



UNITED DRILLING TOOLS LTD.

CIN : L29199DL1985PLC015796

OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES

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From out side Country -91-120

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01/09/2022

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UDT/SEC/2022-23/BSE-43-NSE-43

To

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 2021-22

Dear Sir/Madam,

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 2021-22 along with notice of 40th Annual General Meeting (AGM) dated August 13, 2022 convening the 40th AGM of the Company scheduled to be held on Monday, September 26, 2022 at 11:30 AM through Video Conferencing (VC) / other audio visual means (OAVM).

The Notice of AGM and Annual Report FY 2021-22 have been sent to all members whose email IDs are registered with the Depository Participants and physical copies of the Notice have been sent to all other members at their registered address in the permitted mode. The same is also available on the website of the company www.udtlttd.com under investor corner. The dispatch of Notice of AGM has been completed on September 01, 2022 .

Thanking You,

Yours faithfully

For United Drilling Tools Ltd.


Naveen Bhatnagar
Company Secretary
M. No. F-6079



DRIVING
GROWTH.
DELIVERING
VALUE.



United Drilling Tools Limited



ANNUAL REPORT 2021-22

WHAT'S INSIDE...

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Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

Reporting period and scope

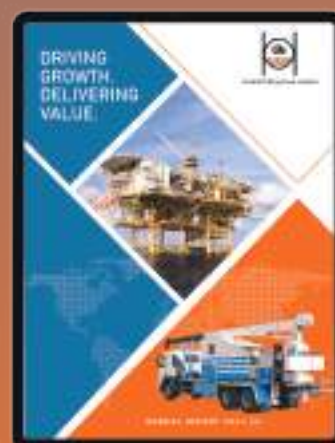
This report covers financial and non-financial information and activities of United Drilling Tool Limited ('the Company' or 'UDTL') during the period April 1, 2021, to March 31, 2022. The report's financial figures have been audited by M/s R S Dani & Co., Chartered Accountants, Rajasthan.

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.

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.



To Know more about us, please visit:
www.udtltd.com

At United Drilling Tools Limited, our fundamental philosophy has always been a relentless pursuit to grow, year after year.

We draw our growth strategies based on our fundamental strengths in developing a niche offerings basket, operational efficiencies, quality and regulatory compliances and customer centricity.

We are committed to drive and align our current and future business operations around our core philosophy. This synergy will help us create an entity that would generate sustainable value for our stakeholders.

Being India's leading manufacturer of drilling tools and equipment and one of the leading players in the world, our name today is synonymous with the unstinted trust and faith of our customers.







Over the years, we have fortified our presence in India and globally as a reliable partner, on the back of our strong ethical pedigree, core values and evolving portfolio, which stand on passion, excellence, and integrity. We drew the strategies, made the investments and worked hard to lay the foundation of a sustainable growth.

And in the last couple of years, we saw our efforts at strengthening the company, creating sustainable growth avenues and thereby creating sustainable value for our stakeholders.

We worked with the focus on driving consistent value for our stakeholders and gaining high customer trust.

As we continue to grow, we would continue focusing on consistently scaling our capacity, progressively expanding our geographic presence to newer markets and regularly adding new and improved products to our portfolio to drive growth.

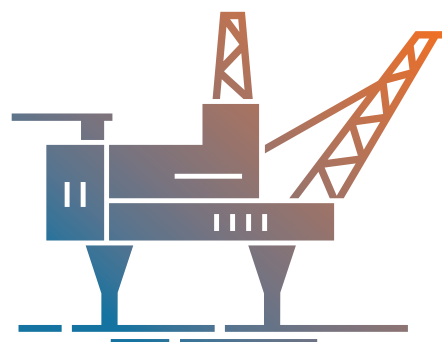
With that, we are confidently scaling up the ladder of healthy business development, operational excellence, and scalable possibilities. And, thereby, we are empowering a sustainable future for all our stakeholders!

Moving beyond the numbers, we have focused on sustainable business growth that helps create a sustainable future for our stakeholders.

At UDTL, our business growth strategy revolves around prudent decisions and constructive strategies. These helped us navigate market turbulence, balance risks and make the most of emerging opportunities to ensure that growth is sustained over the long term.

As pioneers in the Indian oil drilling equipment industry, we have expanded and enriched our portfolio with an amazing range of products across segments to suit the customers' changing aspirations. This puts us on a very strong footing in the Indian oil & gas industry, and acts as a lever to grow our international presence. It also shows our intrinsic potential to outperform with a sustained focus on operational efficiencies.

We, at UDTL, have been constantly pushing the frontiers to fulfil our growth ambitions and deliver value to our stakeholders.





THIS IS HOW WE CREATED VALUE IN FY22

₹166.42 crores

Revenue from operations

13.59%

Growth from previous year

₹75.15 crores

EBITDA

76%

Growth from previous year

₹100 crores

Order book

25%

Growth from previous year

₹71.64 crores

Profit before tax (PBT)

83.04%

Growth from previous year

₹50.36 crores

Profit After Tax (PAT)

54%

Growth from previous year

CHAIRMAN'S COMMUNICATION



"The growth story was further reflected in our profitability metrics. EBITDA stood at ₹75.15 crore, having grown 76% from last year, and PAT stood at ₹50.36 crore, registering a 54% y-o-y growth."

Dear Shareholders,

A warm welcome to all of you to the 40th Annual General Meeting (AGM) of United Drilling Tools Limited and hope that you and your families are all doing well. Firstly, I would like to express my heartfelt gratitude to the entire healthcare fraternity, the Indian government and the government agencies across the world, for braving enormous odds to combat the COVID-19 pandemic. Timely roll out of vaccinations and concerted efforts to address the pandemic-induced economic disruptions have helped the world to adopt to the new normal and to gradually return to normalcy.

As I welcome you all to our 40th AGM, I am pleased to share our perspectives on another successful year. In a period of unprecedented global volatility, UDTL remains focused on delivering strong performance and opportunities for growth – as we continue to create and deliver results and drive value for our stakeholders. Together, we have sailed through another tough year and have continued to excel, developing critical expertise and innovative products to accelerate our growth.

Despite the COVID-related disruptions such as significant supply chain constraints and a rapid rise in various

costs during the year, we reported commendable growth on the back of our strategy, product innovation, and our ability to get closer to our customers. We adapted to the shifting landscape by strategically adding talent, reorganising to better serve our customers, and expanding our capabilities to strengthen our position for a brighter tomorrow.

We continuously enhanced our product portfolio to increase our addressable market and successfully forayed into newer high-growth product categories, while strengthening our existing businesses, helping us to enhance the intrinsic value of your Company



and reduce the associated risks. Our addressable market has grown multi-fold over the last decade.

Looking back at our performance in FY22

We delivered yet another year of commendable performance, reporting a revenue of ₹166.42 crore, a growth of 13.59% over the previous year. The growth story was further reflected in our profitability metrics. EBITDA stood at ₹75.15 crore, having grown 76% from last year, and PAT stood at ₹50.36 crore, registering a 54% y-o-y growth. Our order book for the year under review stood at ₹100 crore. Thanks to our long-standing relationships with our customers, our operating cash flows remained healthy in FY22 and as of March 31, 2022, your company continues to remain a debt free company. Further, during the year, we have declared / recommended a dividend of 21% on capital for the FY 2022.

Our healthy performance and growth are the outcome of our strategic focus on partnering with our customers on their successful journey. Further, the government's focus on scaling oil exploration capability led to sustained investment in the oil and gas exploration activities. This translated into a positive business growth of the downstream industries.

Build on our growth strategy

India has an enormous potential in the oil drilling and exploration business, and that belief directed us to expand our product portfolio and meet the evolving demand of our customers. During the year, we continued to focus on creating an enviable portfolio backed

Being a business entity that has never believed in the idea of just manufacturing products and marketing them to the target group, we undertook several small measures during the year, which can add up to make a significant difference in how we grow in the years ahead.

by research and innovation, state-of-the-art manufacturing facilities and efficient sourcing capabilities to scale its business aggressively and achieve its vision to become the leading drilling tools and equipment supplier from India.

With a leaner and focused operation, we backed ourselves to deliver value to our customers by offering quality products at competitive prices. This has been made

possible by our ability to preserve and build on the economies of our scale and compete vigorously in our core markets. UDTL has always been committed to its cause of making India a self-dependent nation. In line with this strategy, we graduated from a manufacturing to an innovation-led entity. Today, thanks to our integrated operation, we have been successful in emerging as a solution provider. As we continue to reorient ourselves, we continue to realign our business strategy in line with the government's 'Atmanirbhar India' mission. At UDTL, there is a strategic clarity of how we expect to grow across the coming years. Amid the pandemic challenge, we acted swiftly to stay on track with our ongoing growth mission and invested strategically in the most critical areas of our long-term growth and value creation model. We introduced new initiatives and measures across functions, while systems and processes were strengthened manifold to create an



enabling environment for the Company to drive growth. At UDTL, we believe that this mindset is likely to enable us to achieve operational and financial targets that were previously inconceivable and is also likely to enable us to circle new orbits of exceptional performance and promising growth.

At the outset of this strategic evolution, we recognized that to achieve our future growth ambitions, we would need to build on the organizational capabilities which would help us drive growth and deliver values. Keeping this in mind, we embarked on setting up our fourth manufacturing unit in Gujarat near Mundra port. To build on our international presence, during the year, we appointed new marketing representatives in some of the key markets such as Egypt, Libya and Vietnam to promote our

products and expand our market base in these countries.

Being a business entity that has never believed in the idea of just manufacturing products and marketing them to the target group, we undertook several small measures during the year, which can add up to make a significant difference in how we grow in the years ahead. At UDTL, differentiation has always been the key propeller of our growth strategy, and over the last few years, we added several new layers of distinctiveness to our business approach. In line with this strategy, we engaged on the development of new product line such as side pocket mandrels, swift connectors and Lynx connectors, which have demand in India and overseas. Our sustained investments in technology and R&D enables the introduction of new products. We also got our product designs

(for multi-start casing pipe connectors, metal to metal seal casing pipe connectors, and weight set casing pipe connectors) patented in UK. This helps us in enhancing the sales of our products in the National and International market.

Prioritising employee and customer wellbeing

We have grown to what we are today because of the determination and perseverance of our people and the trust of our customers. They are our growth drivers and we put both our people and customers first. We ensured to provide our people with a motivating work environment, where they can perform to the best of their abilities. We have been successful in creating an inclusive, exciting, and fulfilling environment for our employees.





During the year, we implemented several customer engagement initiatives and hired new personnel to ensure that we remain connected with our customers and better understand their needs. We also revved up our marketing strategy to promulgate the benefits of our newly introduced products. Our targeted marketing approach employing the mix of channels has helped us create a strong brand value for the Company.

Unlocking opportunities

At strategic levels, we have been evaluating our systems and process to remove bottlenecks, strengthen our cost competitiveness and de-risk our business to realise better value for our consumers and business. As part of our plan, during the year, we undertook several process and system improvement initiatives with a focus on our cost rationalisation to enhance our sustainability and enhance cost saving. We also focused on adopting and implementing new technologies across our business functions, in line with our long-term growth strategy.

Further, we worked on foraying into new markets by showcasing our portfolio and by being cost competitive. Our teams worked relentlessly to explore opportunities towards increasing registrations in some of the key

We have grown to what we are today because of the determination and perseverance of our people and the trust of our customers. They are our growth drivers and we put both our people and customers first.

international market such as South East Asia, Middle East, Russia and South America, and scaling capacities of all new product lines to meet the growing demand.

Higher quality order book provides clear visibility

Looking forward, UDTL's ₹70 crore order book provides clear short- and medium-term visibility for the FY23. Our focus on selectively bidding for contracts where UDTL has expert capability has resulted in a higher quality order book providing a measure of inflation protection through improved contract terms. Our commitment to innovative products and experiences for our customers has also paid off with growth in customer satisfaction, retention, and new orders in FY22.

Towards a better tomorrow

As we look to the future, we can see that our business and operations are well-placed to respond to the evolving needs of our customers and their demand for value for money products. Our deep understanding of our customers' needs, and our ability to efficiently align innovation with technologies helped us deliver solution to our customers along with affordability and flexibility.

As we look ahead, our ability to deliver consistent business results despite external challenges validates our vision, strategy, and capabilities. We have worked closely with our customers as a strategic partner to solve their requirement and have successfully offered multiple solutions which has helped us increase wallet share with the customers.

Our strong brand recall has helped us to successfully incubate new product lines, which shall help us to continue the broad-

based growth of our business. We see an optimistic future with a clear visibility of a healthy pipeline and emerging demand across most of our customers and markets.

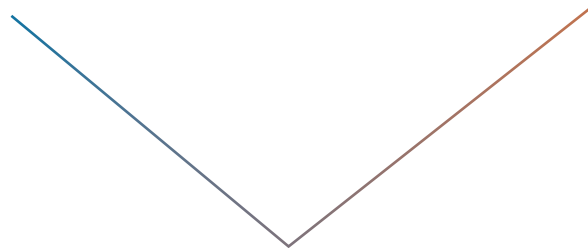
While our strategic investment will continue to help us yield good results, our emphasis on building our core capabilities and new product lines will help us keep up with the evolving customer needs and would allow us to grow our international presence. We will be leveraging our deep leadership bandwidth, teamwork, established capabilities to make FY23 another impactful year.

As a final word, I sincerely appreciate our shareholders' continuous invaluable support and contribution to our further growth. I also wish to convey my heartfelt gratitude to all our colleagues and business partners for their enthusiasm, commitment, and resilience as we look forward to another successful year.

Stay Safe. Stay Healthy.

Pramod Kumar Gupta

Chairman and Managing Director
United Drilling Tools Limited



KNOWING UNITED DRILLING TOOLS LIMITED

United Drilling Tools Limited has come a long way since inception in 1984 to emerge as India's leading drilling tools and equipment manufacturer, catering to the evolving needs of customers with innovation-driven offerings.

We are one of India's leading manufacturer oil drilling tools and equipment and one of the emerging players in the global landscape.

Commencing business in 1984, we have evolved from just another manufacturer and marketer of oil drilling, production and exploration tools and equipment to India's largest manufacturer of drilling tools and equipment.

UDTL, today, is a technologically advanced and innovation driven manufacturer of top-quality drilling tools and equipment, with a diverse product portfolio and an expansive global presence.

Headquartered in Noida Phase-2, Gautam Budh Nagar, Delhi, we are engaged in the manufacturing of high-tech machines and tools such as wireline winch units, artificial gas lift equipment, down hole tools and high-performance connectors, being used in the oil, gas, drilling and allied industries.





What sets us apart?



Over 35 years of rich industry experience



Serving India's critical sector, i.e. energy sector, aligning well with India's growth story



Diversified portfolio to meet ever-emerging needs of consumers across the globe



Sustainable and robust leadership position across key markets of our presence



Our product quality meets the international benchmarks such as the American Petroleum Institute (API)



Ability to provide value-added and innovative customer centric products

OUR VISION

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

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.

Values that drive us



We utilize all available resources to achieve maximum results. Our positive work habits ensure a high level of productivity.



We remain committed to the interests of our customers by offering world class products and services meeting their technical specifications.



Our integrated approach enables us to use the company's resources, benefiting from collaboration and synergies.

KNOWING UNITED DRILLING TOOLS LIMITED

WHAT DEFINES UNITED DRILLING TOOLS LIMITED?

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

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

We emerged profitable in 10 of the last 10 years with cash profit in every year.

We are India's only largest manufacturer of long OD multi-start types of connectors.

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

We achieved revenue growth of 272% in the last decade.

We pioneered the implementation of industry leading technologies in the Indian oil & gas industry.

We strengthened our balance sheet by emerging debt-free company.

What sets us apart?

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

With a legacy of over three and a half decades, we manufacture the next generation drilling tools and equipment. Our efforts at embedding sustainability in every business process and function is guided by our three state-of-the-art manufacturing facilities covering 8,49,341 sq. ft. located at Kutch, Gujarat and Noida. During the year, we commenced the construction of our fourth plant near Mundra port, Gujarat.





Our focus areas

Research and innovation

Pioneering the use of technologies such as machine-shop with CNC, special-purpose lathes and milling machines, we helped elevate the capabilities of the Indian oil & gas industry players to the internationally benchmarked standards. Over the years, this research and innovation mindset helped us grow our presence in India and abroad, backed by the use of cutting-edge technologies, emphasis on innovation and consistent new product introduction. Today, we are synonymous with quality products and customer focused value addition.



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

PRODUCTS THAT SPELL EXCELLENCE

We are a partner of choice for respected and reputed oil companies in India and abroad. Our ability to understand and meet their evolving needs has earned us their abiding trust and unstinted loyalty. During the year, we registered strong growth in our domestic and international business, backed by our growing portfolio.

Today, 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.

Our offerings basket

Wireline Winch Units



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

Down Hole Tools



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

Artificial Gas Lift Equipment



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

High Performance Connectors



- Leopard
- Swift
- Lynx
- Puma



Catering to marquee clients

Domestic



International

American Completion Tools



OUR JOURNEY TOWARDS EXCELLENCE

We embarked on our journey of excellence, with big aspirations and small steps. We gradually strengthened our balance sheet and established a robust business model, which allowed us to climb the ladder of success. Over 38 years of our operations, we have learned and grown to become India's leading and most trusted oil drilling equipment manufacturer with a growing global presence.

1985

We achieved revenue growth of 272% in the last decade.

Humble Beginning

1995

Strengthened market presence with the introduction of two new product lines, Gas Lift Valve (GLV) & Winch

1997-2000

- Expanded portfolio by venturing in the manufacturing of Truck Mounted Winch
- Grew our clientele by securing contracts from Government sector oil companies
- Expanded international presence by tapping opportunities in the other key international markets

1996

Set our foot in the international market by exporting GLV to USA

1992

Expanded manufacturing capabilities with the introduction of new product-line, Stabilizers



2006-2010

- Developed and commenced manufacturing of Large OD Casing Pipe
- Strengthened production capabilities by establishing a new manufacturing facility dedicated to produce stabiliser at Sector – 81, Noida (U.P.)
- Continued to grow our international presence by exporting GLV to Singapore in 2006 and stabilisers to Syria in 2008

2016-2020

- Achieved a major portfolio expansion by designing and developing leopard connector, swift connector, Lynx connector, side pocket mandrel, and wireline GLV
- Grew international presence by exporting side pocket mandrel to new geographies

Strengthening
our position in
the domestic
and international
markets

Positioning
ourselves to
drive growth

2001-2005

- Graduated as a quality product manufacturer after receiving ISO and API certification for our products
- Further bolstered portfolio by introducing Connectors
- Broad-based global presence by exporting GLV to Indonesia in 2004

2011-2015

- Established our presence in the domestic and international market by accomplishing a couple of significant milestones – got our products patented, made our first exports of Connectors to United Kingdom
- Bolstered our manufacturing capabilities with the commencement of two new manufacturing units at NSEZ (Noida Special Economic Zone) in Noida in 2013 and KSEZ (Kandla Special Economic Zone) in Kutch (Gujarat) in 2014. The NSEZ unit focused on production of winch and casing pipe, whereas KSEZ unit was dedicated towards connectors.

