



UNITED DRILLING TOOLS LTD.

CIN : L29199DL1985PLC015796

OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES

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03/09/2021

UDT/SEC/2021-22/BSE-33-NSE-35

Department of Corporate Service

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400001

Security ID - 522014

Listing Compliance Department

National Stock Exchange of India Ltd.

Exchange Plaza, C-1 Block-G,

Bandra Kurla Complex, Bandra (E),

Mumbai - 400051

Security ID - UNIDT

Sub: Annual Report for the Financial Year 2020-21

Dear Sir/Mam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the Annual Report of the Company for the Financial Year 2020-21. This also contains the AGM notice dated 30th August, 2021 convening the 39th Annual General Meeting of the Company scheduled to be held on Tuesday, 28th day of September, 2021 at 11:30 AM through Video Conferencing (VC) / other audio visual means (OAVM).

The said Annual Report and AGM Notice are being sent through electronic mode to the shareholders of the Company and also being uploaded on the website of the Company www.udt ltd.com under the investor corner.

Kindly take the same on record, please.

Thanking You,

Yours faithfully

For United Drilling Tools Ltd.


Tarun Chhabra

Company Secretary

M. No. 21701





Redefining Geographies. Building Global Reach.

United Drilling Tools Limited

Annual Report
2020-21



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Reporting period and scope

This report covers financial and non-financial information and activities of United Drilling Tools Limited ('the Company' or 'UDTL') during the period April 1, 2020, to March 31, 2021. The report's financial figures are audited by the Statutory Auditors of the Company.

Materiality

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnel.

statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operations or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

b.

Statutory Reports

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Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

Forward-Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all

c.

Financial Statements

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**Download this report or read it
online at www.udt ltd.com**

For years, we have navigated ourselves with a focused objective to create a better tomorrow for us and our stakeholders.

Not only have we steadily moved towards that direction, but we have strategically explored avenues of sustained growth.

From aggressively scouting for new opportunities in the international markets to enhancing our portfolio to meet the evolving needs of our customers.

At UDTL, our consistent focus has been on building an enduring company.

But there comes a time, when one has to go beyond the convention and leave one's comfort zone, to broaden the horizon and create new pathways of success.

FY21 was one such year.

Faced by one of the biggest challenges in the recent human history, it made us realise one cannot be bogged down by the fear of the unknown. Rather it's the time to be proactive and be prepared.

In line with this tenant, we focused on growing our presence across geographies, build a global reach and create a global clientele.

Thus, we are preparing ourselves for a future that is different to its past, but some things won't change – our focus on growth.



What UDTL has achieved till now?

Respect

We are India's only manufacturer of long OD multi-start types of connectors with more than 36 years of enriching industry experience.

We are India's largest drilling tools and equipment manufacturer.

Capability

We are a globally renowned manufacturer of high-quality and precision-engineered drilling tools and equipment with a total manufacturing area of 8,49,341 sq. ft. spread across 3 manufacturing facilities.

We have evolved our capabilities from one product to four product lines.

Reach

We have regularly focused on broad-basing our global presence. Today we are present in more than 16 countries spread across the globe.

Sustainability

We emerged profitable in 10 of the last 10 years (Cash profit in 10 years).

We achieved Revenue Growth of 283% in the last decade.

Market share

We command ~70% market share in the upstream drilling tools and equipment market in India.

Credibility

We have been a Zero debt company since 2016-17.

We have paid dividend to our shareholders with a continuous track record over the last five years. The Company plans to do the same in future as well. The rate of dividend declared was 46% in the year 2020 and 21% in the year 2021. The company also declared a bonus issue of 1:1 to the equity shareholders of the company in the year 2018-2019.

Our core strategies which helped us achieve this.**Drive profitable organic growth**

Innovate and evolve with our customers to solve their most difficult challenges and generate above-market growth across geographies.

Operating with excellence

Drive productivity and efficiency across the organisation while delivering products which are of top-notch quality.

Deploying capital to deliver shareholder value

Advance our capital allocation framework with the dividend and capital investments in strategic acquisitions, tie-ups and business. Strategically diversify our product portfolio to leverage growth opportunities and deepen our customer and geographic reach.

Understanding United Drilling Tools Limited



Who we are

From a humble beginning in 1985 as a stabilizer manufacturer, UDTL has today grown to become the India's largest manufacturer of oil drilling, production and exploration tools and equipment matching API (American Petroleum Institute) quality standards.

Supplier of top-quality drilling tools and equipment to some of the globally renowned oil companies, today, UDTL is being recognised as manufacturers of downhole tools, wireline & well service equipment, gas lift equipment, and large OD casing connectors.

Our Vision

To be a globally reputable manufacturer and supplier of oil drilling equipment, by supplying world class quality products at competitive prices through latest innovation, technology and complition.

Our Mission

Providing world class quality products compatible with API standards, development on our product lines to introduce new designs at very competitive costs, create a quality embargo globally offering world class solutions and products.

Where we are

The Company is headquartered in Noida Phase-2, Distt. - Gautam Budh Nagar.

Backed by state-of-the-art technologies such as machine-shop-with CNC, special-purpose lathes, milling machines, and drilling machines, the three manufacturing units of the Company are located at Kutch, Gujarat and Noida, Uttar Pradesh. The Company has also recently embarked on starting a new manufacturing plant at Mundra, Gujarat.

UDTL markets its product to not only Indian oil major companies but also to some of the globally renowned oil major companies in more than 16 countries spread across the globe.



We are managed by

Led by Mr. Pramod Kumar Gupta (Chairman & Managing Director) and aptly aided by Dr. Kanal Gupta (Executive Director), the Company is managed by professionals with a deep sectoral understanding.

The top management is aided by strong multi-competence teams, helping introduce innovative products and expanding the market footprint. The company employs around 350 employees.

How we have created credible financials

UDTL has focused consistently on de-leveraging its Balance Sheet, strengthening its working capital management and trade terms, thereby

increasing the proportion of value accrediting products and effective cost management. The result is that UDTL has demonstrated competitiveness across economic cycles and have emerged a debt free company.

UDTL is listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited with a market capitalisation of more than ₹500 crores as at 31st March 2021.

How we have been pioneering

- The Company is India's only player who ventured into the manufacturing of long OD multi start type of connectors and has been successfully manufacturing over the 25 years.

- UDTL's holistic manufacturing competence makes it the largest manufacturer of connectors across the globe.
- The Company was among the first in its industry to implement technologies such as machine-shop-with CNC, special-purpose lathes and milling machines.
- Strengthened the Balance Sheet by prepaying long-term debts, thereby emerging debt free.
- Maintaining a high pay-out to shareholders by way of dividends on a sustainable basis.

How we value quality

As a responsible and eco-friendly manufacturer, we have adopted practices that helped us ensure workplace safety and manufacture products which are of top quality. Our commitment towards quality is validated by our globally recognised certifications such as ISO 9001 : 2008, ISO 14001 : 2015, and OHSAS 18001 : 2007. The Company also has product specific American Petroleum Institute (API) certifications such as API 19G1, API 19G2, API 5CT, API 7-1 & API 5L.



What we have on offer

We are India's largest private sector player engaged in the manufacturing of high-tech machines and tools being used in the oil, gas, drilling and allied industries.



Wireline Winch Units

- UDT Slimsplit
- UDT Flyline
- UDT Surveyline
- UDT Truckline
- UDT Landline
- Wireline Accessories



Artificial Gas Lift Equipment

- | | |
|--|----------------------------------|
| • Wireline Retrievable Gas Lift Valves | • Conventional Casing pressure |
| • Orifice Valves | • Operated Gas Lift Valves |
| • Side Pocket Mandrels | • Conventional Tubing pressure |
| • Dummy & Equalizing Valves | • Operated Gas lift Valves |
| • Latches | • Conventional Check Valves |
| • Standing Valves & Seating Nipples | • Conventional Gas Lift Mandrels |
| • Running & Pulling Tools | |



Down Hole Tools

- Interchangeable Sleeve Stabilizer
- Integral Blade Stabilizer
- Rotary Reamers
- Subs, Lifting Subs & Plugs

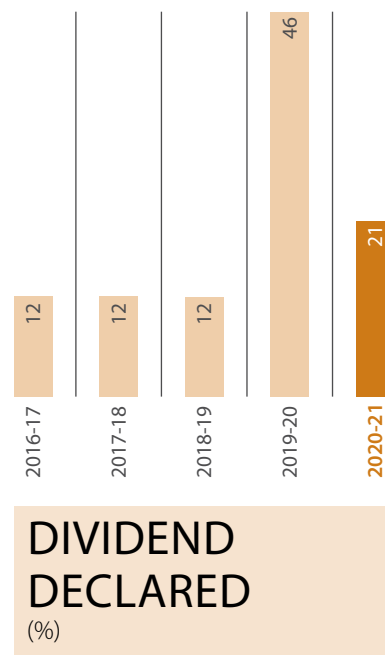
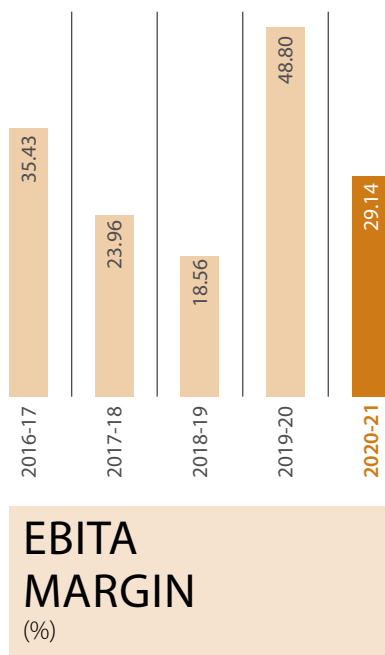
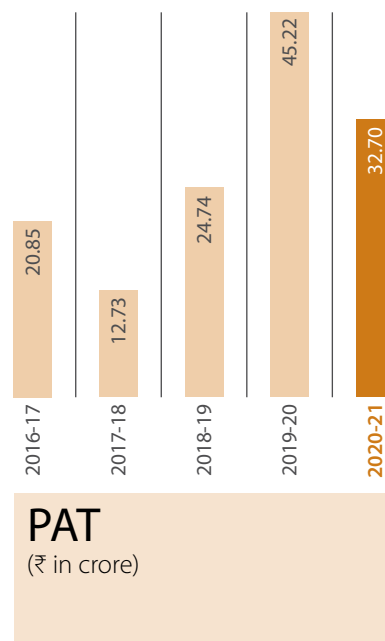
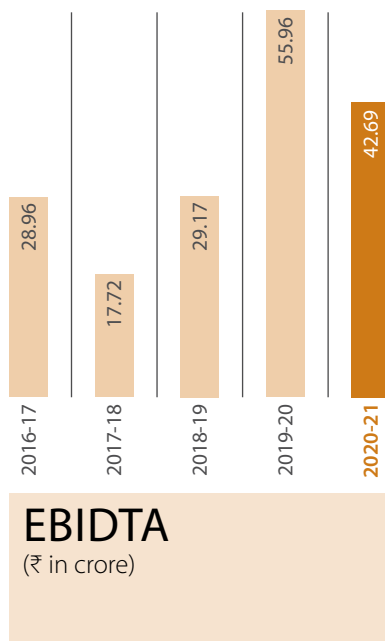
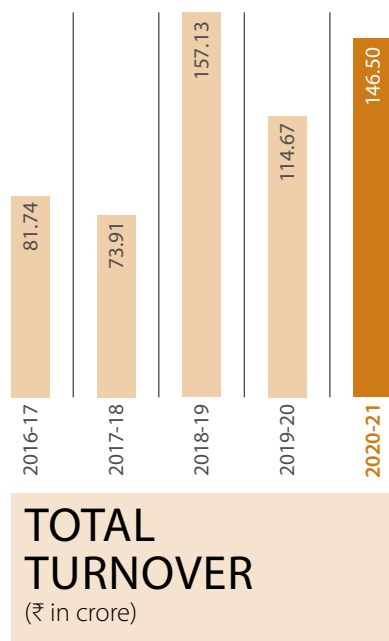


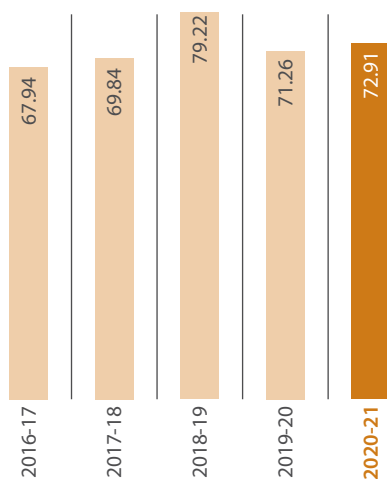
High Performance Connectors

- Leopard
- Swift
- Lynx
- Puma

Our financial journey

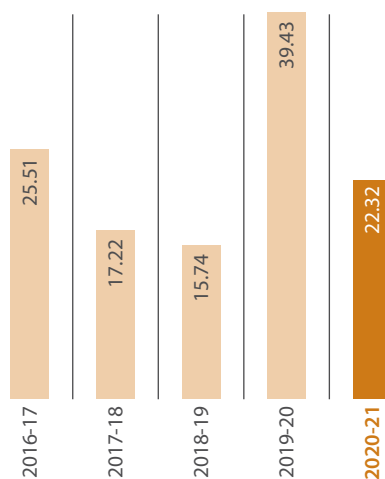
Over the years, we have relentlessly focused on enhancing our efficiency and expand our presence. It has enabled us to deliver consistent financial performance and generate shareholder value.





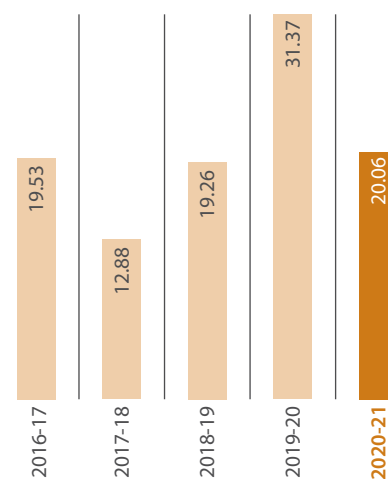
GROSS BLOCK

(₹ in crore)



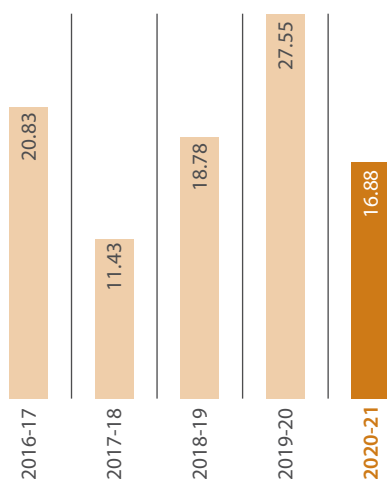
PAT MARGIN

(in %)



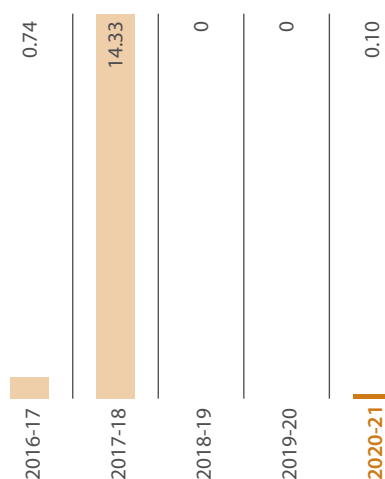
ROCE

(in %)



ROE

(in %)



DEBT-EQUITY RATIO



READY FOR OPPORTUNITIES

Market dynamics that expected to drive growth

International market

Global oil drilling tools market is expected to grow at a CAGR of 4.75% to touch US\$ 8.61 billion by 2022.

Expected market size of our key products



₹6,000 crore

Casing pipes and connectors



₹2,000 crore

Winches



₹1,000 crore

Gas lift valves



₹1,000 crore

Stabilizers



Domestic market opportunities

- India just produces 17% of its total oil and gas requirement.
- Demand for energy in India is expected to rise to 1,516 million tonnes by 2035.
- 78% of India's sedimentary area for exploration is still unexplored.
- Government is constantly looking for opportunities to reduce its external dependency for the nation's oil requirement.
- The government allowed 100% FDI in upstream and private sector refining.
- Government introduced several favourable policies such as Open Acreage Licensing Policy (OALP) and Coalbed Methane (CBM) Policy



How UDTL is positioned to capitalize in these opportunities?

- The Company has a sizeable market share in the upstream drilling and equipment market in India and a growing market share in the international market.
- We have built a strong track of supplying quality drilling equipment and tool of top-notch quality at competitive prices.
- We have consistently grown our offerings portfolio with new and innovative products.
- We have enhanced our manufacturing capabilities through regular technological upgradation at our manufacturing facilities.
- We have built a strong relationship and deep engagement with our global and domestic clients by emerging as an integrated player with a solution driven portfolio.
- We have marked our presence in some of the key oil markets of the world such as UK, UAE, Vietnam and North America through our dedicated agent network.
- We have progressed to create a strong and dedicated workforce of around 350 people.

Our rich clientele...

Working closely with these top-notch companies makes ready for the opportunities of tomorrow.

International

American Completion Tools



Domestic



A SREI initiative

Our three-decadal evolution

1985

Commenced UDTL's journey with its first manufacturing unit at Noida/Delhi.

2001 to 2005

- Received ISO and API certification for its products
- Enhanced product portfolio with the commencement of production of Connectors
- Strengthened UDTL's international presence by exporting GLV to Indonesia in 2004



1990 to 2000

- Expanded production line with the commencement of manufacturing of Stabilizers in 1992 and Gas Lift Valve (GLV) & Winch in 1995.
- Further strengthened UDTL's portfolio with the introduction Truck Mounted Winch.
- Strengthened UDTL's clientele by securing contracts from Government sector oil companies
- Marked UDTL's presence in the international market by exporting GLV in USA in 1996. Further, expanded its international presence by tapping the opportunities in the other international markets.

2011 to 2015

- Accomplished a significant milestone by getting UDTL's products patented
- Further, strengthened UDTL's production capabilities by setting up two new manufacturing facilities at NSEZ (Noida Special Economic Zone) in Noida in 2013 and KSEZ (Kandla Special Economic Zone) in Kutcha (Gujarat) in 2014. These units were focused on the production of winch and casing pipe and connector respectively.
- Crossed the ₹1,000 crore sales landmark
- Continue to strengthen UDTL's international presence by exporting connector to United Kingdom



2006 to 2010

- Continue to enhance offering basket with the commencement of manufacturing of large OD casting pipe
- Strengthened UDTL's production capabilities by establishing a new manufacturing facility for production of stabilizer at Sector – 81, Noida (U.P.)
- Enhanced UDTL's international presence by exporting GLV to Singapore in 2006 and Stabilizer to Syria in 2008

2016 to 2020

- Accomplished second major portfolio enhancement with the introduction of leopard connector, side pocket mandrel, and wireline GLV
- Developed new product lines: Leopard connector and swift connector
- Commenced export of side pocket mandrel across different geographies

From the Chairman's desk



“
Through the extraordinary efforts of the whole UDTL team, the Company has been able to showcase robust and resilient performance to overcome seemingly unsurmountable vagaries and stay on the charted course.
”

Dear Shareholders,

As I sit down to write this year's message, the only thing that crosses my mind is that how challenging the year has been for most of us. At the outset, I trust you and your family are keeping well in this unprecedented times. FY21 will be remembered as one of the most challenging years in recent times, as Covid-19 continues to affect our lives and livelihoods.

Staying true to our corporate ethos, I find myself vindicated of the trust and confidence I had put in my colleagues over the years, but specially over the past year when we were put to yet another test of resilience as the raging pandemic continued to wreak havoc in people's lives across countries and economies. It's been a year like no other and the way our people have responded, and what they have achieved, has been nothing short of inspirational. I was confident we would manage to stay on top of the crisis, being a resilient organisation. The confidence was fully vindicated as all our colleagues across our facilities came together in the most inspiring ways to ensure that we continue to serve our customers and grow our business. Our results this year shows how we have built a committed, resilient and agile business, with a purpose that permeates across the organisation and a strategy that is delivering consistent growth.

Macro-economic scenario

A year of unprecedented challenges and uncertainties, FY21 proved to be a difficult year most of the business entities across industries. The Covid-19 pandemic disrupted the way of life, businesses, and the overall economic scenario across the globe. It had put governments under pressure to act with agility and stem

the spread of the virus. Every country had their set of problems and adopted strict containment measures, including nationwide lockdown. Output in the US contracted 3.4% and that in Euro area by 7.2% in 2021.

An already weak Indian economy saw GDP declining by 24.4%, a multiple decade low, in the first quarter of the financial year under review. However, since the second half of the year, with the steady rollout of the vaccination program, there has been a steady recovery with the economy returning to growth in the fourth quarter and a sharp rebound in all end markets. For FY21, the Indian economy contracted by 7.3%.

After a year of negative performance, the outlook for the global economy remains positive, though renewed outbreaks are posing fresh challenges, especially in India where the second wave has been devastating. The aggressive roll-out of vaccines globally provides some hope that this may be the beginning of the pandemic's end.

The year we passed

Throughout this challenging year, one of our key priorities was the health and safety of our people. I would like to thank each one of them for their continued hard work and dedication during these challenging times. We ended FY21 with a good momentum, as the initiatives undertaken in FY were starting to unfold and the full potential of our businesses began to take hold. However, the impact of the Covid-19 pandemic in March 2020 was both immediate and significant. Within weeks, the Indian government and many other countries across the globe had imposed wide-ranging restrictions, impacting both supply and demand and

causing substantial loss of business and temporary closedown of factories.

Through the extraordinary efforts of the whole UDTL team, the Company has been able to showcase robust and resilient performance to overcome seemingly unsurmountable vagaries and stay on the charted course. During the year, we made good progress on our key strategic initiatives and achieved another year of strong business performance. We will keep our progress aligned with our expectations and also aligned with the government's vision of an 'Aatmanirbhar Bharat' and 'Make in India' Initiatives. As a result, we delivered or exceeded most of our stakeholder objectives. These wouldn't have been an excellent outcome in any other normal year, but against a background of pandemic-driven disruption and turmoil, it was a performance that we are collectively proud of.

During the year we continued to focus on the delivery of our strategies, in particular through reviews of progress on key strategic priorities such as operational excellence, growing our international businesses in focused markets, growing our market share and expanding our offering in India, using technology to innovate our offerings and focusing on value creation with clear actions to protect margins, generate cash and deliver on our targets.

We ended the financial year with an order book of ₹ 80 crore. But considering the current situation where the priorities of the government are more focused on the healthcare sector, the industry at large faced these difficulties. Our overall performance for FY21 reflects the challenging backdrop amidst which

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We ended FY20 with a good momentum, as the initiatives undertaken in FY were starting to unfold and the full potential of our businesses began to take hold.

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We will keep our progress aligned with our expectations and also aligned with the government's vision of an 'Aatmanirbhar Bharat' and 'Make in India' initiatives.

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we operated. Also, our international businesses got impacted due to local lockdown in some of the key geographies where we operate.

Low-capacity utilization and the subsequent operating deleverage adversely impacted profitability parameters. EBITDA and PAT were ₹42.69 crore and ₹32.70 crore respectively in FY21.

Even in this pandemic with the efforts of our team we remained strong with sufficient liquidity to tide over tough times. Our cash position as on March 31, 2021 was ₹5.66 crore as compared to ₹10.69 crore as on March 31, 2020. Being a debt free company proved to be a great advantage during these difficult times and gave us the flexibility to invest in different organic growth initiatives.

Road ahead

Under the current circumstances, taking a longer-term view – with our current order book, I believe we have strong visibility, and we remain well-positioned in key growth areas to support customers' evolving priorities. We continue to increase our technology investment, expanding the areas in which we can provide effective customer solutions. Although the immediate future appears uncertain owing to the upcoming covid waves, India is poised to remain steadfast on its growth path over the medium term, driven by the mammoth effort on the part of the government to vaccinate the entire population and normalize the business activities.

Given the uncertainty faced by businesses across India and the globe, going forward, our primary focus is centred around enhancing our relevance to our clients



and control the factors which are under our control. For this, we would continue to innovate with our product offerings, strengthen our technology quotient, accelerate growth, undertaking strategic acquisition and grow our presence in newer markets such as Southeast Asia and Africa, while preparing ourselves to capitalize on the first green shoots of recovery. Rising oil prices has raised hopes for the global oil major that the global oil industry is expecting a rebound soon and thus expecting to soon renew their growth-oriented investments.

FY21 was dominated by the impact of the global pandemic as we worked closely with our customers to overcome the unprecedented challenges that arose. Nonetheless, the way we have showcased resilience so far underscores the strong

fundamentals of our business. We are making continual progress in fine-tuning our new ways of operating, within the new constraints of social distancing and protection of our staff, to drive improving profitability. With the measures undertaken to strengthen our capabilities and accelerate growth, and the innovation and dedication of our people are likely to enable us to approach the year ahead with confidence.

Warm regards

sd/-

Pramod Kumar Gupta

Chairman and Managing Director

United Drilling Tools Limited

MANAGING COVID

Resilient in the face of uncertainty



Covid-19 represents an unprecedented challenge across the globe. Our ability to respond to the challenge was fostered through an approach of proactive monitoring and implementing proportional measures as the crisis evolved. As such we have been able to protect and safeguard our people and maintain operations in support of our customers

Safeguarding health, safety and wellbeing

Our first priority throughout this crisis has been the health, safety and wellbeing of our people, their families, our customers and the communities in which we operate. From the outset we adopted an agile approach which balanced risk mitigation with business continuity and which was based on the latest government recommendations and guidelines.

We have continued to monitor the situation closely, responding to the crisis as it has evolved, providing our people with timely guidance and support to maintain their wellbeing and ensuring that we take appropriate action as required.

The response of our people has been outstanding. They have risen to the challenge, adapting their behaviour and working practices in order to minimise the spread of the virus, whilst continuing to focus on the needs of our customers.

Maintaining operations and business continuity

As a company we recognise our essential contribution to the one of the key sectors of the economy across the globe specially the oil dependant ones.

