31st Annual Report
2012-2013

UNITED DRILLING TOOLS LTD

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

SHRI KRISHNA DYAL AGGARWAL
Independent & Non Executive Director
Post Graduation in Economics along with law,
Certified Associate of Indian Institute of Bankers,
Diploma in Industrial finance and co-operative
Retired as Manager from Reserve Bank
of India.

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

SHRI CHANDRAPAL SHARMA
Additional Director, Executive Director
M.Com, Economics Hons

COMPANY SECRETARY

Mr. P.K. Ojha
B.Sc. , LL.B & CS

AUDITORS

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

UNITED DRILLING TOOLS LTD

REGISTRAR & SHARE TRANSFER AGENT	Alankit Assignments Limited 2E/21 Alankit House Jhandewalan Extension, New Delhi-110055
REGISTERED OFFICE	B-94, Shashi Garden Patparganj, Delhi-110092
FACTORY	C-41 SECTOR -81 NOIDA (U.P.) Distt. GAUTAM BUDH NAGAR-201 305
HEAD OFFICE	A-22, PHASE-II, NOIDA. (U.P), GAUTAM BUDH NAGAR-201305
WEBSITE	www.udtltd.com

Note:

1. Your Company is registered with CDSL for Dematerialization and Company ISIN No. is INE961D01019.

2. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

3. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of United Drilling Tools Limited will be held on Wednesday, the 25th September, 2013 at 11.30 A.M. at Maharani Bagh Community Centre 1 Central Avenue, Maharani Bagh New Delhi-110065 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2013 and the Profit and loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.

2. To consider and appoint a Director in place of Shri Uma Shankar Pandey, who is liable to retire by rotation and being eligible, offers him for re-appointment.

3. To consider and appoint M/s Agrawal Dhruv & Co., Chartered Accountants, Auditors to hold office from conclusion of this annual general meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. C.P Sharma who was appointed as an Additional Director in the meeting of the Board of Directors held on 15.03.2013 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"**RESOLVED FURTHER THAT** Mr. Pramod Kumar Gupta, managing director of the company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Regd. Office
B-94, Shashi Garden
Patparganj, Delhi-110092

Dated: .14.08.2013

By Order of the Board of Directors

Sd/-
(PRAMOD KUMAR GUPTA)
CHAIRMAN & MANAGING DIRECTOR

NOTES

1. Details, as required under clause 49(G) of Listing Agreement, in respect of the Directors, seeking re - appointment is appended

2. A member entitled to attend and vote at the meeting of the company is entitled to appoint any person as his/her proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.

3. The proxy form in order to be effective must be deposited at the Registered Office of the company, at least 48 hours before the commencement of the aforesaid meeting.

4. Corporate Members are requested to send a duly certified copy of the Board/ Governing Body Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

5. The register of members and share transfer books of the company shall remain closed from 21.09.2013 to 25.09.2013 (both days inclusive).

6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agents of the Company, **Alankit Assignments Ltd**, 2E/21 Alankit House Jhandelwalan Extension New Delhi-110055.

7. Members who hold shares in physical form are requested to notify promptly any change in their addresses to the Registrar and Transfer Agents (RTA) of the Company at the above address and always quote their folio Numbers in all correspondence with the Company & RTA. In respect of holding in electronic mode, members are requested to notify any changes in addresses to their respective depository participants.

8. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading benefits is permitted only in dematerialized form, electronic transfer, saving in stamp duty, prevention of forgery, etc.

9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 1400-1600 hrs. up to the date of the meeting.

10. The members desirous of obtaining any information concerning the accounts and the operation of the company are requested to send their queries to the company at least seven days before the date of the meeting, so that the information required by the members can be made available at the meeting.

11. Members are requested

(a) to bring their copy of the Annual Report Notice and Attendance slip duly completed and signed at the meeting. No copies of the report will be distributed at the meeting.

(b) To quote their Folio No. /DP Id and Client Id in all correspondence;

(c) To note that no gift or gift coupons will be distributed at the meeting.

Regd. Office
B-94, Shashi Garden
Patparganj, Delhi-110092

Dated: .**14.08.2013**

By Order of the Board of Directors

Sd/-
(PRAMOD KUMAR GUPTA)
CHAIRMAN CUM MANAGING DIRECTOR

Details of the directors seeking reappointment at the 31st Annual General Meeting (AGM)
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	SH. UMA SHANKAR PANDEY
Date of Birth	10/08/1946
Date of Appointment	30/10/2009
Qualifications	Post Graduate in Commerce
Expertise	Finance
Directorship in other Companies	0
Committee Positions in United Drilling Tools Limited	2
Committee Positions in other Public Limited Companies	0
Relation between Directors	NIL
Number of Shares held in United Drilling Tools Limited	NIL

I. GENERAL INFORMATION

(1)	Nature of Industry	Manufacturing of oil drilling Equipment	
(2)	Date or expected date of commencement of commercial production	N.A The company is already in existence and operation.	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A	
(4)	Financial Performance of the Company for the last 2 years is given below		
Particulars		Financial Year ended	
		31st March 2013	31st March 2012
		(Rs in. Lacs)	
Sales and Other Income		4485.06	3829.40
Gross Profit (Loss)		691.89	649.28
Profit Before Depreciation & Tax		171.48	135.87

Depreciation		32.27		36.90	
Taxation		50.50		30.72	
Proposed Dividend		Nil		Nil	
Profit/ Loss during the Year		88.71		68.25	
(5)	Export performance and net foreign exchange collaboration				
Particulars		Financial Year ended			
		31st March 2013		31st March 2012	
		(Amount in Rs.)			
Foreign Exchange Expenditure		567231		1426939	
Foreign Exchange Earning		Financial Year Ended			
		31st March 2013		31st March 2012	
		$	INR	$	INR
Export of Goods at FOB Price					
Deemed Export in USD		50406871	268399424	2685321	257782037
Physical Export in INR			40334540		
Physical Export in USD		599109	32283263	6400	325000
(6)	Foreign Investment or collaborations if any	N.A			

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 31st Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2013.

1. **FINANCIAL HIGHLIGHTS:**

	2012-2013 (Rs. in Lacs)	2011-2012 (Rs. in Lacs)
Sales and Other Income	4485.06	3829.40
Gross Profit (Loss)	691.89	646.28
Profit before Depreciation	171.48	135.87
Depreciation	32.27	36.90
Proposed Dividend	Nil	NIL
Profit/Loss during the Year	88.71	68.25

During the current year the Company is making progress steadily and is on the path of growth. The Company's sales have gone up from Rs. 3829.40 Lacs to Rs. 4485.06 Lacs and its profit after tax has increased from Rs.68.25 Lacs to Rs.88.71 Lacs

2. OPERATION

Your Company has been able to achieve this due to the philosophy of hard work and amalgamation with other company, which has increased Company's product line and profits. The company is continuously extending its business into export markets as well as developing new customers in India.

Further the Company is in the process of completing its projects in SEZ areas in Noida & Kandla. The Company is also planning to implement ISO-14001 and OHSAS-18001 in its plants which will further open overseas markets for the Company and also improve Health and Safety of the employees.

