>19665.05</b>

**8. Related Party Disclosure**

Related Parties as per the terms of Ind AS-24 “ Related Party Disclosure” ( Specified U/Sec. 133 of the Companies Act,2013 ) and transactions with related party are as follows:-

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

**(a) Key Management Personnel :-**

Name of Person	Relationship
Shri Pramod Kumar Gupta	Chairman & Managing Director
Shri (Dr.) Kanal Gupta	Executive Director and Son of Managing Director
Shri Inder Pal Sharma	Whole Time Director
Shri A K Thakur	CFO
Shri P K Ojha	Company Secretary
Shri K D Agarwal	Independent Director
Shri S S K Bhagat	Independent Director
Shri P Kalayan Sunderam	Independent Director
Twinkle Singh	Independent Woman Director
Shunali Gupta	Wife of Executive Director
Sarita Verma	Independent Woman Director up to 25.5.2017

**(b) Entities over which key Management Personnel/or their relatives have control or Joint Control :-**

P. Mittal Manufacturing Pvt. Ltd.	KMP have control
Parveen Industries Pvt. Ltd.	Relative is Director



## Details of Transactions with related parties :-

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
<b>1.</b>	<b>Rent Payment</b>		
	P. Mittal Manufacturing Pvt. Ltd.	7.50	7.50
<b>2</b>	<b>Salary</b>		
	Pramod Kumar Gupta	84.00	72.00
	Dr. Kanal Gupta	47.88	-
	A.K.Thakur (CFO)	5.55	4.94
	Inder Pal Sharma	6.01	5.12
	P.K.Ojha	6.42	5.97
	Shunali Gupta	0.47	-
<b>3.</b>	<b>Director Sitting Fee</b>		
	K D Agarwal	1.90	1.65
	S S K Bhagat	2.20	1.65
	U S Pandey		0.90
	P Kalayan Sunderam	2.20	1.40
	Sarita Verma		0.20
	Twinkle Singh	2.20	1.45
<b>4.</b>	<b>Purchases</b>		
	Parveen Industries Pvt. Ltd	317.02	195.02
<b>5.</b>	<b>Sales</b>		
	Parveen Industries Pvt. Ltd	2.01	-
<b>6.</b>	<b>Loans Given</b>		
	P. Mittal Manufacturing Pvt. Ltd.	606.13	-

## Outstanding

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
1.	Shri Pramod Kumar Gupta (Cr.)	8.48	4.48
2	Shri (Dr.) Kanal Gupta(Cr.)	2.17	-
3.	Shri Inder Pal Sharma(Cr.)	0.58	0.49
4.	Shri A K Thakur(Cr.)	0.44	0.47
5.	Shri P K Ojha (Cr.)	0.52	0.58
6.	P. Mittal Manufacturing Pvt. Ltd.(Cr.)	0.90	0.73
7.	Parveen Industries Pvt. Ltd. (Cr.)	11.93	114.21
8.	Shunali Gupta (Cr.)	0.45	-
9.	P. Mittal Manufacturing Pvt. Ltd. (Loan A/c.)(Dr.)	606.13	-



**9. Managerial Remuneration**

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
1	Pramod Kumar Gupta	84.00	72.00
2	Dr. Kanal Gupta	47.88	
3	Inder Pal Sharma	6.01	5.12
	<b>Total Salary &amp; Perquisites*</b>	<b>137.80</b>	<b>77.12</b>

\* The aforesaid amount doesn't include amount in respect of gratuity and leave encashment as the same is not determinable. Remuneration is within limits specified under Section 197 of the Act, as recommended by Remuneration and Nomination Committee and approved by Board and approved by shareholders' at the Annual General Meeting.