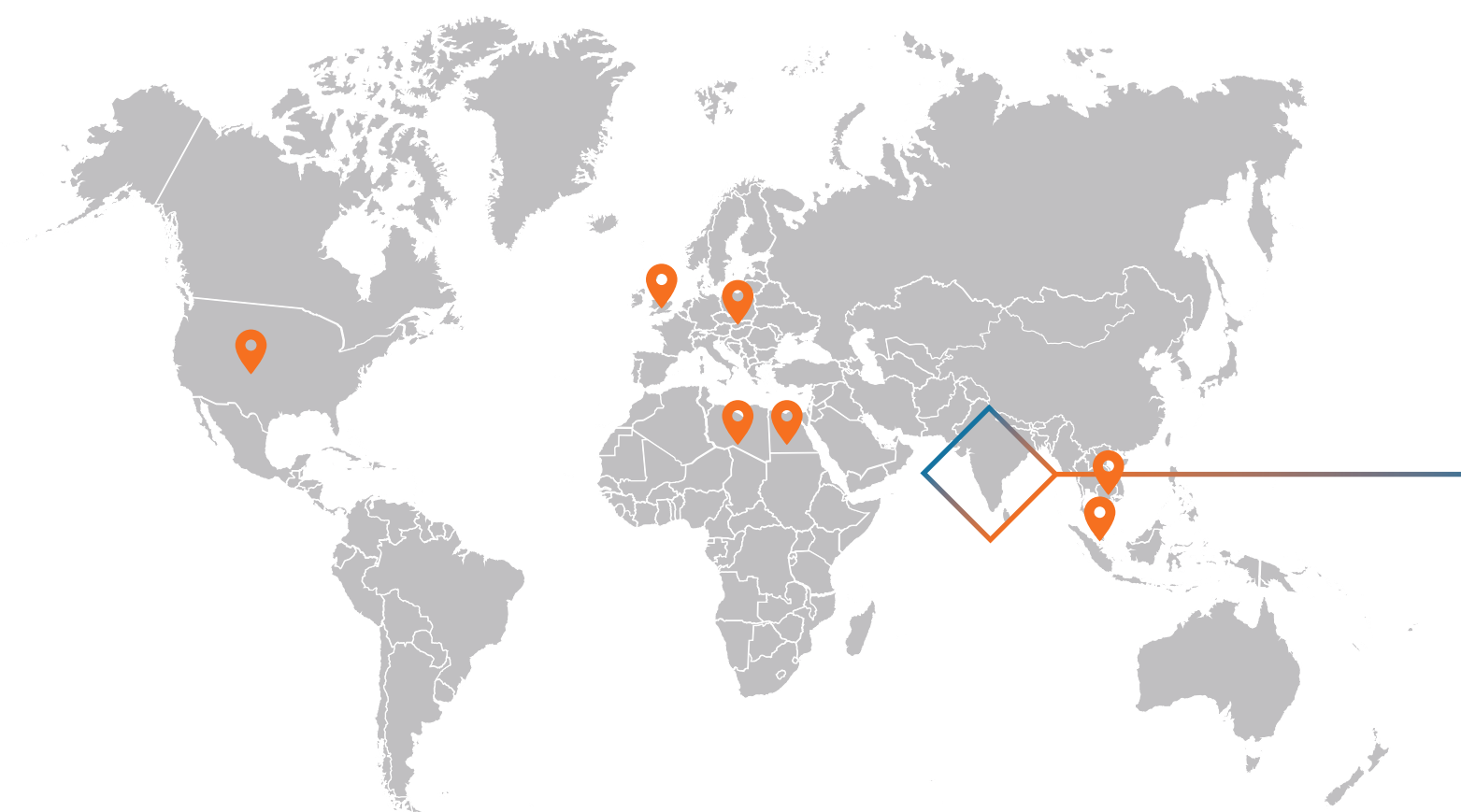
2021-22

- Forayed into new international markets - Egypt, Libya and Vietnam. Appointed marketing representatives in these countries to promote our products and expand our market base
- Commenced the construction of our fourth manufacturing unit at Mundra Gujarat

EXPANDING PRESENCE

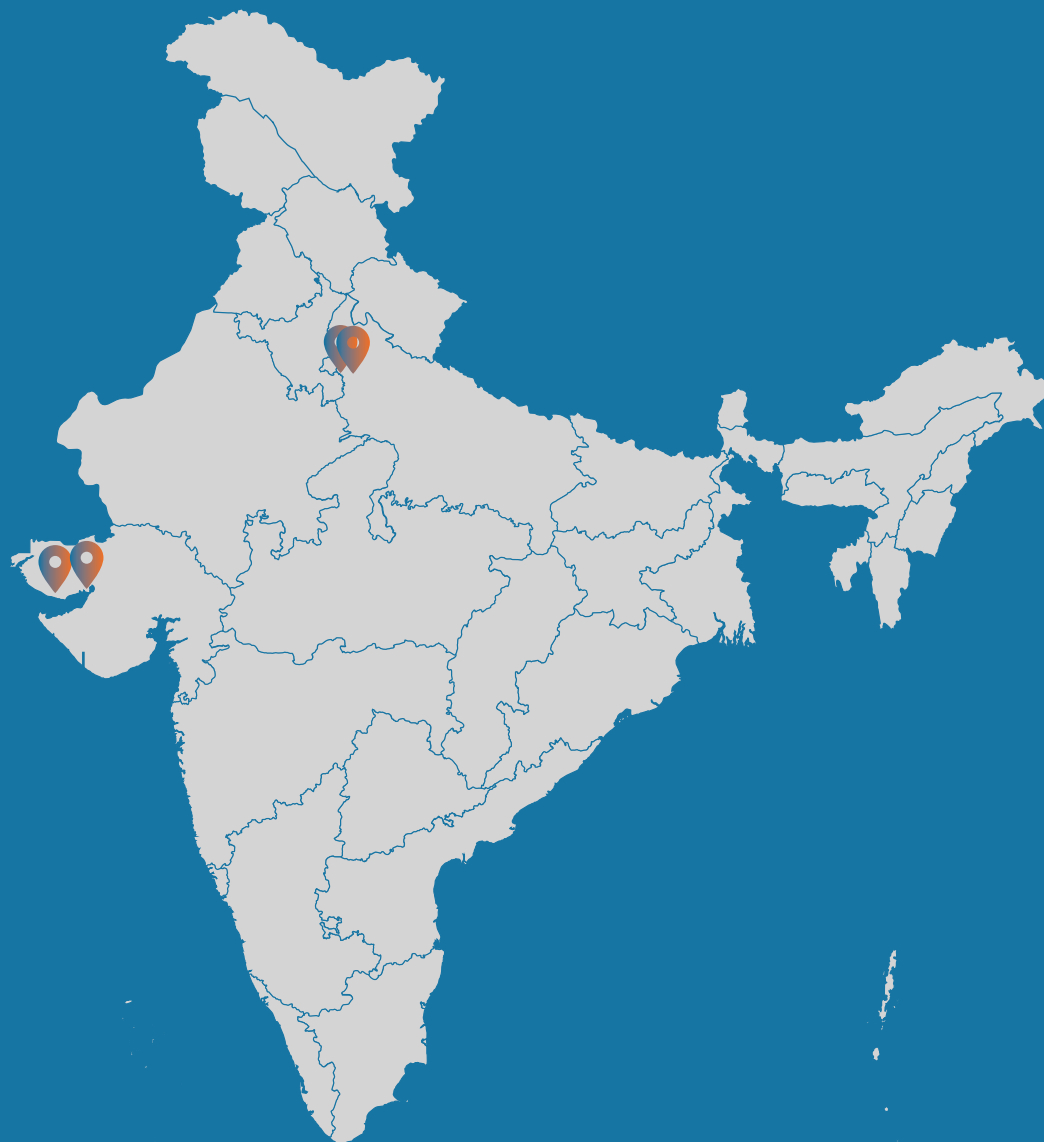
We have established long- lasting relationships with global organisations and have been serving superior quality drilling tools and equipment to customers in the US, UK, Singapore, Egypt, Libya, Vietnam, and Europe, in addition to other countries. Our focus is to continue improving our products, expanding our presence and creating sustainable value for all our stakeholders. Today, we have presence in more than 18 countries.

We have three state-of-the-art manufacturing facilities in India located at Kutch, Gujarat and Noida, Uttar Pradesh. We expanded our on-ground network in the international markets by appointing marketing representatives in key markets.





Our presence



Manufacturing Units

1. Gautam Budh Nagar, Uttar Pradesh
2. KSEZ, Gandhidham, Kutch
3. NSEZ, Noida, Uttar Pradesh
4. Gundala Road, Mudra- Kutch

PERFORMANCE HIGHLIGHTS

DELIVERING VALUE

Maintaining momentum across metrics

We ended the year on a positive note with sales crossing the ₹170 crores mark. We continued to strengthen our portfolio and grew our presence.

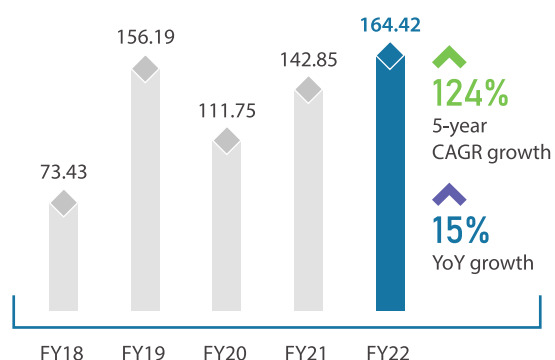
We generated a significant amount of cash, strengthened our balance sheet and continued to return strong value to our shareholders.

Profit and loss indicators

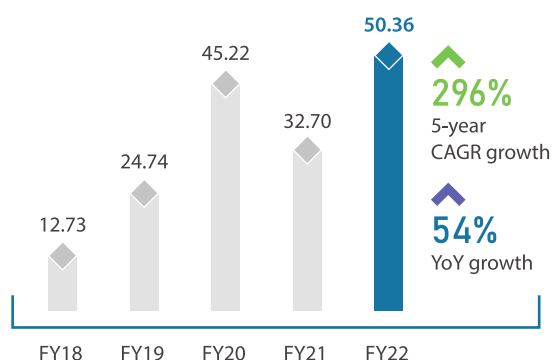
▲ 5-year CAGR growth

▲ YoY growth

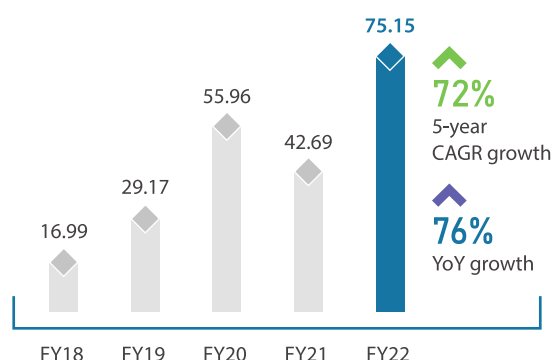
Net sales (₹ in crores)



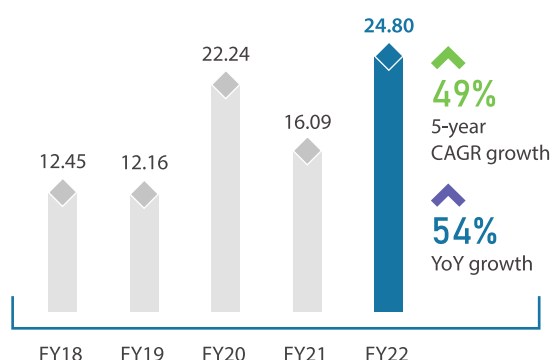
PAT (₹ in crores)



EBIDTA (₹ in crores)



Earnings Per Share (₹ in crores)

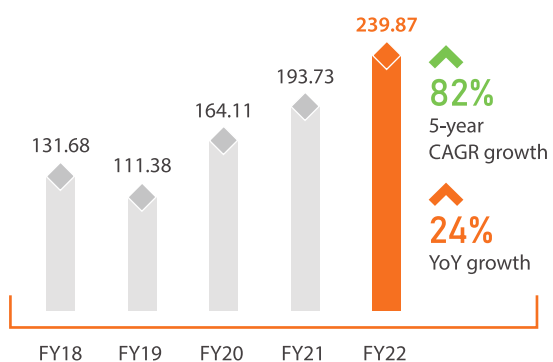




Balance sheet indicators

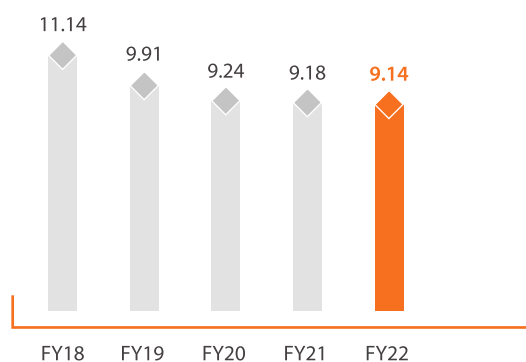
Net worth

(₹ in crores)



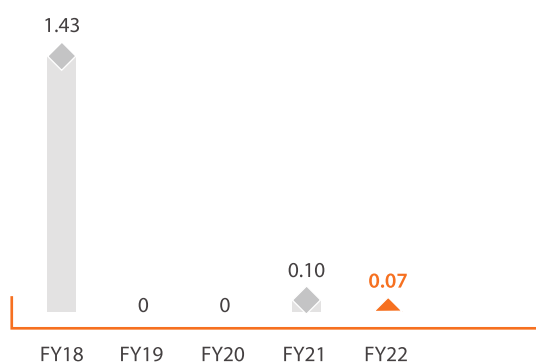
Net fixed assets

(₹ in crores)



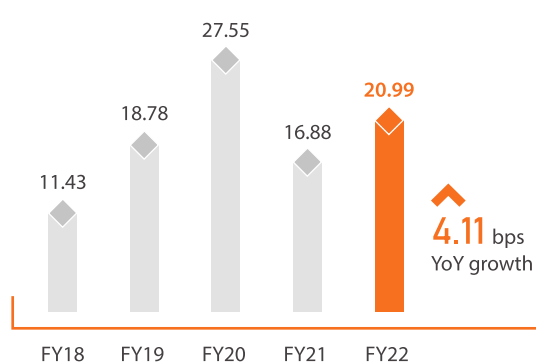
Debt-equity ratio

(times)



Return on equity

(%)



DRIVERS OF OUR GROWTH

MANUFACTURING

Quality, reliability, and customer satisfaction form the core value of UDTL. The Company achieves this through its four multi-functional state-of-the-art manufacturing bases. It helps in a quick delivery turnaround time to the clients. The facilities are designed in such a way that enables the Company to manufacture a diverse range of products, and providing for modification and customization of its portfolio to address the changing requirements of its clients. The environment-friendly, globally certified plants are designed to produce a diverse product range.

The Company actively invests in the upgrade of machinery and equipment at its manufacturing base. It helps to cater to the ever-growing demand of the industry and helps in providing single-point solutions through our growing product portfolio.

To maintain the ever-burgeoning product range, the Company has its manufacturing base spread across 10,88,000 sq. ft. and has the capacity to maintain the precision of 1/1000th of an inch with specialised machines such as CNC machines. With adequate resources, the Company has achieved higher productivity and efficient utilisation of sources.

The Company believes in carrying out quality tests as a continuous process. Each batch of raw material sourced is tested on the required parameters before going into the production process. All the operative units are globally certified, a testimonial to the Company's high-quality production.





DRIVERS OF OUR GROWTH

Research & Development is the foundation as well as the guiding principle of UDTL. The Company makes considerable investments in R&D and constantly tracks the ever-emerging market trends to stay up-to-date. This helps the Company provide superior quality to the consumers. All final products produced go through layers of tests before getting added to the product portfolio. The in-house quality control team, analyses the quality of the raw material in depth for processing it into the optimum product.

Backed by a prudent team of engineers, designers and quality control team, we leverage our technology prowess and R&D capabilities to branch into the manufacturing of different types of drilling tools, while modernising the existing product line

Technology is at the centre of our manufacturing, while being driven by continuous innovation and prudent diversification

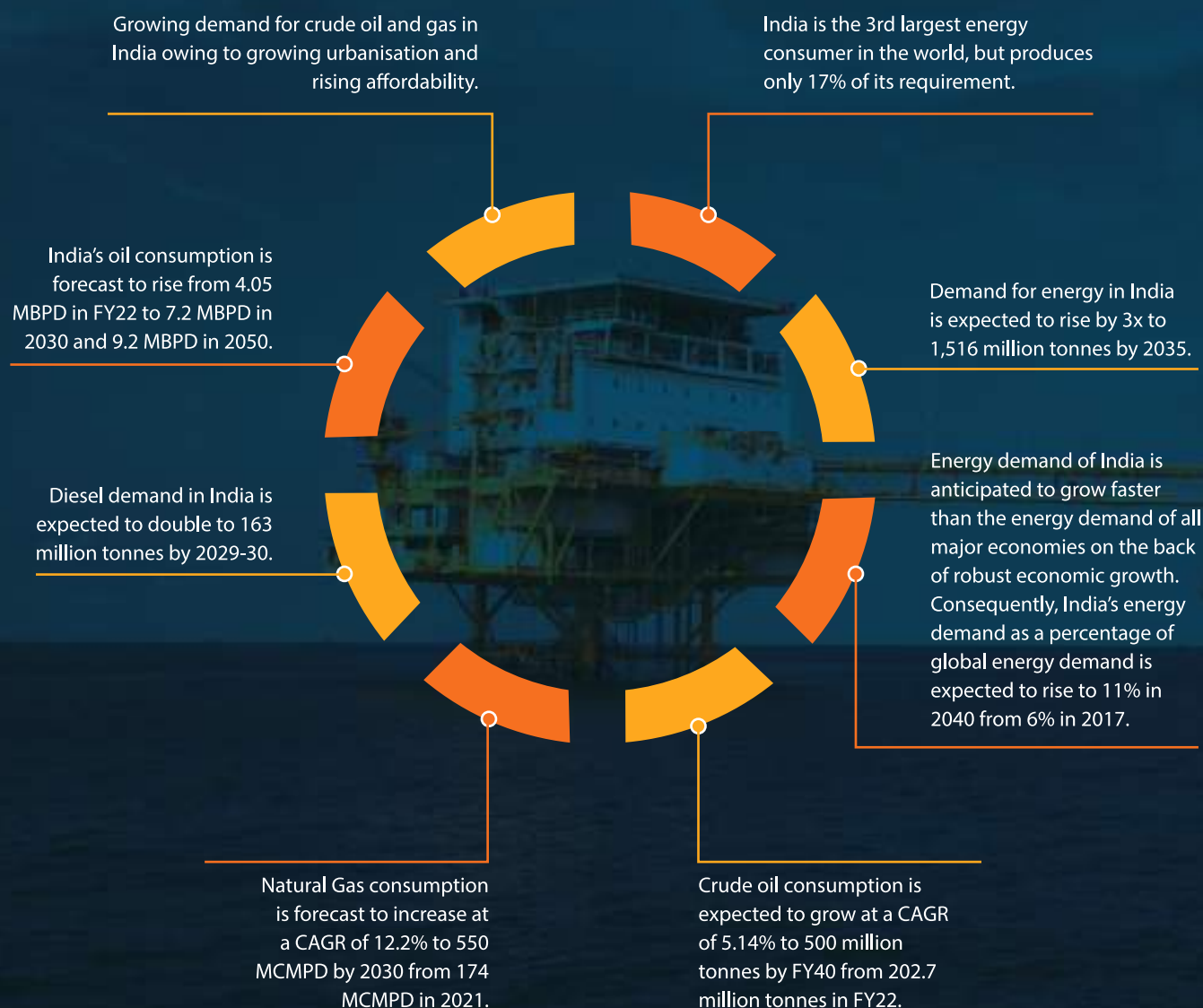
We follow technology focussed manufacturing, with a constant focus on getting the best technologically advanced operational facilities, equipped with state-of-the-art technology and equipment

Our sustained investments in technology and R&D have enabled us to regularly introduce new products matching the needs of our clients, such as UDT Swift and UDT Lynx Connector, Side Pocket Mandrel and Wire line GLV



DRIVERS OF OUR GROWTH

MARKET OPPORTUNITIES





Government initiatives to boost Indian Oil Industry

Investment

Indian Government promoting oil extraction through an investment of ₹25 billion dedicated towards oil & gas exploration.