Our business continuity plans were therefore enacted across our manufacturing units and, where necessary, we adapted our working practices and environments to minimise the risk of spreading the virus. This included the implementation of social distancing and home working, and, where this was not possible, the use of enhanced PPE to further minimise any potential risk. Further, we channelised our effort towards ensuring the continuity of our supply chain and manufacturing production in support of our customers. Our manufacturing businesses have worked closely with their customer representatives to deliver the orders within the committed timelines.

Going beyond boundaries.

TO BUILD MOMENTUM.

UDTL's story is not merely one that is unfolding within the confines of the Company's manufacturing facilities. It is unfolding within the strategic intent undertaken by the Company.



At UDTL, even as we generated a sizable quantum of our revenues from our domestic business, our focus has been to grow our international presence.

Thus, we have meticulously planned our operations, focused our R&D efforts, curated our product pipeline, enhanced our manufacturing standards and processes, build our intellectual capabilities and adopted technologies taking into consideration the global market opportunities.

At UDTL, we adopted a country-specific and product-specific business strategy. This approach to focus on select countries and market the portfolio in accordance with the market needs there, has helped us run a sustainable and profitable business.

But most importantly, our growing global presence has given us the respect and recognition within our industry space – which many dream of.

Our growth across the international markets is largely being driven by our strategy to meaningfully participate only in those product opportunities that offer favourable pricing while being a marginal player in the low value products.

We invested in manufacturing infrastructure to expand our portfolio from one product line to four product lines today, thereby emerging as a solutions provider rather just being an equipment manufacturer.

We focused our strategy on regularly launching high-potential and high margin products to make the most of the existing and emerging opportunities.



16+ countries

Product presence



How this strategy has translated into favourable business outcome for UDTL?

We ventured in the overseas market in 1996 and since then we have consistently grown our overseas presence.

Today, we have product presence in more than 16 countries.

We are registered with some of the globally renowned oilfield services companies such as Focus Energy, Quippo Oil & Gas, Baker Hughes, Halliburton, Schlumberger, Superior Energy, Qatar Petroleum, and HOEC.


We have started bidding for tailor-made tenders, a capability prevalent amongst some of the few global players, with global giants in the oil and gas sector.

Business Strategy for Tomorrow

Objective

UDTL aims to emerge as the India's leading player, known for providing products with the most reliable designs and at competitive prices, in the global oil field drilling tools and equipment industry.

	Strategic intent	Strategies	Progress
Market leadership 	<p>Emerge as a successful and respected manufacturer and seller of oil drilling, production and exploration tools and equipment matching the globally accepted API standards.</p>	<ul style="list-style-type: none"> • Improve top-of-the-mind recall through by developing quality products at competitive prices • Focus on building long-term relationships with corporates by emerging as a solutions provider • Regularly introduce innovative products through dedicated research initiatives • Continue to build our domestic manufacturing capabilities, thereby supporting the government in its 'Atmanirbhar Bharat/Make in India' initiatives 	<ul style="list-style-type: none"> • Pioneered the introduction of new manufacturing technologies in India which resulted in stringent product quality and enhanced the acceptance of UDTL's manufactured products in India and abroad • Emerged as India's largest drilling tools and equipment manufacturer, enjoying multi-decadal market leadership
Cost leadership 	<p>Appeal to growing cost-conscious clients by offering products at a better price-to-value ratio (price compared with what customers receive)</p>	<ul style="list-style-type: none"> • Operate at a lower cost than competitors through regular technological upgradation • Achieve high asset turnover by improving production to achieve higher economies of scale • Optimize manufacturing costs by using standard components, reducing overheads, controlling production costs and improving capacity utilization • Reduce logistics cost by buying raw materials in bulk, adopted efficient vendor management to ensure steady supply of raw-material at reasonable cost, efficient and integrated supply chain management and introduce the need-based purchase system 	<ul style="list-style-type: none"> • Adopted different technologies such as machine-shop-with CNC, special purpose lathes, milling machines, drilling machines, cylindrical grinders, assembly and fabrication shop for manufacturing low-cost and high-quality drilling tools • Products developed by UDTL are priced at least 15 to 20% lower compared to peers
Expand reach 	<p>Facilitate the availability of the Company's products domestically and internationally</p>	<ul style="list-style-type: none"> • Increase penetration in the domestic market by expanding product portfolio and by reaching out to customers via new communication channels • Enhance our agent count and manage logistics efficiently in the key markets to ensure timely product availability • Improve our presence in foreign markets by exporting quality products that are benchmarked with the best. 	<ul style="list-style-type: none"> • Increased exports, resulting in a widened international presence in more than 16 countries • Enhanced international presence by regularly tying up with new agents and by setting up satellite offices in the key international markets • Increased our registrations in the international markets

	Strategic intent	Strategies	Progress
Research and development 	<p>Make our products more efficient and enhance product portfolio vertically with the introduction of new sub-products across the four key product lines</p>	<ul style="list-style-type: none"> • Focus on developing efficient and innovative tools and equipment which finds application in oil industry • To remain invested in the research and development of new products and value-added products to ensure long-term growth and enhanced profitability • Focus on developing cost-effective, customer friendly and high precision products 	<ul style="list-style-type: none"> • Has developed expertise through the adoption of technologies to manufacture products with a precision of 1/1000th of an inch • Through dedicated R&D developed new products such as UDT Lynx, Connector, Side Pocket Mandrel and Wireline GLV • Transformed itself as a research-led solutions provider
Quality 	<p>Manufacture high quality products and create industry benchmarks</p>	<ul style="list-style-type: none"> • Enhance product quality with the implementation of different quality enhancing initiatives and by having a dedicated quality management team • Enhance and upgrade manufacturing practices to improve product efficiency and emerge an environment friendly manufacturer • Establish trust and respect for our products and for the Company by leveraging our brand equity 	<ul style="list-style-type: none"> • Received certifications such as ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certifying the quality of our products • Further our products are API quality certified matching the international standards
Customer focused 	<p>Appeal to discerning customers by offering them world-class and quality products with competitive pricing</p>	<ul style="list-style-type: none"> • Offer products that exceed customer expectations by advancing our core competencies • Diversify into new geographies to cater to global customers • Innovate new products through continuous research on the basis of feedback received from agents and customers 	<ul style="list-style-type: none"> • Enhanced our product portfolio from one product line to four product lines in 2020 with 20 sub products • Ended FY21 with an order book of ₹80 crore
Operational excellence 	<p>Manage productivity consistently, leading to optimal use of time, assets and energy</p>	<ul style="list-style-type: none"> • De-bottleneck our production capacity to enhance output and improve average plant capacity utilization • Continuously work to enhance our operational productivity to achieve one of the most competitive manufacturing costs within the industry • Invest in improving production capacities to achieve economies of scale and strengthen our manufacturing competitiveness through regular technological upgradation and new technological adoption 	<ul style="list-style-type: none"> • Installed automatic machines to reduce human error and enhance product quality • Customized products as per customer requirements and reduced dependence on outsourced finished components • Emerged as one-stop shop for one's drilling tool and equipment requirement

What makes UDTL an interesting investment proposition?

We have a track record of creating value for our stakeholders. By focusing on our strategic priorities and leveraging our core strengths of market leadership and economies-of-scale, we can build upon our success.

Our investment proposition

We seek to create sustainable value for our stakeholders, by delivering consistently strong growth and returns and a positive impact. We set ourselves challenging targets, and aspire to cross the ₹500 crore turnover mark by 2026, while maintaining a conservative capital structure, delivering high returns and emerging a debt free company.



High growth and returns

We deliver high growth and return. Over the past five years, organic revenue growth has averaged 15.84% and growth in adjusted earnings per share has averaged 16.68%. Return on sales has averaged 24.05% and Return on capital employed (ROCE) has averaged 20.62% over the same time period.



Unique and diversified business model

Our business is uniquely positioned in one of the focused industries across the globe: oil and oil drilling. We have a broad and diversified product portfolio, growing proportion of high-margin products and a growing international presence, that are expected to help grow our business in the years ahead.



Strong market position

We are India's leading manufacturer of high-quality tools and equipment, with a three-decade old heritage, used in the upstream oil and gas exploration industry. Backed by a deep resident capacity of handling significantly large volumes of orders and deliver high quality products in the shortest possible time, we command a 70% market share in the domestic market and has been steadily growing our share in the international markets.



Commitment to quality

Quality is embedded in our people, our relationships and our thinking. Our excellent track record of regulatory compliance and product certifications has made us the partner of choice for our clients.



Strong cash generation and leverage

Our business is strongly cash generative. Cash profit has grown at an average of 56.83% over the past five years. We have constantly repaid our borrowing and has been successful in emerging a debt-free company, this has allowed us to allow us be flexible for streamlining our investments and grow organically.



Agile portfolio management

We managed to evolve our offerings in such a way that we have been able to sustain strong growth and returns over the long term, aligned with our purpose. We foray into new sub-product segments to accelerate penetration of more attractive market niches and we merged segments when market characteristics change.

Our resilient business model

Our diversified business model allowed us to respond to the opportunities and risks we face, while delivering value for our stakeholders. At UDTL, our business model focuses on creating sustainable future for our different stake holders and to grow together.

Inputs



Financial Capital

Total capital employed: ₹199.52 crore
Capex: ₹25 crore
Investment in sourcing, R&D, manufacturing facilities, and technological advancement, enables us to expand our product portfolio, technical capabilities and improve operational efficiency.



Manufacturing capital

Number of manufacturing units: 3
Material cost: ₹97.16 crore
Manufacturing cost: ₹4.08 crore
A strong manufacturing capability would enable us to cater to a wide range of clients within oil industry.



Intellectual capital

R&D spending: ₹0.78 crore
R&D spend as a % of revenue: 0.53%
A strong R&D capability enables us develop new and updated products meeting the changing requirements of our clients.



Human capital

Employee strength: Around 350 Employees
Employee expense: ₹13.13 crore
Having a highly skilled and effective workforce enables us to create a positive culture and helps the Company to capitalise on the opportunities.



Social and relationship capital

CSR spending: ₹25.52 crore
Taking care of the communities where we operate ensures our sustainability.



Natural capital

Energy cost: ₹0.70 crore
Reduction in energy cost in FY20 (compared to FY20): 22.86%
Ensuring a sustainable usage of natural resources helps us reduce our environmental footprint.

Sources that enabled us to create value

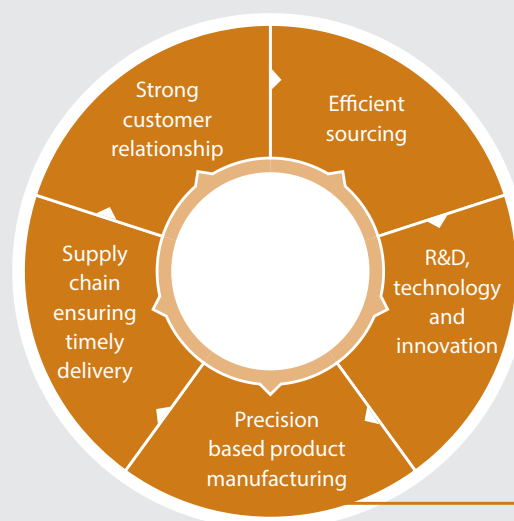
Strong manufacturing capabilities with high precision level and economies-of-scale across the four product lines

Deep culture of innovation for technology and R&D focus to introduce new product lines and enhance efficiency

Longstanding and nurtured relationships with clients to build a sustainable portfolio

Technical know-how of people helped maintain quality of products

Our value creation model



A balanced portfolio

- Casing Pipe with Connectors
- Wireline Winches
- Gas Lift Equipment
- Stabilizer

The value we created

Customer benefit

We provide our customers across our markets with high-quality drilling tools and equipment at competitive price.

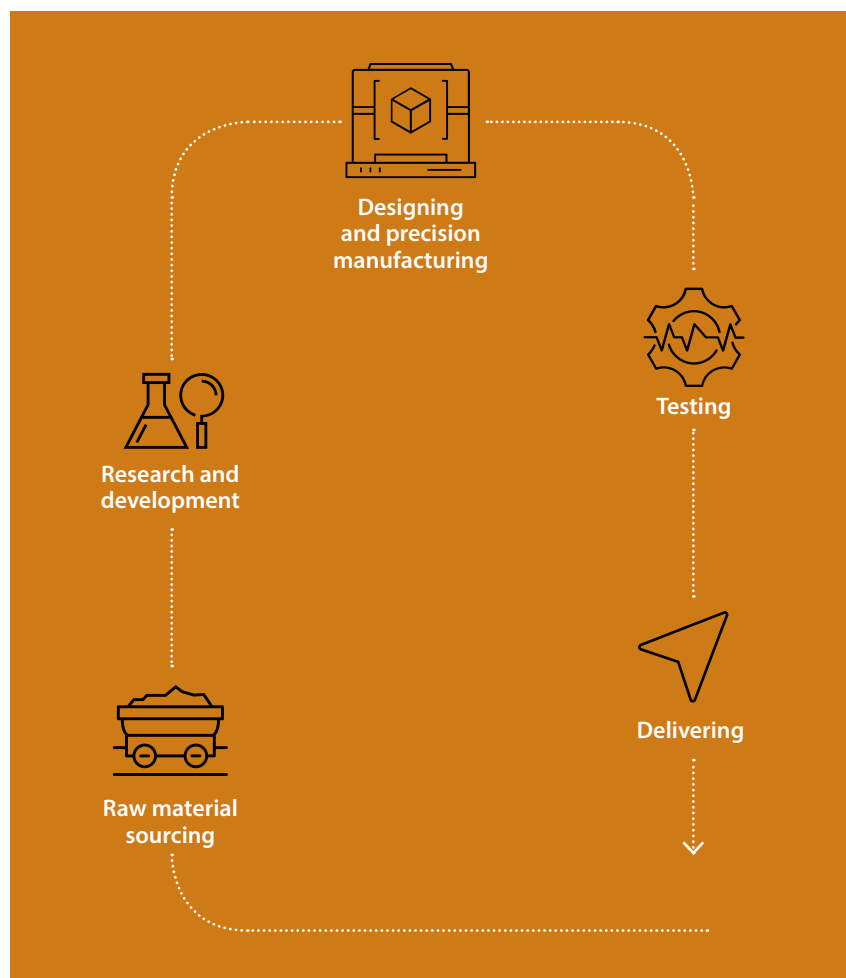
4+

Products sold under the umbrella of UDTL

Employee engagement

By focusing on the engagement and development of our people, we provide long and rewarding careers for our talented and diverse workforce consisting of Engineers, Quality engineers, R&D engineers, Commercial and Human Resource personnel

Key activities undertaken



Outputs

Key products

Wireline Winch

UDT Slimsplit | UDT Flyline | UDT Surveyline | UDT Truckline | UDT Landline | Wireline Accessories

Artificial Gas Lift Equipment

Wireline Retrievable Gas Lift Valves | Orifice Valves | Side Pocket Mandrels | Dummy & Equalizing Valves | Latches | Standing Valves & Seating Nipples | Running & Pulling Tools | Conventional Casing pressure Operated Gas Lift Valves | Conventional Tubing pressure Operated Gas lift Valves | Conventional Check Valves Conventional Gas Lift Mandrels

Down Hole Tools

Interchangeable Sleeve Stabilizer | Integral Blade Stabilizer | Rotary Reamers Subs | Lifting Subs & Plugs

High Performance Connectors

Leopard | Swift | Lynx | Puma

Shareholder returns

We have a long history of creating value for our shareholders.

Regular dividend payment to shareholders in the last five years.

Helping local communities

We ensured our sustainability by doing business in the right way and by taking care of these communities during the difficult times, sharing what we do best and playing our part to build resilient and sustainable communities.

Our areas of intervention in the local communities

Promotion of Healthcare | Senior citizen care | Promoting education | Eradicating poverty | Setting up Home Care Centres for Orphan and Blind

Through implementing agencies like "Swami Vivekanand Medical Mission, "Earth Saviours, SHEOWS, Sadhu Savitri, Rajkiya Akshata etc

Business segment review

The Company manufactures these tools and equipment under four major product groups.

Product portfolio



Casing Pipe with
Connector



Wireline
Winches



Gas Lift
Equipment



Stabilizer

SEGMENT I

Casing Pipe with connectors



Product function

During drilling of oil and gas wells, steel pipes are set in inside the drilled well. This is called Casing and it helps protect and support the well stream. Generally, casings are fabricated in sections, or joints, that are usually ~40 feet long and screwed together to form longer lengths of casing. One joint connected with other with the help of casing elevators. These elevators help grip a stand of casing, tubing, or drill pipe, so that the stand can be raised from or lowered into the hole.

Product benefit

Prevents the wall of the well from caving in.

SEGMENT II

Wireline Winches



Product function

DSelf-contained and tough enough for the most oilfields, wireline winch is widely applied across the oil and gas industry for various purposes including well intervention and reservoir evaluation. Equipped with line speed, depth and tension measurement system in addition to fast jarring action of the reel unit which can insert and retrieve the flow control devices from the side pocket mandrel at any depth in the oil well with high accuracy.

UTDL manufactures four different types of wireline winches Slim-split, Flyline, Truckline and Landline.

Product benefit

Prevents the wall of the well from caving in.

SEGMENT III

Gas Lift Equipment

**Product function**

Generally fitted on a mandrel (conventional or side pocket) that is installed in the production tubing, gas lifting equipment aid in lifting gas utilising artificial method. Gas lift equipment are installed as a part of tubing string. Gas lift equipment's consists of gas lift mandrels and flow control devices. It also includes conventional mandrels and side pocket mandrels whereas flow control devices include gas lift valve, orifice valve and dummy valves.

Product benefit

Gas lift vales are used in artificial lifting of oil when the natural pressure of the gas pushing the oil up on the surface is less. Utilising this artificial method, whereby a pressurized gas, produced by a nearby well, is injected continuously or intermittently into the production tubing to lift the fluids.

SEGMENT IV

Stabilizer

**Product function and utility**

Stabilizer is one of the components of drill string elements which is generally placed near bit or at the top of the drill string. In the drill string assembly, the drill bit is lowest component which is used to drill the well hole. Stabilizer's function is to smoothen the hole made by drill bit.

UDT offers two types of stabilizers namely integral blade stabilizer and replaceable sleeve stabilizer with different hard facing options to suit different drilling conditions and surfaces.

Product benefit

Stabilizers helps maintain drilling trajectory whether drilling straight, horizontal, or directional wells.

Corporate Information

Board of Directors

1. Mr. Pramod Kumar Gupta DIN: 00619482	Chairman and Managing Director
2. Mr. Kanal Gupta DIN: 01050505	Whole Time Director
3. Mr. Krishan Diyal Aggarwal DIN: 00861164	Non-Executive Independent Director
4. Mr. Pandian Kalyanasundaram DIN: 02568099	Non-Executive Independent Director
5. Mr. Inderpal Sharma DIN: 07649251	Whole Time Director
6. Mrs. Preet Verma DIN: 09124335	Non-Executive Independent Director (Appointed w.e.f 25.06.2021)
7. Mr. Ved Prakash Mahawar DIN: 07208090	Non-Executive Independent Director (Appointed w.e.f 25.06.2021)

Chief Financial Officer

Mr. Arun Kumar Thakur
(Resigned on 17.06.2021)
Mr. Mukesh Mehta
(Appointed w.e.f 25.06.2021)

Company Secretary

Mr. Pramod Kumar Ojha
(Expired on 29.04.2021)
Mr. Tarun Chhabra
(Appointed w.e.f. 24.07.2021)

Committees of Board as on 31st March, 2021

Audit Committee

1. Mr. Pandian Kalyanasundaram	Chairman
2. Mr. Krishan Diyal Aggarwal	Member
3. Ms. Twinkle Singh	Member

Nomination and Remuneration Committee

1. Mr. Krishan Diyal Aggarwal	Chairman
2. Mr. Pandian Kalyanasundaram	Member
3. Ms. Twinkle Singh	Member

Stakeholders Relationship Committee

1. Mr. Pandian Kalyanasundaram	Chairman
2. Mr. Krishan Diyal Aggarwal	Member
3. Mr. Kanal Gupta	Member

Corporate Social Responsibility Committee

1. Mr. Krishan Diyal Aggarwal	Chairman
2. Mr. Pandian Kalyanasundaram	Member
3. Mr. Pramod Kumar Gupta	Member

Auditors

Statutory Auditors

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

Internal Auditors

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

Registered Office

United Drilling Tools Limited
139A, First Floor, Antriksh Bhawan,
22 Kasturba Gandhi Marg, New Delhi-110001 IN
Tel. No. 011-43046254

Head Office

United Drilling Tools Limited
A-22, Phase-II, Noida, Distt. Gautam Budh Nagar, Uttar
Pradesh - 201305, Tel. No. 0120-4842400

Manufacturing Units

1. C-41, Sector -81, Noida Distt. Gautam Budh Nagar, Uttar Pradesh - 201305
2. Plot No. 523, New Area, KSEZ, Gandhidham, Kutch- 370230
3. Plot No. 129G/25-26, NSEZ, Noida, Uttar Pradesh - 201305

Registrar and Share Transfer Agent

Alankit Assignments Limited, 4E/2, Alankit Heights,
Jhandewalan Extension, New Delhi-110055
Tel. No. 011-42541956

Company Details

Website: WWW.UDTLTD.COM

Investor E-mail: COMPSECT@UDTLTD.COM

CIN: L29199DL1985PLC015796

Financial Year: 1st April to 31st March

Listing Of Equity Shares

BSE Limited

P J Tower, Dalal Street,
Mumbai - 400001 MH

Scrip Code: 522014

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G, Bandra
Kurla Complex, Mumbai 400051 MH

Symbol : UNIDT

Banker

1. Indian Bank (formerly Allahabad Bank)
2. Axis Bank

39th Annual General Meeting

Tuesday, 28th day of September, 2021 at 11.30 AM,
AGM through Video Conferencing / Other Audio
Visual Means (VC/OAVM) facility.

Deemed Venue for meeting: Registered office
of the Company

Notice

NOTICE is hereby given that the 39th Annual General Meeting of members of United Drilling Tools Limited ('the company') will be held on Tuesday the 28th day of September, 2021 at 11:30 AM (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the Following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the reports of Board of Directors and Auditor's thereon;

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution**.

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2021 and the report of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Kanal Gupta, having DIN: 01050505, who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution**.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kanal Gupta (DIN: 01050505), who retire by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby appointed as a Director of the Company."

3. To approve Final Dividend of ₹0.60 paisa per equity share at the AGM of Company and confirm the payment of two Interim dividend i.e. ₹0.60 paisa per equity share declared on August 25, 2020 and ₹0.90 paisa per equity share declared on February 13, 2021 for the Financial Year ended March 31, 2021. The total dividend aggregates to ₹2.10/- per Equity Share out of the surplus in the profit and loss account of the Financial Year ended March 31, 2021.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution**.

"RESOLVED THAT Final Dividend of ₹0.60 paisa per Equity Share and interim dividends paid by the Company to its members, aggregating to ₹2.10/- per equity share of ₹10/- each fully paid up of the Company, as recommended by the

Board of Directors for the FY ended March 31, 2021 be and are hereby approved and confirmed and the same was paid/ to be paid out of the profits of the Company for the said Financial Year."

SPECIAL BUSINESS:

4. To Confirm appointment of Mrs. Preet Verma as Non-Executive Independent Women Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

"RESOLVED THAT Mrs. Preet Verma (DIN: 09124335), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 25, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act"), and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and any other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the Members be and is hereby accorded, to appoint Mrs. Preet Verma DIN 09124335 as an Non-Executive & Independent Woman Director on the Board of the Company w.e.f. 39th Annual General Meeting of the Company to hold office for a term upto 5 (Five) consecutive years from 25.06.2021 to 24.06.2026.

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

5. To Confirm appointment of Mr. Ved Prakash Mahawar as Non-Executive Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

“RESOLVED THAT Mr. Ved Prakash Mahawar (DIN 07208090), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 25, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”), and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, and any other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the Members be and is hereby accorded, to appoint Mr. Ved Prakash Mahawar (DIN 07208090) as an Non-Executive & Independent Director on the Board of the Company w.e.f. 39th Annual General Meeting of the Company to hold office for a term upto 5 (Five) consecutive years from 25.06.2021 to 24.06.2026.

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

6. To amend The Articles of Association of the Company by insertion of New Sub-Clause 64A after existing Clause 64 under the Heading Board of Directors .

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

“RESOLVED THAT pursuant to the provision of section 14 of the Companies Act, 2013, (the “Act”) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof) and subject to all necessary approvals, consents, permissions and / or sanctions as may be required and which may be agreed by the Board of Directors of the Company, the consent of the shareholders of the Company be and is hereby accorded to insert/include the following sub-clause 64A after clause 64 of Articles of Association of the Company:-

64A

Subject to the provisions of Section 152 of the Companies Act 2013, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation but (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other Directors and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any clause.