**Loans given :-**

KMP have control on Company	Rs. In Lacs	
	“Amount Outstanding as at 31 <sup>st</sup> March 2019”	“Amount Outstanding as at 31 <sup>st</sup> March 2018”
P. Mittal Manufacturing Pvt. Ltd.	606.13	-

The company has provided unsecured loan of Rs. 600.00 Lacs to P. Mittal Manufacturing Pvt. Ltd., a related party, with relevant approval of the Board of Directors and Shareholders. The loan is subject to the minimum interest @ 8% p.a. as per terms of agreement, and repayable not later than 3 Years ( Three Years) from the date of disbursement. The amount include Rs. 6.13 Lacs interest due on 31.3.2019 and payable after March (Refer Note No. 3)

**10. Expenditure Towards Corporate Social Responsibility ( CSR)**

Particulars	Rs. In Lacs	
	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Gross amount required to be spent by the company during the year	27.67	36.92
Amount Spent during the year	28.07	35.60

Head	Rs. In Lacs	
	Amount Spent	
	“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
Promoting Health Care	7.50	8.83
Setting up old age Home	6.40	3.60
Promoting Education	11.13	12.70
Eradication Hunger, Poverty	2.44	1.75
Setting Up Home care		2.97
Animal Welfare		0.75
Reducing Inequality \ Environmental Sustainability	0.10	5.00
Contribution to relief funds set up by Central Govt.	0.50	
<b>Total</b>	<b>28.07</b>	<b>35.60</b>

Note: The amount spent during the financial year is little higher than required, being the amount underspent in previous year.



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

## 12. Expenditure in Foreign Currency

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
	Travelling	47.19	24.44
	Purchases	1148.68	996.04
	Royalty		39.20
	License Fee	4.63	9.32

## 13. Earning in Foreign Currency

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
(i)	Earning in foreign Currency at FOB value	15536.24	7295.80

## 14. Financial Risk Management

### (i) Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign

currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

### (ii) Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk. The company uses normally Fixed Deposit route to park the surplus funds. For borrowing which reduces to Nil some time, company uses Bank borrowings at the prevailing rate of the Bank, after bargain by the senior management.

### (iii) Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.



## 15. Capital risk management

### (i) Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to

maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(ii) Dividend on Equity shares		(Rs. in lacs)	
For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
	439.64		147.05

(Dividend of Rs. 439.64 include Rs. 1.20 per share dividend paid for the year 2017-18 and interim dividend of Rs. 0.60 per share for 2018-19 both on enhanced capital after bonus ( Previous year Rs. 1.20 per share)

### (iii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 6% per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## 16. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business.
- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to

cause a significant change to the counter-party's ability to meet its obligations,

- iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as an income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.



**Ageing of Account receivables**

S.No.	Particulars	Rs. In Lacs	
		“As at 31 <sup>st</sup> March 2019”	“As at 31 <sup>st</sup> March 2018”
1	0-3 Months	2563.70	6303.59
2	3-6 Months	170.56	444.42
3	6-12 Months	3.87	338.31
4	Beyond 12 Months	6.31	1.01
	<b>Total</b>	<b>2744.44</b>	<b>7087.25</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**17. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed

credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Rs. In Lacs	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	2040.00	508.14

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**18. Event occurring after balance sheet date**

The Board of Directors has recommended a final Equity dividend of Rs. 0.6 per share (Previous year Rs.1.20 per share ) for the financial year 2018-19 subject to approval of the Shareholders.

19. The Financial Statements were authorised for issue by the directors on 29th May, 2019.

**In terms of our report of even date attached.**

**For R S Dani & Co.**  
Chartered Accountants  
(FRN 000243C)

**Ashok Mangal**  
Partner  
M.No. 071714

**For United Drilling Tools Limited**

**Pramod Kumar Gupta**  
Managing Director  
(DIN 00619482)

**S.S.K. Bhagat**  
Director (DIN 00841981)

**K.D. Aggarwal**  
Director (DIN 00861164)

**Twinkle Singh**  
Director (DIN 07777298)

**Dr. Kanal Gupta**  
Whole Time Director  
(DIN 01050505)

**Inderpal Sharma**  
Whole Time Director  
(DIN 07649251)

**P Kalayanasundaram**  
Director (DIN 02568099)


**P K Ojha**  
Company Secretary

**A K Thakur**  
CFO

Place : NOIDA  
Date : 29<sup>th</sup> May, 2019



## CERTIFICATIONS/ACCREDITATIONS



**Certificate of Authority to use the Official API Monogram**  
License Number: 1511-0052

The Authority hereby certifies that:


**UNITED DRILLING TOOLS LIMITED**  
C-41, Sector-81  
Noida, Dist. Gautam Buddh Nagar, Uttar Pradesh  
India

The Authority hereby certifies that the above-named organization has been found to be in compliance with the requirements of the API Monogram License and is authorized to use the API Monogram in accordance with the terms and conditions of the license.