Oil drilling

Oil drilling equipment and tools to require 50% local content in the first year, 60% in next two years and 70% in the next two years for getting purchase preference.

Specialised servicesState

For specialised drilling, required local content pegged at 10% for the first year, 15% in the next two years and 20% over the next two years.

Local content preference

State run firms to implement policy where participation of local companies to increase across the value chain and government tenders of up to ₹200 crores are reserved for Indian companies.

Purchase preference

Manufacturers meeting the local content targets with quoted price will get purchase preference from 15% to 20%.

Government initiatives to boost Indian Oil Industry



USA

11.3

Crude Production (in million barrels)

34.4

Natural Gas Production (in million cubic ft.)

508

Number of Active Rigs



Middle East

23.89

Crude Production (in million barrels)

2

Natural Gas Production (in million cubic ft.)

269

Number of Active Rigs



Central Asia

2.63

Crude Production (in million barrels)

0.014

Natural Gas Production (in million cubic ft.)

52

Number of Active Rigs



North Africa

10

Crude Production (in million barrels)

0.67

Natural Gas Production (in million cubic ft.)

78

Number of Active Rigs



South America

7.5

Crude Production (in million barrels)

0.15

Natural Gas Production (in million cubic ft.)

140

Number of Active Rigs

According to industry experts, drilling activity in these regions is expected to grow at 10% over the next couple of years. A total of 1,15,700 wells is expected to be drilled across these regions with an investment worth US\$ 54 billion.

Global oil drilling and exploration industry is expected to grow at 8-10% CAGR over the next 3 to 5 years.



HOW UDTL INTENDS TO CREATE, SUSTAIN, AND DRIVE VALUE FOR THE STAKEHOLDERS?

As a responsible business entity, we strongly believe that we can be only successful when we can create and deliver sustainable value for our stakeholders.

We focus on sustainable value creation through disciplined investment across each of our six capitals (financial capital, manufacturing capital, human capital, intellectual capital, natural capital, and relationship capital). It helps us achieve value-led growth for our stakeholders in a safe and sustainable environment

We create value through

- Build core capabilities and assets which help generate direct and indirect employment and contribute towards the economic progress of the nation
- Build robust manufacturing capabilities in line with the government's Make in India motto
- Develop cost advantages and build on our quality parameters to enhance our international competitiveness

We deliver value through

- Solution-focused business approach
- Agility in execution
- Technological advancements
- Customer-centricity
- Consistent fiscal growth
- Efficient use of natural resources
- Contribute towards national progress

We sustain value through

- Operational efficiencies
- Capital efficiencies
- Optimal utilisation of resources
- Responsible procurement of raw material
- Sustainability and CSR focus
- Ethics and governance framework
- Effective risk management and opportunities
- Regular stakeholder engagement
- Nurturing people and talent development



OUR VALUE-CREATION BUSINESS MODEL

Input



Financial capital

- Total capital employed - ₹240 crore
- Debt-equity ratio – 0.07



Manufacturing capital

- Number of manufacturing units – 4
- Fixed Assets – ₹9.14 crore



Intellectual capital

- R&D spending – ₹2.18 crores
- Patents filed – 11
- R&D team size – 15



Human capital

- Total employees – 350
- Employee benefit expense – ₹10.82 crores



Social and relationship capital

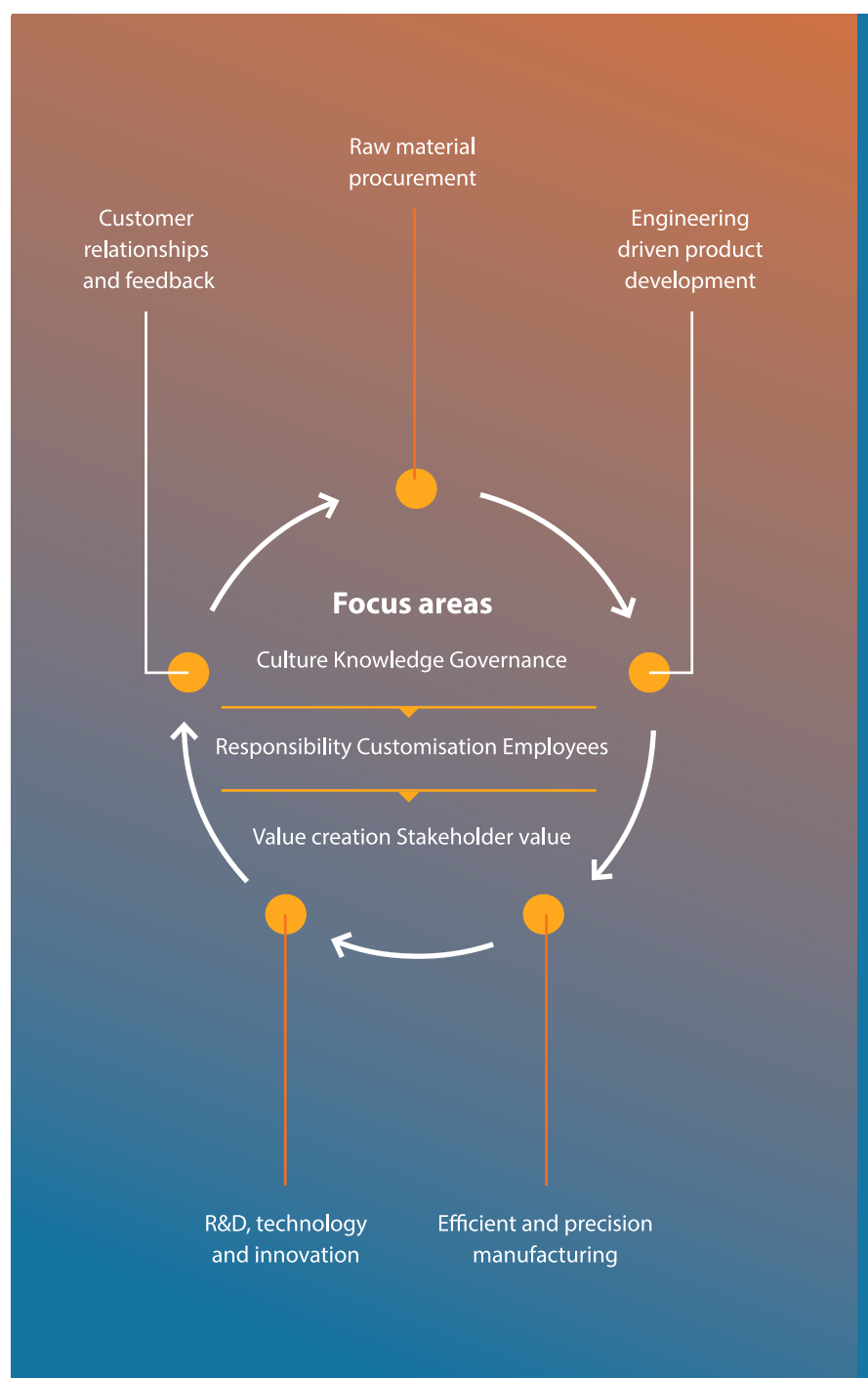
- CSR Spends – ₹1.15 crores



Natural capital

- Energy cost – ₹1.03 crore

Key activities





Output

Outcomes

Strengths



Globally trusted name



Stringent adherence to quality



Diversified operations



Skilled manpower



State-of-the-art infrastructure



Marquee customers



Enduring customer relationships



Zero tolerance for errors



Growing portfolio



Diversity of product application

World-class products across
four product lines

Wireline Winch

Artificial Gas Lift Equipment

Down Hole Tools

High Performance Connectors

Financial capital

- Total income: ₹166.42 crores
- EBITDA: ₹75.15 crores
- PAT: ₹50.36 crores
- RoCE: 29.49%

Manufacturing capital

- Total production: 2,886.19 tonnes
- Domestic sales: 96%
- International sales: 4%

Intellectual capital

- 11 patents, 5 API Licenses, 4 ISO Certificates
- 5 product licenses

Human capital

- Rising employee productivity

Social and relationship capital

- 2,000+ lives touched through CSR activities, promoting Health Care, Education, Remove Hunger and Poverty, and Food Distribution, among others.

Natural capital

- 5,000 trees planted
- Reduction in energy cost in FY22 (compared to FY21) – 16.5%

OUR INVESTMENT PROPOSITION

A culture of excellence and innovation helped us to uphold the brand image of UDTL. Our business philosophy has been consistent for many years, investing for the long term while delivering cash-generative profit growth in the near term. Our investments in technology, equipment, quality and agile business processes are likely to accelerate our growth.

Our robust execution discipline and tight control on cost, driven by higher operational efficiencies, help us cater to markets profitably. We focus on maintaining our dominant domestic market share by offering a wide range of high-quality products. Our strategic focus is to further enhance our proportion of higher realisation products, with sustained efforts and sharp focus on holistic and sustainable growth helps to deliver industry leading returns for our investors.





OUR COMPETITIVE ADVANTAGES

Sustained requirement of our products

Our product requirement is mostly dependent on the number of oil wells drilled every year. With the rising requirement for oil across the globe and with the increased profitability in the oil industry, oil exploration and production companies have sustainably increased their investment in oil exploration and drilling activities. Resulting in a sustained and regular growth in the demand of our products.

Growing overseas opportunity

UDTL had entered into an exclusive agreement with a US company, which had restricted our presence in the overseas market. This agreement ended in 2019, and since then we have been seeking opportunities to grow our international presence. Today, we are present in over 20 countries and are on a constant lookout to grow our international presence.

Competitive pricing

Our products are cheaper by 15% to 25% compared to our international competitors. Owing to this pricing strategy of ours, we have been successful in the past in winning orders against our competitors in ICB tenders in India. This has been made possible by our ability to prudently manage overhead costs. Prudent cost management is important to deliver value-led, sustainable growth. Led by this belief, we successfully maintained our focus on improving cost efficiencies over the year.

Continuous research

Our continued focus on research & development has helped us enhance the quality of our existing products and develop new product lines, along with process efficiency. This has helped us build trust and provide with new business opportunities.



CORPORATE INFORMATION

Board of Directors

1. Mr. Pramod Kumar Gupta DIN: 00619482	Chairman and Managing Director
2. Mr. Kanak 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 Women Director
7. Mr. Ved Prakash Mahawar DIN: 07208090	Non-Executive Independent Director

Chief Financial Officer

Mr. Mukesh Mehta

Company Secretary

Mr. Naveen Bhatnagar

Committees of Board as on 31st March, 2022

Audit Committee

1. Mr. Pandian Kalyanasundaram	Chairman
2. Mr. Krishan Diyal Aggarwal	Member
3. Mr. Ved Prakash Mahawar	Member

Nomination and Remuneration Committee

1. Mr. Krishan Diyal Aggarwal	Chairman
2. Mr. Pandian Kalyanasundaram	Member
3. Mr. Ved Prakash Mahawar	Member

Stakeholders Relationship Committee

1. Mr. Pandian Kalyanasundaram	Chairman
2. Mr. Krishan Diyal Aggarwal	Member
3. Mr. Kanak Gupta	Member
4. Mrs. Preet Verma	Member

Corporate Social Responsibility Committee

1. Mr. Krishan Diyal Aggarwal	Chairman
2. Mr. Pandian Kalyanasundaram	Member
3. Mr. Pramod Kumar Gupta	Member
4. Mrs. Preet Verma	Member

Risk Management Committee

1. Mrs. Preet Verma	Chairman
2. Mr. Krishan Diyal Aggarwal	Member
3. Mr. Kanak Gupta	Member
4. Mr. Mukesh Mehta	Member

Auditors

Statutory Auditors

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

Internal Auditors

A P U & Co.
Chartered Accountants
116 1st Floor, Laxmi Deep,
Laxmi Nagar District Centre,
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
4. Plot No. 423/3 & 424/4 Luni, Luni to Gundala Road, Mudra- Kutch-370410, Gujarat.

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
BSE Scrip Code: 522014
NSE Scrip Code: UNIDT

Listing of Equity Shares

BSE Limited

P J Towers, Dalal Street, Mumbai – 400001 MH

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

Banker

1. Indian Bank
2. Axis Bank

40th Annual General Meeting

Monday, 26th day of September, 2022 at 11:30 AM,
AGM through Video Conferencing / Other Audio
Visual Means (VC/OAVM) facility.

Deemed Venue for meeting:

Registered office of the Company

Secretarial Auditors

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



NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of United Drilling Tools Limited (**'the Company/ UDTL'**) will be held on Monday, the 26th day of September, 2022 at 11:30 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2022, 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 an **Ordinary Resolution**.

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the report of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

ALSO RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

2. To appoint a Director in place of Mr. Inderpal Sharma, having DIN: 07649251, 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(6) and other applicable provisions of the Companies Act, 2013, Mr. Inderpal Sharma, Director having DIN: 07649251, who retires 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 and also confirm Interim Dividend(s) for the Financial Year ended March 31, 2022.

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

"RESOLVED THAT Two (02) Interim Dividend(s) and also a Final Dividend of ₹0.60 paisa per Equity Share to the eligible Shareholders / Members, aggregating to ₹2.10/- only per equity share of ₹10/- each fully paid-up of UDTL, as declared / recommended by the Board of Directors on 24.07.2021, 09.02.2022 and 25.05.2022, respectively for the FY ended March 31, 2022 be and are hereby confirmed and approved which was paid / to be paid out of disposable / distributable Profits of the Company for the said Financial Year 2021-22."

SPECIAL BUSINESS:

4. To confirm re-appointment of Mr. Pandian Kalyanasundaram as a Non-Executive Independent Director of the Company.

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

WHEREAS Mr. Pandian Kalyanasundaram, Non-executive Independent Director of the Company tenure of office had came to an end on 28/09/2021; the same day he was appointed as an Additional Director (Non- Executive Independent) (Subject to confirmation in this Annual General Meeting) on the Board of Directors of the Company w.e.f. 28/09/2021 for another Term of 5 consecutive years (hereinafter referred to as "appointment").

AND WHEREAS he shall hold office upto the conclusion of this Annual General Meeting (or) 30/09/2022, whichever is earlier. Mr. Kalyanasundaram has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and is eligible for the said appointment in this AGM.

Now therefore, it is hereby "RESOLVED THAT pursuant to the provisions of Section 149, 150 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and 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 Shareholders/Members be and is hereby accorded to confirm the aforesaid appointment made of Mr. Pandian

Kalyanasundaram DIN - 02568099 from conclusion of 39th AGM to till conclusion of 44th AGM of the Company as an Non-Executive & Independent Director on the Board of Directors of UDTL.

RESOLVED FURTHER THAT any Director of UDTL and / or Company Secretary of UDTL, be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with, or incidental to, giving effect to the this 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 re-appointment of Shri Pramod Kumar Gupta as Chairman and Managing Director of the Company.

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

WHEREAS Shri Pramod Kumar Gupta, Chairman and Managing Director of the Company tenure of office comes to an end on 20/12/2022.

AND WHEREAS in compliance of Schedule V of the Act, his re-appointment, etc. for further period of Five (05) years beyond 20/12/2022 necessitates shareholders/members approval. To obviate convening another meeting of the shareholders / members in such short duration, need for passing this resolution has arisen.

Now therefore, it is hereby "**RESOLVED THAT** pursuant to recommendation of the Board Governance, Nomination and Remuneration Committee (NRC) and approval of the Board and subject the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the Act) as amended and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act and Articles of Association of the Company, consent of the shareholders / members of the company be and is hereby accorded for the re-appointment of Shri Pramod Kumar Gupta having DIN - 00619482 as Chairman and Managing Director of the Company for a further period of Five (05) years beyond 20/12/2022 upon such terms and conditions as set out in the Explanatory Statement to this AGM Notice dated 13th August, 2022, as decided by the Board of Directors of the company on recommendation of Nomination and Remuneration Committee (NRC), inter-alia:

Tenure: 21/12/2022 to 20/12/2027

Remuneration: Within the overall ceiling of Total Managerial Remuneration, as prescribed under section 197 of the Act.

Other Benefits: As per the Company's policy & Rent Free Accommodation.

The above Remuneration is subject to provisions of applicable tax, other laws or the like.

RESOLVED FURTHER THAT UDTL's Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the NRC which may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to vary, alter, enhance or widen the scope of the remuneration, subject to limits mentioned above, as they may deem fit in the interest of the Company.

RESOLVED FURTHER THAT in case Company has no profit or inadequate profits, the remuneration as set out in the explanatory statement annexed hereto shall also be the minimum remuneration payable to Mr. Pramod Kumar Gupta, pursuant to the applicable provisions of Section 197 of the Companies Act, 2013 read with Schedule V and any other enabling provisions of Companies Act, 2013, or any amendment thereto or modification thereof and the Rules, regulations or guidelines there under.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into an agreement / issue a letter for re-appointment and to do all such act/s, deed/s, matter/s and thing/s as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT any Director of UDTL and / or Company Secretary of UDTL, be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with, or incidental to, giving effect to this 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. Re-appointment of Shri Inderpal Sharma, having DIN: 07649251 as a Whole-Time Director of the Company.