For and on behalf of the Board
United Drilling Tools Limited

Sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30.08.2021
Place: Noida

Notes

- (i) In view of Covid-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos.02/2021, 14/2020, 17/2020 and 20/2020 dated January 13, 2021, April 8, 2020, April 13, 2020 and May 5, 2020, respectively (collectively referred to as 'MCA Circulars') issued by the Ministry of Corporate Affairs ('MCA') and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated Jan 15, 2021 issued by the Securities and Exchange Board of India ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and SEBI Circular, the AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
- (ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- (iv) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- (v) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.udtltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- (vi) An Explanatory Statement, pursuant to Section 102(1) of the Act, relating to special business of the accompanying Notice are annexed hereto. A statement providing additional details of the Directors along with their brief profile who are seeking appointment as Independent Directors as set out at Item Nos. 4 and 5 of the Notice dated August 30, 2021 are annexed herewith as per Regulation 36 of the Listing Regulations, as amended and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
- (vii) Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and SEBI Circular. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (viii) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote E-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to balrajsharmafcs@gmail.com with a copy marked to compsect@udtltd.com and helpdesk.evoting@cdslindia.com.
- (ix) The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off-date Tuesday, September 21, 2021.
- (x) Pursuant to section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 read with the relevant circular and amendments thereto ('IEPF Rules') the amount of Dividend which remaining unpaid or unclaimed for a period of seven years shall be transferred by the Company to the Investor Education and Protection Fund, constituted by the Central Government. Members who have not encashed their dividend warrants so far in respect of the aforesaid periods, are requested to make their claims to the Company Secretary of the Company, at the Company's Head Office, well in advance of the due dates. Pursuant to the provisions of IEPF Authority, IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company

has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 on the website of the Company at www.udtltd.com and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

- (xi) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- (xii) As per the provision of Section 72 of the Act, facility for making nomination(s) is now available to Individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's website at www.udtltd.com. Members holding shares in demat mode should file their nomination with their Depository Participants ('DPs') for availing this facility.
- (xiii) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form, Members can contact the Company for assistance in this regard.
- (xiv) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nominations, Power of Attorney, Change of address, Change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents (RTA), to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited, 4E/2 Alankit Heights, Jhandewalan Extension, New Delhi - 110055 (RTA).
- (xv) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- (xvi) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- (xvii) Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statements are requested to write to the Company through email on compsect@udtltd.com. The same will be replied by the Company suitably.
- (xviii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN, Bank Details and present address proof to the Company / Alankit Assignments Limited (RTA). Further they are requested to make its holding in demat form as earlier because trading of shares in physical form is restricted by the SEBI.
- (xix) In terms of Section 152 of the Companies Act, 2013, Mr. Kanak Gupta having DIN: 01050505, Director, liable to retire by rotation at the meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company recommends such re-appointment. Brief resume of Director including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships/ Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
- (xx) M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi has been appointed as scrutinizer for e-voting process as well as voting during the Annual General Meeting.
- (xxi) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 21, 2021 to Tuesday, September 28, 2021, both days inclusive for annual closing.
- (xxii) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- (xxiii) The Company has fixed Tuesday, September 21, 2021 as the record date for determining entitlement of members to final dividend for the FY ended March 31, 2021, if approved at the AGM. If the final Dividend, as recommended by the Board, is approved at the AGM, payment of such dividend subject to deduction of Tax at source will be made on October 14, 2021 as under:- (i) To all Beneficial Owners in respect of shares held in de-mat form as per data as may be made available by the NSDL & CDSL collectively as Depositories as of end of day on

September 21, 2021; (ii) To all members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company/RTA as of the close of business hours on September 20, 2021.

(xxiv) Pursuant to finance Act, 2020, dividend income is taxable in the hand of shareholders w.e.f April 1, 2020 and the

Company is required to deduct tax at source from dividend paid to the shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the finance act, 2020 and the amendments thereof. The Shareholders are requested to update their PAN with the DP (if shares are held in electronic form) and Company/RTA (if

Explanatory Statement

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

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 ('the Act'), set out all the material facts relating to the business proposed to be transacted under Item No. 04 to Item No. 06 of the accompanying Notice dated August 30, 2021.

Item No. 04 & 5

The Board of Directors of the Company at their Meeting held on June 25, 2021 on the recommendations of the Nomination and Remuneration Committee had approved the appointments of Mrs. Preet Verma (DIN: 09124335) and Mr. Ved Prakash Mahawar (DIN: 07208090) as Additional Director and Independent Directors, not liable to retire by rotation, for a first term of five years i.e; from June 25, 2021 to June 24, 2026, subject to the approval of members of the Company.

Pursuant to the provisions of Section 161(1) of the Act, each of these Directors shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors. The Company has received declarations from Mrs. Preet Verma & Mr. Ved Prakash Mahawar to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company.

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

Mrs. Preet Verma is a Retd. Civil Servant. She has got the experience of working with Government of India in Audit and Accounts Services. She has also worked with United Nations and Tech Mahindra Foundation. Mrs. Preet Verma is a Master

of Philosophy in International Studies. Her expertise is likely to benefit the Company at large.

Mr. Ved Prakash Mahawar has got more than 39 years of vast experience of working in Oil and Energy Sector. Mr. Mahawar has worked with Government of India in several projects and had been associated as Chairman of IIM Rohtak. He has worked with corporates like ONGC, Vedanta, Cairn Oil and Gas etc with National and International Projects in his name. Mr. Ved Prakash Mahawar is a Mechanical Engineer holding BE (Mech) Degree. His expertise is likely to benefit the Company at large.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointments of Mrs. Preet Verma and Mr. Ved Prakash Mahawar as Independent Directors are now being placed before the Members for their approval.

The Board recommends the Resolutions at Item Nos. 4 and 5 of this Notice for approval of the Members.

Mrs. Preet Verma and Mr. Ved Prakash Mahawar and their respective relatives, are concerned or interested, in the Resolutions relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 4 and 5 of the Notice.

Item No. 06

The Existing Articles of Association of the Company needs an amendment as per the provisions of Section 14 of the Companies Act 2013. There is a requirement of inserting a new clause to the existing clause 64 with respect to the functioning of Board of Directors of the Company in compliance with Companies Act 2013. In lieu of the above, the approval of shareholders of the Company is required to insert sub-clause 64A by passing the resolution as Special Resolution.

Mr. Pramod Kumar Gupta and Mr. Kanak Gupta and their respective relatives, are concerned or interested, in the Resolutions relating amendment in Articles of Association of the Company. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 6 of the Notice.

Additional Information of Directors being appointed/re-appointed as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in order of the items mentioned in the Notice

Name of Director – Mr. Kanal Gupta (DIN: 01050505)

1.	Reason for Change	Re-appointed due to retire by rotation
2.	Date of Birth	27-10-1982
4.	Brief Profile	Mr. Kanal Gupta, Executive Director / Whole Time Director of the Company is a MBA in Finance and International Marketing having vast experience in the Field of petroleum product such as manufacturing of oil and gas equipment.
5.	Disclosure of Relationship	Son of Mr. Pramod Kumar Gupta, Managing Director of the Company
6.	Directorship/Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	2900

Name of Director – Mrs. Preet Verma (DIN: 09124335)

1.	Reason for Change	Appointed as Independent Woman Director
2.	Date of Birth	07th December, 1957
4.	Brief Profile	Mrs. Preet Verma, Independent Director of the Company is a Master of Philosophy in International Studies from JNU, Master of Arts in International Relations, from JNU, Bachelor of Arts (Honours) in Political Science, from Delhi University. Mrs. Preet Verma is having vast experience with the Indian Audit and Accounts Services, as principal Director of Audit, Office of the CAG of India, The United nations and as COO. of Tech Mahindra Foundation.
5.	Disclosure of Relationship	Nil
6.	Directorship/Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	Nil

Name of Director – Mr. Ved Prakash Mahawar (DIN: 07208090)

1.	Reason for Change	Appointed as Independent Director
2.	Date of Birth	08th February, 1958
4.	Brief Profile	Mr. Ved Prakash Mahawar, Independent Director of the Company is a Mechanical Engineer holding BE (Mech) Degree from Ravishankar University, Raipur, Executive management program from ISB Hyderabad. Mr. Mahawar is having 39 years of vast experience in the Field of petroleum product such as manufacturing of oil and gas equipment and its use in the field.
5.	Disclosure of Relationship	Nil
6.	Directorship/Membership in other Public Company	Nil
7.	No. of Shares Held in UDTL	Nil

For and on behalf of the Board
United Drilling Tools Limited

Sd/-
Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30.08.2021
Place: Noida

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.udtlttd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Saturday, September 25, 2021 at 10:00 AM and ends on Monday, September 27, 2021 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only

facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA

	For Shareholders holding shares in Demat Form other than individual and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on

"Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; balrajsharmafcs@gmail.com and compsect@udtltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compsect@udtltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compsect@udtltd.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

Board's Report

To The Members

Yours Directors have pleasure in presenting the 39th Annual Report together with the Annual Audited Financial Statements of United Drilling Tools Limited (UDTL) for the year ended March 31, 2021.

1. CORPORATE OVERVIEW

The Company was incorporated in 1985 and has thereafter transformed to being one of the leading manufacturers of high-quality drilling products used in the upstream oil and gas exploration. A growing player in the international space, the Company got listed on BSE Limited since 1986 and now also listed on National Stock Exchange of India Limited w.e.f 25th September, 2020, has its corporate headquarters at Noida.

(₹ in Lacs)

Financial Performance	Current Year ended 31 st March, 2021	Previous year ended 31 st March, 2020
Gross Turnover and other receipts	14,650.05	11,466.90
Less Total expenses	10,736.09	6,191.48
Profit/(Loss) before Interest and Depreciation	4269.04	5,595.72
Less: Interest	87.54	50.61
Profit/(Loss) Before Depreciation	4181.50	5,545.11
Less: Depreciation	267.54	269.69
Profit/(Loss) Before Tax	3,913.96	5,275.42
Less: Provision for taxation	644.13	753.62
Profit/(Loss) After Tax	3,269.83	4,521.80
Other Comprehensive income	(2.82)	(6.34)
Balance carried to Balance Sheet	3,267.01	4,515.46

2. BUSINESS PERFORMANCE AND FINANCIAL REVIEW

Your company's financial performance for the year in appraisal i.e., FY20-21 was considerably healthier despite being a pandemic year where we have seen very turbulent times in the economies across geographies specifically in the oil and gas sector. We posted a revenue growth of ~27% and closed the year with revenues of ₹146.50 crore as compared to ₹114.66 crore in FY20 owing to higher production efficiencies with a lower turnaround time and strong order book in hand. We have put forth a detailed review of our segmental performance for the financial year ended 31st March 2021 in the Management Discussion and Analysis Report, which forms a part of this Report.

IMPACT OF COVID 19

We had a national lockdown since the beginning of the financial year and this halted our manufacturing activities completely for nearly 45 effective days, this was in compliance with the directives/orders issued by the relevant authorities. Although we had a very dampening first quarter owing to economic disruption where we barely

had 25 effective working days which slightly impacted our financial results for year ended March 31, 2021 and we had some deviations then our expected results. Further to this the Company has made an assessment of the recoverability and carrying values of its assets comprising Property, plant and equipment, inventories, receivables and other current / non-current assets as of 31 March 2021 and on the basis of evaluation, has concluded that no material adjustments were required in the financial results. Your management was proactive to devise and promptly execute restart strategies and prudently take all necessary precautionary measures to commence operations as well as ensure smooth functioning with all the safety and well-being protocols of all its employees and the society, we have already taken the drive to vaccinate all our employees as per their applicable age status. We further commit and assure that the company has been well equipped to mitigate, manage and encounter similar situations arising due to the Covid-19 pandemic which is still prevailing, in the coming times to control any adverse and/or material impact on the Company's financial performance and business activities.

MANUFACTURING

Your Company has dedicated three manufacturing locations which have state of the art equipment's, plant and machinery, each unit/plant has been in full compliance of safety measures considering all natural risks arising out of any incidents and/or accidental mishaps. The Company operates from the following locations as given below:

- 1) United Drilling Tools Ltd., Plot No. C-41, Sec-81, Noida-201 305, Distt- Gautam Buddh Nagar (UP), India.
- 2) United Drilling Tools Ltd. (NSEZ Unit), Plot No. 129G/25-26, 43-44, NSEZ, Dadri Road, Phase II, Noida-201 305, Distt - Gautam Budh Nagar, (UP), India.
- 3) United Drilling Tools Ltd. (KSEZ Unit), Plot No. 523, New Area, Kandla Special Economic Zone, Kandla, Gandhidham Kuch -370230, Gujarat, India.

All these unites are designed and planned very systematically for dedicated production of a wide range of tools and equipment's in each of the broader 5 product segments, we are now enhancing our production efficiencies and capacity utilization to grow our market share in the international markets where we are registered as approved vendors. We are the only one in India and among the few players globally manufacturing some nice products specifically in the connector segment, we have been the preferred vendor's for some large PSU's in India for their upstream exploration activities. We have always been on the forefront for quality aspects as we have highly stringent quality and precision norms to adhere, we have also a research and design team who constantly works on customized solutions for developing new variants as per global standards. The biggest advantage for our company is the cost competitiveness which gives us an upper edge while competing in international markets with quality matching to international standards. Our units/plants located at SEZ, Noida and KSEZ, Kandla are strategically located in close proximity to ports, rail and road network which helps us in attaining cost savings in a significant manner. "United Drilling Tools Limited is among one the world's leading manufacturers of Oilfield Equipment such as Truck Mounted and Skid Mounted Wireline Winches- Zone-I & Zone- II, Conventional & Wire Line Retrievable Gas Lift Valves, Conventional and Side Pocket Mandrels, Interchangeable Sleeves and Integral Blade Stabilizers and High performance Connectors for large OD Casing Pipes (18.5/8" to 36").e are equipped with the latest equipment and machines such as Machine-shop-with CNC and Special-Purpose Lathes, Milling Machines, Drilling Machines, Cylindrical Grinders, Assembly and Fabrication Shop and elaborate Quality testing department as per international standards to manufacture high precision oilfield equipment."

We have been progressing well on setting up a new manufacturing plant in Gujarat near Mundra Port; this

unit will be very instrumental in manufacturing the most advanced and latest products which have been recently designed and developed, for example packaging pipe with the connector gathering section further extending the current item portfolio. Moreover, it will upgrade UDTL's manufacturing capacity as this unit will be capable of producing highly customized designs which require advanced level of precision engineering and making this a best in class unit.

We at UDTL assure all our fellow shareholders that we are committed to inclusive growth in every aspect of our business activity and we pursue all our endeavors in further taking your company to scale newer heights of sustained growth and success.

3. TRANSFER TO RESERVES

The Company has not transferred any amount to the general reserve during FY 2020-21.

4. DIVIDEND

During the financial year 2020-21, UDTL has paid two **interim dividend aggregating to 15%**, additionally UDTL has proposed a **Final Dividend of @ 6%** considering its stellar performance in FY20-21.

The Total Dividend (interim and final) on equity shares for the financial year 2020-21 would aggregate @ 21% i.e; ₹2.10 per equity shares of ₹10/-each.

5. LISTING

The Company's Equity shares are listed on BSE Ltd formerly known as Bombay Stock Exchange, one of the recognized stock exchange of India. During the year, the company has got its equity shares listed on another leading and recognized stock exchange known as National Stock Exchange of India Limited (NSE). The company has appointed NSDL and CDSL, recognized Depository of India, as depository for keeping equity shares in electronic Form. The company has paid annual fee to all these, SEBI authorized agencies for the financial year 2021-22.

6. SHARE CAPITAL

The Company's paid-up equity share capital continues to stand at 2030.31 lakhs as on March 31, 2021. During the year, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to the Employees or Directors of the Company.

7. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of its subsidiary or subsidiaries and associate company or companies is required to be provided, in such form as may be prescribed.

During the year under review, the Company have no subsidiary or subsidiaries and associate company, therefore, there is no need to consolidate the financial statements of the Company.

8. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

8.1 BOARD OF DIRECTORS

The Board & committees of the company comprises of eminent, experienced and reputed individuals from their respective fields. During the financial year 2020-21, the Board have Six (6) members at beginning of the FY out of which there were three independent non-executive director and three were executive director including Managing Director of the company. At the end of the FY, there were five director(s) on the Board of the Company. During the FY, one of the Independent women director Mrs. Twinkle Singh has resigned from the office of director due to pre-occupation elsewhere w.e.f. 15th March, 2021. Except this, there was no major change in the composition of Board of Director of the company.

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

The composition of the Board of Directors at the end of the FY i.e; 31st March, 2021 are given below:-

1. Mr. Pramod Kumar Gupta	Chairman & Managing Director
2. Mr. Krishan Diyal Aggarwal	Independent Director
3. Mr. Kanul Gupta	Executive Director
4. Mr. Pandian Kalyanasundaram	Independent Director
5. Mr. Inderpal Sharma	Executive Director

8.2 KEY MANAGERIAL PERSONNEL

In terms of the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Pramod Kumar Gupta, MD & Chairman (with effect from February 21, 2020), Mr. Arun Kumar Thakur, Chief Financial Officer ('CFO') (with effect from August 8, 2015) and Mr. Pramod Kumar Ojha, Compliance Officer & Company Secretary (with effect from August 8, 2012) were the Key Managerial Personnel of the Company till March 31, 2021.

8.3 INDEPENDENT DIRECTOR

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, management, strategy, auditing, tax and risk advisory services, banking, insurance and financial services; and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company will registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank.

8.4 Board Effectiveness

a. Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act, and other related regulations. This process inter alia includes providing an overview for the manufacturing of Oil Drilling Tools and allied industries equipment, the Company's business model, the risks and opportunities etc.

b. Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration committee as mandated under the Act and Listing Regulations, as amended from time to time. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

8.5 REMUNERATION POLICY AND CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR LEADERSHIP POSITIONS

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Members appointed at senior level as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and salary) and Key Managerial Personnel.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel and Members of senior level is given in “**Annexure A**” to this Report and is also available at the website of the Company and can be accessed at www.udtltd.com.

The Board of Directors of the Company also formulated and adopted the policy on the Diversity of the Board’ and ‘Succession Policy for Directors’. The details of the same are also available at the website of the Company and can be accessed at www.udtltd.com.

9. MEETINGS

a. Meetings of Board of Directors

Regular Meetings of the Board of Directors were held to discuss and decide on various business policies, strategies, financial matters and other businesses.

During the year, Five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings and various other requirements including Secretarial Standards as issued by the ICSI.

b. Meetings of Independent Directors

During the year under review, the Independent Directors met once on February 13, 2021 without the presence of Non-Independent Directors and members of the Management, inter alia to:

- Review the performance of Non-Independent Directors, the Board as a whole and that of its Committees;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

- Assess the quality, content and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

10. COMMITTEES OF BOARD OF DIRECTORS

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees to assist it in discharging its responsibilities.

The Board has adopted charters setting forth the roles and responsibilities of each of the Committees. The Board has constituted following Committees to deal with matters and monitor activities falling within the respective terms of reference:-

A. Mandatory Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

B. Non-Mandatory Committees

- Risk Management Committee
- Ethics Committee

Detailed composition of the above Committees, their terms of reference, number of meetings held, attendance therein and other related details are provided in the Corporate Governance Report forming part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of its Committees.

The composition of the committees was in conformity with the applicable provision of the Companies Act, 2013 and in pursuance to the requirements of SEBI (LODR) Regulations, 2015.

11. CORPORATE SOCIAL RESPONSIBILITY

The Company has formulated a Corporate Social Responsibility (CSR) Policy to undertake CSR initiatives as specified in Schedule VII of the Companies Act, 2013. The Company has constituted a robust and transparent governance structure to oversee the implementation of CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

The Company’s commitment to create significant and sustainable societal value is manifest in its Corporate Social Responsibility (CSR) initiatives and its sustainability priorities are deeply intertwined with its business imperatives. Over the period of its long existence, the Company has upheld its tradition of community service and tried to reach out to the underprivileged in order to empower their lives and provide holistic development. The Company’s focus areas are concentrated on increasing access to health, education,

environment sustainability, community development and holistic development with a focus on underprivileged people living around its manufacturing units and other establishments. In accordance with Section 135 of the Act, as amended read with Notification issued by the Ministry of Corporate Affairs ('MCA') dated 22nd January, 2021 and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which, along with the required disclosures, is given in 'Annexure-B' of this report in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014., which is annexed hereto and forms a part of the Board's Report.

12. AUDITORS

12.1 STATUTORY AUDITORS

The financial statements of the Company for the financial year 2020-21 have been audited by M/s R S Dani & Co. Accordingly an Audit Report along with audited Financial Statements for the said FY are being placed before the members for their consideration and adoption. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

M/s R S Dani & Co., Chartered Accountants were appointed for the second term of five consecutive years as statutory auditor of the company i.e. till the conclusion of 42nd AGM of the company.

12.2 SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In term of the provision of Section 204 of the Company Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s Balraj Sharma & Associates, Company Secretaries, New Delhi as Secretarial Auditor of the Company for the financial year ended March 31, 2021.

The report of the Secretarial Auditor is attached as **"Annexure-C"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India.

12.3 INTERNAL AUDITORS

Pursuant to the provision of section 138 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, M/s Pankaj Priti & Associates, Chartered Accountants, having vast experience in field of Taxation, Finance and Accounts were appointed as internal auditor of the Company for the financial year 2020-21 to perform the duties, functions and activities as assign by the Board to carried out the internal audit of the Company.

The Internal auditor shall submit the report on quarterly basis to the audit committee of the Company. The Report of Internal Auditors did not contain any qualifications, reservations or adverse remarks.

13. CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance on the conditions of corporate governance is provided in the Report on Corporate Governance, which forms part of the Annual Report as **"Annexure-D"**.

A certificate from M/s R S Dani & Co., Practicing Chartered Accountant, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached, which forms part of the Annual Report.

14. CEO & CFO CERTIFICATION

Pursuant to Regulation 17(8) read with Schedule II Part B of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer of the Company addressed to the Board of Directors, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is provided elsewhere in this Annual Report.

15. BUSINESS RESPONSIBILITY REPORT

In term of Regulation 34(2)(f) of SEBI Listing Regulations, 2015, Business Responsibility Report must be a part of Annual Report for top 100 listed Company. In purview of above regulation, it is not applicable to the company thus such report is not a part of Annual Report, but to the best practices our company has taken initiative to protect Environment, social and good governance perspective as stipulated under this regulations.

16. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism/ Whistle Blower Policy. The purpose of this mechanism is to provide a framework to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and provide adequate safeguards against victimization of the person availing this mechanism.

The Policy is available on Company's website www.udtltd.com which has been appropriately communicated within the organisation and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures at compsect@udtltd.com

and in exceptional cases, directly to the Chairman of Audit Committee.

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **"Annexure E"**.

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report.

18. ANNUAL RETURN

An extract of Annual Return as on the financial year ended 31st March, 2021 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as **"Annexure-F"** to the Directors' Report.

Further, in terms of Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company has been placed on the Company's website and can be accessed at www.udtlttd.com

19. COMPLIANCE WITH SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board and its Committees, which have mandatory application during the year under review.

The Company has also complied with all relevant Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

20. CREDIT RATING

Our continuous efforts are converted into results which are shown in our Financials and also recognised by rating Agency and they had upgraded our rating continuously for the last two years.

- a) Rating improved from BB+ to BBB- in the year 2019.
- b) Rating further improved from BBB- to BBB in the current year 2020.

This reaffirms the reputation and trust, the Company has earned for its sound financial management and its ability to meet its financial obligations.

21. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

As per requirement of SEBI Listing Regulations, 2015 Management's Discussion and Analysis Report for the financial year 2020-21 is attached as **"Annexure-G"**, forming part of the Annual Report.

22. RELATED PARTY TRANSACTIONS

In term of SEBI Listing regulations and relevant provision of the Company Act, 2013, the details information regarding related party transaction occurs during the financial year 2020-21 has been disclosed in prescribed format AOC-2, in **"Annexure -H"** as a part of this annual report.

23. INTERNAL CONTROL SYSTEMS

23.1 Internal Audit and its Adequacy

The scope and authority of the internal audit function is defined in the Internal Audit Charter. To maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

23.2 Internal Controls over Financial Reporting (ICFR)

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

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

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **'Annexure-I'**, which is annexed hereto and forms a part of the Board's Report.

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that such accounting policies applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year March 31, 2021 and of the profit of the company for the year ended on that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that proper internal financial controls laid down by the company and that such internal financial controls are adequate and were operating effectively.

26. OTHER DISCLOSURES

- 26.1** There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.
- 26.2** The Company has not issued any shares with differential voting rights/sweat equity shares.
- 26.3** There was no revision in the Financial Statements.
- 26.4** There has been no change in the nature of business of the Company as on the date of this report.

27. DEMATERIALISATION OF EQUITY SHARES

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

28. GREEN INITIATIVES IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing companies to send documents to their shareholders in electronic mode. To

support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their E-mail addresses and are holding shares in physical form are requested to contact the RTA of the Company and register their Email-id. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Company's website at www.udtltd.com. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

29. DEPOSIT FROM PUBLIC

During the year, the Company has not invited or accepted any public deposits covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. As such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

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

UDTL is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. As an organisation, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any executive, which may fall under the ambit of 'sexual harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Company.

Further, to provide an empowering and enabling atmosphere to women employees, the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation. The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). The said policy has been made available on the internal portal of the Company.

The Company has constituted an Internal Complaints Committee ('ICC') under the POSH. The ICC has been set up comprising THREE (3) female employees of whom one (1) female employee is the Chairperson of the ICC and two (2) male employees of whom one (1) is the secretary of the ICC. There are One (1) external Members on the ICC who are specialists in dealing with such matters. The employees are sensitised from time to time in respect of matters connected with prevention of sexual harassment. Awareness

programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their female colleagues at workplace.

Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Sr. No.	Particulars	Status
1.	Number of complaints pending at the beginning of the FY	0
2.	No. of complaints received during the financial year	0
3.	No. of complaints resolved during the financial year	0
4.	Number of complaints pending at the end of the FY	0

31. APPRECIATIONS AND ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from financial institutions, banks, Government and other Regulatory Authorities, Stock Exchanges, customers, vendors, dealers, investors, business associates during the year.

The Board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the Company without which it would not have been possible to achieve all round progress and growth of the Company.

Directors wishes to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible and look forward to the long term future with confidence.

The trust and confidence reposed by the customers in the Company and its products is especially cherished. Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the

Shareholders and Investors, which had always been a source of strength for the Company. Your Directors look forward to your continued support.

32. CAUTIONARY STATEMENT

Statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

The Company is not obliged to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board
United Drilling Tools Limited

sd/-
Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-A

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND MEMBERS OF SENIOR LEVEL

Remuneration Philosophy

The collective responsibility of the Board of Directors is the guiding principle in determining the compensation for Non-Executive Directors, whilst at the same time recognising and adequately compensating the Chairman of the Board of Directors, the Chairman of the Audit Committee and Members of the Audit Committee and other statutory Committee for the additional responsibilities shouldered by them. The Chairman of the Board is required to provide leadership and balance conflicts of interest, if any, so that decisions are taken in the best interests of the Company and to ensure highest standards of governance. Likewise, the Members of the Audit Committee and the other statutory Committee have the onerous responsibility to respectively ensure adequacy of internal controls, robustness of financial policies and accounting/principles and compliance with applicable laws. The Members of the Audit Committee and the other statutory Committee and particularly the Chairman of the Audit Committee is required to spend considerable time for providing guidance to the Management in dealing with major issues.