**American Petroleum Institute**

AP-01 License No. 1511-0052  
Effective Date: MAY 28, 2018  
Expiration Date: SEPTEMBER 10, 2017

*John P. Hales*  
President, American Petroleum Institute



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Effective Date: MAY 28, 2018  
Expiration Date: SEPTEMBER 10, 2017

*John P. Hales*  
President, American Petroleum Institute



**Certificate of Authority to use the Official API Monogram**  
License Number: 1512-0016

The Authority hereby certifies that:

**UNITED DRILLING TOOLS LIMITED**  
C-41, Sector-81  
Noida, Dist. Gautam Buddh Nagar, Uttar Pradesh  
India

The Authority hereby certifies that the above-named organization has been found to be in compliance with the requirements of the API Monogram License and is authorized to use the API Monogram in accordance with the terms and conditions of the license.

**American Petroleum Institute**

AP-01 License No. 1512-0016  
Effective Date: MAY 28, 2018  
Expiration Date: SEPTEMBER 10, 2017

*John P. Hales*  
President, American Petroleum Institute



## CERTIFICATIONS/ACCREDITATIONS





## ATTENDANCE SLIP

## UNITED DRILLING TOOLS LIMITED

CIN: L29199DL1985PLC015796

**Regd. Office:** 139A, First Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001**E-mail:** compsect@udtltd.com, **Website:** www.udtltd.com**Phone:** 011-43502990, 0120- 2462673, **Fax:** 0120-2462675

## ATTENDANCE SLIP

Regd. Folio No./DP ID - Client ID : \_\_\_\_\_

Name &amp; Address of First/ Sole Shareholder : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company held **on Friday, the 20<sup>th</sup> day of September, 2019 at 11:00 A.M.** at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi - 110065

\_\_\_\_\_  
Signature of Member/ Proxy

## Notes:

- a) Only Members/ Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member/ Proxy wish to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly filed in and signed.



## PROXY FORM

### PROXY FORM FOR AGM 2019

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]  
MGT-11

Name of the Member(s) :  
Registered address :  
E-mail id :  
Folio No./Client Id- DP Id :

I/We, being the member(s) of.....equity shares of United Drilling Tools Limited, hereby appoint:

(1) Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him;

(2) Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him;

(3) Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 20<sup>th</sup> day of September, 2019 at 11:00 A.M. at Maharani Bagh Community Centre, 1 Central Avenue, Maharani Bagh, New Delhi-110065 and at any adjournment thereof in respect of such resolutions as are indicated below:



## RESOLUTIONS

ORDINARY BUSINESS	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of Board of Directors and Auditor's thereon.
2.	To appoint a Director in place of Mr. Kanal Gupta, having DIN: 01050505, who retires by rotation and being eligible, offers himself for re-appointment.
3.	Re-appointment of M/s R S Dani & Co., Chartered Accountants as Statutory Auditors of the Company.
4.	To confirm the payment of interim dividend on Equity shares and to declare a Final Dividend on paid up Equity share capital of the Company for the financial year 2018-19.
SPECIAL BUSINESS	
5.	Re-appointment of Mr. Shiv Sharan Kumar Bhagat (DIN: 00841981), as an Independent Director of the Company.
6.	Re-appointment of Mr. Krishan Diyal Aggarwal (DIN: 00861164), as an Independent Director of the Company.
7.	Increase in the remuneration of Mr. Pramod Kumar Gupta (DIN 00619482), Chairman and Managing Director of the Company.

Signed this.....day of....., 2019.

Signature of shareholder.....

Signature of Proxy holder(s).....