3. DIVIDEND

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

4. FUTURE OUT LOOK

The future outlook of the Company is very bright because of the increase in product sales within and outside the country. As demand of Oil and Gas is increasing day-by-day in our country as well as overseas, the requirement of Company's products, which are directly related with Oil, is also increasing considerably. The Company has also implemented various

quality systems which have improved quality of our product and therefore acceptability of Company's product in domestic and international market has also increased considerably. This will eventually leads into high turnover and profit for the company.

5. LISTING

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

6. MAJOR EVENTS OF THE COMPANY

Scheme of Amalgamation

In purview of future worldwide development of your company, the Board of Directors of the Company has decided to undergo amalgamation with Macro steel Engineers Pvt. Ltd. in pursuant to relevant provision of Companies Act, 1956 and subject to member's approval in general meeting and Hon'ble Delhi High Court. Macro Steel Engineers Pvt. Ltd. is one of the leaders in developing patented technologies for several Oil Field Equipments, which will further improve financial position of the Company in terms of higher sales and profits.

7. DIRECTORS

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

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

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

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

8. PARTICIPATION OF EMPLOYEES

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

9. AUDITORS

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

10. STATUTORY AUDITOR'S REPORT

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

11. FIXED DEPOSIT

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

12. COMPLIANCE CERTIFICATE

As per provision of section 383A of Companies Act, 1956, company has appointed company secretary in whole time employment; therefore, there is no need of compliance certificate to be obtained from practicing company secretaries.

13. CORPORATE GOVERNANCE

The Company is duly complied with the various provisions under different clauses of listing agreement of the stock exchange(s). In pursuant to clause 49 in respect to Corporate Governance the company duly complies and duly submitted a quarterly report to the stock exchanges. The company has also duly followed the Corporate Governance practices, which enables to maintain transparency and serve the long-term interest of the Shareholders. The Management Discussion and Analysis Report as well as report on Corporate Governance as of 31st March 2013 are attached hereto as a part of this Annual Report as **Annexure – A**.

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

14. DEMATERIALISATION OF EQUITY SHARES

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

15. HUMAN RESOURCES DEVELOPMENT

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

16. INDUSTRIAL RELATIONS

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

17. ECOLOGY & SAFETY CERTIFICATE

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

18. DIRECTOR'S RESPONSIBILITY STATEMENT

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

(a) in the preparation of annual accounts for the financial year ended 31st March 2013 the applicable accounting standards have been followed along with proper explanations relating to material departures

(b) the directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2013 and of the profit of the company for the said period

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and

(d) The directors have prepared the accounts for financial year ended 31st March, 2013 on a going concern basis.

19. CONSERVATION OF ENERGY

Your company does not fall under the list of industries which are required to furnish information in respect of conservation of energy still the company has taken due measures to control the wastages of energy and lights power.

20. RESEARCH AND DEVELOPMENT

(a) **Specific area on which R&D is carried out by the company**: The company carried out R&D for the purpose of new product development. Import substitution as well

as for development and evaluation of alternate processes and raw materials.

(b) **Benefit derived as a result of the above R&D** : R&D provides valuable support to the business through innovation of new products and processes, many of which have been transferred to the plant, R&D results in improvement of quality and reduction in cost.

(c) **Future plan of action**: New R&D is being established for developing & improving existing as well as new products.

(d) **Expenditure on R&D**: Expenditure on R&D has been charged under primary heads of account.

21. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

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

22. FOREIGN EXCHANGE EARNING & OUTGO

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

Outgo: Total foreign exchange outgo including cost of		
Imported material in 2012-2013	-	Rs. 151125560.00
Previous Year	-	Rs. 100164870.00

23. ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the continued support of the customers, financial institutions and suppliers. Your directors also wish to record the appreciation for the valuable contribution made by employees at all levels and the continued support of your collaborators. On behalf of the Board of Directors, I would like to convey to our Hon'ble members that over the years your deep and abiding trust and invaluable support has unable us to continuously improve our performance despite of extremely challenging time in the recent past where in sourcing Raw materials /components at competitive prices have became an arduous task and further hope they will continue to give their support in full spirit in the year to come.

Regd. Office

B-94, Shashi Garden

Patparganj, Delhi-110092

Dated: 14.08.2013

By Order of the Board of Directors

sd/-

(PRAMOD KUMAR GUPTA)

CHAIRMAN & MANAGING DIRECTOR

Annexure - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The company is already supplying and manufacturing various kinds of oil drilling tools, equipments and accessories to Oil & Natural Gas Corporation Ltd. and Oil India Ltd. The Board of Directors are very much confident about the success of the existing as well as new projects. The company has developed a new product caring pipe with connector for the upcoming project at Kandala SEZ Gandhidham, Gujarat.

OPPORTUNITIES & THREATS

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

RISKS & CONCERNS

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

INTERNAL CONTROL SYSTEM & ITS ADEQUACY

As per of its major thrust to implement corporate governance in the organization, the company has already constituted Committee like Audit Committee, Investors' Grievance Committee and Remuneration Committee. The company hopes that with more transparency, the company will be enhanced to maintain a fair growth during the next fiscal year. Internal control systems have been tightened with Internal Audit Committee, besides holding regular meeting with Departmental Heads to monitor progress or problems and sorting out them.

DISCUSSION ON FINANCIAL PERFORMANCE

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

HUMAN RESOURCE

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

philosophy is translated into action.

FINANCE AND CONTROL

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. It is believed that adherence to business ethics and commitments to corporate social responsibility have enabled the Company to achieve its goal of building India through maximizing value for all its stakeholders. By combining ethical values with the business acumen, strengthening of professional resources with national interests and core business with emerging business, the Company maintains its legendary status of respected Manufacturing Company. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming India's most valuable Manufacturing Company, while upholding the core values of excellence, integrity, responsibility, quality and customer services, which are fundamental to the UDT. In this pursuit, Company's philosophy is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct. This enables customers and all stakeholders to be partners in the Company's growth and prosperity. The Company continuously endeavors to improve-upon on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward. Keeping in view the Company's size, complexity of operations and corporate tradition.

BOARD OF DIRECTORS

The Board of Directors (the Board), an apex body formed by the shareholders, serve and protect the overall interests of stakeholders; provides and evaluates the strategic directions of the Company; formulates and reviews management policies and ensure their effectiveness. As of 31st March 2013, the Chairman and Managing Director managed the business of the Company under the overall supervision and guidance of the Board.

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March 2013, the total strength of the Board is 6 directors with an Executive Chairman. No directors

are a member of more than ten committees or chairman of the more than five committee across in all companies in which they are directors.

The Company has benefited from the professional expertise of the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges

BOARD MEETINGS

During the financial year under review 08 Board meetings were held and the gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held are as follows:

21.04.2012, 28.07.2012, 14.08.2012, 26.09.2012, 17.10.2012, 30.10.2012, 20.11.2012, 15.03.2013,

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 2012-2013 Attendance at		No. of Directorship in other companies*		No. of Committee position held in public companies including UDT	
		B.M	Last AGM	Chairman	Member	Chairman	Member
Mr. P.K. Gupta	Executive	08	Yes	Nil	Nil	1	Nil
Mr.S.S.K. Bhagat	Independent & Non Executive	08	Yes	Nil	Nil	Nil	1
Mr. V.B. Mishra	Independent & Non Executive	08	Yes	Nil	Nil	Nil	3
Mr.K.D. Aggarwal	Independent & Non Executive	08	Yes	Nil	Nil	2	l
Mr.U.S. Pandey	Non Executive	08	Yes	Nil	Nil	Nil	1
Mr. C.P Sharma	Additional &, Executive Director	1	NO	Nil	NIL	NIL	Nil

Notes:

1. The Directorship/Committee Membership is based on the latest disclosures received from Directors.

2. None of the Directors is a Member of the Board of more than 15 companies in terms of Section 275 of the Companies Act, 1956; Member of more than 10 Committees and Chairman of more than 5 Committees, across all companies in which he is a Director.

RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

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

COMMITTEES OF THE BOARD

(i) Audit Committee

Composition

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

Meetings and Attendance

During the year 2012-13, the members of the Audit Committee met Six times i.e. 13.04.2012, 20.07.2012, 07.08.2012, 20.10.2012, 15.01.2013 and 15.03.2013. The table below gives the attendance record of the audit committee meeting.

Members No of Meetings held No. of Meetings Attended

Members	Number of Meeting Held	Number of Meeting Attended
Mr. K.D.Aggarwal	06	06
Mr. V.B. Mishra	06	06
Mr. S.S.K Bhagat	06	06
Mr. U. S. Pandey	06	06

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

(ii) Remuneration Committee

Composition

The Remuneration Committee comprises of three Directors- As on 31st March 2013 Mr. K.D.Aggarwal Independent Non Executive Director, is the Chairman of the Committee the other members of the Committee are Mr. V.B. Mishra and Mr. Uma Shankar Pandey

Meetings and Attendance

During the year 2012-13, two meeting of Remuneration Committee was held.

Remuneration Policy

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

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

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

Directors' Remuneration

(A) Remuneration to Executive Director

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Executive Directors given below based on the recommendations of the Remuneration Committee as per remuneration policy of the Company, within the ceilings fixed by the shareholders.

Name of Director	Designation	Annual Salary (including all perquisite and benefits)
Pramod Kumar Gupta	**Managing Director**	**24,00,000**

(B) Remuneration to Non- executive and independed Director

The company pays sitting fee to all the non-executive Directors for attending meeting of the Board and/or Audit Committee.

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

(a) Equity Shares held by Directors as on 31st March 2013

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

Name of the Director	No. Of shares
Mr. Pramod Kuamr Gupta	**3823567**

(iii) Share Transfer Committee

The company has appointed RTA for transfer of shares either in demate form or physical form hence our company has no need for appointment of Share Transfer committee.

Code of Conduct

The Code of Conduct (the Code) as adopted by the Board is a comprehensive Code to ensure good governance and to provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors and Senior Management Personnel of the Company including its subsidiaries. An Annual affirmation has been obtained from all members of the Board and Senior Management Personnel as on 31st March, 2013. In terms of Clause 49 of the Listing Agreement a duly accepted code of conduct is uploaded on the website of company i.e www. udtltd.com.

ANNUAL GENERAL MEETINGS

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

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2009-2010	New Friends Club, new Friends Colony Near Telephone Exchange Mathura Road New Delhi-110065	Friday the 24th September 2010 at 11.30 A.M	Nil
2010-2011	Maharanibagh Community Centre 1Central Revenue, Maharanibagh New Delhi-110065	Wednesday the 28th September 2011 at 2.30 PM	Yes
2011-2012	Maharanibagh Community Centre 1Central Revenue, Maharanibagh New Delhi-110065	Wednesday the 26th September 2012 at 11.30 A.M	Yes

Disclosures

(a) Compliances

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

Means of Communication

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

Designated E-mail id

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

GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Date	:	25th September 2013
Time	:	11.30 A.M
Venue	:	Maharani Bagh Community Centre
		1 Central Avenue Maharani Bagh New Delhi-110065

(b) Book Closure dates

From 21nd September 2013 to 25th September 2013 (Both Days Inclusive).

(c) Share Transfer Mechanism

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

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ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-A

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO THE MEMBER 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, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.
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. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause -49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company not the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For AGRAWAL DHRUV & CO.
Chartered Accountants
Firm Registration No.: 008900N

Place : New Delhi
Date : 14/8/2013

sd/-
CA Dhruv K. Agrawal
Partner
Membership No.: 087665

AUDITOR'S REPORT

TO THE MEMBERS OF M/S UNITED DRILLING TOOLS LTD

The Members of United Drilling Tools Ltd.

1. We have audited the attached Balance Sheet of **M/S. United Drilling Tools Ltd** as at March 31st 2013 and the related Profit & Loss Account and the cash flow statement for the year ended on that date annexed there to, which we have signed under reference to this report. These financial statements are the responsibility of the Company's managements. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's report) (Amendment) order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us. Further to our comments in the annexure referred to in paragraph above, we report that:

   (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (ii) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of those books.

   (iii) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.

   (iv) In our opinion, the Balance Sheet, profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C)

of section 211 of the Companies Act, 1956.

(v) On the basis of the written representation received from the Directors, as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) In our opinion and to the best of our information and according to the explanations given to us , the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2013.

(b) In the case of the Profit and Loss Account, of the Profit for the period ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

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

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

Place: New Delhi
Date : 14-08-2013

ANNEXURE TO THE AUDITORS REPORT

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

(1) The company maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(2) All the Assets are physically verified by the management as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(3) In our opinion and according information and explanations given to us, during the year, the company has disposed off old, obsolete and depreciated plant and machinery having book value of Rs.4.53 Lacs.

(4) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(5) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(6) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(7) In our opinion and as per information and explanation given to us, the following are the particulars of loans taken by the company from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act 1956.

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

(8) In our opinion and as per information and explanation given to us, here is no loans granted by the company to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(9) As per records of company supplied to us and information & explanations given to us, no interest have been granted on loans which have been taken from/granted to companies, firms or other parties listed in the registers maintained under section 301 and are not, prima facie, prejudicial to the interest of the company.

10) In our opinion, the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.

11) In our opinion and as per information and explanation given to us, there is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.

12) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

13) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the in the registers maintained under Section 301 have been so entered.

14) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

15) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, framed there under apply. According to the information and explanation given to us, no order has been

passed by the National Company Law Tribunal, Company Law Board, Reserve Bank of India or any court or any other tribunal on the company in respect of deposits.

16) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

17) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

18) According to the records of the company, the company has been regular in deposit with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, wealth tax, custom duty, excise –duty, cess and other statutory dues applicable to it.

19) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales tax, Wealth-tax, Custom Duty, Excise duty, cess and any other statutory dues have been deposited regularly during the year with the appropriate authorities. There were no arrears of the aforesaid dues as on the date of the Balance Sheet for a period of more than six months from the date they became payable.

20) In our opinion and according to the information & explanation given to us, there are no dues of sales tax, income tax, custom tax/wealth tax, excise duty/ cess which have not been deposited on account of any dispute.

21) The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

22) Based on our examinations of documents and records we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

23) Based on our examinations of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records.

24) The company has not given any guarantee for loans taken by others from the bank or financial institutions.

25) The company has not raised any new term loans during the year.

26) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

27) During the period covered by our audit report, the company has not issued debentures.

28) The company has not raised any money by way of public issue during the year.

29) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company.