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



WHEREAS Shri Inderpal Sharma, Whole-Time Director of the Company tenure of office comes to an end in this AGM.

AND WHEREAS in compliance of Schedule V of the Act, his re-appointment, etc. for further period of five (05) years from the conclusion of this AGM upto 45th AGM to be held in the year 2027 for which approval of shareholders / members is required.

Now therefore, it is hereby **"RESOLVED THAT** pursuant to recommendation of the Board Governance, Nomination and Remuneration Committee (NRC) and approval of the Board and subject the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the Act) as amended and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act and Articles of Association of the Company, consent of the shareholders/members of the company be and is hereby accorded for the re-appointment of Shri Inderpal Sharma having DIN - 07649251 as Whole-Time Director for a further period of Five (05) years from the conclusion of this AGM upto 45th AGM to be held in the year 2027, upon such terms and conditions as set out in the Explanatory Statement to this AGM Notice, as decided by UDTL's Board of Directors on recommendation of Nomination and Remuneration Committee (NRC), inter-alia:

Remuneration: Within the overall ceiling of Total Managerial Remuneration, as prescribed under section 197 of the Act.

Other Benefits: As per the Company's policy.

The above Remuneration is subject to provisions of applicable tax, other laws or the like.

RESOLVED FURTHER THAT UDTL's Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the NRC which

may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to vary, alter, enhance or widen the scope of the remuneration, subject to limits mentioned above, as they may deem fit in the interest of the Company.

RESOLVED FURTHER THAT in case Company has no profit or inadequate profits, the remuneration as set out in the explanatory statement annexed hereto shall also be the minimum remuneration payable to Mr. Inderpal Sharma, pursuant to the applicable provisions of Section 197 of the Companies Act, 2013 read with Schedule V and any other enabling provisions of Companies Act, 2013, or any amendment thereto or modification thereof and the Rules, regulations or guidelines there under.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into an agreement / issue a letter for re-appointment and to do all such act/s, deed/s, matter/s and thing/s as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT any Director of UDTL and / or Company Secretary of UDTL, be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with, or incidental to, giving effect to the this 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."

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

Sd/-

Naveen Bhatnagar
Company Secretary
FCS No. 6079

Date: 13.8.2022
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 No. 02/2022, 02/2021, 14/2020, 17/2020 and 20/2020 dated May 5, 2022 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/2022/62 dated May 13, 2022 and 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 as an abundant precaution. 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. The facility of participation at the AGM through VC/OAVM will be made available to at least 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.
- (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. 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/re-appointment as independent Directors / Whole Time Director / Managing Director as set out at Item Nos. 4, 5 & 6 of the Notice dated August 13, 2022 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 balrajsharma@cdslindia.com with a copy marked to 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 of Monday, September 19, 2022.
- (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 Registered Office, well in advance of the above 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, 2022 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) SEBI vide its circular SEBI /HO /MIRSD /MIRSD_RTAMB / P / CIR / 2021 / 655 dated November 03, 2021 has notified common and simplified norms for processing investor's service request by the Registrars and Transfer Agents (RTAs) and norms for furnishing Permanent Account Number ("PAN"), Know Your Client ("KYC") details and Nomination. In terms of the aforesaid circular, all holders of physical securities of the Company are mandatorily required to furnish the PAN, Nomination, Contact Details, Bank Account details & Specimen Signature to the Company's RTA i.e Alankit Assignment Limited ("Alankit") along with Form ISR-1 for updating their KYC details. The Relevant forms can be downloaded from the website of the Company i.e. <https://udtltd.com/kyc/>.
- (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 Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited (RTA).
- (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. 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.
- (xvi) 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 or the like are requested to write to the Company through email on compsect@udtltd.com. The same will be replied by the Company suitably.
- (xvii) Presently, there are Two (02) Directors who are required to ensure compliance with the requirement of retirement by rotation, namely Dr. Kanal Gupta, Executive Director and Shri. Inderpal Sharma, Whole-time Director. Dr. Kanal Gupta had retired by rotation in the 39th AGM. He was re-appointed. The only option left in terms of Section 152 of the Companies Act, 2013, Mr. Inderpal Sharma, having DIN: 07649251, Director, retires by rotation at the meeting and being eligible, offer himself for reappointment in 40th AGM. The Board of Directors of the Company recommends such re-appointment. Brief resume of Mr. Sharma, nature of his Expertise in specific functional areas, names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
- (xviii) 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.
- (xix) The Register of Members and Share Transfer Books of the Company will be closed from Monday, September 19, 2022 to Monday, September 26, 2022, both days inclusive for annual closing.
- (xx) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- (xxi) The relevant details pursuant to regulations 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the ICSI, in respect of Director seeking re-appointment at this AGM are also annexed to this notice

(xxii) The Company has fixed Monday, September 19, 2022 as the cut-off date for determining entitlement of members to final dividend for the FY ended March 31, 2022, if approved at this AGM. If the final Dividend, as recommended by the Board, is approved at this AGM, payment of such dividend subject to deduction of Tax at source will be made on October 12, 2022 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 18, 2022 (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 18, 2022.

(xxiii) 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 shares held in physical form).

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 (SS-2) 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. Pandian Kalyanasundaram (DIN: 02568099)	
1. Reason for Change	Re-appointed as Non-Executive Independent Director
2. Date of Birth	25/12/1954
3. Brief Profile / Resume / Exp./ Skills / Capabilities	Mr. Pandian Kalyanasundaram, Independent Director of the Company is a Retd. Senior government official. He has got the vast experience of working with Government in various capacities responsible positions at senior level in ministries. There apart, he has also contributed in several works of social cause and economic upliftment of the poor, needy. His expertise is likely to benefit our Company at large. In terms of Section 149(10) of the Act, he is eligible for re-appointment. Hence, special resolution sought to confirm his re-appointment for another 5 consecutive year's w.e.f. 28.09.2021.
4. Disclosure of Relationship	NIL
5. Directorship / Membership in other listed entities	Nil
6. No. of Shares Held in UDTL	NIL
Name of Director – Mr. Pramod Kumar Gupta (DIN: 00619482)	
1. Reason for Change	Re-appointment as Chairman and Managing Director
2. Date of Birth	01/01/1948
3. Nationality	Indian
4. Brief Profile / Resume / Exp.	He was re-appointed upto 20/12/2022. He is a well-known figure in the Oil Industry with over (~40 years) experience. His association with UDTL, ever since its inception and has contributed significantly towards its growth. Under his visionary leadership, the Company has successfully steered some of the most critical works in this Sector. UDTL's Board of Directors had on 25.05.2022 had approved Rent Free Accommodation in addition to Remuneration of ₹10 Lakhs per month w.e.f. 01.06.2022 to 20.12.2022.
5. Disclosure of Relationship	Dr. Kanak Gupta, UDTL's Executive Director is his Son.
6. Directorship / Membership in other listed entities	Jamna Auto Industries Limited (Shareholder)
7. No. of Shares Held in UDTL	1,43,63,800 shares held



Name of Director – Mr. Inderpal Sharma (DIN: 07649251)	
1. Reason for Change	Re-appointment as Whole - Time Director
2. Date of Birth	15/12/1969
3. Nationality	Indian
4. Brief Profile / Resume / Exp.	He is a graduate in Commerce. He obtained Diploma ITI (fitter). He has 32 years of experience in manufacturing sector in various organizations. He has been associated with UDTL Group for the last 27 years.
5. Disclosure of Relationship	NIL
6. Directorship / Membership in other listed entities	Nil
7. No. of Shares Held in UDTL	NIL

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 13, 2022.

Item No. 04

CONFIRMATION FOR MR. P. KALAYANASUNDARAM RE-APPOINTMENT AS AN INDEPENDENT DIRECTOR

Mr. Pandian Kalyanasundaram is a Retd. senior government official. He has got the experience of working with Government of India in various capacities in different ministries. He has also contributed in several works of social cause and economic upliftment of poor. His expertise is likely to benefit our Company at large.

Mr. Pandian Kalyanasundaram, Independent Director of the Company tenure had came to an end on 28/09/2021; the same day he was appointed as an Additional Director (Non- Executive & Independent) (subject to confirmation in this Annual General Meeting) on the Board of Directors of the Company w.e.f. 28/09/2021 for a term of 5 consecutive years. In terms of Section 149(10) of the Act, he is eligible for re-appointment. Hence, special resolution sought to his re-appointment for another 5 consecutive year's w.e.f. 28.09.2021.

He is proposed to be appointed as Independent Non Executive – Director on the Board of your company.

Based on the recommendation of Nomination and Remuneration Committee, performance evaluation of the Independent Director and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Mr. Pandian Kalyanasundaram, being eligible for reappointment as an Independent Director of the Company for another (second) term of five consecutive years from conclusion of 39th AGM to till conclusion of 44th AGM of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Pandian Kalyanasundaram for the office of the Independent Director of the Company. The Company has received declaration from Mr. Pandian Kalyanasundaram that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

Mr. Pandian Kalyanasundaram aged 68 years & is not liable to retire by rotation and does not hold any equity shares in the Company. In the opinion of the Board, Mr. Pandian Kalyanasundaram fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Pandian Kalyanasundaram as an Independent Director setting out terms and conditions of his appointment would be available for inspection on website of the Company viz; www.udtltd.com. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Pandian Kalyanasundaram as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Pandian Kalyanasundaram as an Independent Director for another term of five consecutive years with effect from conclusion of 39th Annual General Meeting to till conclusion of 44th AGM or 30th September, 2026 whichever is earlier, for the approval by the shareholders of the Company.

As required under Regulation 17(11) of LODR, the Board of Directors hereby makes a formal recommendation to the shareholders / members for passing of special resolution for appointment of

Mr. Pandian Kalyanasundaram as Non-Executive Independent Director of UDTL, under the heading "Special Business".

Except Mr. Pandian Kalyanasundaram, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

Mr. Pandian Kalyanasundaram is not related to any Director or Key Managerial Personnel of the Company. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

Item No. 05

RE-APPOINTMENT OF SHRI PRAMOD KUMAR GUPTA

Mr. Pramod Kumar Gupta, who was re-appointed as Chairman & Managing Director of the Company for a period 5 years commencing from December 21, 2017 to December 20, 2022 vide the resolution passed by the shareholders / members at the 35th Annual General Meeting of the Company held on 25th September, 2017, is a well-known figure in the Global Oil Industry. Network of his acquaintances and relationships run across all geographies due to his warm personal style and long years of engineering, marketing experience (~40 years) in this industry. Mr. Pramod Kumar Gupta has been associated with United Drilling Tools Ltd, ever-since its inception and has contributed significantly towards the growth of the Company by providing his leadership roles. He attributes his career success to hard-work and perseverance. He has completed his Masters' in Industrial Engineers from United States, and has a wide experience working for over a decade in the US Oil Drilling Industry.

Under his visionary leadership, the Company has successfully steered some of the most critical works in the oil sector within India, hence, the need to consider re-appointment inter-alia, under Section 196(3)(a) of the Act.

Considering the above experience and qualities, the contributions made by him in growth of the Company, the Board of Directors of the Company at its meeting held on May 25, 2022 (based on the recommendation of the Nomination and Remuneration Committee) has approved revision of Remuneration terms and conditions by providing Rent Free Accommodation in addition to Remuneration of ₹10,00,000/- per month w.e.f. 01/06/2022 to 20/12/2022 for Mr. Pramod Kumar Gupta, as Chairman & Managing Director of the Company, as mentioned in the Resolution No. 5. Similarly, on August 13, 2022 (based on the recommendation of NRC) they too have approved his re-appointment for a further period of five (05) years beyond 20/12/2022.

Similarly, on August 13, 2022 (based on the recommendation of NRC) they too have approved his re-appointment for a further period of five (05) years beyond 20/12/2022, upon existing terms and conditions on remuneration, other benefits, entitlement as per company's policy and his minimum remuneration, in case of no profit or inadequate profit, subject to the provisions of Section II of Part II of amended Schedule V of the Companies Act, 2013 or such other amount or an equivalent statutory re-enactments thereof, as hereunder.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Pramod Kumar Gupta for the office of Managing Director of the Company.

Mr. Pramod Kumar Gupta is 75 years and is not liable to retire by rotation pursuant to Article 64A of Articles of Association of the Company.

Name & Designation	Period of appointment / re-appointment	Salary including allowances & perquisites per month (₹)
Mr. Pramod Kumar Gupta (Chairman and Managing Director)	5 years w.e.f. 21/12/2022 to 20/12/2027	Upto ₹10,00,000/- per month + Rent Free Accommodation from 21/12/2022 to 20/12/2027

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

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

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

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

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



The Scope and quantum of remuneration and perquisites specified hereinabove, may be fixed, enhanced, enlarged, decreased, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.

As required under Regulation 17(11) of LODR, the Board of Directors hereby makes a formal recommendation to the shareholders / members for passing of special resolution for appointment of Mr. Pramod Kumar Gupta, as Chairman & Managing Director of UDTL, under the heading "Special Business".

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

I. General Information

(1) Nature of Industry	UNITED DRILLING TOOLS LTD. is a leading manufacturer of wire line & well service equipment, Gas lift equipment, Downhole tools and large OD casing connectors in the world			
(2) Date or expected date of commencement of commercial production	The Company commenced its commercial production on 30.05.1986.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
(4) Financial performance based on given indicators	(Amt. in crore)			
	2021-22	2020-21	2019-2020	2018-19
Paid up Capital	20.30	20.30	20.30	20.30
Revenue from operation	166.42	146.50	114.67	157.13
Profit after tax	50.36	32.70	45.22	24.74
EPS (Basic)	24.80	16.09	22.24	12.16
(5) Foreign investments or collaborations, if any	The Company has not entered into any Foreign Collaboration. No foreign investment has been made into the Company			

II. Information about the appointees

(1) Background details	Mr. Pramod Kumar Gupta, 75 years has vast experience in the field of Manufacturing of Oil drilling equipment. He is Chairman and Managing Director of United Drilling Tools Limited since 1986. He was Industrial / Application Engineer from 1969 to 1975 in Sargent Welch Scientific Company Skokie, Illinois, USA & Colt Industries, Kansas City, KS, USA and Manufacturing Manager / Managing Corporate Planning from 1975 to 1982 in Smith International INC. & Combustion Engineering, CA, USA. He was Past President in International Marketing Co. Los Angeles, CA, USA from 1982 to 1996.
(2) Past remuneration	₹10,00,000/- per month including all perquisite and allowances + Rent Free Accommodation
(3) Recognition or awards	None
(4) Job profile and his suitability	The Job required high level of planning, vision and strategy, techno commercial and leadership skills. It also calls for in depth understanding of the oil industry. Mr. Pramod Kumar Gupta is having vast experience of Corporate Management and particularly of oil industry and successfully working as a Chairman and Managing Director of the Company. He is ideally suited for the job.
(5) Remuneration proposed	The details of remuneration are set out above in Explanatory statement.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Pramod Kumar Gupta holds approx. 70% of equity shares of the company. Mr. Kanal Gupta S/o Mr. Pramod Kumar Gupta is a Whole time Director in the Company.

III. Other information

(1) Reasons of loss or inadequate profits	Factors such as general economic slowdown and consequent adverse market costs and high financial cost have severally affected the margins for products manufactured by the company.
(2) Steps taken or proposed to be taken for improvement	The company has initiated steps as cost control, borrowing, at cheaper rates and improving efficiency etc. Though the prices of raw materials and products are influenced by the external factors. The Company is making all possible efforts to improve the margins.
(3) Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in productivity and undertakes constant measure to improve it. Looking at the past performance and efforts being made during the year, the Company is expecting to achieve increase in productivity as well as in profits of the Company.

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

Name of Director	Mr. Pramod Kumar Gupta
DIN	00619482
Date of Birth	01/01/1948
Age	75 years
Nationality	Indian
Date of First Appointment on the Board	21/08/1985
Qualifications	a) B.E. (Mechanical Engineering) from Birla Institute of Technology, Ranchi, India
Experience	Mr. Pramod Kumar has vast experience in the field of Manufacturing of Oil drilling equipment. He is Chairman and Managing Director of United Drilling Tools Limited since 1986. He was Industrial / Application Engineer from 1969 to 1975 in Sagent Welch Scientific Company Skokie, Illinois, USA & Colt Industries, Kansas City, KS, USA and Manufacturing Manager / Managing Corporate Planning from 1975 to 1982 in Smith International INC. & Combustion Engineering, CA, USA. He was Past President in International Marketing Co. Los Angeles, CA, USA from 1982 to 1996.
Number of shares held in the Company	1, 43, 63,800 equity Shares (70.75%)
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn	Re-appointed as Chairman and Managing Director at 35th Annual General Meeting of the Company held on 25/09/2017 for five years w.e.f. 21/12/2017 to 20/12/2022. Further, it is now proposed to extend the tenure of his appointment beyond 21/12/2022 for another 5 years. Proposed remuneration – As specified above in the Explanatory Statement Remuneration last drawn – ₹10.00 lakh per annum (which includes all benefits, allowances and perquisites) (hereinafter referred to as “remuneration”) except Rent Free Accommodation. Further details as specified above in the Explanatory Statement.
Number of Meetings of the Board attended during the financial year 2021-22	No. of meeting held – 08 No. of meeting attended - 08
Disclosure of relationships between directors inter-se	Mr. Kanak Gupta, Whole Time Director of the Company is Son of Mr. Pramod Kumar Gupta.
Disclosure of relationship with Manager and other Key Managerial Personnel of the company	No
Names of listed entities* in which he holds the directorship and the membership of the Committees of the Board (i.e., Audit Committee/ Nomination and Remuneration committee)	Nil

*Excluding United Drilling Tools Limited



Accordingly, the Board recommends the special resolution set out in item no. 5 of the notice for the approval of the members of the Company.

Save and except Mr. Pramod Kumar Gupta and Dr. Kanak Gupta, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed special resolution as set out in item no. 5.

Item No. 06

RE-APPOINTMENT OF SHRI.INDERPAL SHARMA

Mr. Inderpal Sharma, who was appointed as Whole-time Director of the Company for a period 5 years upto the conclusion of this AGM, is a respected name in engineering Industry. During his long association, UDTL has achieved growth in performance, improvements were noted in sales turnover, cost reduction, operational efficiencies. Further, under his consistent strategic efforts, UDTL Group is expected to achieve growth in future.

Under his dynamic leadership, UDTL has successfully steered some of the most challenging engineering projects in India, hence, the

need to consider re-appointment inter-alia, under Section 196(3) (a) of the Act.

Considering the above experience and qualities, the contributions made by him in growth of the Company, the Board of Directors of the Company at its meeting held on August 13, 2022 (based on the recommendation of NRC) has approved re-appointment of Shri Inderpal Sharma having DIN - 07649251 as Whole-Time Director for a further period of Five (05) years from the conclusion of this AGM upto 45th AGM to be held in the year 2027, upon existing terms and conditions on remuneration, other benefits, entitlement as per company's policy and his minimum remuneration, in case of no profit or inadequate profit, subject to the provisions of Section II of Part II of amended Schedule V of the Companies Act, 2013 or such other amount or an equivalent statutory re-enactments thereof, as hereunder.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Inderpal Sharma for the office of Whole Time Director of the Company.