Revenue  
Stamp

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





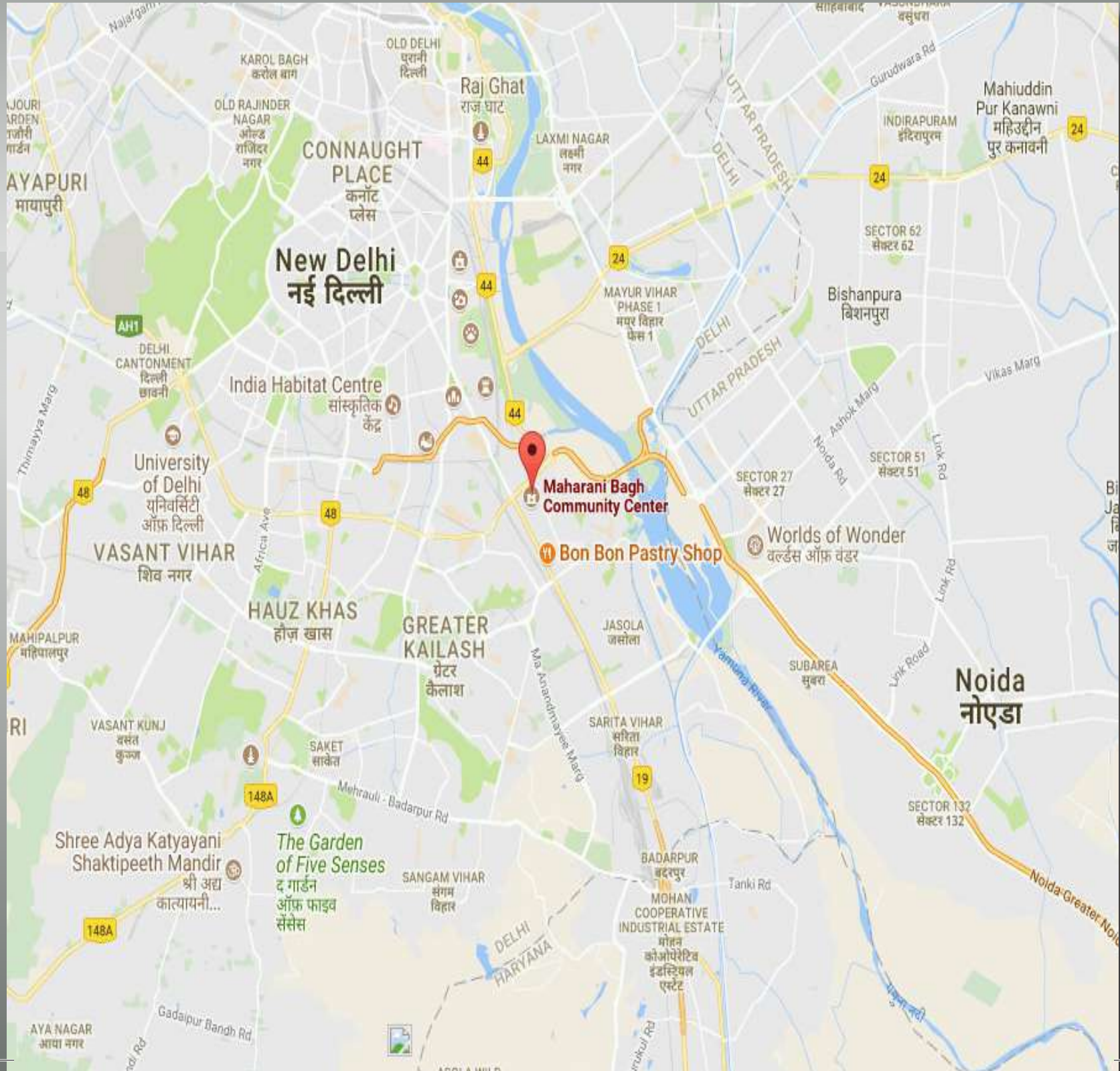




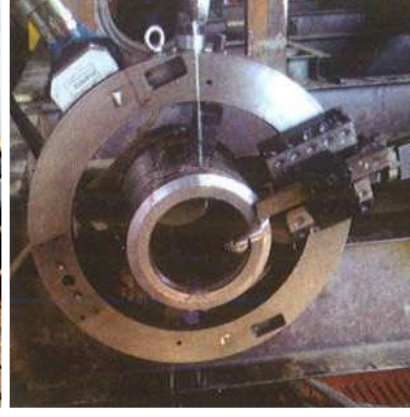


## ROUTE MAP OF THE VENUE OF 37<sup>TH</sup> AGM OF UDTL

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










# UNITED DRILLING TOOLS LIMITED

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

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 Website: [www.udtltd.com](http://www.udtltd.com)

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