30) In our opinion, the Company is not a dealer or trader in shares, securities, debenture and other investments.

31) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

32) Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place: New Delhi
Date : 14-08-2013

UNITED DRILLING TOOLS LTD.
BALANCE SHEET AS AT 31st March, 2013

Particulars	Note No.	Figures as at the end of Current reporting period in Rs.	Figures as at the end of Previous reporting period in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	153,680,835	19,176,225
(b) Reserves and Surplus	2	172,415,335	163,544,668
(2) Shares to be Issued in pursuant to the Scheme of Amalgmation	3	-	134,504,610
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	80,090,060	7,767,405
(b) Deferred Tax Liabilities		1,546,058	1,661,852
(4) Current Liabilities			
(a) Short-Term Borrowings	5	60,036,138	43,189,315
(b) Trade Payables		67,934,638	29,279,028
(c) Other Current Liabilities	6	20,689,902	13,406,835
(d) Short-Term Provisions	7	9,258,586	4,496,586
Total Equity & Liabilities		**565,651,552**	**417,026,524**
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	19,884,286	20,180,960
(ii) Intangible Assets	8	256,370,800	256,370,800
(iii) Capital Work in Process	8	61,326,829	34,533,449

(b) Deferred tax assets (net)			
(c) Long term loans and advances	9	322,920	1,865,713
(d) Other non-current assets		-	-
(2) Current Assets			
(a) Inventories	10	84,226,141	52,128,253
(b) Trade receivables	11	87,857,256	16,797,626
(c) Cash and cash equivalents	12	14,002,367	13,725,801
(d) Short-term loans and advances	13	41,660,953	21,423,922
Total Assets		**565,651,552**	**417,026,524**
Significant Accounting Policies and Notes on Financial Statement	22	-	

This is the Balance Sheet referred to in our Report of even date.

For Agrawal Dhruv & Co.
(FRN 008900N)
Chartered Accountants

(CA Dhruv Agrawal)
(Proprietor)
Membership No. 087665

Place : Noida
Date : 14-08-2013

For United Drilling Tools Ltd.

Pramod Kumar Gupta	Managing Director
S.S.K. Bhagat	Director
V.B. Mishra	Director
U.S.Pandey	Director
K.D.Aggarwal	Director
C.P.Sharma	Add.Director

UNITED DRILLING TOOLS LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st March 2013

Sr. No	Particulars	Note No.	Figures as at the end of Current reporting period in Rs.	Figures as at the end of Previous reporting period in Rs.
I	Revenue from operations	14	446,536,918	380,236,874
II	Other Income	15	1,969,973	2,703,364
III	**III. Total Revenue (I +II)**		**448,506,891**	**382,940,238**
IV	**Expenses:**			
	Cost of Materials Consumed	16	381,188,280	300,393,422
	Purchase of Stock-in-Trade			-
	Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	17	(16,735,341)	1,660,783
	Employee Benefit Expense	18	14,864,381	16,257,950
	Financial Costs	19	7,360,308	5,464,997
	Other Expenses	20	44,680,461	45,575,707
	Depreciation and Amortization Expense	8	3,227,494	3,690,223
	IV. Total Expenses		**434,585,583**	**373,043,082**
V	Profit before exceptional and extraordinary items and tax	(III - IV)	13,921,308	9,897,156
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		**13,921,308**	**9,897,156**
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		**13,921,308**	**9,897,156**
X	**Tax expense:**			
	(1) Current tax		4,762,000	3,122,127

	(2) Deferred tax		(115,794)	50,812
	(3) For earlier period		404,435	
	(4) MAT Credit available			
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	**8,870,667**	**6,825,841**
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		**-**	**-**
XV	Profit/(Loss) for the period (XI + XIV)		**8,870,667**	**6,825,841**
XVI	Earning per equity share:	21		
	(1) Basic		**1.64**	**3.55**
	(2) Diluted		**2.70**	**3.55**
	Significant Accounting Policies and Notes on Financial Statement	22		

This is the Profit & Loss Statement referred to in our Report of even date.

For Agrawal Dhruv & Co.
(FRN 008900N)
Chartered Accountants

(CA Dhruv Agrawal)
(Proprietor)
Membership No. 087665

Place : Noida
Date : 14-08-2013

For United Drilling Tools Ltd.

Pramod Kumar Gupta	Managing Director
S.S.K. Bhagat	Director
V.B. Mishra	Director
U.S.Pandey	Director
K.D.Aggarwal	Director
C.P.Sharma	Add.Director

UNITED DRILLING TOOLS LTD.
NOTES ON BALANCE SHEET AS AT 31ST MARCH, 2013

Note 1) Share Capital

Sr. No.	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	14988330 Equity Shares of Rs. 10/- each.	**149,883,300**	**250,000,000**
	(Prev. Year 2,50,00,000 Equity Shares of Rs. 10/- each)		
	1,00,11,67 12% Cumulative compulsory redeemable	**100,116,700**	
	Pref. Shares of Rs. 100/- each. (Previous Year NIL)		
		250,000,000	**250,000,000**
2	**ISSUED , SUBSCRIBED & PAID UP CAPITAL**		
	Equity Shares		
	5406191 (Pre.Yr. 19,67,400) Equity Shares of Rs. 10/- each,		
	Fully Paid up Equity Shares	54,061,910	19,674,000
	Less : Calls in Arrears	497,775	497,775
	Total	**53,564,135**	**19,176,225**
	1,00,11,67 12% Cumulative compulsory redeemable	100,116,700	
	Pref. Shares of Rs. 100/- each. (Previous Year NIL)		
	Total	**153,680,835**	**19,176,225**
1.1	**Reconciliation of the number of share outstanding**	**31/03/2013**	**31/03/2012**
	Equity Shares		
	Opening (01/04/2012)	1,967,400	1,967,400
	Issued During the year	3,438,791	-
	Closing (30/09/2012)	**5,406,191**	**1,967,400**
	Preferential Shares		
	Opening (01/04/2012)	-	-
	Issued During the year	1,001,167	-
	Closing (30/09/2012)	**1,001,167**	**-**

1.2	DETAILS OF SHARE HOLDING (MORE THAN 5%) (Given for only Issued & Subscribed Capital)	31/03/2013		31/03/2012	
S. No.	**Name Of the party**	**No. Of Shares**	**% of Holding**	**No. Of Shares**	**% of Holding**
	Equity Shares				
1	Pramod Kumar Gupta	3,823,567	70.74	558,852	28.41
	Preferential Shares				
1	Pramod Kumar Gupta	950,475	94.94		
2	Dr. Kanal Gupta	50,689	5.06		

1.3	**Rights, preferences and restrictions attached to shares**
	The Company has only one class of equity shares referred to as equity shares having a par value of 10/- Each holder of equity shares is entitled to one vote per share.