Name & Designation	Period of appointment / re-appointment	Salary including allowances & perquisites per month (₹)
Mr. Inderpal Sharma (Whole Time Director)	From the conclusion of this AGM upto 45th AGM to be held in the year 2027	Within the overall limit as prescribed under section 197 of the Act.

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

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

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

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

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

The Scope and quantum of remuneration and perquisites specified hereinabove, may be fixed, enhanced, enlarged, decreased, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.

As required under Regulation 17(11) of LODR, the Board of Directors hereby makes a formal recommendation to the shareholders / members for passing of special resolution for appointment of Mr. Inderpal Sharma as Whole-Time Director of UDTL, under the heading **"Special Business"**.

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

(1) Nature of Industry	UNITED DRILLING TOOLS LTD. is a leading manufacturer of wire line & well service equipment, Gas lift equipment, Downhole tools and large OD casing connectors in the world			
(2) Date or expected date of commencement of commercial production	The Company commenced its commercial production on 30.05.1986.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
(4) Financial performance based on given indicators	(Amt. in crore)			
	2021-22	2020-21	2019-2020	2018-19
Paid up Capital	20.30	20.30	20.30	20.30
Revenue from operation	166.42	146.50	114.67	157.13
Profit after tax	50.36	32.70	45.22	24.74
EPS (Basic)	24.80	16.09	22.24	12.16
(5) Foreign investments or collaborations, if any	The Company has not entered into any Foreign Collaboration. No foreign investment has been made into the Company			

II. Information about the appointees

(1) Background details	Mr. Inderpal Sharma is a graduate in Commerce. He obtained Diploma ITI (fitter). He has 32 years of experience in manufacturing sector in various organizations. He has been associated with UDTL Group for the last 27 years.
(2) Past remuneration	₹8.80 lakh per year including all perquisite and allowances & benefits
(3) Recognition or awards	None
(4) Job profile and his suitability	Mr. Inderpal Sharma having vast experience in Oil Drilling Tools & Equipments manufacturing.
(5) Remuneration proposed	The details of remuneration are set out above in Explanatory statement.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Nil

III. Other information

(1) Reasons of loss or inadequate profits	Factors such as general economic slowdown and consequent adverse market costs and high financial cost have severally affected the margins for products manufactured by the company.
(2) Steps taken or proposed to be taken for improvement	The company has initiated steps as cost control, borrowing, at cheaper rates and improving efficiency etc. Though the prices of raw materials and products are influenced by the external factors. The Company is making all possible efforts to improve the margins.
(3) Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in productivity and undertakes constant measure to improve it. Looking at the past performance and efforts being made during the year, the Company is expecting to achieve increase in productivity as well as in profits of the Company.

**Brief information about Mr. Inderpal Sharma as per Secretarial Standard -2 on General Meeting is appended below:**

Name of Director	Mr. Inderpal Sharma
DIN	07649251
Date of Birth	15/12/1969
Age	53 years
Nationality	Indian
Date of First Appointment on the Board	10/11/2016
Qualifications	Graduate in Commerce & Diploma ITI (fitter)
Experience	Mr. Inderpal Sharma has 32 years of experience in manufacturing sector.
Number of shares held in the Company	Nil
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn	Appointment as Whole Time Director at 35th Annual General Meeting upto conclusion of 40 th AGM. Further, it is now proposed to extend the tenure of his appointment for another 5 years. Proposed remuneration – As specified above in the Explanatory Statement Remuneration last drawn – ₹8.80 lakh per annum (which includes all benefits, allowances and perquisites)
Number of Meetings of the Board attended during the financial year 2021-22	No. of meeting held – 08 No. of meeting attended - 08
Disclosure of relationships between directors inter-se	Nil
Disclosure of relationship with Manager and other Key Managerial Personnel of the company	Nil
Names of listed entities* in which he holds the directorship and the membership of the Committees of the Board (i.e., Audit Committee/ Nomination and Remuneration committee)	Nil

*Excluding United Drilling Tools Limited

Accordingly, the Board recommends the special resolution set out in item no. 6 of the notice for the approval of the members of the Company.

Save and except Mr. Inderpal Sharma, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed special resolution as set out in item no. 6.

**For and on behalf of the Board
For United Drilling Tools Ltd.**

**Sd/-
Naveen Bhatnagar**
Company Secretary
FCS 6079

DATE: 13/08/2022
PLACE: Noida

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

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. 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 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.
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.udtltd.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. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. 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 E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on 23.09.2022 at 10:00 AM and ends on 25.09.2022 upto 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 16.09.2022 of 16.09.2022 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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(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 CDSL/ NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 Depository	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.

Type of shareholders	Login Method
	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 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 (DP)	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 toll free no. 1800 22 55 33
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

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 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 Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.
Dividend Bank Details OR Date of Birth (DOB)	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. 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.

- (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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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; 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 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 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 07 working 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 atleast 04 working 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 may 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 toll free no. 1800 22 55 33

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 toll free no. 1800 22 55 33.



Director's Report

Dear Shareholders / Members,

Yours Directors proudly present United Drilling Tools Limited's (UDTL) esteemed family their 40th annual report. This report, inter-alia, discusses audited financials (FY 2021-22) of UDTL, as also of its wholly owned subsidiary, P. Mittal Manufacturing Private Ltd. (P Mittal).

BUSINESS PERFORMANCE AND FINANCIAL REVIEW

We aim to delivering best possible Returns on your valued Investment made in UDTL's values, principles and ethos. With this avowed goal instilled with your strong belief, blessings & continued support, we have closed this Financial Year with best possible results, despite odds & difficult times.

UDTL is a respected name to reckon with in the engineering industry. In particular, we have delivered impeccable drilling products for upstream Oil and Gas Exploration works. A few of our performance highlights translated in financial figures, are detailed hereunder:

Financial Highlights

		(₹ in Lakhs)	
FY 2021-22	Particulars	FY 2021-22	FY 2020-21
CONSOLIDATED		STANDALONE	
17,489.55	Revenue from Operations	16,441.89	14,285.36
110.18	Other Income	199.84	364.69
17,599.73	TOTAL INCOME	16,641.73	14,650.05
10,452.72	LESS Total Expenses	9,477.50	10,736.09
7,147.01	Profit before Tax (PBT)	7,164.23	3,913.96
2144.09	LESS Tax Expenses	2128.71	644.13
5,002.92	Profit after Tax (PAT)	5,035.52	3,269.83
(0.39)	Other comprehensive Income	(0.39)	(2.82)
5,002.53	Total comprehensive Income for the period, net of tax	5,035.13	3,267.01
20.77%	Return on Net Worth	20.99%	16.88%

The business performance of UDTL Group during Financial Year 2021-22 under review was encouraging. While, UDTL's revenues (standalone) grew in FY'22 at ₹166.41 crore, higher by ₹19.92 crore, as compared to ₹146.50 crore in FY'21. Consolidation of financials for the maiden year under report too were encouraging. Overall, UDTL Group's revenue recorded in FY'22 was ₹175.99 crore. Higher Sales, supported with reduction in Total Expenses (₹104.53 Crore) has benefitted in this improved performance.

Backed by robust manufacturing and R&D infrastructure, technologically advanced equipment, stringent quality control and a highly experienced team, UDTL presently 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.

Four (04) state-of-the-art Manufacturing facilities of the Company have 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). A new state-of-the-art and tech-focussed Greenfield manufacturing unit is soon coming up near Mundra port in the State of Gujarat.

UDTL's continuing integration of new technologies and industry leading product lines enhances the technological advantages

offered to the oil and gas industry; an experienced engineering and support personnel coupled with extensive product lines makes it a single source provider for wireline and slickline solutions.

Incorporating products with newer technology and with over 4 decades of combined experience, the UDTL product group is one of the leading Companies in design and manufacturing of wireline products for slickline and electric line applications.

UDTL has always been an innovation-led company with team of design engineers in Noida office conducting challenging Research and Development (R&D) Projects, as well as, client specific design programmes. Aided by the most up-to-date engineering and analysis software, their designs are robust, long lasting and comply with relevant region-specific regulations. Featuring the dependable field-proven UDTL closed loop hydraulic system used in UDTL winches on all oil fields worldwide, the current wireline units are the industry's most compact all-weather solution for today's dynamic world of well servicing.

UDTL's products are hi-tech parts and equipment for oil drilling industry, used for a variety of purposes. Also, there are entry barriers to these types of products because the technology is highly sophisticated and is available only in advanced countries such as US and Europe. Further, the technology developed by the company is protected, Patented in Europe.

UDTL Group is working closely with some of the renowned Government and associated entities in India such as ONGC, Oil India, BPCL, Cairn Energy, Welspun, Jindal, among others. In the international markets, we work with some of the renowned brands, such as Halliburton, Schlumberger, and Geo Empro among others. Our revenues are distributed between government organisations, private sector companies and exports in the oil and gas sectors.

Management Discussion and Analysis Report (MD&A) for the year (2021-22) under review is forming a part of this report.

TRANSFER TO RESERVES

Enhancing Shareholders Value on a sustainable basis is key objective for our Company's growth. No transfer of any amount was made to the General Reserves during FY 2021-22 too.

DIVIDEND

During Financial Year 2021-22, UDTL has paid two (02) Interim Dividend aggregating 15%. Additionally, UDTL has proposed Final Dividend of @ 6% considering its improved performance in FY 2021-22. With this, the total Dividend (Interim and Final) on Equity Shares for the Financial Year 2021-22 was 21% i.e.; ₹2.10 per equity shares of ₹10/- each.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company (the 'Board') on 29.03.2022 formulated and adopted the Dividend Distribution Policy (the 'Policy').

The Policy is available on our website at <https://udtltd.com/policies/>.

LISTING

UDTL's Equity Shares continues to be listed on both the domestic stock exchanges viz., NSE & BSE. Also, both NSDL & CDSL, Depositories are providing their services to our valued Shareholders / Members. Your Company has paid Annual Fee(s) to all of them for the Financial Year 2022-23.

SHARE CAPITAL

During the year under review, UDTL's Paid-up Equity Share Capital remains unchanged at ₹2030.31 Lakhs (both standalone & consolidated financials). During the year under report, no issue of any Equity Shares, Sweat Equity to the Employees / Directors (or) Convertible Securities was made either by UDTL, or by P. Mittal, Wholly Owned Subsidiary ('WOS') of UDTL.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 & applicable rules regulations thereunder, a statement containing salient features of the Financial Statements of UDTL's WOS, i.e. P Mittal has been made & the same is attached in the prescribed format. Accordingly, the Consolidation of the Financial Statements of UDTL & P. Mittal has been made for this FY 2021-22 & forms a part & parcel of the Annual Report.

BOARD OF DIRECTORS

During the Financial Year 2021-22, UDTL's Board of Directors & its various Committee/s had Learned, yet varied Experienced Professionals of standing & repute. UDTL's Board has been constituted in compliance of extant applicable Laws, Rules & Regulations. Presently, there are Seven (7) Members on its Board. Of these, Four (4) are Independent Non-executive Directors and remaining three (3) are Executive Directors including UDTL's Managing Director. There was no change in the composition of UDTL's Board of Directors.

The Company has received declarations from all the Four (04) Independent Directors confirming that they fulfill criteria prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {'LODR'}. Further, all the members of Board have declared their equity shares holding as well as interest in the Company as per requirement of Companies Act, 2013 and LODR.

The composition of the Board of Directors at the end of FY i.e.; 31st March, 2022, is as under:-

Mr. Pramod Kumar Gupta	: Chairman & Managing Director
Mr. Kanak Gupta	: Executive Director
Mr. Inderpal Sharma	: Executive Director
Mr. Krishan Diyal Aggarwal	: Independent Director
Mrs. Preet Verma	: Independent Director (appointed with effect from June 25, 2021)
Mr. Pandian Kalyanasundaram	: Independent Director
Mr. Ved Prakash Mahawar	: Independent Director (appointed with effect from June 25, 2021)

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 continues to be Chairman & MD of UDTL. Mr. Mukesh Mehta working in the Company has been appointed as Chief Financial Officer ('CFO') with effect from June 25, 2021 vice Mr. Arun Kumar Thakur.

Mr. Naveen Bhatnagar, associated with the Company as Consultant, has been appointed as the Compliance Officer & Company Secretary (with effect from March 29, 2022). During the year 2021-22, Mr. Pramod Kumar Ojha's untimely demise, he ceased to be Compliance Officer & Company Secretary with effect from April 29, 2021. Further, Mr. Tarun Chabra had a short stint (he was appointed on July 24, 2021 & ceased to be Compliance Officer & Company Secretary with effect from October 7, 2021).

INDEPENDENT DIRECTORS

The Independent Directors have individually declared to UDTL's Board that they meet the criteria of Independence as provided under extant provisions of Section 149(6) of the Companies Act,



2013 at the beginning of the year, and there is no change in the circumstances as on the date of this Report.

UDTL's Board confirms that in their opinion the Independent Directors fulfil the conditions of the Independence as prescribed under applicable law/s, rules and regulations thereunder. Also, they possess requisite expertise, experience and integrity.

BOARD EFFECTIVENESS

The performance evaluation of the Board, its committees and individual Directors was conducted by the entire Board (excluding the Director being evaluated) on the basis of a structured Questionnaire covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of Director; active participation and contribution during discussions and governance.

All the Directors have participated in the evaluation process. Nomination and Remuneration Committee ("NRC") overseas familiarization programs imparted, including, to the Independent Directors of the company.

During the year, Independent Directors spent 34 (approx.) hours on several familiarization program. Also, UDTL conducted separate sessions on Environmental, Social & Governance ('ESG') familiarization, new business familiarization for directors as part of the committee meetings.

REMUNERATION POLICY, etc.

UDTL's Board has formulated and adopted policy/ies for its Diversity, Succession Plan, and Directors' Remuneration & also for Key Managerial Personnel and other Members of senior level. These can be accessed on the website of the Company. In terms of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of Remuneration to Executive Director/s including the details of Remuneration paid / payable to them for the Financial Year 2021-22 have been detailed in this Annual Report, as an "Annexure-A".

Non-executive, independent directors are paid, "Sitting Fee/s" within the limits prescribed under the Companies Act, 2013 at a fixed rate per meeting attended by them and as such the same cannot be compared with the remuneration to other employees. There-apart, no other remuneration or perquisite was paid to, and no service contract was entered into with them. Again, Letter of Appointment were issued to them. Hence, no occasion seeking prior approval of the respected shareholders / members as stipulated under Regulation 17(6) of the LODR, as amended.

Meetings of Board of Directors

Meetings of the Board of Directors, as prescribed under the Act, as also for urgent / other matters were held to discuss and decide on various business policies, strategies, financial matters, statutory compliance reporting perspective.

During the year, Eight (08) Board Meetings were convened and held, the details of which are separately given in the Corporate Governance Report forming part of this Annual Report. The

provisions of Companies Act, 2013 and LODR were adhered to timely while considering the time gap between two (02) meetings and various other requirements including Secretarial Standards (SS-ICSI) as issued by The Institute of Company Secretaries of India (ICSI).

Meetings of Independent Directors

Pursuant to Section 149(8) read with Schedule V and other applicable provisions of the Companies Act, 2013 and Regulation 25(3) of LODR, One (01) meeting of Independent Directors was held on February 09, 2022. The said meeting was attended by Mr. Krishan Diyal Aggarwal, Mrs. Preet Verma and Mr. Ved Prakash Mahawar Independent Directors without presence of remaining other Directors on UDTL's Board, inter alia to:-

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

COMMITTEES OF THE BOARD

In compliance with applicable laws, rules and regulations, as also for other purposes following Committee/s were constituted / reconstituted:-

- Audit Committee
- Nomination and Remuneration Committee (NRC)
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee (CSR)
- Risk Management Committee
- Ethics Committee

The composition of the Committees was in conformity with the applicable provision of the Companies Act, 2013 and LODR.

As reported in the FY 2020-21 Annual Report, no instance of non-compliance of above Committee recommendations, if any, were observed.

CORPORATE SOCIAL RESPONSIBILITY

UDTL has formulated a Corporate Social Responsibility (CSR) Policy to undertake CSR initiatives as specified in Schedule VII of the Companies Act, 2013. UDTL has constituted a robust and transparent governance structure to oversee the implementation of this 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 CSR initiatives and its sustainability priorities are deeply intertwined with its business imperative. Over

the period of its long existence, your nourished Company has upheld its tradition of community service and have reached out to the underprivileged, even in odd hours, 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, 2022 and the applicable rules, the Company has updated 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.

STATUTORY AUDIT

The financial statements of the Company for the financial year 2021-22 were audited by M/s R. S. Dani & Co., Chartered Accountants, Bhilwara, Rajasthan. Accordingly, their Audit Report along with audited Financial Statements (standalone & consolidated) for the said FY are being placed before the respected shareholders / 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 qualification(s), reservation(s) or adverse remark(s).

M/s R S Dani & Co., Chartered Accountants hold office for Five (05) consecutive years as statutory auditors of the Company i.e. till the conclusion of 42nd AGM of the company.

SECRETARIAL AUDIT

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 Auditors of the Company for the financial year ended March 31, 2022.

The report of the Secretarial Auditors, is given in "**Annexure-C**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. The Company is in compliance with SS-ICSI. Their observations on filing of MGT-14 & insurance policy have been noted.

INTERNAL AUDIT

Pursuant to the provision of section 138 of the Companies Act, 2013 and LODR, M/s APU & Co., Chartered Accountants, New Delhi having vast experience in field of Taxation, Finance and Accounts have been appointed as Internal Auditors of the Company for the financial year 2021-22 to perform assigned Duties & Functions.

The Internal auditors have submitted their report on quarterly basis, to the Audit Committee of the Company. The Report of Internal Auditors does not mention any qualifications, reservations or adverse remarks.

CORPORATE GOVERNANCE

Recently, The Organisation for Economic Co-operation and Development ('OCED') based in Paris had on 8th June, 2022 published a report titled "Climate change and Corporate Governance". This report focusses, inter-alia, on corporate disclosure, Board's responsibilities, and shareholders activism. We, at UDTL, re-affirms its continued commitment, adhering good Corporate Governance practices. Also, we are contributing in reducing climate changes harmful effect/s, consequence/s by following green transition, transforming its transport, rein in power use.

During the year under review (2021-22), UDTL Group has complied with mandatory provisions of LODR. The Compliance Report titled "CORPORATE GOVERNANCE REPORT", as also, Certificate from Company's Auditors, M/s R.S. Dani & Co. therefor, is marked, "**Annexures -D**".