Remuneration

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section 197 read with the Rules framed thereunder and Schedule V to the Companies Act, 2013 (hereinafter collectively referred to as "the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations"). The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board/Committee Meetings as detailed hereunder:

1. Sitting fees for each meeting of the Board or Committee of the Board attended by the Director, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act;
2. There is no separate sitting fee for attending the different statutory committee meeting, it means the sitting fee for board meeting includes sitting fee for the other committee meeting;
3. A sum amount of ₹6000/- will be given to all members of board and committee who agree to attend the meeting as a conveyance allowance.

Remuneration Policy for Managing Director (MD)

1. The MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of

Directors) and MD, within the overall limits prescribed under the Act.

2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3. The remuneration of the MD shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus and other long-term incentives.
4. In determining the remuneration the Nomination & Remuneration Committee shall consider the following:
 - a. The relationship between remuneration and performance;
 - b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by MD, the industry benchmarks and current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.
 - e. in keeping with best industry practices, to ensure that the remuneration is competitive and that it compares favourably with the Industry.

Remuneration Policy for the Key Managerial Personnel

1. In determining the remuneration of the Key Managerial Personnel (KMP), the Nomination & Remuneration Committee shall consider the following:
 - a) the relationship between remuneration and performance;
 - b) the balance between fixed and incentive pay reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals;
 - c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - d) the remuneration including annual increment and performance bonus, is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement,

individuals performance vis-à-vis KRAs/KPIs, industry benchmarks and current compensation trends in the market.

2. The MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination & Remuneration Committee for its review.

Criteria for selection of candidates for appointment/re-appointment as Director(s) and Key Managerial Personnel

The Nomination & Remuneration Committee plays an important role in ensuring that there is a formal and transparent process for appointment to the Board of Directors and is, inter alia, responsible for identifying potential candidates for appointment as Directors. The Committee takes into account the Board's existing composition vis-à-vis the need to have a broad based and diverse Board commensurate with the size and complexity of the Company's operations. This ensures that the Company gets the maximum benefits from the contributions and deliberations of an accomplished and diverse group of individuals and professionals that issues are discussed from different angles fostering creativity in the Board's decision making process as well as provide for comprehensive strategic planning and effective risk management at the highest level.

Some of the important criteria considered by the Nomination & Remuneration Committee in identifying candidates for appointment as Directors are:

- a) selection of candidates from a wide cross section of industries and professional backgrounds, qualifications, expertise and experience of the candidate, their domain and functional knowledge in the fields of manufacturing, marketing, finance, taxation, law, governance and general management so as to enable the Board to discharge its function and duties effectively;
- b) in case of recommendation for appointment of Independent Directors, the Nomination & Remuneration Committee shall also satisfy itself with regard to the independent nature of the Director vis-à-vis the Company;
- c) the candidates identified for appointment as Directors should not be qualified for appointment under Section 164 of the Act;
- d) the following attributes/criteria will be considered whilst recommending the candidature for appointment as Director:
 - i. age of the candidate;
 - ii. integrity of the candidate;
 - iii. personal, Professional or Business Standing;
 - iv. diversity of the Board;
 - v. positive attributes of the candidate;

vi. in case of re-appointment of Non-Executive Directors, the Nomination & Remuneration Committee whilst making its recommendation to the Board of Directors, shall take into consideration the performance evaluation of the Director and his engagement level.

The Nomination & Remuneration Committee shall meet potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board.

For the purpose of assessing the attributes of the candidate, the Committee shall, inter alia, take into consideration whether the candidate demonstrates:

- high standards of ethical behaviour;
- positive disposition, good interpersonal and communication skills;
- ability to think independently without being influenced by extraneous circumstances or consideration;
- capability to act with reasonable care, in good faith and in the best interests of the Company and its stakeholders;
- ability to devote time and attention for the business and governance of the Company;
- refrain from situations that may have a direct or indirect conflict of interest with those of the Company;
- acceptance to abide by the Company's Code of Business Conduct.

The Board of Directors (including the Nomination & Remuneration Committee) periodically review vacancies likely to occur on the completion of the tenure of Non- executive Directors for timely filling of such vacancies.

In the selection of the MD, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise and experience, domain and functional knowledge required for such office and who demonstrate positive attributes as explained above. The ability of the candidate to adapt to the organisational culture and ethos are also considered.

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-B

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline of the CSR Policy of the Company:

Driven by the purpose 'Enhancing quality of life and contributing to a healthier future', the Company is mindful of the needs of the communities and works to make a positive difference and create maximum value for the society. The Company focuses its efforts in society on the three pivotal ambitions of enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and on stewarding the planet's natural resources for future generations, with particular care for water. The Company is firmly rooted in a robust set of principles and values based on respect.

The Company believes that the biggest opportunity is partnership. The Company continues to engage with stakeholders including Specialise NGO, civil society, and expert organisations and would take up such CSR activities that have been aligned with national priorities such as public health, education, livelihood, etc. These areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure.

The Company's commitment to the society is sincere and long standing. The CSR Policy of the Company is available on the website <https://udtltd.com/>. While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural disasters etc.)

2. COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of Meetings of CSR committee held during the year	No. of meetings committee attended
1.	Mr. Krishan Diyal Aggarwal	Chairman	03	03
2.	Mr. Pramod Kumar Gupta	Member	03	03
3.	Mr. Pandian Kalyanasundaram	Member	03	03
4.	Mrs. Twinkle Singh (upto 15-03-2021)	Member	03	02

3. Provide the web—link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.udtltd.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub—rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5. Details of the amount available for set off in pursuance of sub—rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5): 30,60,83,530/-
7. (a) Two percent of average net profit of the company as per section 135(5): 61,21,671/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): 61,21,671/-
8. (a) CSR amount spent or unspent for the financial year:
 (b) Details of CSR amount spent against other than ongoing projects for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) 36,15,885/-				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
25,51,971/-	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
	Nil	NA	-	Nil	NA

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the Project				Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1.	Health care	Health care	No	Up & Delhi	GB Nagar & Delhi	5,29,591/-	No	Leprosy Mission, Shantikunj, Care for Life, Smile India etc.	NA
2.	Setting up Old Age Home	Setting up Old Age Home	No	Delhi	Delhi	5,60,000/-	No	Muskan Foundation, The Earth Saviours, SHEOWS	NA
3.	Education	Education	No	Delhi	Delhi	5,06,000/-	No	Care India, Akshya Pratisthan, Pahal Society	NA
4.	Eradicating Poverty	Eradicating Poverty	No	Delhi, Noida & Rajasthan	Delhi, G B Nagar & Udaipur	70,8,380/-	No	Blanket and sweat shirts Distribution, Prem Narayan Khanna, Narayan Sewa	NA
5.	Setting up Homes & Hostels for Orphan	Setting up Homes & Hostels for Orphan	No	Delhi	Delhi	2,48,000/-	No	Physically Handicapped, Vanvasi Raksha	NA

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total Amount spent for the FY (8b+8c+8d+8e): 25,51,971/-

(g) Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	61,21,671/-
(ii)	Total amount spent for the Financial Year	25,51,971/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding FY	Amount Transferred to unspent CSR account under Section 135(6) (in ₹).	Amount spent in the reporting FY (in ₹).		Amount Transferred to any fund specified under schedule VII as per section 135(6)			Amount remaining to be spent in succeeding financial years. (in ₹)
					Name of the Fund	Amount (in ₹).	Date of transfer	
1.	2019-20	Nil	Nil	-	Nil	Nil	-	46,185

(b) Detail of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

(asset-wise details)

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

We are in process to search project on Education and Health care. The unspent amount will be transferred to funds specified under Schedule VII within the time limit as prescribed by law.

**For and on behalf of Board
United Drilling Tools Limited**

**Sd/-
Pramod Kumar Gupta
Managing Director**

**For and on behalf of Board
United Drilling Tools Limited**

**Sd/-
Krishan Diyal Aggarwal
Chairman CSR Committee**

ANNEXURE-C

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended 31st March, 2021

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

To,
The Members,
United Drilling Tools Limited

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

Based on my examination and verification of the Company's secretarial books, papers, minute books, forms and returns filed and other registers and records as maintained by the Company under Companies Act, 2013 and Securities Laws as applicable to the Company and also the information(s) and explanation(s) provided to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2021 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place except occasional delays under the Acts, Rules and Regulations as applicable to the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31st, 2021 according to the provisions of:

- | | |
|--|---|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 ('the Act') and the rules made thereunder; (ii) Secretarial Standards including revised one as effective from 1st October, 2017, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India (ICSI); (iii) Securities Contract (Regulation) Act, 1956('SCRA') and the rules made thereunder; | <ul style="list-style-type: none"> (iv) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992 ('SEBI ACT'); <ul style="list-style-type: none"> a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; b) The SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable during the financial year under review) c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 d) SEBI (Prohibition of Insider Trading) Regulations, 2015 e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the financial year under review) f) The SEBI (Issue and listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the financial year under review); g) The SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review) h) The SEBI (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/proposed to buyback any of its securities during the period under review) i) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period under review) (vi) The Compliances/processes/systems were verified on test check basis under following applicable Labour Laws from the documents/returns/information(s) as produced before me such as: |
|--|---|

- Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Minimum Wages Act, 1948 read with rules made thereunder;
- Payment of Wages Act, 1936 and rules made thereunder;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972, and rules made thereunder;
- Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- National Holiday Act and National Holiday Rules, 1965;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- Workmen's Compensation Act, 1923 read with Employees Compensation Rules, 1924;
- Factories Act, 1948;
- The Maternity Benefits Act, 1961 and the Rules made thereunder;
- Industrial Disputes Act, 1947;
- The Industrial Employment (Standing Orders) Act, 1946;
- Motor Vehicles Act, 1988
- The Public Liability Insurance Act, 1991
- The Contract Labour (Regulation And Abolition) Act, 1970
- The Uttar Pradesh Municipal Corporation Act, 1959

(vii) Environmental Laws such as:

- The Water (Prevention and Control of Pollution) Act, 1974, read with the Water (Prevention and Control of Pollution) Rules, 1975;
- Air (Prevention and Control of Pollution) Act, 1981 read with U.P. Rules;
- Environment Protection Act, 1986 read with Environment Protection Rules;
- Noise Pollution (Control and Regulation) Rules, 1999
- The Uttar Pradesh Fire Prevention And Fire Safety Act, 2005

(viii) Other Sector Specific Laws specifically applicable to the Company such as:

- The Micro, Small and Medium Enterprises Development Act, 2006;
- Special Economic Zones Act, 2005 and the Rules made thereunder;

As per the information(s) furnished and explanation(s) as provided by the Company, its officers, agents and authorized representatives, there were no other sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2021.

I report that, I have checked the Compliance Management System of the Company on the basis of Compliance Certificates issued by the Board of Directors of the Company and Senior Management of the Company so as to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of applicable Laws, Rules, Regulations and Guidelines and its verification was done on test check basis. However, I have not made a detailed examination of the said records. I believe that the audit evidence which have been obtained is sufficient and appropriate to provide a reasonable basis for my audit. In my opinion and to the best of my information and according to explanations given to me, I believe that there are adequate systems and processes in the Company commensurate with the size and operations of the Company and the nature of its business to monitor and ensure compliance of laws specifically applicable to the Company, including other applicable general laws like labour laws and environmental laws applicable to the Company, although it requires further strengthening, regularity and probity.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors during the period under review.

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

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

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

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

We further report that during the Review Period, In view of the situation emerging out of the outbreak of COVID-19 Pandemic, some of the physical documents, records

& other papers of the Company for the year ended March 31st, 2021 required by us for our examination were provided through electronic Mode.

For **Balraj Sharma & Associates**
Company Secretaries

Sd/-
Balraj Sharma
(Proprietor)
FCS No.: 1605
C P No.:824

Place: New Delhi
Date: 06.08.2021
UDIN: F001605C000746571
PR Certificate: 452/2016

“Annexure-A” (Form No MR-3)

To,
The Members

United Drilling Tools Limited

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 pandemic and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Balraj Sharma & Associates**
Company Secretaries

Sd/-
Balraj Sharma
(Proprietor)
FCS No.: 1605
C P No.:824

Place: New Delhi
Date: 06.08.2021
PR Certificate: 452/2016

ANNEXURE-D

Corporate Governance Report

The Board of Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended, for the year ended March 31, 2021.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As one of India's leading manufacturers of oil drilling tools and equipment, UDTL has always been at the vanguard of setting industry benchmarks. It has a rich legacy of putting in place a formalized mechanism of corporate governance, long before it became a statutory requirement. The Company's governance framework enshrines the highest standards of ethical and responsible conduct of business to create enduring value for all stakeholders.

The Company's governance framework and philosophy are based on the bedrock of ethics, values and trust. These principles have been integrated into the organisation's DNA in over three (3) decades of its existence. As part of its growth strategy, UDTL emulates the 'best practices' that are followed in the domain of corporate governance globally.

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

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

2. BOARD OF DIRECTORS

UDTL is a professionally managed company functioning under the overall supervision of the Board of Directors ('Board'). Its Board is a combination of Independent and Non Independent

Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 ('the Act') and the ('SEBI Listing Regulations') as amended from time to time.

The Board of Directors comprises of highly experienced and persons of repute & eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustainable profitable growth.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

As on 31st March 2021, the total strength of the Board was Five (5) Directors, Out of which two (i.e; 40 percent) are Non-Executive and Independent and three (i.e; 60 percent) are Executive Director. The composition of Board is in conformity with Regulation 17 of SEBI Listing Regulation read with Section 149 of the Act.

None of Independent directors serve as an Independent director on more than seven listed entities during the financial year 2020-21.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of Independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

2.1 BOARD MEETINGS

During the financial year 2020-21 under review **05** (Five) Board Meetings were held and the time gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held as **26.06.2020, 25.08.2020, 28.09.2020, 12.11.2020 & 13.02.2021**.

2.2 COMPOSITION AND ATTENDANCE

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

Name of Directors	Category	Financial Year 2020-2021 Attendance at		No. of Directorship in other companies		No. of Committee position held in public companies including UDTL	
		Board Meeting	Last AGM	Chairman	Member	Chairman	Member
Mr. Pramod Kumar Gupta	Executive Director	05	Yes	Nil	Nil	00	01
Mr. Krishan Diyal Aggarwal	Independent & Non-Executive Director	05	Yes	Nil	Nil	02	02
Mr. Kanal Gupta	Executive Director	05	Yes	01	Nil	00	01
Ms. Twinkle Singh (Resigned on 15.03.2021 due to pre-occupation in other activities)	Independent, Woman & Non-Executive Director	05	Yes	Nil	Nil	00	02
Mr. Pandian Kalyanasundaram	Independent & Non-Executive Director	05	Yes	Nil	Nil	02	02
Mr. Inderpal Sharma	Executive Director	05	Yes	Nil	Nil	00	00

Notes:

- I. The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- II. None of the Director is a member of the Board in more than 20 companies including alternate Directorship in terms of Section 165 of the Companies Act, 2013 or more than 10 public Companies; As per Listing Agreement Directors are not member in more than 10 Committees and Chairman of more than 5 Committees, across all Companies in which he/she is a Director.
- III. In pursuant to the provisions of Section 2(77) of Companies Act, 2013 and Rule 4 of the Companies (Specification of details) Rule-2014, Mr. Kanal Gupta, whole time director of the company is related to Mr. Pramod Kumar Gupta, Chairman & Managing Director of the Company.
- IV. Mr. Kanal Gupta, Whole Time Director of the company whose office as directorship is counted as rotational, is liable retire by rotation and being eligible for re-appointment. The confirmation of re-appointment as required, is placed before the members at this ensuing Annual General Meeting of the Company.
- V. The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- VI. During FY 2020-21, information as mentioned in Part A of schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

2.3 INDEPENDENT DIRECTORS

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied experience &

expertise, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making. The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations.

The Nomination & Remuneration Committee of the Board identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

None of the Independent Directors serve as Independent Directors in more than seven (7) listed companies in line with the requirements of the SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations, as amended.

Confirmation as regards independence of Independent Directors have been duly obtained from them and taken on record.

In the opinion of the Board, all the Independent Directors fulfil the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

2.4 MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors were met on February 13, 2021, inter alia to discuss:

- I. evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- II. evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- III. evaluation of the quality, content and timelines of flow of information between the Management and the Board that

is necessary for the Board to effectively and reasonably perform its duties; and;

IV. Other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of Meetings.

2.5 PERFORMANCE EVALUATION OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration, Compliance and Risk Management Committees. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, which covered aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, inter alia, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/committees, independence of judgment exercised by Independent Directors, interpersonal relationship and so on.

2.6 RESUME OF THE DIRECTORS PROPOSED TO BE RE-APPOINTED

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

3. COMMITTEES OF THE BOARD

In term of the Companies Act, 2013 and as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there are six committees as on March 31, 2021, which comprises four as the statutory committees and other two committees are also formed which is optional as per need of the company. During the financial year, there has been no change in the constitution of committees of the Board, except nomination and Remuneration committee and Corporate Social Responsibility Committee reconstituted by appointing Ms. Twinkle Singh as Member of the Committees.

A. AUDIT COMMITTEE

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls

and governance; and reviews the Company's statutory and internal audit processes. More than two-thirds of the members of the committee, including the Chairman are Independent Directors. The committee is governed by a Charter, which is in line with the regulatory requirements mandated by the act and SEBI Listing Regulations. All the members of the committee have the ability to read and understand the financial statements. The Chairman of the committee possesses professional qualifications in the field of Finance and Accounting.

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

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

Composition

At year ended on 31st March, 2021 the Audit Committee was under the chairmanship of Mr. Pandian Kalyanasundaram, an Independent Non-Executive Director of the company and its members were Ms. Twinkle Singh and Mr. Krishan Diyal Aggarwal. All members of committee have vast, diverse and enriched experience in Financial Management, Corporate Affairs, Accounting and Audit matters.

Other Information

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

Meetings and Attendance

There were four (4) meetings of the Audit Committee, held in financial year 2020-21, the date of such meetings were: 26.06.2020, 25.08.2020, 12.11.2020 & 13.02.2021. The time gap between two meetings did not exceed one hundred and twenty days. The table below gives the attendance record of the Audit Committee meetings.

Numbers of Meetings held and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	04	04
Mr. Pandian Kalyanasundaram	04	04
Ms. Twinkle Singh	04	04

The Chief Financial Officer ('CFO'), and the Statutory Auditor attend the Meetings of the Committee. The Compliance Officer & Company Secretary act as Secretary of the Committee.

During the year under review, the Audit Committee also held a separate one-to-one meeting with the Statutory Auditors and the Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD & CFO and others representing the Management.

Performance Review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings; engagement of the Members; the quality of discussions; overview of the financial reporting process; adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas requiring improvement, if any, which are suitably addressed.

B. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC is governed by a Charter in line with the Act and the SEBI Listing Regulations. The Chairman of the Committee is an Independent Director and all the Members on the Committee are Independent Directors.

Terms of reference inter alia, includes the followings:

- Succession planning of the Board of Directors and Senior Management Personnel;
- Identifying and selecting candidates who are qualified for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential candidates for appointment as Key Managerial Personnel and to recommend to the Board of Directors their appointment and removal;
- Devising a policy on diversity of Board of Directors;
- Review the performance of the Board of Directors and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the

Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long-term objectives of the Company.

Accordingly, the Committee recommends to the Board, the remuneration in whatever form payable to the Senior Management including Key Managerial Personnel;

- To recommend to the Board of Directors the extension or continuance in office of the Independent Directors on the basis of the report of their performance evaluation;
- The functions of the Committee have been widened in line with the amendments made to SEBI Listing Regulations.

Meetings and Attendance

There were one (1) meeting of Nomination and Remuneration Committee held as on 25.08.2020 during the financial year 2020-21. All the members of the committee was present in the meeting.

Performance Evaluation criteria for Independent Directors

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

Remuneration Policy

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

Remuneration of Directors

The Company has paid sitting fee to all the Non-Executive Directors of the Company. There is no pecuniary relationship between Non-Executive Directors and the Company except sitting fee paid to them for attending meeting of the Board and Committees. There is no stock option to the Directors of the Company in reference to their Services. The detail of salary and sitting fee as received by member of board is given below:-

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager
1.		Mr. Pramod Kumar Gupta, Managing Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	2,02,83,633
	(b) Contribution to P.F.	19,800
	Total	2,03,03,433
2.		Mr. Inderpal Sharma, Whole Time Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 (includes all allowances)	7,41,841
	(b) Contribution to P.F.	20,100
	Total	7,61,941
3		Mr. Kanak Gupta Whole Time Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 (includes all allowances)	40,25,300
	(b) Contribution to P.F.	19,800
	Total	40,45,100

Sitting Fee and Remuneration of other Director

Sr. No.	Particulars of Remuneration (in ₹)	Name of Directors		
		K D Aggarwal	P K Sundaram	Twinkle Singh
1	• Fee for attending Board Committee Meeting	185000	1,88,000	1,85,000
2	• Commission	Nil	Nil	Nil
3	• Others, Consultancy	Nil	Nil	Nil
Total		185000	1,88,000	1,85,000

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year 2020-21, the Stakeholders' Relationship Committee comprised of three Members under the chairmanship of Mr. P Kalyanasundaram, an Independent & Non-Executive Director of the Company and other members were Mr. K. D Aggarwal and Mr. Kanak Gupta and Company Secretary of the Company acts as Secretary of this Committee.

During the year, there were Five (5) meetings held by this Committee, the details of which are given below:-

15.06.2020, 25.08.2020, 28.10.2020, 22.12.2020 & 13.02.2021;

Numbers of Meetings and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Kanak Gupta	05	05
Mr. Krishan Diyal Aggarwal	05	04
Mr. Pandian Kalyanasundaram	05	05

Shareholder's Complaint

During the year under review, No complaint received from the shareholders. At the end of the FY no complaint were pending on SCORE Portal.

4. GENERAL BODY MEETING

a. Annual General Meeting

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

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2017-18	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Wednesday, the 26 th September, 2018 at 11.30 am	No
2018-19	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Friday, the 20 th September, 2019 at 11.00 A.M.	Yes
2019-20	Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: Registered Office of the Company	Monday, the 28 th September, 2020 at 11.00 A.M.	Yes

5. CERTIFICATE FROM PRACTICING COMPANY SECRETARY

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

6. MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, Annual Report and by placing relevant information on its website.

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express and Jansatta (Hindi) circulated in Regional Area. The results are also displayed on the website of the Company i.e. www.udtlttd.com and also available on the website of BSE Ltd. viz. www.bseindia.com and National Stock Exchange of India Limited viz www.nseindia.com from 25th September, 2020. The Company also files the Corporate Governance report, Shareholding pattern, quarterly financial results, etc. in the BSE Listing Centre and NEAPS portal within stipulated time and date as prescribed by SEBI listing regulations.

The audited financial statements form a part of the Annual Report, which is sent to the Members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half yearly and the annual audited financial statements and the press releases of

the Company are also placed on the Company's website at www.udtlttd.com and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

7. GENERAL SHAREHOLDERS INFORMATION

7.1 Annual General Meeting

Date	: Tuesday, 28 th September, 2021 through Video Conferencing
Time	: 11:30 AM
Venue	: Registered Office of the Company (Deemed Venue)

7.2 Investor Services

M/s Alankit Assignment Ltd has been appointed as Registrar and Share Transfer Agent (RTA) of the company. All share related services to the Company's investors are being provided by M/s Alankit Assignment Ltd.

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to the M/s Alankit Assignment Ltd.

7.3 Communication to Members

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account for queries relating to shareholding, updation of change of address, Updation of bank details for electronic credit of dividend, non-receipt of annual reports or other matters relating to the shareholding should be addressed to the Company's RTA viz. M/s Alankit Assignment Ltd.

Members who hold shares in physical form should address their requests to the Company's RTA for change of address, change in bank details, processing of unclaimed dividend, sub division of shares, renewal/split/consolidation of share certificates, issue of duplicate share certificates and such requests should be signed by the first named member, as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as proof of identity and/or address as considered appropriate in addition to the requirement of certified copies of PAN cards.

Members are requested to state their DPID & Client ID/Ledger Folio number in their correspondence with the Company and

provide their email address and telephone number to facilitate prompt response from the Company.

Members may please note that with effect from April 1, 2019, shares held in physical form cannot be transferred. Members in their own interest are requested to have their physical holdings dematerialised through a Depository Participant by opening a demat account.

7.4 Plant locations

The locations of the Company's plants are given on corporate information page of the Annual Report. The details of the plants, along with their addresses and telephone numbers are also available on the Company's website at www.udtltd.com.