1.4	Aggregate number of Bonus shares issued and shares issued for consideration other than cash during the last Five years	No. Of Shares	
		31/03/2013	31/03/2012
	Equity shares Issued on Amalgmation of P & K Hightech Systems Pvt. Ltd.	3,438,791.00	
	Preference Shares Issued on Amalgamation of P & K Hightech Systems Pvt. Ltd.	1,001,167	

Note 2) Reserve & Surplus

Sr. No.	Particulars	Current Year	Previous Year
1	**Capital Reserve**		
	As per last Balance Sheet	9,526,616	10,021,704
	Less : Depreciation of revaluation		
	Less : Reversal of revaluation		495,088
		9,526,616	**9,526,616**
2	**Securities Premium Reserve**		
	As per last Balance Sheet	124,868,190	-
	Add : On merger of P&K Hitech Systems P. Ltd.		124,868,190
	(Refer point B 5 of Note 22)		
		124,868,190	**124,868,190**
3	**General Reserve**		
	As per last Balance Sheet	809,335	809,335
		809,335	**809,335**
4	**Profit & Loss Account**		
	As per last Balance Sheet	28,340,527	20,738,641
	Add: Profit for the period	8,870,667	6,825,841
	Add : On merger of P&K Hitech Systems P. Ltd.		2,641,649
	Less : Deferred tax for earlier years		1,865,604
		37,211,194	**28,340,527**
	TOTAL	**172,415,335**	**163,544,668**

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

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

Non Current Liabilities

Note 4) Long Term Borrowings

Sr. No.	Particulars		Current Year	Previous Year
1	Bonds / Debentures			-
2	**Secured**			
	- Term Loan from Bank	0.00		
	Less: Current Maturity	0.00		-
	- Vehicle Loans from Banks	3,94,472		
	Less: Current Maturity	3,94,472/-		389,467
3	**Unsecured**			-
	From Corporate bodies		18,356,096	4,726,016
	From Shareholders		2,651,922	2,651,922
	Deposit from Customers		59,082,042	
	Total		**80,090,060**	**7,767,405**

4.1	The Secured Loan of Rs. 3,94,472/- is secured by way of hypothecation of vehicles and payble in varioable installments in next one years.

Note 5) Short Term Borrowings

Sr. No.	Particulars	Current Year	Previous Year
1	**Secured**		
	Working Capital Loan from Bank	60,036,138	43,189,315
		-	-
	Total	**60,036,138**	**43,189,315**
5.1	The Working Capital loan from bank is secured by hypothecation of all present and future Plant & Machinery, Furniture and Fixture, Vehicle, Inventories, Book Debts and all movable assets of the company. Also personal guarantee of Managing Director.		

Note 6) Other Current Liabilities

Sr. No	Particulars	Current Year	Previous Year
1	For Capital Goods	0	579,116
2	Current Maturity of Car Loan	394,472	678,238
3	Liabilities for Expenses	15,331,150	9,526,922
4	Advances from Customers	2,865,581	919,700
5	Outstanding Liabilities	2,098,699	1,702,859
	Total	**20,689,902**	**13,406,835**

Note 7) Short Term Provisions

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Taxation	9,258,586	4,496,586
	Total	**9,258,586**	**4,496,586**

United Drilling Tools Ltd.

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31st March, 2013

Note 8)

Description of Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.04.2012	Addition During Year	Adjustment/ Deduction	As on 31.03.2013	As on 1.04.2012	For the Year	Adjustment/ Deduction	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible										
Land	1,028,100			1,028,100		0	0	0	1,028,100	1,028,100
Building	3,929,806			3,929,806	2,231,493	169,831	0	2,401,324	1,528,482	1,698,313
Plant & Machinery	22,960,524	2,342,453	9,397,946	15,905,031	14,480,326	1,336,307	8,954,228	6,862,405	9,042,626	8,480,198
Electric Fitting	720,343			720,343	474,598	44,480	0	519,078	201,265	245,745
Office Equipment	2,155,148	149,272		2,304,420	890,327	182,671	0	1,072,998	1,231,422	1,264,821
Testing & Equipment	127,476			127,476	121,053	847	0	121,900	5,576	6,423
Tools & Dies	3,846,571	559,156		4,405,727	2,385,798	233,938	0	2,619,736	1,785,991	1,460,773
Generator	1,499,310			1,499,310	813,361	95,415	0	908,776	590,534	685,949
Fire Fighting & Equipment	52,076			52,076	40,673	1,586	0	42,259	9,817	11,403
R&D Tech Equipt P & M	2,270,165			2,270,165	587,636	234,040	0	821,676	1,448,489	1,682,529
Furniture & Fixture	1,374,253			1,374,253	925,811	81,168	0	1,006,979	367,274	448,442
Computer	805,787			805,787	713,306	36,992	0	750,298	55,489	92,481
Vehicles	10,173,362	406,352	277,290	10,302,424	7,097,579	810,219	194,595	7,713,203	2,589,221	3,075,783
TOTAL	50,942,921	3,457,233	9,675,236	44,724,918	30,761,961	3,227,494	9,148,823	24,840,632	19,884,286	20,180,960
Previous Year's Figures	54,950,509	2,282,429	6,290,017	50,942,921	32,327,365	3,690,223	5,255,627	30,761,961	20,180,960	22,623,144
Intangible										
Patented Technology	256,370,800	0	0	256,370,800	0	0	0	0	256,370,800	256,370,800
Previous Year's Figures	256,370,800			256,370,800					256,370,800	

United Drilling Tools Ltd.

NOTES ON BALANCE SHEET AS AT 31ST MARCH, 2013

Note 9) Long Term Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
1	**Capital Assets**	**-**	**1,561,264**
2	**Security Deposit**		
	a) Unsecured, Considered Good :		
	Other Deposit	322,920	304,449
	Total in	**322,920**	**1,865,713**

Note 10) Inventories

Sr. No	Particulars	Current Year	Previous Year
1	Raw Material	45,165,014	29,663,978
2	Work-in-Progress	37,934,477	20,415,698
3	Finished Goods	488,800	1,272,238
4	Stock-in-Trade	-	-
5	Stores & Spares	637,850	776,339
	Total	**84,226,141**	**52,128,253**

Note 11) Trade Recievables

Sr. No	Particulars	Current Year	Previous Year
1	**Unsecured, Considered Good :**		
	Outstanding for more than six months	1,990,736	3,775,941
	Others	85,866,520	13,021,685
	Total in	**87,857,256**	**16,797,626**

Note 12) Cash & Cash Equivalent

Sr. No	Particulars	Current Year	Previous Year
1	**Cash at Bank**		
	In Current Account	470,741	6,034,703
	Fixed Deposit for Margin Money	10,337,110	7,472,487
	Fixed Deposit - Others	3,000,000	
2	Cash-in-Hand		
	Cash Balance	194,516	218,611
	Total in	**14,002,367**	**13,725,801**

Note 13) Short Terms Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
1	**Loans & Advances from related parties**		
	a) Unsecured, Considered Good :	-	-
2	**Others**		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Balance With Revenue Authorities	16,548,551	6,010,235
	Other Advance	25,112,402	15,413,687
	Total	**41,660,953**	**21,423,922**

United Drilling Tools Ltd.
NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note 14) Revenue from Operations

Sr. No	Particulars	Current Year	Previous Year
1	Sales	446,536,918	380,236,874
	Total	**446,536,918**	**380,236,874**

Note 15) Other Income

Sr. No	Particulars	Current Year	Previous Year
1	Interest Received	1,319,135	1,333,054
2	Profit on sale of Fixed assets	-	659,324
3	Misc. Income	258,871	710,986
4	Foreign Exchange Fluctuation	158,883	
5	Consultancy & Engineering Services	233,084	
	Total	**1,969,973**	**2,703,364**