CFO CERTIFICATION

Pursuant to Regulation 17(8) read with Schedule II Part B of the Listing Regulations, a certificate from the Chief Financial Officer ('CFO') 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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

UDTL has established Vigil Mechanism / Whistle Blower Policy whose purpose is to provide framework to report concerns about unethical behaviour, actual or suspected Fraud. Violation of Code of Conduct / Ethics Policy is checked and adequate safeguards are provided against victimization. This Policy is available on Company's website www.udtltd.com. Their implementation are monitored on regular interval.

PARTICULARS OF EMPLOYEES, etc.

Appropriate disclosure 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, is given in statement placed at "**Annexure-E**".

ANNUAL RETURN

Extracts of the Annual Return as on the Financial Year ended 31st March, 2022 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**". 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.udtltd.com.



COMPLIANCE WITH SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Board of Directors affirms that UDTL has complied in true letter & spirit with applicable Secretarial Standard/s issued by the Institute of Companies Secretaries of India (SS-1 and SS-2) relating to Board Meetings, Committees thereof. Also, UDTL has complied with applicable Indian Accounting Standards while preparing these financial statements.

CREDIT RATING

With strong commitment, performance, rating agency had continuously maintained BBB (STABLE) Rating for FY 2021, as also during FY 2022. This reaffirms reputation and trust, the Company has earned for its sound financial management and its ability to meet its financial obligations, commitment to its stakeholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (MD&A)

As per requirement of LODR, Management's Discussion and Analysis Report for FY 2021-22, is placed at "Annexure-G".

RELATED PARTY TRANSACTIONS

In compliance with applicable laws, rules and regulations, the detailed information regarding related party transaction occurred during the financial year 2021-22 were disclosed in prescribed format AOC-2, in "Annexure-H".

INTERNAL CONTROL SYSTEMS

The Company's internal financial controls are commensurate to the scale and complexity of its operations. The controls were tested during FY 2021 -22 and no reportable Material weaknesses were observed. UDTL's Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of accounting records and timely preparation of reliable financial disclosures. Esteemed Members / Shareholders may please refer 'Internal control systems and their adequacy' section in the Management's discussion and analysis.

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

Relevant information under Section 134 of Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are given in "Annexure-I".

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2) (f) of LODR, Business Responsibility Reporting compliance is made & required information thereto is given in "Annexure-J".

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:

- that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting

standards were followed along-with proper explanation relating to material departures;

- 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, 2022 and of the profit of UDTL for the year ended on that period;
- 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;
- that the annual accounts for FY 2021-22 were prepared on a Going Concern basis; and
- that proper internal financial controls were laid down by UDTL and were adequate and operating effectively.

OTHER DISCLOSURE

- There were / are no material changes and commitment affecting the financial position of the Company between the end of the Financial Year, 2021-22 and Date of this Report.
- UDTL has not issued any Equity Shares including with Differential Voting Rights / Sweat Equity Shares.
- There was no occasion for revision in the Financial Statements for the year under report.
- There is no change in the nature of business of UDTL as on the date of this Report.

DEMATERIALISATION OF EQUITY SHARES

Those shareholders / members still holding equity shares of our Company, physically, can approach either CDSL or NSDL through our RTA, M/s Alankit Assignments Ltd for dematerialization within stipulated time. Demat ISIN for our Equity Shares is INE961D01019.

GREEN INITIATIVE

As reported in the FY 2020-21 Annual Report, during this year also, UDTL continued to undertake 'Green Initiative in its Corporate Governance reporting'. In furtherance of the same, physical copy of Notice convening the 40th AGM's along-with Annual Report 2021-22 are sent by permitted mode to select members / shareholders whose e-mail address are not made available to UDTL / RTA, for registration, so far, as on Cut-off Date (or) those holding UDTL's Equity Shares in physical mode / still pending for Demat, despite, repeated request.

Members may please note that said Notice and Annual Report 2021-22 will also be available on the Company's website www.udtld.com, websites of the Stock Exchanges i.e. BSE & NSE at www.bseindia.com and www.nseindia.com, respectively.

PUBLIC DEPOSITS

As reported in the FY 2020-21 Annual Report, during this year also, UDTL doesn't have any information to report on Public Deposits. As such, the relevant information may be treated as "Nil".

RISK MANAGEMENT POLICY

The Risk Management committee, periodically reviews the risk management process, risk and mitigation plans and provide appropriate advise in the improvement areas, if any, identified during the review.

For the key business risks identified by the company, please refer to the Management Discussion and Analysis to this report. The policy is available on our website at www.udtltd.com/policies.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As reported in FY 2020-21 Annual Report, during this year also, UDTL hasn't reported any complaint. As such, the requisite information may be treated as "Nil".

S. No.	Particulars	FY 2021-22
1.	Number of complaints pending at the beginning of the FY 2021-22	0
2.	No. of complaints received during FY 2021-22	0
3.	No. of complaints resolved during FY 2021-22	0
4.	Number of complaints pending at the end of FY 2021-22	0

CAUTIONARY STATEMENT

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 them only.

Directors' Report, Business Responsibility Report, Management Discussion & Analysis Report, Financial Statements (Standalone & Consolidated); annexure(s), attachement(s) thereto information pertaining to the projections, estimates, etc. are forward looking under SEBI's applicable rules and regulations, whereas, the actual results might differ.

Important factors that could make difference to UDTL's operations includes, Global and India's Demand, Supply conditions, finished goods prices, Raw Material 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 with whom UDTL conducts business and other factors such as litigation and labour negotiations.

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

ACKNOWLEDGEMENTS

Your Directors express their deep sense of gratitude to all stakeholders for their valued guidance, assistance and co-operation such as Banks, Government and other Regulatory Authorities and look forward to their continued support in future. The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked his / her life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the UDTL family.

For and on behalf of the Board
United Drilling Tools Limited

Sd/-

Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 13.08.2022
Place: Noida

**FORM NO. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Information in respect of each subsidiary to be presented with amounts in Rupees in Lakh)

Name of the Subsidiary	P. Mittal Manufacturing (P) Ltd.
1. The date since when subsidiary was acquired	28.06.2021
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period :	N.A.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. :	INR
4. Share Capital:	₹59.32 Lakh
5. Reserves & Surplus	₹134.86 Lakhs
6. Total Assets:	₹1574.31 Lakhs
7. Total Liabilities:	₹1574.31 Lakhs
8. Investment:	NIL
9. Turnover:	₹1191.48 Lakhs
10. Profit/ (Loss) before taxation:	₹80.00 Lakhs
11. Provision for taxation:	₹15.38 Lakh
12. Profit/ (Loss) after taxation:	₹64.62 Lakh
13. Proposed Dividend:	NIL
14. % of shareholding	100%

Additional information:

- Names of subsidiaries or associates which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil
- Performance of step down subsidiaries : N.A.

Sd/-
Mukesh Mehta
 Chief Financial Officer

For and on behalf of the Board
United Drilling Tools Limited
Sd/-
Naveen Bhatnagar
 Company Secretary

Sd/-
Pramod Kumar Gupta
 Managing Director

Date: 13.08.2022
 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.

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 www.udt ltd.com/policies. 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	05	05
2.	Mr. Pramod Kumar Gupta	Member	05	05
3.	Mr. Pandian Kalyanasundaram	Member	05	04
4.	Mrs. Preet Verma w.e.f. 25-June, 2021	Member	05	05

- 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: <https://udt ltd.com/investor-home/>
- 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.**
- 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	

- Average net profit of the company as per section 135(5): ₹39,06,39,750/-
- Two percent of average net profit of the company as per section 135(5): ₹78,12,795/-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: Nil
 - Total CSR obligation for the financial year (7a+7b-7c): ₹78,12,795/-



8. (a) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹) - Nil

Total Amount Spent for the Financial Year. (in ₹)	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)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
78,12,795/-	Nil	NA	1. Swachh Bharat Kosh	8,15,885/-	24/09/2021
			2. National Defence Fund	12,00,000/-	18/09/2021
			3. Clean Ganga Fund	4,00,000/-	21/09/2021
			4. Bharat Ke Veer	12,00,000/-	20/09/2021

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII of the Act	(4) Local Area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1.	Health care	Promoting Health Care	No	Delhi	Delhi	15,47,000	No	Smile WWF SVMM ICD	CSR00013466 CSR00006542 CSR00018315 CSR00011692
2.	Old Age Home	Setting up Old Age Home	No	Delhi	Delhi	14,20,000	No	SHEOWS Sadhu Muskan Earth	CSR00000665 CSR00018310 CSR00010041 CSR00002026
3.	Education	Promoting Education	No	Delhi	Delhi	17,74,000	No	Surya Ekal Pahal, Care India	CSR00022726 CSR00000667 CSR00011150 CSR00003719
4.	Remove Hunger	Eradicating Hunger	No	Delhi & Haryana	Delhi & Gurugram	13,19,850	No	Care for life, Omni, Care India, National	CSR00007958 CSR00015502 CSR00003719 CSR00006717
5.	Awarenesss	Empowering Women	No	Delhi	Delhi	1,44,800	No	CSR Research, Pahal	CSR00011620 CSR00011150
6.	Blind Hostel & Education	Setting up hostels for Blind	No	Delhi	Delhi	6,05,200	No	Vanvasi Physically Handicapped	CSR00004184 CSR00008909
7.	Blankets Distribution	Eradicating Poverty	Yes	Noida	UP	10,09,600	Yes	-	-

(c) Details of CSR amount spent against ongoing projects for the financial year: Nil

(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): ₹78,20,450/-

(g) Excess amount for set off, if any: 7,655/-

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	78,12,795/-
(ii)	Total amount spent for the Financial Year	78,20,450/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7,655/-
(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)]	7,655/-

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	
Not Applicable							

(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

Date: 13/08/2022
Place: Noida

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, 2022

[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, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) Secretarial Standards including revised one as effective from 1st October, 2017, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India (ICSI);
- (iii) Securities Contract (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- (iv) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (Not applicable during the financial year ended 31st March, 2022)
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992 ('SEBI ACT');
 - a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - c) SEBI (Prohibition of Insider Trading) Regulations, 2015
 - d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the financial year under review)
 - e) 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);
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares Regulations, 2013; (Not applicable during the financial year ended 31st March, 2022)
 - g) 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)
 - h) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the financial year ended 31st March, 2022)
- (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

(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:

- 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, 2022..

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 except that e-Form MGT-14 with respect to appointment of Company Secretary of the Company and e-Form IEPF-2 for statement of unclaimed and unpaid amounts was filed beyond the statutory time period after payment of Additional Fees.

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 and as system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**For Balraj Sharma & Associates
Company Secretaries**

Sd/-

Balraj Sharma

(Proprietor)

FCS No.: 1605

C P No.:824

UDIN: F001605D000759263

PR Certificate: 1463/2021

Place: New Delhi

Date: 08/08/2022

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

"Annexure-A of Form No. MR-3"

To,

The Members

United Drilling Tools Limited

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

- 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.
- 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 the verification was done on the basis of data provided to us by the Company on test check basis to ensure that correct facts are reflected in secretarial and other records produced to us.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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

Date: 08/08/2022

Place: New Delhi

Annexure-D

Corporate Governance Report

The Board of Directors present the Company's Report on Corporate Governance pursuant to LODR, as amended, for the year ended March 31, 2022.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As one of India's leading manufacturers of oil drilling tools and equipments, 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 (3.5) 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 LODR, as applicable, with regard to corporate governance.

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 'LODR' 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 2022, the total strength of the Board was Seven (7) Directors, Out of which four (i.e; 55 percent) are Non-Executive Independent Director and three (i.e.; 45 percent) are Executive Director. The composition of Board is in conformity with Regulation 17 of LODR 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 2021-22.

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 LODR and that they are independent of the management.

BOARD MEETINGS

During the financial year 2021-22 under review 08 (Eight) Board Meetings were held and the time gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held as 25.06.2021, 24.07.2021, 30.08.2021, 28.09.2021, 06.10.2021, 10.11.2021, 09.02.2022 & 29.03.2022.

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 2021-2022 Attendance at	No. of Directorship in other companies	No. of Committee position held in public companies including UDTL			
				Board Meeting	Last AGM	Chairman	Member
Mr. Pramod Kumar Gupta	Executive Director	08	Yes	00	00	00	01
Mr. Krishan Diyal Aggarwal	Independent & Non-Executive Director	08	Yes	00	00	02	05
Mr. Kanak Gupta	Executive Director	06	Yes	01	00	00	02
Mr. Pandian Kalyanasundaram	Independent & Non-Executive Director	06	Yes	00	00	02	04
Mr. Inderpal Sharma	Executive Director	08	Yes	00	00	00	00
Mrs. Preet Verma	Independent & Non-Executive Women Director	08	No	00	00	01	02
Mr. Ved Prakash Mahawar	Independent & Non-Executive Director	08	No	00	04	00	02

Notes:

- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- None of the Director is a member of the Board in more than 20 companies including alternate Directorship in terms of Section 165 of the Companies Act, 2013 or more than 10 public Companies; As per Listing Agreement Directors are not member in more than 10 Committees and Chairman of more than 5 Committees, across all Companies in which he/she is a Director.
- In pursuant to the provisions of Section 2(77) of Companies Act, 2013 and Rule 4 of the Companies (Specification of details) Rule-2014, Mr. Kanak Gupta, whole time director of the company is related to Mr. Pramod Kumar Gupta, Chairman & Managing Director of the Company.
- Mr. Inderpal Sharma, Whole Time Director of the company whose office as directorship is counted as rotational, is liable to 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.
- 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.
- During FY 2021-22, information as mentioned in Part A of schedule II of LODR, has been placed before the Board for its consideration.

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 LODR.

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 LODR. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down under the Act and LODR, 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 LODR and the Act and are independent of the Management.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors were met on February 09, 2022, inter alia to discuss:

- evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- 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;
- 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.

PERFORMANCE EVALUATION OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, and LODR, 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.

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.

COMMITTEES OF THE BOARD

In term of the Companies Act, 2013 and as per requirement of LODR, there are six committees as on March 31, 2022, which comprises five as the statutory committees and one committee is also formed which is optional as per need of the company.

During the financial year, there has been change in the constitution of committees of the Board, the Corporate Social Responsibility Committee & Stakeholders Relationship Committee reconstituted by appointing Mrs. Preet Verma as member of the Committees, Risk Management Committee reconstituted by appointing Mr. Preet Verma as Chairman of the Committee and Audit Committee & Nomination and Remuneration committees reconstituted by appointing Mr. Ved Prakash Mahawar as member of the Committees.

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 LODR. 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:

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- 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, 2022 the Audit Committee was under the chairmanship of Mr. Pandian Kalyanasundaram, an Independent Non-Executive Director of the company and its members were Mr. Krishan Diyal Aggarwal & Mr. Ved Prakash Mahawar. All members of committee have vast, diverse and enriched experience in Financial Management, Corporate Affairs, Accounting and Audit matters.

Other Information

- All the members have requisite Financial, Accounting and Management experience.
- The Audit Committee comprises of in term of Section 177 of the Companies Act, 2013 read with Regulation 18 of LODR.
- 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.
- 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 five (5) meetings of the Audit Committee, held in financial year 2021-22, the date of such meetings were: 25.06.2021, 24.07.2021, 30.08.2021, 10.11.2021 & 09.02.2022. 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. Pandian Kalyanasundaram	05	04
Mr. Krishan Diyal Aggarwal	05	05
Mr. Ved Prakash Mahawar	05	05

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.

NOMINATION AND REMUNERATION COMMITTEE ('NRC')

The Company has in place a policy for remuneration to the Directors, the Key Managerial Personnel and the Senior Management Personnel, as well as a well-defined criteria 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 commission), the Key Managerial Personnel and the Senior Management Personnel.

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 LODR.

Meetings and Attendance

There were five (5) meetings of Nomination and Remuneration Committee, held in financial year 2021-22, the date of such meetings were: 25.06.2021, 24.07.2021, 30.08.2021, 06.10.2021 & 29.03.2022. The table below gives the attendance record of the Nomination and Remuneration Committee meetings.

Numbers of Meetings held and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	05	05
Mr. Pandian Kalyanasundaram	05	04
Mr. Ved Prakash Mahawar	05	05

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 (₹ In Lac)	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	120.02
	(b) Contribution to P.F.	0.20
	Total	120.22
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)	8.60
	(b) Contribution to P.F.	0.20
	Total	8.80
3.		Mr. Kanal Gupta, Whole Time Director
	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 (includes all allowances)	42.02
	(b) Contribution to P.F.	0.20
	Total	42.22

Sitting Fee to other Directors

Sr. No.	Particulars of Remuneration (₹ In lac)	Name of Directors			
		K D Aggarwal	V P Mahawar	P K Sundaram	Preet Verma
1.	• Fee for attending Board Committee Meeting	2.40	2.40	2.40	2.40
2.	• Commission	Nil	Nil	Nil	Nil
3.	• Others, Consultancy	Nil	Nil	Nil	Nil
	Total	2.40	2.40	2.40	2.40

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year 2021-22, the Stakeholders' Relationship Committee comprised of four Members under the chairmanship of Mr. P Kalyanasundaram, an Independent & Non-Executive Director of the Company and other members were Mr. K. D Aggarwal, Mrs. Preet Verma and Mr. Kanal Gupta and Company Secretary of the Company acts as Secretary of this Committee.

During the year, there were Seven (7) meetings held by this Committee, the details of which are given below:-

25.06.2021, 24.07.2021, 30.08.2021, 28.09.2021, 10.11.2021, 09.02.2022 & 29.03.2022.

**Numbers of Meetings and Attendance**

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Pandian Kalyanasundaram	07	06
Mr. Kanai Gupta	07	06
Mrs. Preet Verma	07	07
Mr. Krishan Diyal Aggarwal	07	07

Shareholder's Complaint

During the year under review, No complaint pending from the shareholders at the end of the FY 2021-22 on SCORE Portal.

Compliance Officer:

Name, designation and address of the Compliance Officer:

Mr. Naveen Bhatnagar, Company Secretary

A-22, Phase-II, Noida – 201305, Distt. Gautam Budh Nagar, Uttar Pradesh

The Company attends to the Shareholders Grievances / correspondence expeditiously and normally reply is sent within a period of 10 days of receipt, except in cases of disputes or legal impediments. The designated e-mail ID for grievance redressal/compliance officer for registering complaint by investors is compsect@udtltd.com.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the financial year 2021-22, the Corporate Social Responsibility Committee comprised of four Members under the chairmanship of Mr. K. D Aggarwal, an Independent & Non-Executive Director of the Company and other members were Mr. P Kalyanasundaram, Mrs. Preet Verma and Mr. Pramod Kumar 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:-

25.06.2021, 24.07.2021, 30.08.2021, 10.11.2021 & 09.02.2022.