8. MARKET INFORMATION

8.1 Market Price Rate during the FY April, 2020 to March, 2021

Sr. No.	Name of the Month	Face Value of Shares (₹)	BSE		NSE	
			High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2020	10/-	129.70	100.00	Nil	Nil
2.	May-2020	10/-	111.00	95.10	Nil	Nil
3.	June-2020	10/-	146.50	99.35	Nil	Nil
4.	July-2020	10/-	139.90	122.00	Nil	Nil
5.	August-2020	10/-	193.60	135.00	Nil	Nil
6.	September-2020	10/-	285.00	166.00	286.80	244.00
7.	October-2020	10/-	304.40	233.60	294.45	234.25
8.	November-2020	10/-	281.00	231.25	279.00	237.05
9.	December-2020	10/-	291.95	251.25	298.00	247.10
10.	January-2021	10/-	339.80	256.50	338.70	256.00
11.	February-2021	10/-	286.00	243.65	284.00	250.00
12.	March-2021	10/-	271.05	242.05	270.00	242.25

8.2 Performance in comparison to broad based indices:

Sr. No.	Month	UDTL		BSE	
		High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2020	129.70	100.00	33887.25	27500.79
2.	May-2020	111.00	95.10	32845.48	29968.45
3.	June-2020	146.50	99.35	35706.55	32348.10
4.	July-2020	139.90	122.00	38617.03	34927.20
5.	August-2020	193.60	135.00	40010.17	36911.23
6.	September-2020	285.00	166.00	39359.51	36495.98
7.	October-2020	304.40	233.60	41048.05	38410.20
8.	November-2020	281.00	231.25	44825.37	39334.92
9.	December-2020	291.95	251.25	47896.97	44118.10
10.	January-2021	339.80	256.50	50184.01	46160.46
11.	February-2021	286.00	243.65	52516.76	46433.65
12.	March-2021	271.05	242.05	51821.84	48236.35

8.2a Shareholding pattern as on 31st March, 2021

Categories	No. of Shares	Percentage (%)
(A) Promoter & Promoter Group (Indian, Individual)		
• Pramod Kumar Gupta	1,43,63,800	70.75
• Prabha Gupta	7,88,760	3.88
• Kanak Gupta	2,900	0.01
(B) Public		
(B1) Institutions (Foreign Portfolio Investor)	57,010	0.28
(B2) Central / State Government(s)	-	-
(B3) Non-Institutions:		
- Individual share capital upto ₹2 Lacs	21,71,710	10.70
- Individual share capital in excess of ₹2 Lacs	1,30,180	0.64
- NBFCs	5000	0.02
- NRI	79060	0.39
- Trust	800	0.01
- Clearing Member	18695	0.09
- Body Corporate(s)	2593648	12.7
- HUF	91563	0.45
Total	2,03,03,126	100.00

8.3 Distribution of shareholdingDISTRIBUTION SUMMARY AS ON 31st March, 2021

Shareholding No of shares	Shareholders		Total	%
	Physical Number	Demat Number		
1 to 500	2391	2302	4666	81.30
501 to 1000	361	321	677	11.80
1001 to 2000	94	156	247	4.30
2001 to 3000	16	39	55	0.96
3001 to 4000	3	30	33	0.58
4001 to 5000	0	12	12	0.21
5001 to 10000	1	19	20	0.35
10001 to above	0	29	29	0.51
Total	2866	2908	5739	100

Shareholding No of shares	Shareholders		Total	%
	Physical Number	Demat Number		
1 to 500	572286	300691	872977	4.30
501 to 1000	271451	247350	518801	2.56
1001 to 2000	145154	230043	375197	1.85
2001 to 3000	38824	98966	137790	0.68
3001 to 4000	10600	111007	121607	0.60
4001 to 5000	0	54453	54453	0.27
5001 to 10000	6400	137048	143448	0.71
10001 To above	0	18078853	18078853	89.04
Total	1044715	19258411	20303126	100

8.4 Shareholding summary as on 31st March, 2021

Particulars	Shares	Percentage (%)
Physical	10,44,715	05.15
NSDL	31,28,064	15.40
CDSL	1,61,30,347	79.45
Total	2,03,03,126	100

9. OTHER DISCLOSURES

Particulars	Regulations	Details	Website link for detail/ policy
Related party transaction	Regulation 23 of SEBI Listing Regulation and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit committee. The Boards approved policy for related party transactions is uploaded on the website of the company.	www.udtlttd.com/corporate governance/Investor/policy of UDT
Details of Non-compliance by the Company, penalty imposed on the company by the stock exchange , or SEBI or any Statutory authority on the matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	www.udtlttd.com/corporate governance/Investor/policy of UDT
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulation	<ul style="list-style-type: none"> • The Auditor's report on financial statements of the Company are unqualified. • Internal Auditors of the Company, make quarterly presentations to the audit committee on their reports. 	
Subsidiary Company	Regulations 24 of the SEBI listing Regulations	The Company does not have any material unlisted Indian subsidiary company. The company has a policy for determining "material Subsidiaries" which is disclosed on its websites	www.udtlttd.com/corporate governance/Investor/policy of UDT
Policy on Archival and Preservation of documents	SEBI Listing Regulations 9	The Company had adopted a Policy on Archival and Preservation of Documents	www.udtlttd.com/corporate governance/Investor/policy of UDT

Particulars	Regulations	Details	Website link for detail/ policy
Policy on Determination of Materiality for Disclosures	SEBI Listing Regulations 30	The Company had adopted a Policy on Determination of Materiality for Disclosures	www.udtltd.com/corporate governance/Investor/policy of UDT
Reconciliation of Share Capital Audit Report	Regulation 76 of the SEBI (DP) Regulations, 2018 and SEBI circular no D&CC/FITTC/Cir-16/2002 dated December, 31, 2002	A qualified practicing Company Secretary Carried out a share capital audit to reconcile the total admitted equity share capital with the NSDL and CDSL and the total issued and listed equity share capital. The Audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March, 31, 2020. The Annual Report of the Company contains a certificate by the Chief Financial officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	www.udtltd.com/corporate governance/Investor/policy of UDT
Dividend Distribution Policy	Regulations 43A of the SEBI listing Regulations	Not applicable to the Company.	NA
Terms of Appointment of Independent Directors	Regulations 46 of the SEBI listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/ re-appointment of Independent Directors are available on the Company's website.	www.udtltd.com/corporate governance/Investor/policy of UDT
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	www.udtltd.com/corporate governance/Investor/policy of UDT

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-E

STATEMENT OF PARTICULARS OF EMPLOYEE

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies At, 2013 read with rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Part A

- i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2020-21 and % increase in the remuneration of each Director, CFO and CS during the FY 2020-21 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2020-21	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Pramod Kumar Gupta Managing Director	203.03/-	33.67	81.87:1
2	Mr. Kanal Gupta Executive Director	40.45/-	(15.51)	16.31:1
3	Mr. Inderpal Sharma Executive Director	7.61/-	7.94	3.06:1
4	Mr. Pramod Kumar Ojha Company Secretary	7.92/-	6.02	3.19:1
5	Mr. Arun Kumar Thakur Chief Financial Officer	6.60/-	2.96	2.66:1

- ii. % decrease in the median remuneration of employees during the FY 2020-21 – 01.78%
- iii. Number of permanent employee on the rolls of the Company – 206
- iv. Median remuneration of employees of the Company - ₹2,47,797/-
- v. It is hereby affirmed that the remuneration paid as per remuneration policy for Directors, Key managerial Personnel and other employees of the Company.

Part B

- i. Names of top ten employee in terms of remuneration drawn during the year:

Sr. No.	Name of Employee & Age	Qualification	Designation	Remuneration (₹ In Lac)	Date of Joining	Experience	Last Employment
1	Mr. Pramod Kumar Gupta,	MSIE (USA), B.E. (Mech. Engg.)	Managing Director	203.03	21/08/1985	41 Years	Own Business
2	Mr. Kanal Gupta	MBA (Finance & International Marketing)	Executive Director	40.45	28/02/2015	16 Years	United Drilling Tools Limited
3	Mr. Mukesh Mehta	CA	DGM - Accounts & Finance	17.25	14/06/2018	31 Years	TPS Infrastructure Limited
4	Mr. Ajit Kumar	Diploma in Mechanical	Sr. Manager - Operation	14.61	23/07/2018	17 Years	Advance valves Group LLP
5	Mr. Shri Lal Sahu	Diploma in Mechanical	DGM - Design	14.24	05/09/2017	35 Years	SRB Machine Private Limited
6	Mr. Govind Sharma	B.E.	General Manager, Sales & Marketing	13.92	14/01/2019	33 Years	Laxmi Engineering Industries (Bhopal) Pvt. Ltd.
7	Mr. Jyoti Kumar Singh	B.E. (CSE)	DGM – Sales & Marketing	10.35	15/04/2010	17 Years	Eneroil Offshore Drilling Limited
8	Mr. Chandra Pal Sharma	M.Com & PGDM	DGM – HR & Admin.	9.54	02/02/2009	21 Years	Hindustan Everest Tools Limited
9.	Mr. Ishwar Dutt Sharma	B.E.	Manager Quality	8.05	15/01/2018	22 Years	Lloyd's Line Pipe Limited
10.	Mr. Pramod Kumar Ojha	CS	Company Secretary	7.62	14/08/2012	12 Yeras	Titan Biotech Limited

- ii. Employed throughout the year and were in receipt of remuneration for the Financial Year in aggregate of not less than ₹1,02,00,000/- P.A. : None Except as included in section (i).
- iii. Employed part of the year and were in receipt of remuneration for the Financial year in aggregate of not less than ₹8,50,000/- P.A. : None.
- iv. Employed throughout the financial year or part thereof, was in receipt of remuneration in that period, in aggregate, or as the case may be, at a rate which, in aggregate, is in excess of remuneration drawn by Chairman & Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent Children, not less than 2% of the equity shares of the Company : None

Note: Mr. Pramod Kumar Gupta is the father of Mr. Kanak Gupta and are related to each other. None of the other employees are relatives of any director or manager.

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-F

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN - L29199DL1985PLC015796
- ii) Registration Date – 24/05/1985
- iii) Name of the Company – **United Drilling Tools Limited**
- iv) Category / Sub-Category of the Company - **Company having Share Capital**
- v) Address of the registered office and contact details – **139A First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi-110001, Phone (H.O. & Works): 0120-4842400, Fax: 0120-2462675**
- vi) Whether listed company Yes / No - **Yes**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Alankit Assignments Limited, 4E/2
Alankit Heights, Jhandewalan Extension, New Delhi-110055
Tel. No. 011-42541956

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the company
1	Wire Line Winches	28221	9.60
2	Casing Pipe with Connector	28221	86.81

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
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The company had no holding, Subsidiary and Associate companies as on 31.03.2021.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters (1) Indian									
a) Individual/ HUF	1,51,56,660	-	1,51,56,660	74.65	1,51,55,460	-	1,51,55,460	74.64	-0.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Sub-Total (A)(1)	1,51,56,660	-	1,51,56,660	74.65	1,51,55,460	-	1,51,55,460	74.64	-0.01
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (A) = (A)(1) + (A)(2)	1,51,56,660	-	1,51,56,660	74.65	1,51,55,460	-	1,51,55,460	74.64	-0.01
B. Public share-holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	200	-	200	0.009	-	-	-	-	-0.009
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	-	-	-	-	57,010	-	57,010	0.281	+0.281
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	200	-	200	0.009	57,010	-	57,010	0.281	+0.272
2. Non Institutions									
a) Bodies Corp.									
i) Indian	26,70,207	13,900	26,84,107	13.22	25,79,748	13,900	25,93,648	12.77	-0.45
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lac	10,90,788	10,62,877	21,53,665	10.60	11,58,495	10,13,215	2,17,17,10	10.70	+0.10
ii) Individual shareholders holding nominal share capital excess ₹2 lac	1,38,423	-	1,38,423	0.68	1,30,180	-	1,30,180	0.64	-0.04
c) others (specify)									
NRI	52,273	17,600	69,873	0.34	61,460	17,600	79,060	0.39	+0.05
NBFCs regd with RBI		-	-	-	5,000	-	5,000	0.02	+0.02
HUF	96,203	-	96,203	0.47	91,563	-	91,563	0.45	-0.02
Clearing Member	3,195	-	3,195	0.02	18,695	-	18,695	0.09	+0.07
Trust	800	-	800	0.01	800	-	800	0.01	-
Sub-Total (B)(2)	40,51,889	10,94,377	51,46,266	25.34	40,45,941	10,44,715	50,90,656	25.07	-0.27
Total Public Shareholding (B) = (B)(1) + (B)(2)	40,52,089	10,94,377	51,46,466	25.35	41,02,951	10,44,715	51,47,666	25.35	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,92,08,749	10,94,377	2,03,03,126	100	1,92,58,411	10,44,715	2,03,03,126	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pramod Kumar Gupta	1,43,63,800	70.75	2.95	1,43,63,800	70.75	-	-
2	Kanal Gupta	2,900	0.014	-	2,900	0.014	-	-
3	Prabha Gupta	7,89,960	3.89	-	7,88,760	3.88	-	0.01
	Total	1,51,56,660	74.65	2.95	1,51,55,460	74.64	-	0.01

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1,51,56,660	74.65	1,51,56,660	74.65
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Decrease: Transfer of 1200 equity shares as a gift through off-line mode		-	(1,200)
3	At the End of the year	1,51,55,460	74.64	1,51,55,460	74.64

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Cairn Oil Solutions Private Limited	26,17,778	12.8934	18,91,040	9.3140
2.	Perpetual Enterprises LLP	0	0	1,83,614	0.9044
3.	Treasure Trove Pictures Pvt. Ltd.	0	0	1,75,001	0.8619
4.	Future Vision Financial Advisors Pvt Ltd	0	0	1,56,122	0.0769
5.	Maven India Fund	0	0	57,010	0.2808
6.	Ramji Bhimshi Nagda	35,000	0.1724	35,000	0.1724
7.	Nidhi Lodha	0	0	35,000	0.1724
8.	Makwana Bhavana Jashwant	0	0	30,000	0.1478
9.	Algoquant Financials LLP	0	0	30,000	0.1478
10.	Baru Lal Goyal	27,198	0.1340	28,798	0.1418

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Pramod Kumar Gupta					
	At the beginning of the year	1,43,63,800	70.75	1,43,63,800	70.75
	At the End of the year	1,43,63,800	70.75	1,43,63,800	70.75
2. Prabha Gupta					
	At the beginning of the year	7,89,960	3.89	7,88,760	3.88
	Decrease	Transfer of 1200 equity shares as a gift through off-line mode dated 31 st December, 2020.			
	At the End of the year	7,89,960	3.89	7,88,760	3.88
3. Kanal Gupta					
	At the beginning of the year	2900	0.014	2,900	0.014
	At the End of the year	2900	0.014	2,900	0.014
4. Krishan Diyal Aggarwal					
	At the beginning of the year	600	0.0001	600	0.0001
	At the End of the year	600	0.0001	600	0.0001

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49.91	-	-	49.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	49.91	-	-	49.91
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	18.27	-	-	18.27
Indebtedness at the end of the financial year				
i) Principal Amount	31.64	-	-	31.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31.64	-	-	31.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Pramod Kumar Gupta	Kanal Gupta	Inderpal Sharma	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	203.03	40.45	7.61	251.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
	Commission				
	- as % of profit	-	-	-	-
	- others, specify...				
	Others, please specify	-	-	-	-
	Total (A)	203.03	40.45	7.61	251.09
	Ceiling as per the Act		359.37		

B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		K D Aggarwal	P K Sundaram	Twinkle Singh	
	1. Independent Directors	1.85	1.88	1.85	5.58
	• Fee for attending board committee meetings				
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	1.85	1.88	1.85	5.58
	2. Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	1.85	1.88	1.85	5.58
	Total Managerial Remuneration	1.85	1.88	1.85	5.58
	Overall Ceiling as per the Act	Total Managerial Remuneration shall not increase 11% of Net Profit of the Company			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7.92	6.60	14.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
	Commission				
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	Total	-	7.92	6.60	14.52

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(₹ in Lacs)

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

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
 Managing Director
 DIN: 00619482

Date: 30/08/2021
 Place: Noida

ANNEXURE-G

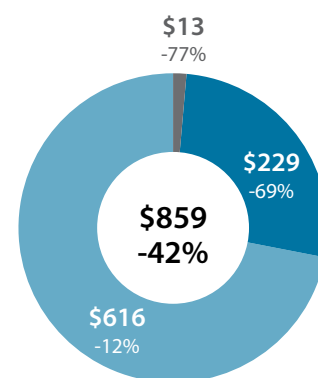
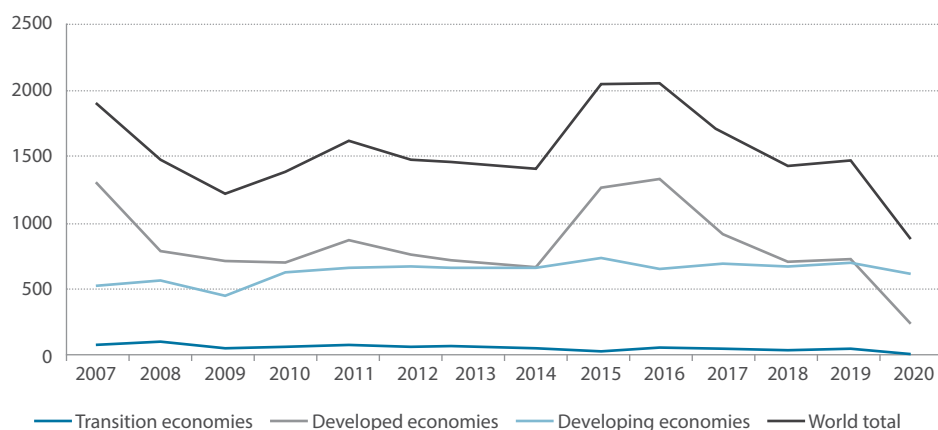
Management discussion and analysis

Global economy overview

Plagued by the Covid-19 pandemic, the global economy reported a degrowth of 3.5% in 2020 compared to 2.9% growth in 2019 – the sharpest contraction since the World War II. Rapid spread of the novel coronavirus starting mid-March of 2020 and the consequent suspension of economic activities across the world resulted in the steep decline in the economic activities. The pandemic has disrupted lives across all countries and communities and negatively affected global economic growth in 2020 beyond anything experienced in nearly a century.

Further, the stress on the global economy is depicted by the fact that the Global FDI reported a significant decline from USD 1.5 trillion in 2019 to USD 859 billion in 2020, a decline of almost 42%. Such low level was last witnessed in the 1990s and is more than 30% below the investment trough that followed the 2008-09 global financial meltdown. The pandemic has also resulted in a substantial raising of the national debt, creating extra pressure on the economies. The national debt in advanced economies is expected to reach 125% of GDP by the end of 2021 and to rise to about 65% of GDP in emerging markets during the same period.

Global FDI flows in 2020



(Source: <https://unctad.org/news/global-foreign-direct-investment-fell-42-2020-outlook-remains-weak>)

How some of the major economies performed in 2020?

United States: The country witnessed a GDP degrowth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

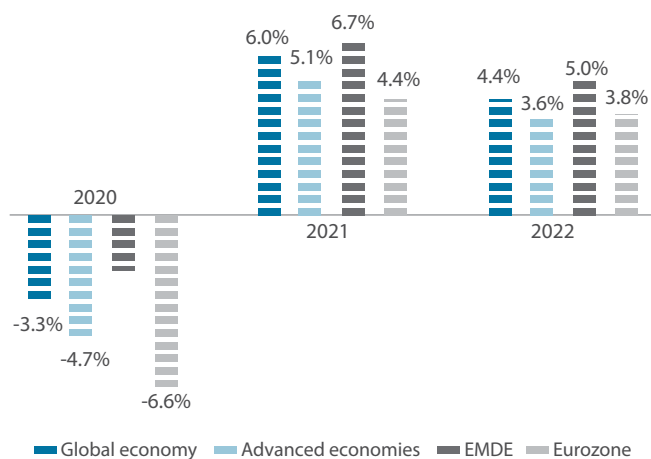
China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009.

However, post the devastating health and economic crisis caused by COVID-19, the global economic growth prospects have improved substantially against the backdrop of rapid vaccination rollouts in some of the large and key global economies. In 2021, the global economy is now projected to expand by more than 5% in 2021. A stronger growth outlook for China and the USA, two of the largest global economies, underpins the upward revision. The United States, with rapid vaccinations, additional fiscal stimulus and the reopening of the economy, is projected to grow by 6.2% in 2021 – the fastest rate of growth since 1966. Buoyed by a strong recovery in exports and robust domestic demand, China is expected to grow by 8.2% in 2021.

Global economic growth forecasts (%)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>) [EMDE – emerging markets and developed economies]

Outlook

Recent progress on coronavirus vaccines has brightened the economic growth outlook. According to some economists a potentially slow rollout of vaccines across developing and emerging economies and the ability of the economies to manage the upcoming Covid waves would be a key factor in determining the return of activity to pre-Covid levels.

According to IMF, after witness the worst year since the World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years. largely on strong rebounds. This is likely to happen on the back of steady spread of the Covid-19 vaccines which is to power a stronger global economic recovery in 2021 and strong economic rebound from a few major economies. Amongst the major economies, U.S. is expected to grow by 6.8% in 2021, reflecting large-scale fiscal support and the easing of pandemic restrictions. Among emerging markets and developing economies, China is anticipated to rebound to 8.5% this year, reflecting the release of pent-up demand. Growth in other advanced economies is also firming, but to a lesser extent.

Indian economy overview

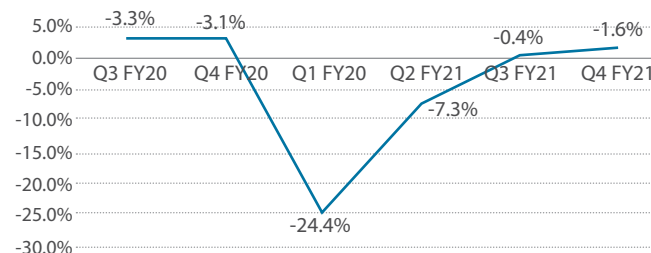
The Indian economy passed through one of its toughest phases in the recent history of the nation, as the government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors – one of the most stringent lockdowns enforced in the world. This resulted in the Indian economy contracting by 24.4% in the first quarter of FY21, the sharpest de-growth experienced by the country since the index was recorded.

As the nation continued its fight against the novel virus and waded through the pandemic-induced challenges, the economy and the constituent industries had their fair share of learnings along the way. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as hospitality and manufacturing were impacted immediately, the impact on the financial sector was felt with a lag, as is evident from the quarterly GDP numbers.

After recording the deepest GDP contraction among G20 economies in the first quarter of FY21, the Indian economy showed great resilience by posting a V-shaped recovery starting the second quarter of FY21. Although the economy contracted by 7.3% in the second quarter of FY21 but grew positively in the last two quarters of FY21, thereby the economy is expected to have de-grown by just ~7.3% in FY21 – a robust sequential growth of 24.4% in H2, FY21 over H1, FY21. This sharp Indian recovery – one of the most decisive among major economies – has validated India's robust long-term consumption potential. India economy emerged as the second most resilient economy after Germany in 2021 exhibiting a strong "economic resurgence" to the global economic turmoil caused by the COVID-19 pandemic.

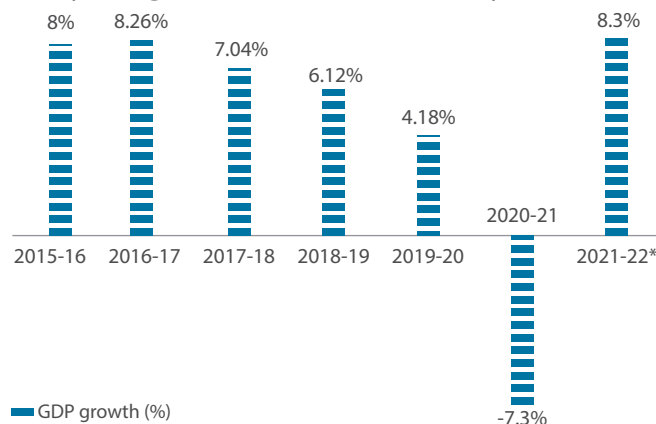
India's GDP growth (at constant prices)

Quarterly GDP growth of the Indian economy



(Source: <https://www.businesstoday.in/latest/economy-politics/story/india-gdp-grows-q4-fy21-amid-covid-19-concerns-297410-2021-05-31>)

Yearly GDP growth of the Indian economy



(Source: <https://www.businesstoday.in/latest/economy-politics/story/india-gdp-grows-q4-fy21-amid-covid-19-concerns-297410-2021-05-31> and <https://timesofindia.indiatimes.com/business/india-business/indian-economy-will-grow-to-8-3-in-2021-says-world-bank/articleshow/83341057.cms>) [*Expected growth percentage]

Rising FDI investment in India

Despite the havoc created by the Covid-19 induced pandemic, the Indian economy recorded a total foreign direct investment (FDI) of \$81.72 billion in FY21 – the highest ever and 10% more than what was received in the previous year. This showcased the confidence of foreign investors on the Indian economy and its ability to make a strong recovery. The boost in FDI inflow in the year ending on March 2021 comes in the backdrop of a series of policy steps taken to improve ease of doing business and to attract investments into domestic manufacturing capacity and an ambitious infrastructure project pipeline.

Growing importance of India's Micro, Small and Medium Enterprises (MSME) sector

The Indian MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades and has also contributed significantly in India's recovery post the pandemic. Over the years, the Indian MSME sector contributed significantly in the economic and social development of the nation by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost.

With nearly 6.3 crore MSMEs, the Indian MSMEs sector contributed about 29% towards the GDP through its national and international trade. The number of registered MSMEs in India grew 18.5% Y-o-Y to reach 25.13 lakh (2.5 million) units in 2020 from 21.21 lakh (2.1 million) units in 2019. However, 2020 witnessed the Indian MSME sector also struggling as owing to the lockdown the sector wasn't able to earn enough, resulting into them being unable to pay back their creditors. With the Indian MSME sector on the path of recovery from the devastating impact of the first wave, the World Bank also extended its hand of support by approving a \$500 million financial aid program to support India's nationwide initiative to revitalize the MSME sector. The program targets improvements in the performance of 5,55,000 MSMEs and is

expected to mobilise financing of \$15.5 billion, as part of the government's \$3.4 billion MSME Competitiveness - A Post-COVID Resilience and Recovery Programme (MCRRP).