Note 16) Cost of Material Consumed

Sr. No	Particulars	Current Year	Previous Year
	MATERIALS AND STORES		
	Opening Stock	30,440,317	5,818,444
	Add: Purchase less returns	396,550,827	325,015,295
		426,991,144	330,833,739
	Less: Closing stock	45,802,864	30,440,317
	RAW MATERIAL CONSUMED	**381,188,280**	**300,393,422**

Note 17) Change in Inventories

Sr. No	Particulars	Current Year	Previous Year
1	**Opening Stock**		
	Work-in- Progress	20,415,698	19,622,911
	Finish Goods	1,272,238	3,725,808
		21,687,936	**23,348,719**
2	**Closing Stock**		
	Work-in- Progress	37,934,477	20,415,698
	Finish Goods	488,800	1,272,238
		38,423,277	**21,687,936**
3	**Change in Stock**		
	Work-in- Progress	(17,518,779)	-792,787
	Finish Goods	783,438	2,453,570
	Total	**(16,735,341)**	**1,660,783**

Note 18) Employement Benefit Expenses

Sr. No	Particulars	Current Year	Previous Year
1	Salary and Wages	10,503,736	10,929,762
2	P.F. and other benefits	798,987	948,395
3	Bonus	295,500	297,343
4	Gratuity	83,201	112,232
5	Employee Welfare	482,957	370,218
6	Director's Salary	2,700,000	3,600,000
	Total	**14,864,381**	**16,257,950**

Note 19) Financial Cost

Sr. No	Particulars	Current Year	Previous Year
1	Interest to Banks	4,717,274	2,442,267
2	Other Interest	994,523	699,522
3	Other Borrowing Costs	1,648,511	2,323,208
	Total	**7,360,308**	**5,464,997**

Note 20) Other Expenses

Sr. No	Particulars	Current Year	Previous Year
	(a) Manufacturing Expenses		
	Power, Fuel & Water charges	2,989,857	3,478,353
	Freight & Cartage	10,078,252	7,094,659
	Security Service Charges	619,615	582,443
	Testing & Painting Expenses	380,004	72,373
	Job Charges paid	2,431,472	2,672,929
	Repair & Maintenance	-	
	Plant & Machinery	761,448	984,178
	Building	143,952	40,610
	Others	1,132,487	761,383
	TOTAL (a)	**18,537,087**	**15,686,928**
	(b) Administrative and Other Expenses		
	Printing & Stationary	540,586	568,974
	Postage, Telegram & Telephones	949,289	374,020
	Subscription & Membership Fees	51,478	62,345
	Director's Sitting Fee	193,000	116,000
	Rent, Rates & Taxes	799,315	801,250
	Travelling Directors	1,179,187	2,367,188
	Others	1,355,046	1,699,333
	Vehicle & Conveyance	2,943,809	2,148,629
	Charity & Donation	106,500	74,500
	LD Charges	124,181	1,109,073
	Legal & Professional	493,787	1,269,784
	Insurance Charges	1,425,967	707,151
	Loss on sale of Fixed Assets	458,869	
	Foreign Exchange Fluctuation	-	4,861,939
	Audit Fees	30,000	30,000
	Books & Periodicals	56,851	113,874

	Miscellaneous Expenses	765,845	693,714
	Registration & Filing Fee	1,028,440	676,428
	TOTAL (b)	**12,502,150**	**17,674,202**
	(c) Selling and Distribution Expenses		
	Sales Promotion	13,641,224	12,214,577
	Sales Commission		
	Rebate, Claims & Discount		
	TOTAL (c)	**13,641,224**	**12,214,577**
	TOTAL (a to c)	**44,680,461**	**45,575,707**

Note 21) Earning Per Share (EPS)

Sr. No	Particulars	Current Year	Previous Year
1	Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder	8,870,667	6,825,841
2	Weighted Average number of Equity Shares used as denominator for calculating EPS	53,564,135	19,176,225
3	Basic EPS	1.64	3.55
4	Diluted EPS	2.70	3.55
5	Face Value Per Equity Share	10	10

Note 22

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. REVENUE RECOGNITION

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

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

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

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

4. EXPENDITURE

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

5. FIXED ASSETS AND DEPRECIATION

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

(b) Depreciation on Fixed Assets is provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act,1956.

6. INTANGIBLE ASSETS

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

7. IMPAIRMENT OF ASSETS

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

8. INVENTORIES

(a) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realisable value.

(b) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of Cenvat credit.

(c) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

(d) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.

9. EMPLOYEE BENEFITS

(a) Defined Contribution Plan :

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

(b) Defined Benefit Plan :

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

10. DEFERRED REVENUE EXPENDITURE

Company do not recognize Deferred Revenue Expenditure.

11. FOREIGN CURRENCY TRANSACTIONS

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

(b) Conversion
Foreign currency monetary items are reported using the closing rate.

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

12. RESEARCH AND DEVELOPMENT

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

13. PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/Claims, arisen / settled / noted during the year are, if material in nature, are debited / credited to the prior period Expenses/Income or respective heads of account

if not material in the nature.

14. INVESTMENTS

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

15. BORROWING COST

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

16. TAXATION

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

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

17. LEASES

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

18. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

19. SEGMENT REPORTING

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

Primary Segment:

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

Secondary Segment:

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

(a) Sales within India

(b) Sales outside India

Segment Assets denotes for debtors only.

20. CASH FLOW STATEMENTS

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

21. EARNING PER SHARE

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

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

22. DERIVATIVE INSTRUMENTS

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

B. NOTES ON ACCOUNTS

1) Contingent Liabilities not provided for :

i. Counter guarantees against Bank guarantees given by banks Rs. 3,06,01,470/- (Pr. Yr. Rs. 2,59,31,062/-)

2) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business. The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

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

4) The Deferred Tax Assets/ Liabilities as on 31.3.2013 comprise of following:

	Particulars	**Current Year (Rs)**	**Previous Year (Rs)**
A.	Deferred Tax Liability/(Assets) -Depreciation	**18,45,558**	**16,61,852**
B.	Deferred Tax Liability/(Assets)	**(2,99,500)**	
	Net Deferred Tax Liability/(Assets)	**15,46,058**	**16,61,852**

5) Preferential Share holders in their meeting held on 18.03.2013 has waived their right to claim the dividend on preferential share for the period from date of issue to 31.3.2013, i.e. for financial Year 2012-13. Therefore provision for dividend on preferential shares has not been made and dividend not declared.

6) Employee Benefit Obligations

a) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is Rs. 5,87,326/- (Pre. Yr. Rs. 6,68,405/-)

b) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five

years of service. The Gratuity liability is provided in the books amounting to Rs. 8,14,657/- (Previous Year Rs. 9,14,872/-) on actual liability basis as on the date of balance sheet. It is non funded.

c) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to Rs. 1,54,630/- (Previous Year Rs. 1,90,685/-) on actual calculation basis as on balance sheet date. It is non funded.

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

7A) The company has not provided depreciation on Intangible Assets acquired on amalgamation as the company is doing further research to adapt the technology in enhanced recovery of oil from low performing oil well globally.