Numbers of Meetings and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	05	05
Mr. Pramod Kumar Gupta	05	05
Mrs. Preet Verma	05	05
Mr. Pandian Kalyanasundaram	05	04

The Corporate Social Responsibility (CSR) Committee are as per the provisions of Section 135 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which inter alia include formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy and recommendation on the amount of expenditure to be incurred on the various CSR activities and monitoring of the CSR Policy of the company.

E. RISK MANAGEMENT COMMITTEE

During the financial year 2021-22, the Risk Management Committee comprised of four Members under the chairmanship of Mrs. Preet Verma, an Independent & Non-Executive Director of the Company and other members were Mr. K D Aggarwal, Mr. Mukesh mehta and Mr. Kanai Gupta and Company Secretary of the Company acts as Secretary of this Committee.

During the year, there were Two (2) meetings held by this Committee, the details of which are given below:-

09.02.2022 & 29.03.2022

Numbers of Meetings and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mrs. Preet Verma	02	02
Mr. Kanak Gupta	02	01
Mr. Mukesh Mehta	02	02
Mr. Krishan Diyal Aggarwal	02	02

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
2018-19	Maharani Bagh Community Centre, 1, Central Revenue, Maharani Bagh, New Delhi-110065	Friday, the 20th 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 28th September, 2020 at 11.00 A.M.	No
2020-21	Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: Registered Office of the Company.	Tuesday, the 28th September, 2021 at 11.30 A.M.	Yes

b. Postal Ballot

During the FY 2021-22, the company had sought shareholders' approval by way of special business through notice of postal ballot dated 10th November, 2021 to amend object clause of Memorandum of Association of the company which was duly passed and result was announced on 28th December, 2021.

Mr. Akash Gupta, Company Secretaries in practice, M. No. 30099, was appointed as scrutinizor to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Resolution No. 01 – To amend object clause of MOA - Special Resolution

Year	Particulars of Votes Cast								
	Remote e-voting			Postal Ballot			Voting rights % of Total valid votes cast		
	No. (A)	Value	% of valid vote	No. (B)	Value	% of valid vote	No. (A+B)	Value	% of Total valid vote
Votes cast in favour	73	15529575	100	02	3700	100	75	15533275	100
Votes cast against	00	00	00	00	00	00	00	00	00
Total	73	15529575	100	02	3700	100	75	15533275	100

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.

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, 2021. The Company also files the Corporate Governance report,



Shareholding pattern, quarterly financial results, etc. in the BSE Listing Centre and NEAPS portal / NSE Digital Exchange within stipulated time and date as prescribed by SEBI listing regulations.

The audited financial statements (Standalone & Consolidated) 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.udtltd.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.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date : Monday, 26th September, 2022 through Video Conferencing

Time : 11:30 AM

Venue : Registered Office of the Company (Deemed Venue)

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, E-mail ID, Nomination and Power of Attorney should be given to them.

MARKET INFORMATION

Market Price Rate during the FY April, 2021 to March, 2022

Sr. No.	Name of the Month	Face Value of Shares (₹)	BSE		NSE	
			High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2021	10/-	376.00	264.00	369.00	261.00
2.	May-2021	10/-	354.95	275.30	375.00	270.35
3.	June-2021	10/-	406.20	298.00	410.30	297.90
4.	July-2021	10/-	397.00	319.00	395.00	320.00
5.	August-2021	10/-	408.95	309.60	409.00	288.50
6.	September-2021	10/-	366.00	316.00	369.45	315.30
7.	October-2021	10/-	504.45	334.75	503.95	333.10
8.	November-2021	10/-	492.25	397.75	493.70	391.20
9.	December-2021	10/-	480.00	350.05	482.80	350.00
10.	January-2022	10/-	605.35	442.00	604.85	445.20
11.	February-2022	10/-	584.95	404.00	587.00	407.90
12.	March-2022	10/-	537.60	442.30	538.00	444.90

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.

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.

Performance in comparison to broad based indices:

Sr. No.	Face Value of Shares (₹)	BSE		NSE	
		High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2021	50,375.77	47,204.50	15044.35	14151.40
2.	May-2021	52,013.22	48,028.07	15606.35	14416.25
3.	June-2021	53,126.73	51,450.58	15915.65	15450.90
4.	July-2021	53,290.81	51,802.73	15962.25	15513.45
5.	August-2021	57,625.26	52,804.08	17153.50	15834.65
6.	September-2021	60,412.32	57,263.90	17947.65	17055.05
7.	October-2021	62,245.43	58,551.14	18604.45	17452.90
8.	November-2021	61,036.56	56,382.93	18210.15	16782.40
9.	December-2021	59,203.37	55,132.68	17639.50	16410.20
10.	January-2022	61,475.15	56,409.63	18350.95	16836.80
11.	February-2022	59,618.51	54,383.20	17794.60	16203.25
12.	March-2022	58,890.92	52,260.82	17559.80	15671.45

Shareholding pattern as on 31st March, 2022

Categories	No. of Shares	Percentage (%)
(A) Promoter & Promoter Group (Indian, Individual)		
• Pramod Kumar Gupta	1,43,63,800	70.746
• Prabha Gupta	7,88,760	3.885
• Kanal Gupta	2,900	0.014
(B) Public		
(B1) Institutions (Foreign Portfolio Investor)	66,789	0.38
(B2) Central / State Government(s)	-	-
(B3) Non-Institutions:		
- Individual share capital upto ₹2 Lacs	28,68,365	14.12
- Individual share capital in excess of ₹2 Lacs	7,49,630	3.69
- NBFCs	-	-
- NRI	1,20,669	0.59
- Trust	800	0.01
- Clearing Member	9,270	0.04
- Body Corporate(s)	11,93,280	5.88
- HUF	1,38,863	0.68
Total	2,03,03,126	100.00

Distribution of shareholding**DISTRIBUTION SUMMARY AS ON 31st March, 2022**

Shareholding No of shares	Shareholders		Total (Common)	%
	Physical Number	Demat Number		
1 to 500	2298	10303	12575 (26)	90.81
501 to 1000	344	457	797 (4)	5.76
1001 to 2000	92	182	270 (4)	1.95
2001 to 3000	15	59	74 (0)	0.53
3001 to 4000	3	41	44 (0)	0.32
4001 to 5000	0	14	14 (0)	0.10
5001 to 10000	1	31	32 (0)	0.23
10001 to above	0	41	41 (0)	0.30
Total	2753	11128	13847 (34)	100.00



Shareholding No of shares	Shareholders		Total (Common)	%
	Physical Number	Demat Number		
1 to 500	543786	778721	1322507	6.51
501 to 1000	257151	358396	615547	3.03
1001 to 2000	140654	277621	418275	2.06
2001 to 3000	36424	151486	187910	0.93
3001 to 4000	10600	149783	160383	0.79
4001 to 5000	0	66272	66272	0.33
5001 to 10000	6400	242148	248548	1.22
10001 To above	0	17283684	17283684	85.13
Total	995015	19308111	20303126	100.00

Shareholding No of shares	Shareholders		Total (Common)	%
	Physical Number	Demat Number		
1 to 500	543786	778721	1322507	6.51
501 to 1000	257151	358396	615547	3.03
1001 to 2000	140654	277621	418275	2.06
2001 to 3000	36424	151486	187910	0.93
3001 to 4000	10600	149783	160383	0.79
4001 to 5000	0	66272	66272	0.33
5001 to 10000	6400	242148	248548	1.22
10001 To above	0	17283684	17283684	85.13
Total	995015	19308111	20303126	100.00

Shareholding summery as on 31st March, 2022

Particulars	Shares	Percentage (%)
Physical	995015	4.90
NSDL	2620561	12.91
CDSL	16687550	82.19
Total	2,03,03,126	100.00

OTHER DISCLOSURES

Particulars	Regulations	Details	Website link for detail/ policy
Related Party Transaction	Regulation 23 of LODR 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.udtltd.com
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 LODR	There were no cases of non-compliance during the last three financial years.	

Particulars	Regulations	Details	Website link for detail/ policy
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of LODR	The company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. 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.udtltd.com
Discretionary requirements	Schedule II Part E of LODR	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 LODR	The Company have 100% subsidiary company but 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.udtltd.com
Policy on Archival and Preservation of documents	Regulations 9 of LODR	The Company had adopted a Policy on Archival and Preservation of Documents	www.udtltd.com
Policy on Determination of Materiality for Disclosures	Regulations 30 of LODR	The Company had adopted a Policy on Determination of Materiality for Disclosures	www.udtltd.com
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	Regulations 17 of LODR	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, 2021. 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



Particulars	Regulations	Details	Website link for detail/ policy
Dividend Distribution Policy	Regulations 43A of LODR	Dividend Distribution policy is available on the website of the company.	www.udtltd.com
Terms of Appointment of Independent Directors	Regulations 46 of LODR 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
Familiarization Program	Regulations 25(7) and 46 of LODR	Details of familiarization program imparted to Independent Directors are available on the Company's website.	www.udtltd.com

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

Sd/-

Pramod Kumar Gupta

Managing Director

DIN: 00619482

Date: 13/08/2022

Place: Noida

Annexure-E

STATEMENT OF PARTICULARS OF EMPLOYEES

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 2021-22 and % increase in the remuneration of each Director, CFO and CS during the FY 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2021-22 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Pramod Kumar Gupta Managing Director	120.22/-	(40.79)	39.16:1
2	Mr. Kanal Gupta Executive Director	42.22/-	4.37	13.75:1
3	Mr. Inderpal Sharma Executive Director	8.80/-	15.64	2.87:1
4	Mr. Pramod Kumar Ojha Company Secretary, upto 29/04/2021	0.66/-	NA	NA
5	Mr. Tarun Chhabra Company Secretary, from 24/07/2021 to 07/10/2022	2.67/-	NA	NA
6	Mr. Naveen Bhatnagar Company Secretary, w.e.f. 29/03/2022	0.09/-	NA	NA
7	Mr. Arun Kumar Thakur Chief Financial Officer, upto 17/06/2021	1.72/-	NA	NA
8	Mr. Mukesh Mehta Chief Financial Officer, w.e.f 25/06/2021	15.47/-	NA	NA

- ii. % increase in the median remuneration of employees during the FY 2021-22 – 24.07%
- iii. Number of permanent employee on the rolls of the Company – 156
- iv. Median remuneration of employees of the Company - ₹3,07,453/-
- 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	120.22	21/08/1985	42 Years	Own Business
2	Mr. Kanal Gupta	MBA (Finance & Intt. Marketing)	Executive Director	42.22	28/02/2015	17 Years	United Drilling Tools Limited
3	Mr. Mukesh Mehta	CA	Chief Financial Officer	19.50	14/06/2018	32 Years	TPS Infrastructure Limited
4	Mr. Ajit Kumar	Diploma in Mechanical Engg.	Sr. Manager - Operation	16.95	23/07/2018	18 Years	Advance valves Group LLP
5	Mr. Shri Lal Sahu	Diploma in Mechanical Engg.	DGM - Design	16.04	05/09/2017	36 Years	SRB Machine Private Limited
6	Mr. Govind Sharma	B.E.	GM, Sales & Marketing	15.46	14/01/2019	34 Years	Laxmi Engineering Industries (Bhopal) Pvt. Ltd.
7	Mr. Jyoti Kumar Singh	B.E. (CSE)	DGM – Sales & Marketing	11.95	15/04/2010	18 Years	Eneroil Offshore Drilling Limited
8	Mr. Chandra Pal Sharma	M.Com & PGDM	DGM – HR & Admin.	10.94	02/02/2009	22 Years	Hindustan Everest Tools Limited
9	Mr. Vikas Kalra	MBA. LLB & BSC	GM – Business & Development	10.92	20/07/2021	24 Years	Arabian Pipelines Supply FZCO.
10	Mr. Ishwar Dutt Sharma	B.E.	DGM - Project	9.52	15/01/2018	23 Years	Lloyd's Line Pipe Limited

- ii. Employed throughout the year and was 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) (1), above.
- 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. Kanal 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: 13/08/2022
Place: Noida

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	
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)	1,51,55,460	-	1,51,55,460	74.645	1,51,55,460	-	1,51,55,460	74.645	-
B. Public share-holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs/FPI	57,010	-	57,010	0.280	66,789	-	66,789	0.328	+0.048
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	57,010	-	57,010	0.280	66,789	-	66,789	0.328	+0.048
2. Non Institutions									
a) Bodies Corp.									
i) Indian	25,79,748	13,900	25,93,648	12.774	11,79,380	13,900	11,93,280	5.877	-6.897
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lac	11,58,495	10,13,215	21,71,710	10.696	19,04,850	9,63,515	28,68,365	14.127	+3.431
ii) Individual shareholders holding nominal share capital excess ₹2 lac	1,30,180	-	1,30,180	0.641	7,49,630	-	7,49,630	3.692	+3.051
c) others (specify)	-	-	-	-	-	-	-	-	-
NRI	61,460	17,600	79,060	0.389	1,03,069	17,600	1,20,669	0.594	+0.205
NBFCs regd with RBI	5,000	-	5,000	0.024	-	-	-	-	-0.024
HUF	91,563	-	91,563	0.450	1,38,863	-	1,38,863	0.683	+0.233
Clearing Member	18,695	-	18,695	0.092	9,270	-	9,270	0.045	-0.047
Trust	800	-	800	0.01	800	-	800	0.01	-
Sub-Total (B)(2)	40,45,941	10,44,715	50,90,656	25.076	40,85,862	9,95,015	50,80,877	25.028	-0.048
Total Public Shareholding (B) = (B)(1) + (B)(2)	41,02,951	10,44,715	51,47,666	25.355	41,52,651	9,95,015	51,47,666	25.355	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,92,58,411	10,44,715	2,03,03,126	100.00	1,93,08,111	9,95,015	2,03,03,126	100.00	-



(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	70.746	-	1,43,63,800	70.746	-	-
2	Kanal Gupta	2,900	0.014	-	2,900	0.014	-	-
3	Prabha Gupta	7,88,760	3.885	-	7,88,760	3.885	-	-
	Total	1,51,55,460	74.645	-	1,51,55,460	74.645	-	-

(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	1,51,55,460	74.645	1,51,55,460	74.645
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):	-	-	-	-
3	At the End of the year	1,51,55,460	74.645	1,51,55,460	74.645

(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.	Mr. Ashish Kacholia	0	0	5,34,005	2.630
2.	M/s Cairn Oil Solutions Pvt. Ltd.	18,91,040	9.314	3,66,040	1.802
3.	Perpetual Enterprises LLP	1,83,614	0.904	1,83,000	0.901
4.	M/s Future Vision Financial Advisors Pvt. Ltd.	1,56,122	0.076	1,33,122	0.655
5.	M/s NKA Financial Services Pvt. Ltd.	0	0	1,25,584	0.618
6.	Mr. Naseem Anwar Lalani	0	0	70,000	0.344
7.	M/s Dugar Growth Fund Pvt. Ltd.	0	0	57,611	0.283
8.	Maven India Fund	57,010	0.280	57,010	0.280
9.	Mr. Makwana Bhavana Jashwant	30,000	0.1478	41,900	0.206
10.	M/s M & M E Systems Pvt. Ltd.	0	0	35,500	0.174

(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	7,88,760	3.88	7,88,760	3.88
	At the End of the year	7,88,760	3.88	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	31.64	-	-	31.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31.64	-	-	31.64
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	7.04	-	-	7.04
Net Change	7.04	-	-	7.04
Indebtedness at the end of the financial year				
i) Principal Amount	24.60	-	-	24.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24.60	-	-	24.60

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	120.22	42.22	8.80	171.24
	(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	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit				
	-others, specify...				
5.	Others, please specify	-	-	-	-
	Total (A)	120.22	42.22	8.80	171.24
	Ceiling as per the Act				553.86

**B. Remuneration to other directors:**

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		V P Mahawar	K D Aggarwal	P K Sundaram	Preet Verma	
1. Independent Directors						
	• Fee for attending board committee meetings	2.40	2.40	2.40	2.40	9.60
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	2.40	2.40	2.40	2.40	9.60

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		V P Mahawar	K D Aggarwal	P K Sundaram	Preet Verma	
2. Other Non-Executive Directors						
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	2.40	2.40	2.40	2.40	9.60
	Total Managerial Remuneration	2.40	2.40	2.40	2.40	9.60
	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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount	
		CEO	Company Secretary		CFO			
			P K Ojha	Tarun Chhabra	Naveen Bhatnagar	A K Thakur		Mukesh Mehta
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.66	2.67	0.09	1.72	15.47	20.61
	(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	-	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-	-
	- as % of profit							
	- others, specify...							
5.	Others, please specify	-	-	-	-	-	-	-
	Total	-	0.66	2.67	0.09	1.72	15.47	20.61

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(₹ in Lac)

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: 13/08/2022
Place: Noida

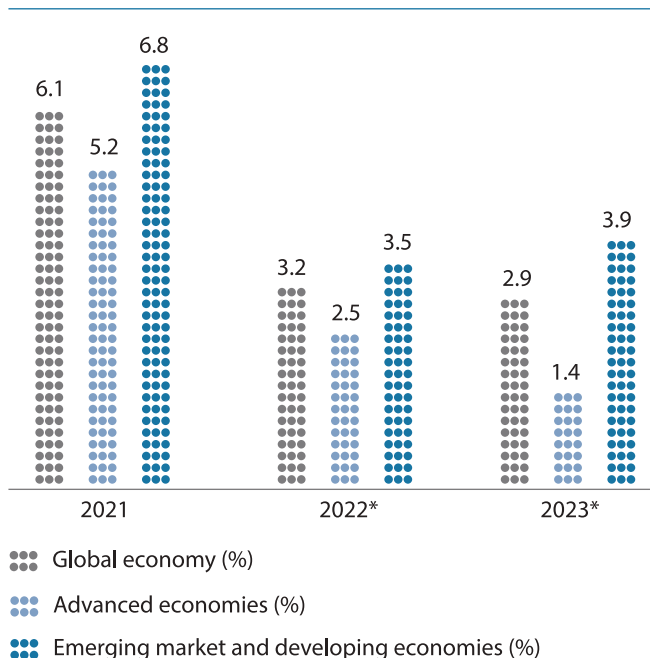
Annexure-G

Management discussion and analysis

WORLD ECONOMIC REVIEW:

It is with deep sense of responsibility, caution to note that the Global Economy is slowly limping back to its usual business sentiment. Reports suggest, for the year under review (2021-22), globally the growth rate has been little over 4% per annum, which is further slowing down in the coming year (2022-23) to about 3% per annum.