Outlook

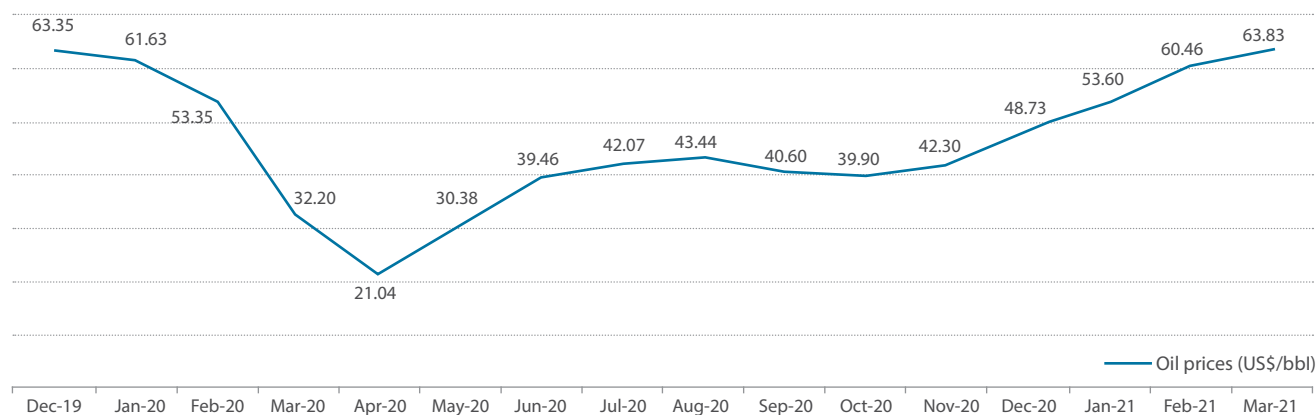
With the steady rollout of Covid-19 vaccine, India may have turned toward the road to recovery but still in need of an encompassing plan to return on the growth track as the nation continues to grapple with the pandemic. Lower infection and fatality rates, and the possibility of widespread vaccine deployment are expected to improve consumer and business confidence. Further impetus to the economy is being provided by the pent-up demand for more elastic discretionary goods. This is likely to be driven by the top 10 income percentile of the population that could not spend because of mobility restrictions and may spur private investment that has been contracting for five consecutive quarters now.

According to the World Bank, the Indian economy is expected to stage a rebound in FY22 and is likely to grow at more than 8%, making it one of the fastest growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performances, flattening of the COVID-19 infection curve, increase in government spending and favourable policies and the quick-roll out of the vaccine, among others.

Global oil and gas industry overview

The Covid-19 and the pandemic has impacted every industry in one way or other, and the global oil and gas industry was no exception. The global oil and gas industry was on the path of recovery in the early part of 2020 as the oil prices started rising up. But then came the Covid-19 pandemic and it has impacted the industry in ways no one had imagined. Global oil demand fell by 25% in April and prices dropped by more than 60% in just three months – from the high of US\$ 63.35/bbl in December 2019 to US\$ 21.04/bbl in April 2020.

Global oil prices in pre and post covid period



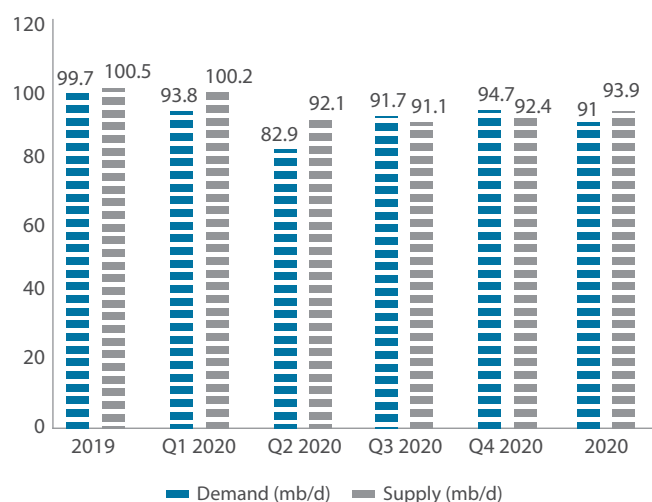
(Source: <https://www.businesstoday.in/latest/economy-politics/story/india-gdp-grows-q4-fy21-fy21-amid-covid-19-concerns-297410-2021-05-31>)

The sudden outburst of the pandemic has led to rapid changes in behaviour: from new working-from-home models to cuts in business and leisure air travel to restriction in the movement of goods, has resulted in a steep fall in the demand for oil across the globe. Further, pressure has been put on demand as more and more governments took an inclination towards exploring the options of a low-carbon future. The worldwide pandemic and tumultuous economic downturn triggered an unprecedented collapse in global oil demand and oil demand in 2020 was seen nearly 9 mb/d below the level achieved in 2019, and it is not expected to return to that pre-covid level before 2023. Oil demand in road transport and aviation were hit the hardest as mobility ground to a halt during the COVID-19 lockdowns.

Despite the jitters caused by the pandemic and the subsequent lockdown, the global oil demand is slowly returning to the pre-covid levels with the economies are opening up again thanks to the rapid vaccination initiatives undertaken by the governments across the globe. Further, the absence of any more rapid policy intervention and behavioural changes, longer-term drivers of growth will continue to push up oil demand. As a result, by 2026, global oil consumption is projected to reach 104.1 mb/d. This would represent an increase of 4.4 mb/d from 2019 levels.

The speed and depth of recovery of the global oil demand would be uneven across geographies depending on the ability of the economies to contain the expected follow-up covid waves and how quickly herd immunity is being created by the economy. Gasoline demand is unlikely to return to 2019 levels, as efficiency gains and the shift to electric vehicles eclipse robust mobility growth in the developing world. Aviation fuels, the hardest hit by the crisis, are expected to slowly return to 2019 levels by 2024, but the spread of online meetings could permanently alter business travel trends.

Global oil demand and supply



(Source: IEA, Oil Market Report – March 2021)

Oil and gas demand scenario in key economies

USA: Demand of oil in the USA is expected to grow by 1.6 mb/d in 2021 and by 670 kb/d in 2022, helped by the progressive recovery of transport fuels from the pandemic. Further, the US demand for transport fuels is expected to grow robustly in 2021 due to the recovery from Covid-19. Demand for jet fuel will grow until 2023, before flattening by 2024. Meanwhile, consumption of LPG and ethane continues to rise robustly well beyond 2021, buoyed by new cracker installations and strong demand for plastics. Gasoline demand in the region is expected to taper down post 2023, as it is expected to reach peak in 2021 and 2023 backed by favourable weather conditions.

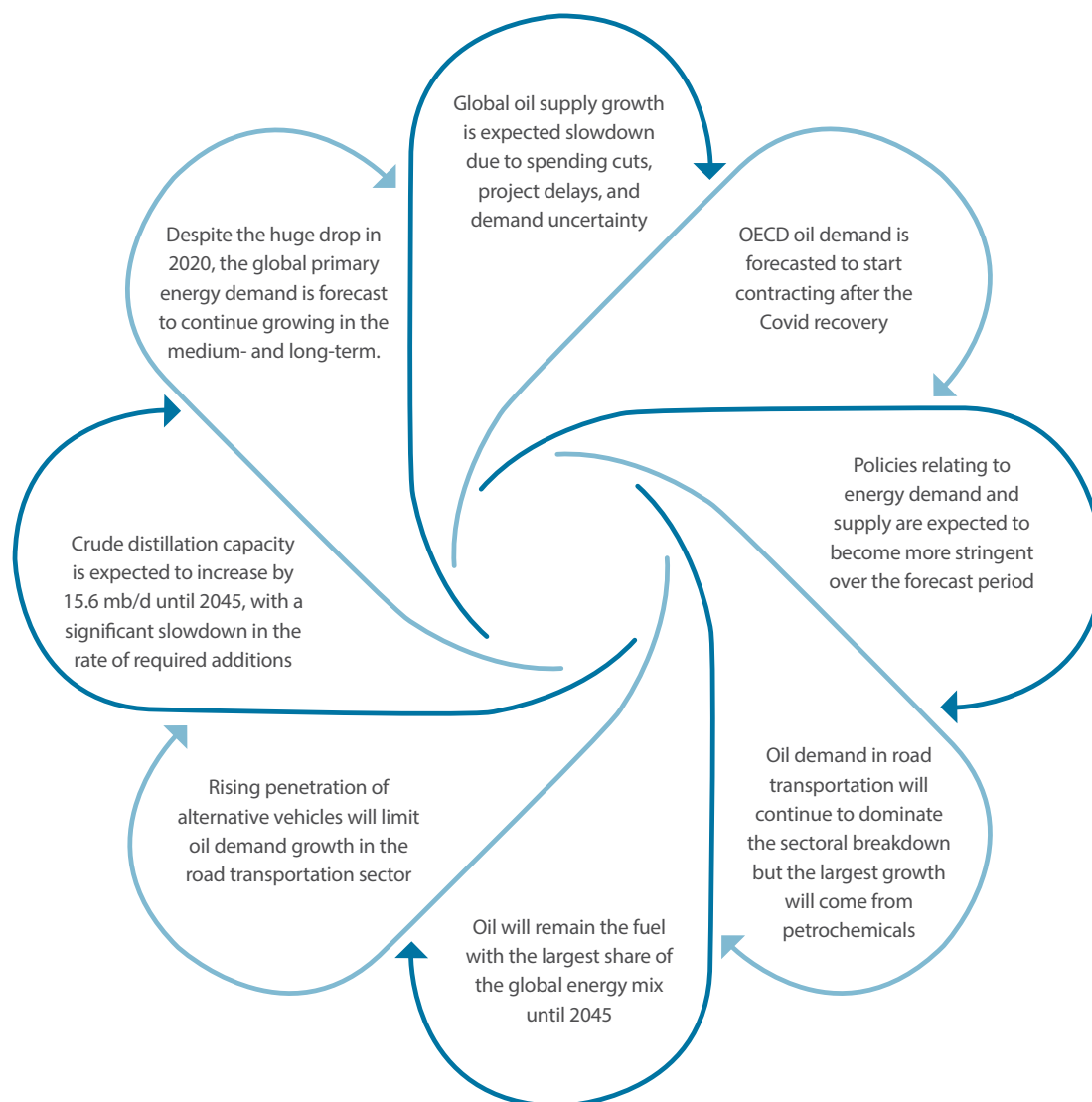
Europe: Consumption is expected to increase by 740 kb/d in 2021, 110 kb/d in 2022 and 160 kb/d in 2023. Although this indicates a steady rise in the demand but the pre-covid is not likely to be hit before 2026. Gasoline and diesel demand in 2021 and 2022 is likely to grow at a steady pace, but with a great focus on clean and renewable energy the demand may witness a tapering trend post 2023. Jet fuel and kerosene demand grows by 160 kb/d in 2021. As the international aviation sector reopens, demand rises more strongly in 2022 (330 kb/d) and 2023 (280 kb/d), when it returns to its 2019 consumption level.

China: Chinese oil demand is likely to continue to grow till 2026 and is likely to emerge as one of the major consumers of oil in the Asia Oceania region. China witnessed a sharp fall in demand for jet fuel declined due to the complete shutdown of international air travel in 2020. In 2021, demand is expected to increase sharply for all oil products (including jet fuel), due to increased mobility and higher energy use in the industrial sector. However, demand is likely to taper post 2022 as demand reaches pre-covid level and a total annual oil demand growth of roughly 270 kb/d.

India: India's demand for oil fell sharply in 2020, as the country was heavily impacted by the pandemic and the extended lockdown across the country. Demand for most products contracted, and gasoil/diesel, which is being heavily used in the transport sector, saw the largest fall in volume. However, 2021 is expected to witness a robust gasoil and gasoline demand growth with the staged unlocking of the economy. The country's demographic expansion as well as higher economic growth means oil demand should continue to rise well into the 2021. Gasoil/diesel will continue to account for a larger share of oil demand growth, despite improvements in energy efficiency, but gasoline, jet fuel and LPG will all increase as well. Total oil demand growth is expected to grow at an average of 140 kb/d over the next five years.

Africa and Middle East: In both regions, demand for oil is forecasted to increase every year at a steady rate over the next five years, reflecting dynamic population growth, stronger economic activity and the post-Covid recovery. Demand growth will be strongest in the years 2021-22, owing to the recovery from the pandemic. However, in both regions, demand continues to expand by 100-200 kb/d per year thereafter. Transport fuels will be responsible for the lion's share of the gains. In the Middle East, petrochemical feedstocks also grow robustly

Key trends that are likely to impact the global oil industry



In 2021, the highest oil consumption is forecast to be in the Asia Pacific region with 35.7 million barrels per day, followed by the Americas with 30.3 million barrels and Europe with 13.7 million barrels.

Cumulative oil-related investment requirements over the long-term is expected to be \$12.6 trillion

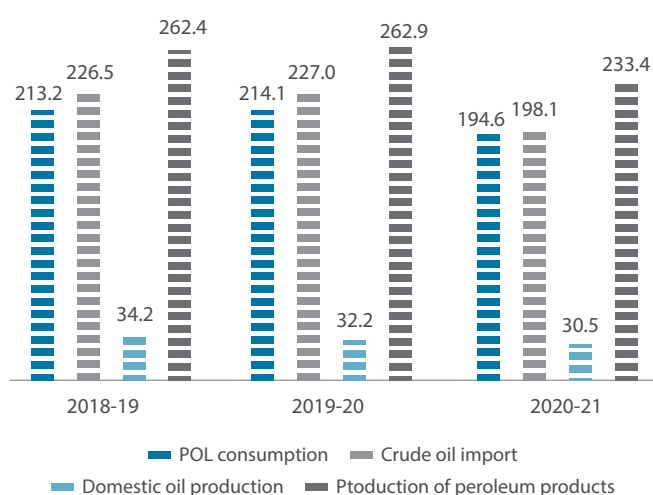
Possible downside risks to the global supply outlook could stem from reduced upstream investment, which is likely to have declined by over 30% in 2020, but will recover to 2019 levels by 2024-25. To meet the global oil demand, future upstream spending will need to average \$380 billion p.a. over the long-term. Cumulatively, this means \$9.9 trillion (in 2020 dollars) will be required. Added to \$1.5 trillion for the downstream, and \$1.2 trillion in the midstream, cumulative oil-related investment requirements over the long-term will be \$12.6 trillion.

Overview of the India oil and gas industry

The third-largest energy consumer in the world, India's oil and gas sector is one of the core sectors of the Indian economy and plays a major role in influencing decision making for all the other important sections of the economy.

During the year, India's demand for petroleum products dropped by 9.1% in FY21 with consumption standing at 194.6 MMT compared to 214.1 MMT in FY20. Consumption of Motor Spirit (MS, or petrol) fell by 6.8% in 2020-21 compared to 6.0% growth in 2019-20. High Speed Diesel (HSD) consumption declined by 12% in 2020-21 compared to the 1.1% decline in the previous year. Despite the growing population of India, this decline in the consumption can be largely attributed to the outbreak of the Covid-19 outbreak and the subsequent lockdown. It is estimated that the 21-day lockdown imposed in India starting 24 March, 2020, has slashed the demand for diesel by 40%, and that of petrol by as much as 50%. The civil aviation sector was the worst hit due to the pandemic, resulting in a fall in ATF demand by 53.7% during the year.

India's Oil Supply-Demand Trend 2020-21 (in MMT)



(Source: PPAC, MoP&NG)

In contrast, the Indian oil & gas sector witnessed that LPG demand surged by 4.8% year on year basis in FY21, driven by strong demand for cooking gas from the residential sector, despite a deep contraction from the commercial and the industrial sector.

Oil and gas production saw major dips as the lockdown worsened the diminishing phase of many fields in 2020-21. Domestic crude oil production during 2020-21 was lower by 5.2% at 30.5 MMT.

Licensing awards during the year were dominated by the NOCs as foreign participation dried up. The oil price crash further dampened the already sombre outlook for international investments in the upstream sector.

Indian refiners processed 221.8 MMT of crude oil in 2020-21 compared to 254.4 MMT in 2019-20, a decline of 12.8%. Cheaper, high-sulphur crudes to the extent of 72.7% were processed during the year, compared to 75.6% during the previous year.

Crude oil imports in 2020-21 fell by 12.7% from the last year to 198.1 MMT from 227 MMT in 2019-20. Petroleum product imports decreased marginally by 0.7% to 43.5 MMT. Exports of petroleum products decreased by 13.6% to 56.7 MMT from 65.7 MMT in the previous year.

India's natural gas industry

India's natural gas sector is transforming rapidly, propelled by a highly ambitious policy to double its share in this decade. Critical policy support in the form of reforms such as rationalisation of tariffs, taxes, gas trading, transport system operator and viability gap funding for gas pipeline infrastructure development, and a priority focus on city gas distribution (CGD) under gas allocation policy is working to ensure that the sector remains integral to India's decarbonisation strategy.

During FY21, India's natural gas consumption stood at 60.6 billion cubic metres (bcm), a fall from the previous year's 64.1 bcm. On the supply side, net natural gas production stood at 28.7 bcm, 8.2% lower compared to the previous year. LNG imports also fell by 3% in FY21 to 32.9 bcm during FY21, from 33.9 bcm in 2019-20.

Growth drivers for the Indian oil and gas industry

- India is the world's third largest energy consumer globally. With the rising population count and the rising working population, the demand for oil and gas would continue to rise in the coming years despite the recent dip caused by the pandemic. Diesel demand in India is expected to double to 163 MT by 2029-30. Further, the consumption of natural gas in India is likely to increase by more than three-folds in next 10 years. Crude oil consumption is expected to grow at a CAGR of 3.60% to 500 million tonnes by 2040. Natural Gas consumption is forecast to increase at a CAGR of 4.18% to 143.08 million tonnes by 2040.
- Rising gas distribution coverage area is likely to have a positive impact on the gas demand. Gas distribution coverage area has gone up from 20% to 70% in the last few years.
- Abundant availability of raw material. India has oil reserves equal to 604 MMT and natural gas reserves equal to 1.2 TCM.
- Favourable government policies. The Government has allowed 100% foreign direct investment (FDI) in upstream and private sector refining projects. Also, the government has raised the FDI limit for public sector refining projects has been raised to 49% without any disinvestment or dilution of domestic equity in existing PSUs.
- Rising government investment in the sector. The government has announced a massive investment worth USD 118 billion in oil and gas exploration as well as in setting up of natural gas infrastructure in the next few years. The government plans

to invest USD 58 billion by 2023 in oil and gas exploration and production, while, another USD 60 billion will be put in creation of natural gas infrastructure such as pipelines, import terminals and city gas distribution networks by 2024.

Outlook

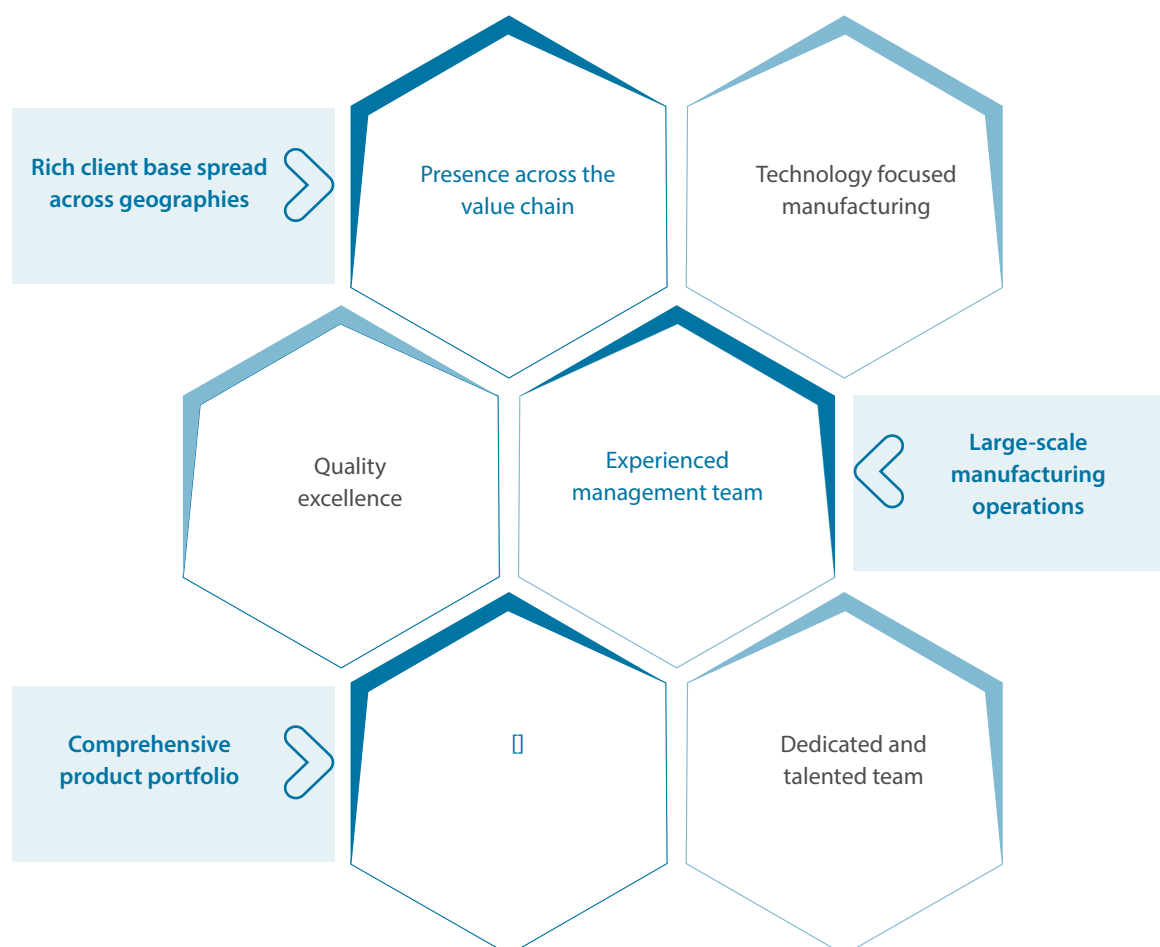
The domestic demand for petroleum products was hit hard by the lockdowns, which led to demand crashing to 40-50% of pre-Covid levels. However, demand for most fuels has been increasing with the easing of the lockdowns, the onset of the festive season and the revival of economic activity. In FY2022 the demand for Petroleum products are expected to increase at a healthy rate of 8-10% vis-à-vis FY2021 with the growth in economy and pick-up in industrial activity. While growth is expected in MS consumption due to preference for personal mobility, HSD and industrial fuel growth is expected to be driven by a pick-up in the industrial activity and growth in the economy. However, ATF demand is still expected to lag due to the discretionary nature and the perceived risk of air travel.

Company overview

Founded in 1985, United Drilling Tools Ltd. (henceforth referred as UDTL) is one of the leading manufacturers of high-quality drilling tools and products used in the upstream operations in the oil and gas industry. UDTL is the largest player in the Indian oil and gas exploration sector providing oil drilling, production and exploration products and commands the largest market share in the Indian context. A robust manufacturing and R&D infrastructure, technologically advanced equipment, stringent quality control and a highly experienced team underpin the operations of the Company.

Backed by state-of-the-art manufacturing facilities, the Company today manufactures different drilling tools across the four key product lines such as wire line and well service equipment, gas lift equipment's, downhole tools and large OD casing connectors. The three manufacturing facilities of the Company has proven track record of manufacturing high-quality products of field-proven test designs in conformity with international standards as per ISO 9001 & American Petroleum Institute (API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

Key strengths of the Company



UDTL's SWOT Analysis

Strengths	Weakness	Opportunities	Threats
<ul style="list-style-type: none"> Established brand reputation and predominant market share Rich clientele consisting of marquee customers from oil and gas industry Market leader in India Longstanding client relationship Strong Research & Development (R&D) capabilities Efficiency in working capital management 	<ul style="list-style-type: none"> ELimited exposure in the international market Moderate scale of operations and tender-based nature of business Working capital-intensive operations 	<ul style="list-style-type: none"> Recent initiatives and investment announced by the Government of India for the Indian oil & gas sector is expected to boost industry opportunities Rising population is expected to drive demand for oil and gas Lucrative opportunities in international markets 	<ul style="list-style-type: none"> Rising focus on green and clean energy Rising popularity of EV Economic downturn leading to a proportionate and direct impact on the business

Financial review

Analysis of the profit and loss statement

Revenues: Revenues from operations during FY21 was ₹142.85 crore against ₹111.75 crore in FY20. Revenue from operations sustained an increase of 28% during the year, largely owing to improved sales. Other incomes of the Company in FY21 was ₹3.65 crore compared to ₹2.92 crore in FY20 which is just 2.5% share of the Company's revenues reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 109% from ₹59.47 crore in FY20 to ₹124.79 crore due to increase in cost of raw material and labour cost because of the lockdown during the previous year. Material costs accounted for 66% of the Company's revenues, increased by 153% from ₹38.41 crore in FY20 to ₹97.16 crore in FY21. Employee expenses, accounting for a 9% of the Company's revenues, increased by 15.59% from ₹11.36 crore in FY20 to ₹13.13 crore in FY21.

Profitability: Company's EBITDA decreased to ₹42.69 crore in FY21 compared to ₹55.96 crore in 2019-20. Net profit for the year stood at ₹32.70 crore compared to ₹45.22 crore in the previous year. PAT decreased by 27.70% during the year, largely owing to increase in material and labour cost.

Analysis of the Balance Sheet

Sources of funds

- The net worth of the Company increased by 18.05% from ₹164.11 crore as on 31st March, 2020 to ₹193.73 crore as on March 31, 2021 owing to increase in reserves and surplus. The Company's equity share capital comprised of 2,03,03,126 equity shares of ₹10 each, remained unchanged during the year under review.
- The capital employed by the Company stood at ₹199.52 crore as on March 31, 2021 as compared to ₹169.76 crore as on March 31, 2020. Return on capital employed, a measurement

of returns derived from every rupee invested in the business, decreased due to increase in capital employed and increase in cost of material and labour.

- Long-term debt of the Company decreased by 71% to ₹0.12 crore as on March 31, 2021 owing to scheduled repayment of loans. The long-term debt-equity ratio of the Company stood at 0.10 in FY21 compared to nil in FY20. Finance cost increased by 73% from ₹0.51 crore in FY20 to ₹0.88 crore in FY21 primarily on account of lower cost of funds. Interest coverage ratio in FY21 stood at 45.71 compared to 105.24 in the previous year.

Applications of funds

Fixed assets (gross) of the Company decreased by 2.32% from ₹72.91 crore as on March 31, 2020 to ₹71.26 crore as on March 31, 2021. Depreciation and amortisation marginally decreased from ₹2.70 crore in FY20 to ₹2.68 crore in FY21.

Working capital management

Current assets of the Company increased by 132.54% from ₹50.10 crore as on March 31, 2020 to ₹116.50 crore as on March 31, 2021. The current ratio of the Company stood at 3.94 in FY21 compared to 5.61 in FY20.