8) Financial Derivative Instruments

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

		31.03.2013		31.03.2012	
	Particular	**Amount in Foreign Curency**	**Amount in Rs.**	**Amount in Foreign Curency**	**Amount in Rs.**
A	Forward Exchange Contracts outstanding as at currency				
	USD/INR (Sale)	**0**		0	
	EURO/INR (Sale)	**0**		0	
	USD/INR (Purchase)	**0**		0	
B	Foreign currency exposure not covered by derivative instrument				
	1. Amount receivable on account of export of goods and services:				
	USD	**14,29,050**	**7,72,69,089**	**91,706**	**53,74,498**
	Euro				

9. DISCLOSURES UNDER ACCOUNTING STANDARDS

(A) SEGMENT REPORTING

(a) Primary Segment Reporting (By Business Segments)

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

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

(Amt. in Rs.)

Particulars	2012-13	2011-12
1. Segment Revenue		
- Within India	**10,55,19,691**	**12,21,29,837**
- Outside India	**34,10,17,227**	**25,81,07,037**
Total Revenue	**44,65,36,918**	**38,02,36,874**
2. Segment Assets*		
- Within India	48,83,82,463	41,16,52,026
- Outside India	7,72,69,089	53,74,498
Total Assets	**56,56,51,552**	**41,70,26,524**
***Segment Assets outside India is entirely related to Sundry Debtors.**		

(B) RELATED PARTY DISCLOSURES

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

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

(a) Key Management Personnel :-

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

(b) Relatives

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

(c) Associates :-

Macro Steel Engineers P. Ltd.

Details of Transactions with related parties :-

S. No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1	Rent Payment	**6,00,000**	**6,00,000**
2	Salary	**27,00,000**	**36,00,000**
3	Unsecured Loan (Cr.)		**7,18,637**
4	Purchase	**4,38,78,000**	**2,69,07,000**

The balance with related parties as on 31.03.2013 was Rs. 55,21,604/- (cr.) (Previous Yr. Rs. 7,18,637 (cr.))

10. Expenditure in Foreign Currency

S.No.	Particulars	Current Year Rs.	Previous Year Rs.
	Travelling	**5,67,231**	**14,26,939**
	Purchases	**15,11,25,560**	**10,01,64,870**

11. Earning in Foreign Currency

S.No.	Particulars	Current Year Rs.	Previous Year Rs.
(i)	Export of Goods at FOB value in FC	**34,10,17,227**	**25,81,07,037**

12. Managerial Remuneration

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

As per of our report of even date attached.

For Agrawal Dhruv & Co.
(FRN 008900N)
Chartered Accountants

(CA Dhruv Agrawal)
(Proprietor)
Membership No. 087665

Place : Noida
Date : 14-08-2013

For United Drilling Tools Ltd.

Pramod Kumar Gupta	Managing Director
S.S.K. Bhagat	Director
V.B. Mishra	Director
U.S.Pandey	Director
K.D.Aggarwal	Director
C.P.Sharma	Add.Director

UNITED DRILLING TOOLS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2013

PARTICULARS	Figures as at the end of Current reporting period Rs.in Lacs	Figures as at the end of Previous reporting period Rs. In Lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	139.21	98.97
Items Adjustment for :		
Depreciation	32.27	36.90
Misc. Expenses written off		-
Operating profit Before Change in working capital	**171.48**	**135.87**
		-
Adjustment for :		-
Trade & Other Receivable	(710.60)	23.92
Inventories	(320.98)	(254.47)
Loans & Advances	(186.94)	(78.86)
Trade Payable & others	459.39	(76.64)
Cash Generated from operations	**(587.65)**	**(250.18)**
Less : Direct Taxes paid	4.04	0.00
Cash flow before Extra Ordinary Items	(591.69)	(250.18)
Less : Profit/(Loss) on Sale of Fixed Assets	(4.59)	6.59
Net cash flow from operating activities	**(587.10)**	**(256.77)**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase/Transfer of fixed Assets	302.51	3,007.64
Sales of fixed Assets	0.67	11.98
Encashment of Investment		-
Net cash used in investing activities	**301.84**	**2,995.66**

CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution	168.47	401.42
(Secured Loans)		
Unsecured Loans	723.23	(13.63)
Proceeds from share Capital to be Issued		1,345.05
Capital Reserve & Surplus		1,275.93
Net Cash Flow from Financing Activities	**891.70**	**3,008.77**
Net increase in cash and equivalents	2.76	(243.66)
Cash and Cash Equivalents as at 1.4.2012 (Op. Bal.)	137.26	380.92
Cash and Cash Equivalents as at 31.3.2013(Clo.Bal.)	**140.02**	**137.26**

This is the Cash Flow Statement referred to in our Report of even date.

For Agrawal Dhruv & Co.
(FRN 008900N)
Chartered Accountants

(CA Dhruv Agrawal)
(Proprietor)
Membership No. 087665

Place : Noida
Date : 14-08-2013

For United Drilling Tools Ltd.

Pramod Kumar Gupta	Managing Director
S.S.K. Bhagat	Director
V.B. Mishra	Director
U.S.Pandey	Director
K.D.Aggarwal	Director
C.P.Sharma	Add.Director

UNITED DRILLING TOOLS LIMITED

REGISTERED OFFICE :

B – 94, SHASHI GARDEN, PATPARGANJ, DELHI – 110092

PROXY FORM

Folio No.....
Client id No .....
No. of Shares Held .....

I/We.....of.....
In the district of.....
Bing a member of United Drilling Toold Ltd. Hereby appoint.....
.....of.....
.....of falling him .....of .....as my/ our proxy to
Vote for me/us on my/ourbehalf at the 31st Annual General Meeting of company to be held on Wednesday, the 25th September, 2013 at 11.30 a.m. at Maharani Bagh Community Center, 1 Central Avenue Maharani Bagh, New Delhi – 110065 and at any adjournment thereof.

Singned this .....Day of 2013

Affix Rs. 1 Revanue Stamp

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

2 . The proxy need not be member of the company.

UNITED DRILLING TOOLS LIMITED

REGISTERED OFFICE :

B – 94, SHASHI GARDEN , PATPARGANJ, DELHI – 110092

ATTENDANCE SLIP

Members Name .....

Folio No .....
Client ID No. .....
Name of Proxy .....

I herby record my presence at the
31st Annual General Meeting of
United Drilling Tools.
on Wednesday, the 25th September, 2013
at 11.30 a.m. at Maharani Bagh Community Centre, 1,
Central Avenue, Maharani Bagh, New Delhi - 110065
I certify that I am a Registered member of
United Drilling Tools Ltd. & hold share in the Company

(If attending for Member)

1. Members/Proxies are requested to bring the duly signed Attendance slip to the meeting and hand it over at the entrance
2. For the convenience of Members, persons other than members/proxies will not be admitted.

BOOK-POST

If undelivered please return to :

(Registered Office)

United Drilling Tools Ltd.