Key Financial Ratios

Particular	FY2020	FY2021
Debtors' turnover ratio	5.61	3.94
Inventory turnover ratio	1.68	2.95
Interest coverage ratio	105.24	45.71
Current ratio	8.2	3.4
Debt equity ratio	0	0.1
Operating profit margin (%)	46.01	26.72
Net profit margin (%)	39.38	22.3
Return on net worth (%)	27.52	16.86

Risk management

From being a market leader in the domestic space to establishing itself as an emerging player in the international market, UDTL is perfectly positioned to deal with multiple market risks in a fast-paced business environment. UDTL has adopted several strategies to assess, identify and successfully mitigate risks arising from time to time.

On this front, UDTL is one of few companies in the industry with a narrowed focus on risk management. The Company focused on identifying potential risks and controlling exposure by devising the right mitigation strategies. During the financial year under review, UDTL continued to strengthen its comprehensive system to promptly identify risks, assess their materiality and take measures to minimize likelihood and losses. At UDTL, risk management is applied across all management levels and functional areas.

Risk type	Significance and meaning	UDTL's mitigation strategies
Macroeconomic and uncertainty in external environment	The Company's operations are exposed to political and economic risks, commercial instability and global events beyond the control of the Company which might have adverse impact on it. Further, uncertain situation like pandemic i.e. outbreak of Covid-19 might affect the Company and led to slow down in its operations.	The Company's derives its revenue from the oil & gas sector. This sector is one of the main focused sectors for some of the major economies world. Also, India being an oil dependent country, there is a great focus of the government to be self-sufficient in terms of oil and gas supply. This is likely to drive revenue growth of the company. Further, the Company maintains strong balance sheet, liquidity position and relationship with Stakeholders which enables it to mitigate any uncertainties.
Quality risk	Inability to maintain the quality of the products as well as adhered to relevant quality standards might have adverse impact on the Company's reputation as well as profitability.	UDTL adheres to stringent quality standards and ensures that all its products are defect free, of superior quality, and matched the international standards. The Company has also received various quality certification.
Technology risk	With the advancement of technology there is a growing need to improve operational efficiency and ensure better customer satisfaction through the usage of advanced systems and processes.	UDTL's manufacturing facilities are equipped with state-of-the-art machines and equipment that helps it to increase its operational efficiency. Further, it also continuously monitors the changes in technological landscape and keep upgrading or replacing its machinery and equipment with the latest one. This also enables the Company to stay ahead of its peers and helps match the international requirement in terms of product quality.
Currency risk	Given the Company's growing presence in the international market, UDTL is exposed to volatility in the exchange rate. Fluctuation of currency rates are likely to adversely impact the profitability of the Company.	The Company enters into forward contracts for hedging foreign exchange exposures thereby eliminating any adverse impact due to fluctuation of exchange rate.
Environment risk	The Company's inability to maintain its environmental footprints under prescribe limits might have adverse impact on the Company's reputation as well as incur financial losses.	UDTL has a strong environment, health and safety management policy in place. It continuously monitors its impact on the environment and take measures to reduce the same. It also follows a systematic approach towards waste management, resource consumption and reduction in carbon emission.
Human Capital risk	A skilled and talented workforce is the key to an organization's success. Unable to retain or acquire competent and experienced employees may hamper the Company's ability to pursue its growth strategies effectively.	The Company has a strong retention and succession policy in place. It regularly undertakes training and development programmes to enhance the skills of its key employee segments such as engineers, quality control engineers, and design / R&D engineers, among others. Further, UDTL also conducts health check-ups to ensure the safety and wellbeing of its workforce.

Internal control systems and their adequacy

The Company has a well-framed internal control system commensurate with the size and nature of its business. These internal controls ensure safeguarding of assets from unauthorised use or disposition, proper recording and reporting of all transactions and compliance with applicable regulatory requirements. The internal control systems are reviewed and modified periodically to keep up with the changes in business environment and statutory requirements.

The framework is monitored by the internal audit team of the Company. The Audit Committee of the Board is periodically apprised of the internal audit findings. The Audit Committee reviews the efficacy and effectiveness of the internal control system, takes corrective actions and suggests measures for strengthening it. The Company has a robust Management Information System which forms an integral part of the control mechanism.

Human resource and Industrial relations

Human resource has become increasingly important for the manufacturing sector owing to the limited availability of skilled manpower in the sector. UDTL, being one of the most established brands in the industry, focused on creating a strong team equipped to address a diverse range of competencies.

Human capital is pivotal to the Company. The Company fosters a safe, inclusive and collaborative work environment for the overall growth and welfare of the employees. The HR policies of the Company are aimed at attracting, nurturing and retaining talented employees in a constantly evolving business environment while ensuring trust, transparency and teamwork amongst its employees.

With the outbreak of COVID-19, UDTL took proactive measures to communicate effectively with its employees and different

stakeholders and took the necessary government regulated precautions to ensure safety of its employees and other stakeholders.

The Company provides an engaging workplace environment, attractive growth opportunities and fair compensation. The Company enjoys one of the highest employee retention rates in the industry; it creates leaders within the organisation, strengthening prospects. As of March 31, 2021, UDTL had 206 employees in its payroll.

Cautionary Statement

The statements made in this report describing the Company's objectives, estimations, expectations, projections, outlooks, constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

In the global economy and oil industry section, all the year's mentioned i.e. 2019 or 2020 are generally referred as the calendar year, if not other stated. For Indian economy and oil industry review also all the year's mentioned i.e. 2019 or 2020 are generally referred as the calendar year and in case of the year being a financial year, it has been mentioned as FY19 or FY20 or FY21 or FY22 or in the similar convention.

UDTL is involved in the manufacturing of oil drilling tools and equipment. Since these tools and equipment are predominantly used in the oil and gas industry, we are focusing on the growth and prospects of the oil and gas industry only.

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-H

FORM NO. AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) date(s) of approval by the Board: Nil
- (g) Amount paid as advances, if any: Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil

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

- (a) Name(s) of the related party and nature of relationship:
 - i. M/s P Mittal Manufacturing Pvt. Ltd in which Mr. Kanal Gupta & Mr. Pramod Kumar Gupta are members and Mr. Kanal Gupta also hold Directorship in the Company.
 - ii. M/s Parveen Industries Pvt. Ltd. in which brother of Mr. Pramod Gupta hold the Directorship as well as membership in the Company.
 - iii. Mrs. Shunali Gupta, wife of Executive Director (Dr. Kanal Gupta)
- (b) Nature of contracts/arrangements/transactions:
 - i. The Company (UDTL) has taken Plant & Machinery on lease for the FY 2020-21 & given unsecured Loan with the approval of Shareholders of the Company.
 - ii. The Company entered into transaction(s) for sale, purchase or supply of any goods in the ordinary course of Business.
 - iii. The Company availed the services as a consultant.

- (c) Duration of the contracts/arrangements/transactions:
 - i. One year for lease of Plant & Machinery & three year for Unsecured Loan.
 - ii. One year for transaction(s) with Praveen Industries Pvt. Ltd for sale, purchase or supply of any goods in the ordinary course of Business.
 - iii. Mrs. Shunali Gupta provided her services up till 31st August, 2020 only.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - i. Rent payment, Receive interest on loan, Job Work, Sale of goods at arm's length basis in the ordinary course of Business.
 - ii. Purchase of Raw Material at arm's length basis in the ordinary course of Business.
 - iii. Fees as consultant in the ordinary course of Business.
- (e) Date(s) of approval by the Members & Board, if any:
 - i. 18/07/2019 and 26/06/2020
 - ii. 26/06/2020
 - iii. 23/10/2019
- (f) Amount paid as advances, if any: Nil

PS: M/S P Mittal Manufacturing Private Limited became the wholly owned Subsidiary of United Drilling Tools Limited on 25.06.2021.

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 30/08/2021
Place: Noida

ANNEXURE-I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures required to be made under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given as under:

A. CONSERVATION OF ENERGY

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

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

B. TECHNOLOGY ABSORPTION

Research and Development

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

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

Expenditure on Research and Development:

a.	Capital	78,33,236
b.	Recurring (Gross)	Nil
c.	Total	78,33,236
d.	Total R&D expenditure as percentage of total turnover	0.55%

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	2020-21 (₹ in Lac)	2019-20 (₹ in Lac)
Foreign Earning at FOB value	14035.18	10836.19
Outgo: Total foreign Exchange outgo including cost of Imported material	8023.01	2225.75

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta

Managing Director

DIN: 00619482

Date: 30/08/2021

Place: Noida

COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

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

I confirm that the Company has in respect of the year ended March 31, 2021, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board
United Drilling Tools Limited

sd/-

Pramod Kumar Gupta

Managing Director

DIN: 00619482

Date: 30/08/2021

Place: Noida

COMPLIANCE CERTIFICATE

(Pursuant to regulation 17(8) of SEBI (LODR) Regulations, 2015)

- A. We have reviewed financial statements and the cash flow statement for the year 2020-21 and that to the best of their knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **United Drilling Tools limited**

Sd/-

Pramod Kr. Gupta

Chairman & Managing Director

DIN:- 00619482

For **United Drilling Tools limited**

Sd/-

Mukesh Mehta

Chief Financial Officer

Noida, June 25, 2021

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The members of

United Drilling Tools Limited

1. We have examined the compliance of, conditions of Corporate Governance by United Drilling Tools Limited ("the Company") for the year ended on 31st March, 2021 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2020 to March 31, 2021.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the respective periods of applicability as specified under 1 above, during the year ended March 31, 2021.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R. S. DANI & CO.**
Chartered Accountants
(Firm Reg. No. 000243C)

Sd/-
CA Ashok Mangal
Partner
M. No. 071714

Date: 30.08.2021

Place:- Bhilwara

INDEPENDENT AUDITOR'S REPORT

To
The Members of
United Drilling Tools Ltd.

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of United Drilling Tools Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

4. We draw attention to Note no. 32 D (18) of the accompanying financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition - Refer Note 32B 2(C) of the financial statements	
The company manufactures and sells a major products and services to its customers, mainly through international competitive bids and supply them by plants situated in SEZ. Director General Hydro Carbon provides special status to import from SEZ to Indian Oil Drilling Companies under international competitive bidding at special import duty and issue Essential Certificate (EC) to these companies against each invoice issued by the seller to those importing domestic companies. To follow the process, Invoice is issued and it takes some time to get EC by the buyer companies. Being material ready for despatch, but pending for delivery to buyer for want of submission of EC by the buyers are taken into sales and is part of revenue. The company has analysed this and concluded on the principles for deciding in which period or	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ol style="list-style-type: none"> a. Evaluated the design of internal controls relating to revenue recognition b. Selected a sample and tested the operating effectiveness of the internal control. b. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. c. Read, analysed and identified the distinct performance obligations in these tenders.

Key audit matters	How our audit addressed the key audit matter
periods the company's sales transactions should be recognized as revenue. The accounting policies and the note to the standalone Ind AS financial statement provide additional information on how the company accounts for its revenue.(See Note 32B(2C).	<p>d. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue.</p> <p>e. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>f. Performed analytical procedures for reasonableness of revenues disclosed by type of product and service offerings.</p>

Information Other than the Financial Statements and Auditor's Report hereon

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

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

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

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

Management's Responsibility for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management and board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing (SA's) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a

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

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

Report on Other Legal and Regulatory Requirements

15. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
17. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
18. As required by Section 143(3) of the Act, based on our audit we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt

with by this Report are in agreement with the relevant books of account.

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11

of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **R S Dani & Co.**
Chartered Accountants
(Firm's Registration No. 000243C)

Sd/-

Ashok Mangal
Partner

(Membership No. 071714)

Place : Noida,
Date : 25 June, 2021

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

To
The Members of
United Drilling Tools Ltd.

The Annexure referred to in paragraph 1, under report on Other Legal and Regulatory Requirements' section of our report of even date to the members of United Drilling Tools Ltd. on the Ind AS financial statements for the year ended 31 March 2021,

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

(i) In respect of fixed assets :

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular program of physical verification of its fixed assets by which fixed assets are verified and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/lease deeds of immovable properties (which are included under the Note 1 of the financial statements – 'Property, plant and equipment') are held in the name of the Company except for the immovable properties which were acquired by entities that have since been amalgamated with the Company.

(ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the

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

- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/ receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted;

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and advances given, investments made, guarantees and securities given.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.

(vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government of India under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues :

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues

including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, GST and cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise and GST. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, GST, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, duty of excise, service tax, GST and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from government or debenture holders during the year.
- (ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the

Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **R S Dani & Co.**
Chartered Accountants
(Firm's Registration No. 000243C)

Sd/-

Ashok Mangal
Partner

Place : Noida,
Date : 25 June, 2021

(Membership No. 071714)

Annexure "B" to the Independent Auditors' Report on the Ind AS Financial Statement of United Drilling Tools Ltd.

To
The Members of
United Drilling Tools Ltd.

The Annexure referred to in paragraph 2(f), under report on Other Legal and Regulatory Requirements' section of our report of even date to the members of United Drilling Tools Ltd. on the Ind AS financial statements for the year ended 31 March 2021,

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

1. We have audited the internal financial controls over financial reporting of United Drilling Tools Ltd. ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls

and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R S Dani & Co.**
Chartered Accountants
(Firm's Registration No. 000243C)

Sd/-

Ashok Mangal

Partner

(Membership No. 071714)

Place : Noida,
Date : 25 June, 2021

Balance Sheet

as at 31st March, 2021

₹ In Lacs

Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non current assets			
Property, plant and equipment	1	917.50	924.43
Capital work-in-progress	1	1,263.13	-
Intangible assets	1	2,245.47	2,337.57
Intangible assets under development	1	250.16	171.83
Financial assets			
Investments	2	-	-
Loans	3	1,110.00	920.00
Other Financial Assets	4	3,114.41	5,731.94
Other non-current assets	5	2,832.25	2,491.36
Total non current assets		11,732.92	12,577.13
Current assets			
Inventories	6	4,310.88	2,277.26
Financial assets			
Investments	7	-	-
Trade and other receivables	8	6,013.75	1,238.36
Cash and cash equivalents	9	565.61	1,068.84
Loans and advances	10	210.15	249.98
Other current assets	11	549.24	175.28
Total current assets		11,649.63	5,009.72
Total Assets		23,382.55	17,586.85
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	2,030.31	2,030.31
Other equity	13	17,342.92	14,380.49
Total Equity		19,373.23	16,410.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Long term borrowings	14	12.38	41.94
Other financial liabilities	15	-	-
Provisions	16	101.09	84.42
Deferred tax liabilities (Net)	17	432.54	417.79
Other non-current liabilities	18	32.74	20.69
Total non current liabilities		578.75	564.84
Current liabilities			
Financial liabilities			
Short term borrowings	19	1,817.25	-
Trade and other payables	20	-	-
Dues to Micro and Small Enterprises		159.03	4.36
Other then dues to Micro and Small Enterprises		600.53	167.26
Other financial liabilities	21	19.26	7.96
Other current liabilities	22	793.33	396.47
Short-term provisions	23	41.18	35.16
Total current liabilities		3,430.58	611.21
Total liabilities		4,009.32	1,176.05
Total Equities and Liabilities		23,382.55	17,586.85
Significant Accounting Policies and other disclosures on Financial Statements	32		

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place : Noida
Date : June 25, 2021

For United Drilling Tools Ltd.

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

Sd/-
Krishan Diyal Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Ved Prakash Mahawar
Independent Director
(DIN 07208090)

Sd/-
Dr. Kanal Gupta
Whole Time Director
(DIN 01050505)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Statement of Profit & Loss

for the year ended on 31st March, 2021

₹ In Lacs

Particulars	Note No.	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Income			
Revenue from Operations	24	14,285.36	11,175.08
Other Income	25	364.69	291.82
Total Income		14,650.05	11,466.90
Expenses			
Cost of Materials Consumed	26	9,715.84	3,840.75
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(1743.58)	244.08
Employee Benefit Expense	28	1,313.31	1,135.75
Financial Costs	29	87.54	50.61
Depreciation and Amortization Expense	1	267.54	269.69
Other Expenses	30	1,095.45	650.60
Total Expenses		10,736.09	6,191.48
Profit before Tax		3,913.96	5,275.42
Tax Expenses:			
(1) Current tax MAT		55.63	390.25
(2) Current Tax		629.38	733.71
(3) Deferred tax		14.75	19.92
(4) For earlier period		-	-
(5) Less : MAT Credit available		55.63	390.25
Profit/(Loss) for the period		3,269.83	4,521.80
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(3.98)	(8.91)
Income tax relating to items that will not be reclassified to the profit or loss		(1.16)	(2.57)
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to the profit or loss		-	-
Total comprehensive income for the year		3,267.01	4,515.46
Earning per equity share:	31		
(1) Basic		16.09	22.24
(2) Diluted		16.09	22.24
Significant Accounting Policies and other disclosures on Financial Statements	32		

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place : Noida
Date : June 25, 2021

For **United Drilling Tools Ltd.**

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

Sd/-
Krishan Diyal Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Ved Prakash Mahawar
Independent Director
(DIN 07208090)

Sd/-
Dr. Kanal Gupta
Whole Time Director
(DIN 01050505)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Cash Flow Statement

for the year ended on 31st March, 2021

₹ In Lacs

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	3,909.97	5,266.52
Items Adjustment for:		
Depreciation	267.54	269.69
Profit on sale of Fixed Assets	(0.14)	-
Operating profit Before Change in working capital	4,177.37	5,536.21
Adjustment for:		
Trade & Other Receivable	(4775.39)	1,506.10
Inventories	(2033.61)	21.76
Loans & Advances	(334.12)	(2.56)
Trade Payable	587.95	353.55
Other Non Current Assets	2,086.62	4,402.04
Other Current Liabilities	408.15	299.91
Provisions	16.67	12.66
Short Term Provisions	6.02	35.16
Other Non Current Liabilities	12.05	11.32
Cash Generated from operations	151.70	2,065.15
Less : Direct Taxes paid	628.22	731.14
Cash flow before Extra Ordinary Items	(476.51)	1,334.01
Net cash flow from operating activities	(476.51)	1,334.01
CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase/Transfer of fixed Assets	1,510.54	129.74
Sales of fixed Assets	0.70	-
Net cash used in investing activities	1,509.85	129.74
CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution	1,817.25	-
Other Secured Loans	(29.56)	27.93
Payment of dividend	(304.55)	(1272.33)
Net Cash Flow from Financing Activities	1,483.14	(1244.40)
Net increase in cash and equivalents	(503.23)	(40.13)
Cash and Cash Equivalents as at 01.04.2020 (Op. Bal.)	1,068.84	1,108.97
Cash and Cash Equivalents as at 31.03.2021 (Clo.Bal.)	565.61	1,068.84

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place : Noida
Date : June 25, 2021

For United Drilling Tools Ltd.

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

Sd/-
Krishan Diyal Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Ved Prakash Mahawar
Independent Director
(DIN 07208090)

Sd/-
Dr. Kanal Gupta
Whole Time Director
(DIN 01050505)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Statement of Changes in Equity

for the year ended on 31st March, 2021

A. Equity Share Capital

₹ In Lacs

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March, 2021
Equity Share Capital	1,015.16	1,015.16	2,030.31	-	2,030.31
Total	1,015.16	-	2,030.31	-	2,030.31
Note: Detail of Changes					
Increase in Equity for receipt of calls in arrear	-	-	-	-	-
Increase in Equity for Issue of Bonus Shares	-	-	-	-	-
Decrease in Equity due to money transferred to shares Forfeiture Ac/c being amount paid up on forfeited Equity Shares	-	-	-	-	-
Net amount Increase / (Decrease)	-	-	-	-	-
Decrease in issued and paid up Equity for Forfeiture of Shares (Paid up Value)	-	-	-	-	-

B. Other Equity

₹ In Lacs

Particulars	Share Forfeiture Account	Reserves and Surplus					Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
As on 31st March, 2020								
Balance at the beginning of the reporting period i.e; 1st April, 2019	3.84	1,783.04	-	1,234.69	500.00	7,620.52	(4.75)	11,137.35
Total comprehensive income for the year	-	-	-	-	-	4,521.80	(6.34)	4,515.46
Dividends	-	-	-	-	-	1,055.76	-	1,055.76
Tax on Dividends	-	-	-	-	-	216.57	-	216.57
Balance at the end of the reporting period i.e; 31st March, 2020	3.84	1,783.04	-	1,234.69	500.00	10,869.99	(11.09)	14,380.49

B. Other Equity

₹ In Lacs

Particulars	Share Forfeiture Account	Reserves and Surplus					Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
As on 31st March, 2021								
Balance at the beginning of the reporting period i.e; 1st April, 2020	3.84	1,783.04	-	1,234.69	500.00	10,869.99	(11.09)	14,380.49
Total comprehensive income for the year	-	-	-	-	-	3,269.83	(2.82)	3,267.01
Dividends	-	-	-	-	-	304.55	-	304.55
Tax on Dividends	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e; 31st March, 2021	3.84	1,783.04	-	1,234.69	500.00	13,835.27	(13.91)	17,342.92

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place : Noida
Date : June 25, 2021

For United Drilling Tools Ltd.

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

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Independent Director
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Sd/-
Dr. Kanak Gupta
Whole Time Director
(DIN 01050505)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Notes to the Financial Statements for the year ended on 31st March 2021

Note 01. Property Plant & Equipments

Particulars	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK			
	As on 01.04. 2019	Add/ Ded. Due to Inter Unit/ head Tr.	Addi- tions	Adjust- ment/ Deduc- tion	Impact of IND AS Transac- tions	As on 01.04. 2020	Add/ Ded. Due to Inter Unit/ head Tr.	Addi- tions	Adjust- ment/ Deduc- tion	Impact of IND AS Transac- tions	As on 01.04. 2020	Add/ Ded. Due to Inter Unit/ head Tr.	For the Year	Adjust- ment/ Deduc- tion	As on 31.03. 2021	As on 31.03. 2020
Tangible Assets																
Land and Building	66.92	0.00	0.00	0.00	0.00	66.92	0.00	0.00	0.00	0.00	2.74	0.00	0.91	0.00	3.65	63.27
Electric Fitting	809.67	0.00	0.00	0.00	0.00	809.67	0.00	0.00	0.00	0.00	400.62	0.00	38.86	0.00	439.48	370.19
Plant & Machinery and Equipments	107.64	0.00	0.13	0.00	0.00	107.77	0.00	10.92	4.49	0.00	81.04	0.00	5.68	3.92	82.79	31.41
Plant & Machinery																
Tools & Dies	310.90	0.00	0.53	0.00	0.00	311.42	0.00	118.18	0.00	0.00	211.78	0.00	26.11	0.00	237.89	191.72
Generator	171.78	0.00	1.73	0.00	0.00	173.51	0.00	3.45	0.00	0.00	141.46	0.00	10.50	0.00	151.96	25.00
Testing & Other Equipment	38.74	0.00	0.00	0.00	0.00	38.74	0.00	12.25	0.00	0.00	26.14	0.00	3.85	0.00	29.99	21.01
Office Equipment	215.02	0.00	15.14	0.00	0.00	230.16	0.00	8.18	0.00	0.00	142.78	0.00	24.16	0.00	166.93	71.40
Safety Equipment	59.28	0.00	1.48	0.00	0.00	60.75	0.00	0.75	0.00	0.00	56.42	0.00	2.20	0.00	58.62	2.88
R&D Tech Equip P & M	18.40	0.00	0.13	0.00	0.00	18.54	0.00	0.54	0.00	0.00	12.48	0.00	1.12	0.00	13.60	5.48
Furniture & Fixture	170.06	0.00	0.00	0.00	0.00	170.06	0.00	0.00	0.00	0.00	109.33	0.00	10.99	0.00	120.32	49.74
Computer	36.76	0.00	0.76	0.00	0.00	37.52	0.00	0.90	0.00	0.00	31.87	0.00	1.60	0.00	33.47	4.95
Vehicles	38.97	0.00	2.78	0.00	0.00	41.75	0.00	2.04	0.00	0.00	38.33	0.00	2.49	0.00	40.82	2.98
TOTAL (A)	213.87	0.00	77.29	0.00	0.00	291.16	0.00	0.07	0.00	0.00	178.59	0.00	35.18	0.00	213.76	112.57
TOTAL (A)	2,258.01		99.97	0.00	0.00	2,357.98	0.00	157.28	4.49	0.00	1,433.56	0.00	163.64	3.92	1,593.28	917.50
Intangible Assets																
Patented Technologies	4,758.81	0.00	0.00	0.00	0.00	4,758.81	0.00	0.00	0.00	0.00	2,425.32	0.00	101.10	0.00	2,526.42	2,232.39
Software	5.61	0.00	3.86	0.00	0.00	9.47	0.00	11.80	0.00	0.00	5.39	0.00	2.80	0.00	8.18	13.09
TOTAL (B)	4,764.42		3.86	0.00	0.00	4,768.28	0.00	11.80	0.00	0.00	2,430.71	0.00	103.90	0.00	2,534.61	2,245.47
TOTAL (A+B)	7,022.43		103.83	0.00	0.00	7,126.26	0.00	169.08	4.49	0.00	3,864.27	0.00	267.54	3.92	4,127.89	3,162.97
Intangible Asset under development	145.91	0.00	25.92	0.00	0.00	171.83	0.00	78.33	0.00	0.00					250.16	171.83
Capital WIP (Office)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,263.13	0.00						1,263.13	0.00
1.1	For Properties pledged as security - refer Note 19.1															
1.2	Intangible Assets are other then internally generated except which is under development.															
1.3	Capital WIP (Office) include office premises purchased and Furnishing work under progress.															
1.4	There are some changes in internal classification of Fixed Assets, among Plant & machinery, Electric Fittings and Testing & Other Equipments, the depreciation rate being the same there are no changes in the results for current year or earlier year.															

Notes to the Financial Statements for the year ended on 31st March 2021

Note 02. Investments

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Investments	-	-
Total	-	-

Note 03. Loans

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Loans	1,110.00	920.00
Total	1,110.00	920.00

Note : The amount of ₹1110.00 Lacs (Prev Year 920.00 Lacs due to related party refer note 32(D)10.

Note 04. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Fixed Deposit - Others	3,114.41	5,731.94
(Including accrued interest of ₹34.08 Lacs (Pr. Year 179.79 lacs)		
Total	3,114.41	5,731.94

Note 05. Other Non Current Assets

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits & Advances	40.06	36.49
Advance Income Tax (Net of Provisions) and MAT	2,415.45	2,416.53
Other Non Current assets	376.74	38.34
Total	2,832.25	2,491.36
Advance Income Tax (Net of Provisions)		

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
At the beginning of the year	2,416.53	2,122.12
Charges of the year	628.22	731.14
Others	123.85	33.50
Tax Paid during the year	750.99	992.05
At the end of the year	2,415.45	2,416.53

Note 06. Inventories

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(Valued at cost or Market value whichever is lower)		
Raw Material	1,217.41	997.88
Work-in-Progress	2,679.76	1,020.35
Finished Goods	94.92	10.76
Stores & Spares	318.79	248.27
Total	4,310.88	2,277.26

Notes to the Financial Statements

for the year ended on 31st March 2021

Note 07. Investments

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Investments	-	-
Total	-	-

Note 08. Trade and other receivables

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, Considered Good :		
Outstanding for more than six months	372.13	577.02
Others	5,641.62	661.34
Total	6,013.75	1,238.36

Note 09. Cash & Cash Equivalent

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Cash at Bank		
In Current Account	480.34	991.71
Unpaid Dividend Account	84.57	74.93
Cash-in-Hand		
Cash Balance	0.70	2.20
Total	565.61	1,068.84

Note 10. Loans and Advances

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured Considered Good		
Other Advance	210.15	249.98
Total	210.15	249.98

Note 11. Other Current Assets

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured Considered Good		
Balance with GST/Excise/Service Tax and other authorities	549.24	175.28
Total	549.24	175.28

Note 12. Equity

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
AUTHORIZED CAPITAL		
3,69,88,330 Equity Shares of ₹10/- each.	3,698.83	3,698.83
(As at 31st March, 2021 : 3,69,88,330 Equity Shares of ₹10/- each)		

Notes to the Financial Statements for the year ended on 31st March 2021

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(As at 1st April, 2020 : 3,69,88,330 Equity Shares of ₹10/- each)		
Pref. Shares of ₹100/- each.		
10,01,167 5% Cumulative compulsory redeemable		
(As at 31st March, 2021 : 10,01,167 Shares)	1,001.17	1,007.17
(As at 1st April, 2020 : 10,01,167 Shares)		
	4,700.00	4,700.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
Equity Shares		
2,03,03,126 Equity Shares of ₹10/- each, Fully Paid up	2,030.31	2,030.31
(As at 31st March, 2021 : 2,03,03,126 Equity Shares of ₹10/- each)		
(As at 1st April, 2020 : 2,03,03,126 Equity Shares of ₹10/- each)		
Sub - Total	2,030.31	2,030.31
Total	2,030.31	2,030.31

Note 12.1 Reconciliation of the number of share outstanding

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Equity Shares (No's)		
Opening	2,03,03,126	2,03,03,126
Closing	2,03,03,126	2,03,03,126

Note 12.2 Details of Share Holding (More then 5%) (Given for only Issued & Subscribed Capital)

(₹ in Lacs)

Equity Shares	As at 31 st March, 2021	
Name of the party	No. of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Cairn Oil Solution Pvt. Ltd.	19,00,495	9.36
	As at 31.3.2020	
	No. of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Cairn Oil Solution Pvt. Ltd.	26,36,068	12.98

Note 12.3 Rights, preferences and restrictions attached to shares

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

Note 12.4 Aggregate number of shares issued for consideration other then cash

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. (No's)	82,61,013	82,61,013

Notes to the Financial Statements for the year ended on 31st March 2021

Note 13. Other Equity

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
A. Capital Redemption Reserve		
As per last Balance Sheet	1,001.17	1,001.17
Less : Issue of Bonus Shares	1,001.17	1,001.17
	-	-
B. Capital Reserve		
As per last Balance Sheet	1,783.04	1,783.04
	-	-
C. Securities Premium Reserve		
As per last Balance Sheet	1,234.69	1,248.68
Less : Issue of Bonus Shares	-	13.99
	1,234.69	1,234.69
D. General Reserve		
As per last Balance Sheet	500.00	500.00
Add: Transfer from retain earnings	-	-
	500.00	500.00
E. Retained Earnings		
As per last Balance Sheet	10,869.99	7,620.52
Add: Profit for the Year	3,269.83	4,521.80
	14,139.82	12,142.32
Less : Appropriations		
Transfer to General Reserve	-	-
Dividends (Including dividend distribution tax)	304.55	1,272.33
	13,835.27	10,869.99
F. Other Comprehensive Income		
As Per Last Balance Sheet	(11.09)	(4.75)
Add: Movement in OCI (Net) during the year	(2.82)	(6.34)
	(13.91)	(11.09)
G. Share Forfeiture Account		
As Per Last Balance Sheet	3.84	3.84
	3.84	3.84
TOTAL (A to G)	17342.92	14,380.49

Note 14. Borrowings

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Vehicle Loans from Banks	31.64	49.90
Less : Taken to Current Liability	19.26	7.96
	12.38	41.94
Unsecured		
From Corporate bodies	-	-
Total	12.38	41.94

Notes to the Financial Statements for the year ended on 31st March 2021

Note 14.1 : The Secured Loan of ₹8.75 Lacs (Previous Year 14.09 Lacs) is secured by way of hypothecation of vehicles and payable in variable installments in next 18 monthly installment. The applicable rate of interest is 8.7%.

Note 14.2 : The Secured Loan of ₹22.89 Lacs (Previous Year 35.81 Lacs) is secured by way of hypothecation of vehicles, payable in variable installments in next 20 monthly installment. The applicable rate of interest is 4.5%.

Note 15. Other Financial Liabilities

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Preferential Shares	-	-
Total	-	-

Note 16. Provisions

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for employees benefit	101.09	84.42
Total	101.09	84.42

Note 17. Deferred Tax Liabilities (Net)

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
A. Deferred tax liability		
At the Start of the year	417.79	397.87
Charge/(Credit) to the statement of Profit & Loss	14.75	19.92
Deferred tax liabilities (A-B)	432.54	417.79

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	473.97	452.28
Provisions (Asset)	(41.43)	(34.49)
Total	432.54	417.79

Note 18. Other Non Current Liabilities

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Other Non Current Liabilities	32.74	20.69
Total	32.74	20.69

Note 19. Short Term Borrowings

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured - At Amortised Cost		
Working Capital Loan from Banks	1,817.25	-
Total	1,817.25	-

Notes to the Financial Statements for the year ended on 31st March 2021

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

Note 20. Trade Payables

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
Dues to Micro and Small Enterprises	159.03	4.36
Other than dues to Micro and Small Enterprises	600.53	167.26
Total	759.56	171.62

Note 20.1: There is ₹0.01 Lacs overdue and Nil interest payable to Micro, Small and Medium Enterprises as at March 31, 2021 and ₹1.87 lacs overdue as on March 31, 2020 which could not be paid due to Covid 19 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 and applicable.

Note 21. Other Financial Liabilities

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
Current Maturity of Long Term Loan	19.26	7.96
Total	19.26	7.96

Note 22. Other Current Liabilities

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
Liabilities for Expenses		
Advances from Customers	671.80	294.25
Other Payables	2.75	10.80
	118.78	91.42
Total	793.33	396.47

Note 23. Short Term Provisions

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
Provision for Employment Benefit	41.18	35.16
Provision for Taxation	-	-
Total	41.18	35.16

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
Provision for Taxation	628.22	731.14
Less : Reduced from advance taxes paid	628.22	731.14
Balance Amount	-	-

Notes to the Financial Statements for the year ended on 31st March 2021

Note 24. Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Sale of Products	14,125.66	10,981.06
Job Work	144.10	-
FE Fluctuation	-	190.02
Consulting and Engineering Services	15.60	4.00
Total	14,285.36	11,175.08

Note 25. Other Income

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest Received	346.44	269.76
Profit on Sale of Fixed Assets	0.14	-
Misc. Income and w/off	18.11	22.06
Total	364.69	291.82

Note 26. Cost of Material Consumed

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
MATERIALS AND STORES		
Opening Stock	1,246.14	1,023.83
Add: Purchase and expenses less returns	10,005.90	4,063.06
	11,252.04	5,086.89
Less: Closing stock	1,536.20	1,246.14
MATERIAL CONSUMED	9,715.84	3,840.75

Note 27. Change in Inventories

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Inventories (At commencement)		
Work-in- Progress	1,020.35	1,090.67
Finished Goods	10.76	184.52
	1,031.11	1,275.19
Inventories (At close)		
Work-in- Progress	2,679.77	1,020.35
Finished Goods	94.92	10.76
	2,774.69	1,031.11
Change in Stock (Increase)/Decrease in Inventory		
Work-in- Progress	(1659.42)	70.32
Finished Goods	(84.16)	173.76
Total	(1743.58)	244.08

Notes to the Financial Statements

for the year ended on 31st March 2021

Note 28. Employees Benefit Expenses

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salary and Wages	1,227.41	1,050.11
Contribution to PF and other funds & benefits	35.63	42.02
Bonus	16.54	16.93
Gratuity	13.96	11.61
Employee Welfare	19.77	15.08
Total	1,313.31	1,135.75

Note 29. Financial Cost

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest to Banks	23.80	0.01
Other Interest	3.29	3.65
Other Borrowing Costs	60.45	46.95
Total	87.54	50.61

Note 30. Other Expenses

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(a) Manufacturing Expenses		
Power, Fuel & Water charges	120.03	86.19
Security Service Charges	35.85	31.27
Testing, Painting & Inspection Expenses	76.25	16.55
Job Charges	118.01	21.64
Repair & Maintenance		
Plant & Machinery	10.47	11.32
Building	1.47	2.11
Others	46.38	26.83
TOTAL (a)	408.46	195.91
(b) Administrative and Other Expenses		
Printing & Stationary	10.46	11.47
Postage, Telegram & Telephones	17.83	18.11
Subscription & Membership Fees	2.68	3.26
Director's Sitting Fee	5.58	7.95
Rent	63.47	27.72
Travelling Directors	8.26	24.84
Others	48.57	29.72
Vehicle & Conveyance	61.07	51.97
Charity & Donation	3.02	1.73
Legal & Professional	36.78	21.35
Insurance Charges	16.61	17.91
CSR Expenses	25.52	40.60

Notes to the Financial Statements

for the year ended on 31st March 2021

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Auditor's Remunerations		
Audit Fee	3.25	3.25
Tax Audit Fee	0.75	0.75
Reimbursement of expenses	-	0.77
Books & Periodicals	4.82	0.37
Rates, Taxes and Filling Fee	26.38	15.94
Applicable Loss on Foreign Currency transactions and translations	135.88	-
Miscellaneous Expenses	36.80	74.65
TOTAL (b)	507.73	352.37
(c) Selling and Distribution Expenses		
Selling Expenses	105.44	94.60
Distribution Expenses (Freight, Cartage & Insurance etc.)	73.82	7.72
TOTAL (c)	179.26	102.31
TOTAL (a to c)	1,095.45	650.60

Note 31. Earning Per Share (EPS)

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (₹ Lacs)	3,267.01	4,515.46
Weighted Average number of Equity Shares used as denominator for calculating EPS	2,03,03,126.00	2,03,03,126.00
Basic EPS ₹	16.09	22.24
Diluted EPS ₹	16.09	22.24
Face Value Per Equity Share ₹	10.00	10.00

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Sd/-
Dr. Kanal Gupta
Whole Time Director
(DIN 01050505)

For **United Drilling Tools Ltd.**

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

Sd/-
Krishan Diyal Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Ved Prakash Mahawar
Independent Director
(DIN 07208090)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Place : Noida
Date : June 25, 2021

Notes to the Financial Statements for the year ended on 31st March 2021

SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

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

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

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

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

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

The company's financial statements are presented in Indian Rupees, which is also its functional currency.

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

B.2 Summary of Significant Accounting Policies :

(a) Property, Plant and Equipment

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

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

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

(b) Intangible Assets

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

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

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

(c) Revenue Recognition

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

Notes to the Financial Statements for the year ended on 31st March 2021

- (ii) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT/GST or other taxes collected on behalf of the government. Given the nature of business of the company, the company require to issue Tax Invoice when finished goods are ready for dispatch, but after issue of Tax Invoice to buyer, buyer need to submit Essential Certificate , (EC) to the company from DGH , which takes normally two weeks time before dispatch, till such time FG can't be dispatched, but the same is accounted for in sales as per Tax Invoice issued.
- (iii) Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.
- (iv) Interest - Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Export Benefits / Incentives - Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognised in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (d) **Expenditures**
Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.
- (e) **Inventories**
 - (i) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realizable value.
 - (ii) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of GST/Cenvat credit.
 - (iii) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.
 - (iv) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.
 - (v) Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- (f) **Employee Benefit**
 - (i) **Short Term Employee Benefit :**
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services this excludes leave encashment entitlement annually, which is accounted for on the basis of actuarial basis.
 - (ii) **Post Employment Benefits :**
Defined Contribution Plan :
Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Profit & Loss Account of the year when the contribution to the respective fund is due.
Defined Benefit Plan :
Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of actuarial valuation as at the date of Balance Sheet which is not funded.

Notes to the Financial Statements for the year ended on 31st March 2021

(g) Foreign Currency Transactions

(i) Initial Recognition

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

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

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

(h) Research and Development

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

(i) Prior Period Adjustments

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

(j) Investments

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

(k) Finance Cost

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

(l) TAX EXPENSES

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

Current Tax

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

Deferred Tax

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

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

(m) Leases

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

Notes to the Financial Statements for the year ended on 31st March 2021

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

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

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

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

(n) Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized but are disclosed in notes.

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

(o) Segment Reporting

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

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

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

(a) Sales in Indian Currency

(b) Sales in foreign currency

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

(p) Earning Per Share

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

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

Notes to the Financial Statements for the year ended on 31st March 2021

(q) Recent Accounting Pronouncements

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

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

Ind AS 115

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

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

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

(r) Financial Instruments

(i) Financial Assets

A. Initial recognition and measurement

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

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements for the year ended on 31st March 2021

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

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

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

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

D. **Other Equity Investments**

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

E. **Impairment of financial assets**

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

(ii) **Financial liabilities**

A. **Initial recognition and measurement**

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

B. **Subsequent measurement**

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

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

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

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

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

a) **Cash flow hedge**

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

Notes to the Financial Statements for the year ended on 31st March 2021

b) Fair Value Hedge

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

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

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Tangible Assets

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

Intangible Assets

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

2. Recoverability of trade receivable

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

3. Provisions

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

D. OTHER NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities not provided for :

- (i) Bank guarantees against our counter guarantees issued by banks ₹2140.15 Lacs (Pr. Yr. ₹2080.59 Lacs) .
- (ii) Letter of Credit opened by Banks ₹312.09 Lacs (Pr. Year ₹695.24 lacs)
- (iii) Bill discounted by bank ₹NIL (Pr. Yr. Nil).

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

Notes to the Financial Statements for the year ended on 31st March 2021

- (ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- (iii) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.

3. Employee Benefit Obligations

(i) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is ₹31.32 lacs (Pre. Yr. ₹33.42 lacs)

(ii) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to ₹105.12 lacs (Previous Year ₹89.78 lacs) on actuarial liability basis as on the date of balance sheet. It is non funded.

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Present value of obligation at the beginning of the period	89.78	71.76
Interest cost	6.07	5.45
Current service cost	7.90	6.16
Benefits paid	(2.61)	(2.50)
Actuarial (gain)/loss on obligation	3.98	8.91
Present value of obligation at the end of period	105.12	89.78

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
In Income Statement		
Past service cost	-	-
Current service cost	7.90	6.16
Interest Cost	6.07	5.45
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	13.97	11.61
In Other Comprehensive Income	(3.98)	(8.91)
Net actuarial (gain)/loss recognized in the period	3.98	8.91
Net (Income)/ Expense For the period Recognised in OCI	2.82	6.34

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Present value of obligation as at the end of period	105.12	89.78
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	105.12	89.78

Notes to the Financial Statements

for the year ended on 31st March 2021

The assumptions used in Actuarial Valuation:-

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
i) Discounting Rate	6.69	6.76
ii) Future salary Increase	5.50	5.50

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

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

(iii) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to ₹37.15 lacs (Previous Year ₹29.80 lacs) on the basis of actuarial valuation basis as on balance sheet date. The liability is paid annually or during the year. It is nonfunded.

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

5. (i) The company is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred in debited to intangible assets under development.

(ii) The provision for taxation has been made after considering the benefits available to SEZ units under Income Tax Act.

6. Financial Derivative Instruments

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments and foreign currency exposure are as follows:

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
A Forward Exchange Contracts outstanding (USD)	-	-	-	-
B.1 Foreign currency exposure not covered by derivative instrument				
1. Amount receivable on account of export of goods and services.(USD)	77.65	5701.58	15.07	1135.83
2. Advances given in USD	1.36	100.03	1.31	98.68
3. Amount in EEFC A/c in bank (USD)	5.32	390.24	7.18	540.89
Sub Total (B.1)(USD)	84.33	6191.85	23.56	1775.40
4. Advances given in (Euro)	-	-	-	-
5. Advances given in (GBP)	-	-	0.01	0.47
B.2 1. Amount of Bank Credit (PCFC) (USD)	24.75	1817.25	-	-
2. Amount payable on account of import of goods and services.(USD)	5.34	392.06	0.12	9.39
Sub Total (B.2)	30.09	2209.31	0.12	9.39
Total (B1+B2) (USD)	114.42	8401.16	23.68	1784.79
Total (Euro)	-	-	-	-
Total (GBP)	-	-	0.01	0.47

Notes to the Financial Statements for the year ended on 31st March 2021

7. Segment Reporting

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

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1. Segmental Revenue		
- Revenue in Local Currency	250.18	144.87
- Revenue in Foreign Currency	14035.18	10836.19
Total Revenue	14285.36	10981.06
2. Segmental Assets*		
- Assets in Local Currency	17190.70	15810.97
- Assets in Foreign Currency	6191.85	1775.88
Total Assets	23382.55	17586.85
3. Segmental Liabilities		
- Liabilities in Local Currency	21173.24	17577.46
- Liabilities in Foreign Currency	2209.31	9.39
Total Liabilities	23382.55	17586.85

8. Related Party Disclosure

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

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

(a) Key Management Personnel, Independent Directors and related parties :-

Name of Person	Relationship
Shri Pramod Kumar Gupta	Chairman & Managing Director
Dr. Kanak Gupta	Executive Director and Son of Managing Director
Shri Inderpal Sharma	Whole Time Director
Shri Krishan Diyal Aggarwal	Independent Director
Shri Pandian Kalyanasundaram	Independent Director
Shri S S K Bhagat (Up to 17.11.2019)	Independent Director
Mrs. Twinkle Singh (Up to 15.03.2021)	Independent Director
Mrs. Shunali Gupta	Wife of Executive Director
Shri Arun Kumar Thakur	CFO
Shri Pramod Kumar Ojha	Company Secretary

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

Name of Person	Relationship
P Mittal Manufacturing Pvt. Ltd.	KMP have control
Parveen Industries Pvt. Ltd.	Relative is Director

Notes to the Financial Statements

for the year ended on 31st March 2021

Details of Transactions with related parties :-

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1. Rent Payment		
P Mittal Manufacturing Pvt. Ltd.	2.50	7.50
2. Salary		
Shri Pramod Kumar Gupta	203.03	151.88
Dr. Kanak Gupta	40.45	42.22
Shri Arun Kumar Thakur (CFO)	6.60	6.41
Shri Inderpal Sharma	7.61	7.05
Shri Pramod Kumar Ojha	7.92	7.48
Mrs. Shunali Gupta	-	7.41
3. Director's Sitting Fee		
Shri Krishan Diyal Aggarwal	1.85	1.90
Shri Shiv Sharan Kumar Bhagat	-	1.55
Shri Pandian Kalyanasundaram	1.88	2.25
Mrs. Twinkle Singh	1.85	2.25
4. Purchases		
Parveen Industries Pvt. Ltd	36.07	122.00
P Mittal Manufacturing Pvt. Ltd.	51.86	-
5. Job Work		
P Mittal Manufacturing Pvt. Ltd.	104.35	-
6. Sales		
P Mittal Manufacturing Pvt. Ltd.	6.34	-
7. Interest Received		
P. Mittal Manufacturing Pvt. Ltd.	85.96	61.92
8. Loans Given		
P. Mittal Manufacturing Pvt. Ltd.	190.00	320.00
9. Consultancy Charges		
Mrs. Shunali Gupta	1.00	0.95

Outstanding

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1. Shri Pramod Kumar Gupta (Cr.)	20.02	15.02
2. Shri (Dr.) Kanak Gupta(Cr.)	3.52	3.52
3. Shri Inder Pal Sharma(Cr.)	0.76	0.67
4. Shri Arun Kumar Thakur (Cr.)	0.64	0.63
5. Shri Pramod Kumar Ojha (Cr.)	0.80	0.72
6. P Mittal Manufacturing Pvt. Ltd.(Cr.)	-	4.62
7. Parveen Industries Pvt. Ltd. (Cr.)	35.71	51.90
8. Mrs. Shunali Gupta (Cr.)	-	0.42
9. P Mittal Manufacturing Pvt. Ltd. (Loan A/c.)(Dr.)	1110.00	920.00

Notes to the Financial Statements for the year ended on 31st March 2021

9. Managerial Remuneration

(₹ in Lacs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1 Shri Pramod Kumar Gupta	203.03	151.88
2 Dr. Kanak Gupta	40.45	42.22
3 Shri Inder Pal Sharma	7.62	7.05
Total Salary & Perquisites*	251.10	201.15

*The aforesaid amount doesn't include amount in respect of gratuity and leave encashment as the same is not determinable.

Remuneration is within limits specified under Section 197 of the Act, as recommended by Nomination and Remuneration Committee and approved by Board and approved by shareholders' at the annual General Meeting.

10. Loans given :-

(₹ in Lacs)		
KMP have control on Company	Amount Outstanding as at 31 st March, 2021	Amount Outstanding as at 31 st March, 2020
P. Mittal Manufacturing Pvt. Ltd.	1110.00	920.00

The company has provided unsecured loan of ₹1110.00 Lacs to P. Mittal Manufacturing Pvt. Ltd., a related party, with relevant approval of the Board of Directors and Shareholders. The loan is subject to the minimum interest @ 8% p.a. as per terms of agreement, and repayable not later than 3 Years (Three Years) from the date of disbursement.

11. Expenditure towards Corporate Social Responsibility (CSR)

(₹ in Lacs)		
Particular	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Gross amount required to be spent by the company during the year	61.68	40.14
Amount Spent during the year	25.52	40.60

(₹ in Lacs)		
Head	Amount Spent	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Promoting Health Care	5.30	2.00
Setting up old age Home	5.60	17.39
Promoting Education	5.06	12.52
Eradication Hunger, Poverty	7.08	4.29
Setting Up Home care	2.48	2.65
Animal Welfare	-	-
Reducing Inequality \ Environmental Sustainability	-	-
Contribution to relief funds set up by Central Govt.	-	1.75
Total	25.52	40.60

Note: The amount spent during the financial year is lower as compare to what was required to spent. Due to Covid-19 amount actually spent was lower, which will be spend/deposited as per law in the current financial year. During previous year actual amount spent is higher than required, being the amount underspent in previous year.

Notes to the Financial Statements for the year ended on 31st March 2021

12. There is principal of ₹0.01 Lacs as on 31.3.2021 (Previous year ₹1.87) overdue to micro and small enterprises due to Covid-19 impact. There is no interest due. This information has been determined to the extent such parties have been identified on the basis of the information available with the company and the same has relied upon by the auditors.

13. Expenditure in Foreign Currency

		(₹ in Lacs)	
Sr. No.	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	Travelling	4.45	18.15
2	Purchases	8007.24	2197.19
3	License Fee	11.32	10.41

14. Export earning in Foreign Currency

		(₹ in Lacs)	
Sr. No.	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(i)	Export Earning in foreign Currency at FOB value	14035.18	10836.19

15. Financial Risk Management

(i) Financial risk management objectives and policies

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

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

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

The Company manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

(ii) Market Risk- Interest rate risk

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

(iii) Market Risk- Foreign currency risk.

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

16. Capital risk management

(i) Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize

Notes to the Financial Statements for the year ended on 31st March 2021

returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(ii) Dividend on Equity Shares

Particular	(₹ in Lacs)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Dividend	304.55	1272.33

17. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counter-party,
- Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counter-party,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as an income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables

		(₹ in Lacs)	
Sr. No.	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	0-3 Months	5093.94	435.37
2	3-6 Months	611.28	232.43
3	6-12 Months	308.53	489.85
4	Beyond 12 Months	341.17	80.71
	Total	6354.92	1238.36

Notes to the Financial Statements for the year ended on 31st March 2021

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

18. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with adverse impact on economy and business. The spread of Covid 19 has affected the business marginally.

The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities and adopting work from home policy for employees, wherever possible, across locations.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company is carrying its manufacturing operations as allowed in strict compliance. Supply chain and product sale activities have resumed, most of the staff is coming and working in office according to local government instructions and also working from home as and when required.

Since the situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and Company will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

19. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Floating Rate		
Expiring within one year (Packing credit facility- Pre shipment/ post shipment)	2235.00	2507.00

The Packing credit facilities- Pre shipment/ post shipment and other facilities may be withdrawn at any time and may be terminated by the bank without notice.

20. Event occurring after balance sheet date

There is no reportable event happened after balance sheet date and up to finalization of balance sheet, except impact of Covid-19, which has discussed in point 18 above.

21. The Financial Statements were authorised for issue by the directors on 25th June, 2021.

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

For United Drilling Tools Ltd.

Sd/-
Pramod Kumar Gupta
Managing Director
(DIN 00619482)

Sd/-
Inderpal Sharma
Whole Time Director
(DIN 07649251)

Sd/-
Krishan Diyal Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Ved Prakash Mahawar
Independent Director
(DIN 07208090)

Sd/-
Dr. Kanak Gupta
Whole Time Director
(DIN 01050505)

Sd/-
P Kalayanasundaram
Independent Director
(DIN 02568099)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Mukesh Mehta
CFO

Place : Noida
Date : June 25, 2021



United Drilling Tools Limited
www.udtltd.com