B – 94, SHASHI GARDEN , PATPARGANJI, DELHI – 110092

BUSINESS RESPONSIBILITY REPORT – SUGGESTED FRAMEWORK

(As per clause-55 of listing agreement)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: - **L29199DL1985PLC015796**

2. Name of the Company: - **United Drilling Tools Limited**

3. Registered address: - **B-94, Shashigarden, Patparganj, New Delhi-110091**

4. Website: - **www.udtltd.com**

5. E-mail id: - **compsect@udtltd.com**

6. Financial Year reported:- **1st April, 2012-31st March, 2013**

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

   - **Manufacturing of Machine and Equipment Code-29 as per companies act. 1956**

8. List three key products that the Company manufactures/provides (as in balance sheet)

   - **Gas Lift Valve**
   - **Connector**
   - **Wire line winch**

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations (Provide details of major 5): - **Nil**

ii. Number of National Locations:-**4 (Four)**

   - **A-22, Phase-II, Noida-201305**
   - **C-41, Sector-81, Noida-201305**
   - **Plot No. 523, New Area, KSEZ, Gandhidham, Kutch-370230**
   - **Plot No. 129G/25-26, NSEZ , Noida-201305**

10. Markets served by the Company – Local/State/National/International/

   - **National and International**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR):- 1536.80 Lac

2. Total Turnover (INR):- 4465.36 Lac

3. Total profit after taxes (INR):- 88.70 lac

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

- **1.2%**

5. List of activities in which expenditure in 4 above has been incurred:-

- **The company has been donated amount to the following trust, society and charitable fund.**

a. **Umeed Health care society**

b. **Handicaped Children Rehabilliation Association**

c. **Sai Helpage Foundation**

d. **Human Help India Trust.**

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

- **NO, the company has no subsidiary company/companies**

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

- **Not applicable because the company has no subsidiary.**

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

- **No**

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number: - 06528165
- Name: - C.P Sharma
- Designation:- Director

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	00619482
2.	Name Details	**Pramod Kumar Gupta**
3.	Designation	Managing Director
4.	Telephone number	**0120-4842400, 2462673, 4221777**
5.	e-mail id	**cmd@udtltd.com**

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

P1- Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2- Business should provides goods and services that are safe and contributed to sustainability throughout their life cycle

P3 – Businesses should promote the well-being of all employees

P4 – Businesses should respect the interests of. And be responsive towards all stakeholders, especially those who are disadvantaged vulnerable and marginalized.

P5- Business should respect and promote human rights

P6- Business should respect, protect and make efforts to restore the environment.

P7 – Businesses when engaged in influencing public and regulatory policy, should do so in responsible manners

P8- Businesses should support inclusive growth and equitable development.

P9-Business should engage with and provide value to their customers and consumers in a responsible manner.

- **The company M/s United Drilling Tools Limited has internal policies which are managed by a competent and qualified Board and committees such as audit and remuneration committees consists of most of independent directors. The company held Board and committees meeting times to time to discuss issues related to smoothly implementation of these policies and also provide useful suggestion for its implementation. Further the company product is environment friendly hence no requirements of any such policies but the company has followed the state as well as nation pollution act and get certification as per requirement. In view of social responsibility the company, as per law, is not liable to follow such requirement but the company suo moto make the donation towards the charitable fund. Further no special/specific polices made by the company through independent/specialized authority but the Managing director of the company with support of board as well as management has strictly follow the statutory act, rules law and various other requirements of the statutory bodies as well as statue. Further company has a website i.e www.udtltd.com on which stakeholder's related information has been displayed with detail of contact person of the company for further company**

related any information. The management of the company is committed to maintain business value and ethics to achieve our social, environmental and economics goal. Our management is highly committed both professionally and personally to enhance the long term competitive advantage of the company.

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for	-	-	-	-	-	-	-	-	-
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	-	-	-	-	-	-	-
3.	Does the policy conform to any national /international standards? If yes, specify? (50 Words)	-	-	-	-	-	-	-	-	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	-	-	-	-	-	-	-	-	-
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	-	-	-	-	-	-	-	-	-
6.	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	-	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	-	-	-	-	-	-	-	-	
8.	Does the company have in-house structure to implement the policy/policies.	-	-	-	-	-	-	-	-	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	-	-	-	-	-	-	-	-	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	-	-	-	-	-	-	-	

2a. **If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-

5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. **Governance related to BR**

• Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

- **The Board meets 4 to 5 times in a year for various purpose of the company in which board also discuss issue related to Business Responsibility.**

• Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- **No the company has not published any BR or Sustainability report.**

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

- **Yes, the company has internal such type of policies which cover all the stakeholders who has business relation with company.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*

- **The company has not received any such complaint from the stakeholders in the past financial year.**

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- **As the company products are environmental friendly, therefore there is no major issue for social and environmental concerns.**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

2. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.*

- **NA**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- **The product of the company is highly sophisticated and need high as well as advance technique; therefore, the company imports its goods from the foreign such as USA and China. Further the company purchases accessories of its product from the local & small producers in very little in quantity i.e 30% from local and small producers.**

- **Steps taken by the company to improve their capacity and capability:-**

  1. **Provide training of the local and small vendors,**
  2. **Finalization of specification**
  3. **Provide them advance financial assistance.**

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- **The company is manufacturing unit which is engaged in manufacturing of tools and equipment related to oil drilling. The main product is Gas lift valve , connector and wire line . The waste i.e scrap produce during the manufacturing process is sold by the company. Further such scrap through recycling process manufacturing other material. It is about 20-30% of main products.**

Principle 3 Business should promote the well being of all employees

1. Please indicate the Total number of employees.

- **Total no. of employees= 61**

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

- **NIL**

3. Please indicate the Number of permanent women employees.

- **NIL**

4. Please indicate the Number of permanent employees with disabilities

- **NIL**

5. Do you have an employee association that is recognized by management.

- **NIL**

6. What percentage of your permanent employees is members of this recognized employee association?

- **NIL**

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child Labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

- Permanent Employees

  - **70 %**

- Permanent Women Employees

  - **NIL**

- Casual/Temporary/Contractual Employees

  - **NIL**

- Employees with Disabilities

  - **NIL**

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

- **NO, the Company has direct connection with stakeholders.**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

- **No**

2. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

- **No**

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

- **The Company has no such specific policy, but our management is committed to maintain human rights.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

- **There is no any specific major issue from the stakeholders received by the company. Some issue has been raised by shareholders of the company which was promptly resolved by the company.**

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

- **The company has no subsidiary/Group/JV.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

- **NA**

3. Does the company identify and assess potential environmental risks? Y/N

- **No such risk is associated with the company.**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

- **NO**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- **NO**

7. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

- **Yes**

8. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

- **NIL**

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- **Yes**

a. Export promotion Council of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

- **No, The company is 100% Export oriented Unit.**

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

- **The company has no such specified programmes/initiatives/projects in pursuit of the policy related to principle 8, but the company suo moto make donation to charitable trust, fund etc.**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

- **No**

3. Have you done any impact assessment of your initiative?

- **NO**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

- **There is no direct contribution made by company to community, but times to time company make donation towards the charitable trust, fund and society which is directly engaged in the betterment of society as well as community. During the financial year 2012-13 the company has been made donation of amount Rs. 1, 06,600 (One Lakh six thousand six hundred) for the said purpose.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

- **NA**

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

- **NIL, There are no any such complaints. The complaint of customer is resolved by the company at a time.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

- **The information related to the product is already displayed on the website of the company. Further the product of the company is heavy machinery ,it is not consumable items, therefore on the product label only specification of product is given as per requirement of law.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

- **NO.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

- **Yes, Customer satisfaction survey is carried out by the company every year.**