Global growth output



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>) [*Projected]

The global economy was on the path of a recovery in 2021 as the economy's started opening up and travel restrictions were relaxed post the pandemic. Post the first wave of covid, the recovery was led by pent-up demand on a lower base. However, labour market challenges with persistent disruptions in the global supply chain network caused inflationary pressures to build up across all major economies. The global economic output grew 6.1% in 2021 against a contraction of 3.1% in 2020, the credit of which goes to the world central banks for foresight and policy support. In the direction of economic recovery, one of the major factors impacting & affecting government's policy decision is "Inflation" which is typically rising across the board, especially in commodities. Further, according to economists in most countries, excess demand is driven mostly by

constrained supply. This is not welcome as it dampens spirits by reducing profit margins, erodes actual household income. Energy Sector too is reeling under severe inflationary pressure. Ongoing Russian-Ukraine conflict too has worsened this situation. There-apart, the price pressure is becoming, broad-based, which will have a sustained impact on the global economy. Central Banks of most of the Economies are expected to maintain "Interest rates" at aggressively higher levels trajectory leading to tightening of monetary policies. Monetary policies are being tightened to reign in the inflation. The higher interest rates regime will also make borrowing more expensive globally, further straining the public finances. The increased debt burden will be a challenge going ahead. The continuing Russia-Ukraine war will continue to create uncertainties.

Escalation of ongoing War, Pandemic coming again in different variants, frequent Lock-downs in Manufacturing Global Leader-China, lethal Hurricane Ida in the United States, Europe & China witnessed the fury of Floods, hunger-inducing drought in East Africa & climate changes having catastrophic impact on the Flora and Fauna across the globe. This had severely hampered supply chain & made imbalances in labour supply, while India benefitted being natural choice for its cheap labour.

Again, climate change has been one of the critical areas for concern amongst governments. World Risk Report, 2022 suggests **Human Beings & Nature** as two most affected by global warming. At present, this figure has increased by alarming 1.1 degrees Celsius, which will soon reach 1.5 degrees. Bloomberg NEF's New Energy Outlook, 2021 noted with caution that energy emissions continue to rise by 2044, it is feared that Earth's temperature will increase by 2 degrees then.

Climate Stress effect and Weather Shocks are two important areas for addressing by the Scientists. In the UN Climate Change Conference, named COP26, held in Glasgow (November, 2021), about 190 member nations resolved to develop **Naturally Determined Contributions** in their respective jurisdictions in the following 5-year period. India being one of the members committed / pledged 5-point "**Panchamrit**" goals. COP26 was next level of Paris Agreement, 2015 on climate change targets on a gradual reduction in greenhouse emissions, reducing global temperatures 1.5 to 2.0 degrees, cutting down use of coal as energy source, etc. These steps will certainly act in the direction of cutting the emissions and achieving net-zero emissions. India targets to reduce crude oil import bill & make petrol vehicle more sustainable & support efforts towards net zero emission by 2070.

“Covid” & “Climate Change” are two “C” which are at the cornerstone of correction by strong resolute, resolve, by one and all- global citizens, governments. Large investments envisaging about 170 trillion USD investment is much needed in the next 3 decades, thereby shifting from fossil fuel to clean energy.

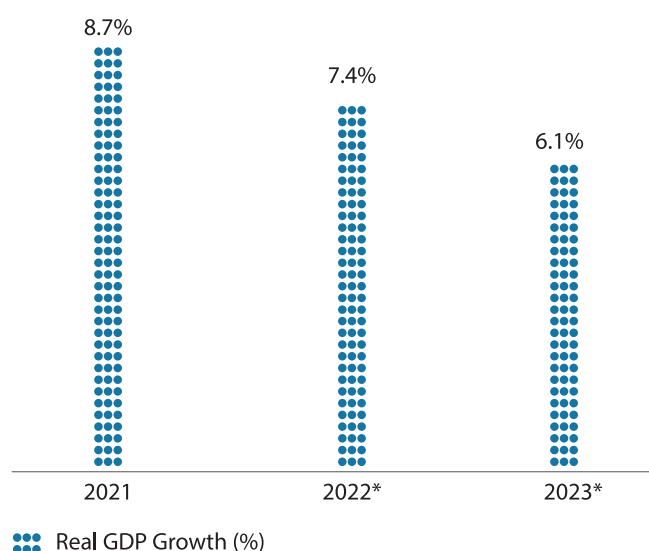
INDIAN ECONOMIC OVERVIEW:

India is positioned as one of the leading countries, steering its Ship in troubled waters, that has deep rooted economic principles, policies instilled, sound control systems which augurs well in the coming period. India will not be hit by supply chain disruptions globally, as it is a favourite destination in terms outsourcing, labour cost, FDI.

India is a USD 3.1 trillion economy (2022), with ambitious target of reaching USD 5 trillion (2025). Past year was bad (negative growth of 7.3%), experienced universally, except for China (grew over 8%). It is hoped that FY 2022 will end much near the target (8.7%) on a positive note with strong growth fundamentals in key sectors such as Manufacturing, Construction, Energy, Services, etc.

There have been slew of measures unleashed, by the government of India, “Make in India” “Ease of doing Business” and many such more are in the pipeline, for enhancing the manufacturing capacity/ies, capability thereby giving impetus and also scaling up the **Domestic Consumption**, on a sustainable basis. On top of it, ongoing geo-political situation overseas is acting strongly in favour of India as a top most favourite destination for Foreign Direct Investments (FDI), as also making India a “**Manufacturing Hub**” and becoming self-reliant under **Atmanirbhar Bharat** banner. Again, digital transformation is sweeping across the nation, becoming a critical milestone in India’s growth trajectory.

Real GDP Growth



(Source: IMF, World Economic Outlook, July 2022: <https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>) [*Projected]

To help the economy recover from the shocks of the pandemic, the government of India introduced several favourable policies and prioritised investment in infrastructure, privatisation of state-owned businesses, and tax reforms to drive growth. Further, the government introduced the ‘Make in India’ initiative to boost the manufacturing sector, increase the purchasing power of an average Indian consumer, and drive the demand, making it a self-sustainable model. The government’s push for the manufacturing is line with GOI’s aim to enhance the contribution of manufacturing sector in the GDP from 17% to 25%. The Government also came up with a Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy. To boost the economy and the infrastructure of the nation, the government also announced PM Gati Shakti Master Plan. Under this scheme, the government plans to enhance the National Highway Network by another 25,000 kms by FY 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive (PLI) schemes providing excellent opportunities across sectors.

India’s short-term outlook looks challenging owing to the global headwinds, rates hikes and rising inflationary pressure because of external supply shocks and geopolitical tension. However, we believe the government is proactively tackling the situation to ensure a sustainable growth trajectory for the country. Indian economy now has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India is becoming the fastest growing green economy of the World, certainly our coming generations to cherish. The coming decade is set to witness a profound transformation in the Indian energy’s sector with respect to demand growth, energy mix and market operations. Moreover, the government has strong intentions to pursue strong energy efficiency standards benchmarking best globally.

On medical front, India has recently crossed 200 Crore World record Covid-19 vaccination drive. What an accomplishment!!! Yet another feather to India’s cap to emulate. It has helped to reduce the severity of the third wave with minimal disruptions to mobility and economic activity.

India is a developing economy with a large population. The desired economic growth requires continuous investments in new infrastructure, new/large/small cities, machinery and production to employ more people and drive the economy forward. The inevitable lockdown due to the spread of Covid-19 by the Governments of different countries has made a huge dent in the businesses across the spectrum causing losses and uncertainty in the global economy. Many sectors in India are badly hit by the same and the Oil & Gas Industry is also among the list that had to bear the brunt of the lockdown.

FDI investments in India

The Indian Government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. In recent years, the Government has taken many initiatives viz. relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, stock exchanges, etc.

However, owing to some recent adverse developments, India's total foreign direct investment inflow witnessed a decline in 2021 and stood at US\$74.01 billion. It is 15% lower than its previous year's record US\$87.55 billion, according to the data published by the Ministry of Commerce and Industry.

INTERNATIONAL OIL MARKET SCENARIO:

The Oil Industry started off more than five thousand years ago. Oil sipping up from the ground were used to make the boats waterproof in the Middle East & also used as medicating as well as painting different things.

According to Oil Industry history the first structured Oil Well was built in the Gulf of Mexico. This was made on the surface which was nearly 100 meters deep. This was just the beginning of the making of the structured Well, both on the Land & in the Water. One can also see the Oil Industry history which suggests that European Oil Wells were made during the 1920's.

According to Statistics, Oil consumed by the World every year consumed is 30 billion barrel. Of this, 25% is consumed by United States of America. Oil Industry can be parted in two, i.e., upstream & downstream. The importance of Oil in the World evolved at a slow pace, but, once it was identified, it became one of the most important things in the lives of human beings.

Oil field market in the World is growing because there is a continuous need for more and more Energy. Energy needs are increasing in countries like India, China, Brazil and South-East Asia due to higher Standard of Living of the people and rapid Growth in GNP. Besides this, there is also a strong Growth in the Countries in Africa, such as Nigeria and Angola.

Worldwide proven Oil Reserves were 1,300.9 thousand million barrels at the end of year 2000; 1,636.9 thousand million barrels at the end of 2010; 1696.6 Thousand Million Barrels in 2017; 1,734 thousand million barrels at the end of 2020. During 2010 & 2020, the Oil Production stood at 83,293 & 88,391 Thousand Barrels Daily,

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respectively. When Production is compared in Million Tonnes, it was 3,978.6; 4387.1 & 4,165.1, respectively during 2010, 2017 & 2020. Further, during 2010 & 2020, the Oil Production stood at 88,392 & 91,297 Thousand Barrels Daily, respectively. During 2021, it increased by 1.4 million b/d, with OPEC accounting for more than 3/4th of increase. There is a rising trend in the requirement of oil and gas worldwide resulting into higher demand for oil field equipment.

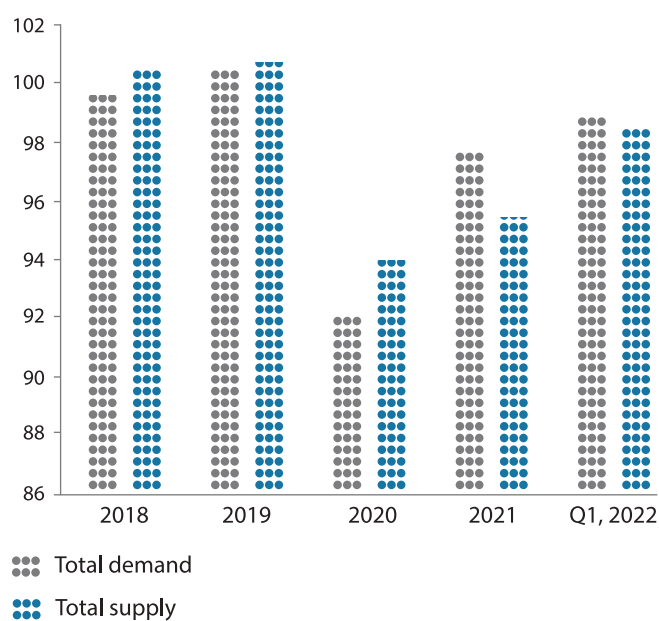
Another statistics with regard to the world production and consumption trend is given by Gribson Consulting which states that oil in 2004 averaged about 83.2 million barrels per day which is equal to world consumption of 82.46 million barrels per day in 2004. But now, consumption is increasing at a faster rate than the increase in production in 2020. At the end of 2007, world total demand was 85.5 million barrels per day whereas the total supply was 85.4 million barrels per day, indicating requirement for drilling more wells to satisfy world demand in 2020.

Global Oil Production was estimated to have fallen by 6.6 Mb/d. According to global markets direct estimates, the global offshore crude oil production is expected to be 9,481 million barrels while global offshore natural gas production is expected to be 26,544 bcf by 2030. The Production of Crude Oil was 24,000 Million Barrels in 1997, which went up to 29,900 Million Barrels in 2017. The World Crude Oil Production has been increasing steadily.

The Oil Price (Dated Brent) averaged \$ 41.84 / bbl. in 2020, the lowest since 2004. It recovered in 2021 to \$ 70.91 / bbl., the second highest level since 2015.

Global growth output

million barrels per day



(Source: International Energy Agency)

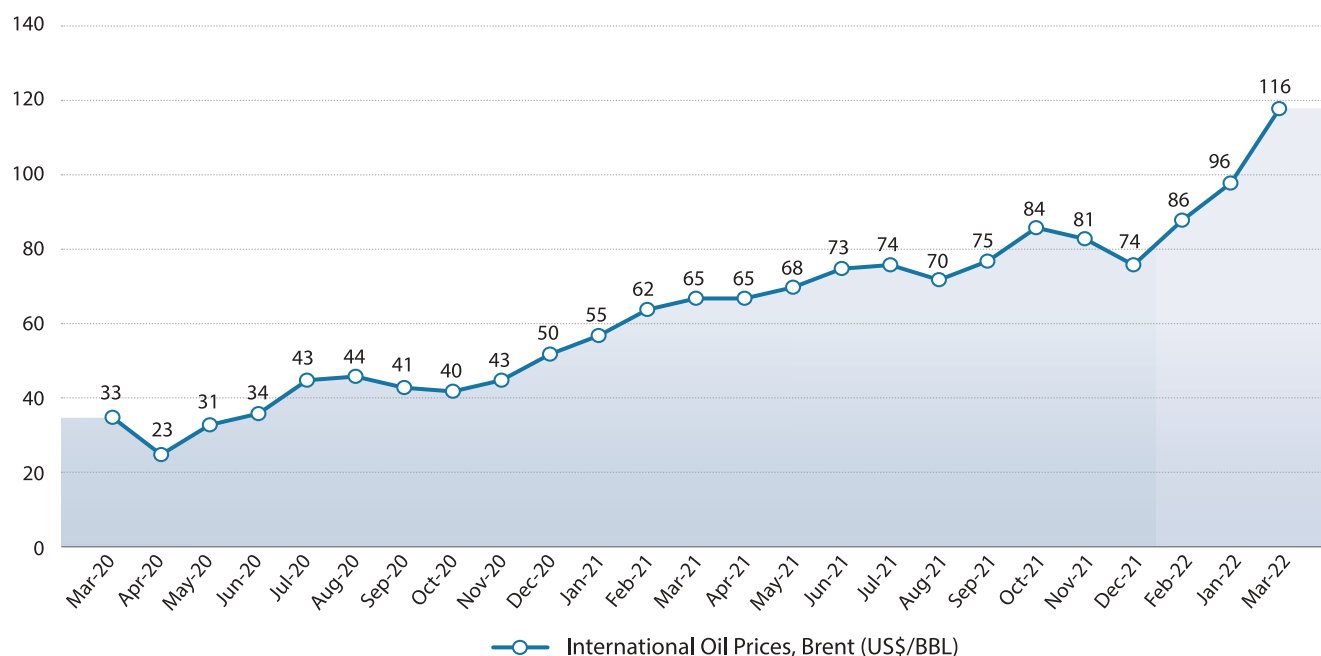
In terms of prices, crude prices rose sharply in 2021 and 2022, with Brent price reaching US\$ 118.8/bbl on March 22 from US\$ 64.7/bbl in April 2021. Oil prices rose in response to steady oil demand growth, continued oil supply management by OPEC+, falling global oil inventories and also geopolitical impacts such as the Russia-Ukraine conflict.

In the second half of 2021, US supply outages due to Hurricane Ida also supported oil prices despite the demand being impacted by COVID-19 variants like Delta. The energy crisis, high natural gas prices, the failure of OPEC members to meet its output targets and rising geopolitical tensions further propelled oil prices.

Geopolitical risks with Russia-Ukraine conflict, the blockade in Libya and protests in Kazakhstan also contributed to the rise in oil prices despite the tapering of demand following the spread of the Omicron variant and China's zero tolerance COVID-19 policy.

Global refinery throughputs also witnessed a steady increase in FY22 on account of higher utilisation and new capacity additions to meet the rising transportation and petrochemical demand. In 2021, refinery throughputs recovered by 3 mb/d after falling by 7.3 mb/d in CY 2020. Permanent refinery closures amounted to 2.8 mb/d till the end of 2021, mainly in the US, Europe and Asia. Further, refining margins recovered strongly in FY22 as refinery throughputs lagged fuel demand recovery.

Rising oil prices



(Source: World Bank)

On an annual basis, the Brent Crude prices averaged at US\$ 80.9 per barrel in 2021-22, as against US\$ 44.4 per barrel in the previous year. Moving in tandem, the prices of the Indian basket of crude oil averaged at US\$ 79.2 per barrel in 2021-22, as against US\$ 44.8 per barrel in the previous year. After registering record highs of US\$ 137.6 per barrel in March-2022, the benchmark Brent crude oil prices have since pared some gains with the release of strategic storage reserves, economic slowdown, and waning of concerns of an expanding war crisis. However, the crude oil prices is likely to remain strong, and moving forward, the trend will be determined by the developments in the geopolitical situations, demand expectations amidst a slowing global economy, and supply strategies of major producers.

Globally, in the field of Oil and Gas Industry, Connectors, its enabling Technology are widely used. These tools are imperative tools for any drilling works. However, due to entry of new Companies in this activity, the Competition has increased manifold. Therefore, it has now become imperative to focus much more on developing new technology, techniques, adopt more effective ways and means to achieving adaptability, adjust to changing requirements, keep pace ahead of Competitor's and at the same time remain Cost effective.

The demand for Oil was much higher than what it actually produced & this brought forward the concept of making oil production companies which is collectively known as the Oil industry. The Oil



industry is a very important industry in the World & a lot depends on the price of the Oil & it has been observed that whenever the oil prices increase the price of various products also increase. The Oil industry also through oil production accounts for a large amount of the consumption of energy. Middle East is in the first position in production & the lowest consumption is done by the European Countries.

Ever-since 2020 due to Covid-19 there has been historic collapse in demand for Oil creating severe logistics issues in terms of storage as also excess supplies to access storage quickly. With early 2021, Oil prices have seen marked improvement, recovery, demand too has picked-up considerably. The above facts give a very progressive picture of the growth of this industry in future, for several years, as energy demand will keep on increasing from year to year and there does not seem to be any other alternative to oil industry.

The global markets have shown resilience due to the aftermath of COVID-19, Russia invasion of Ukraine. After a brief lull, the demand in oil resources is seeing a decent rise. It is projected that Oil demand will see 0.7% rise on Y-O-Y basis until 2025 as per OPEC-World Oil Outlook, 2021 report. Oil industry is a capital intensive, entailing investment / allocation of large sums of money, resources. Due to this, as also, time lag of about 2-3 years before commencement of commercial operations, undertaking oil production activity takes lot of risk & investment. To meet surge in demand, crude oil price rise, as also, slump in supply due to Russia crisis, USA as also OPEC countries are sizeably scaling up their production. By 2026, the demand for OPEC crude would likely to end around 30 mb/d. With these changing global scenario, emerging geo-political connections, oil prices will stabilize in the coming months. OPEC is able / willing to step-in and stabilize the markets, which depends upon type of shock affecting Oil markets.

USA is one the major producers of Crude oil, after Russia. USA's crude oil production has reached record level in recent years. 12.0 mb/d in 2022, 13.0 mb/d in 2023. In recent years; more than 14 pipeline projects were completed (including expansion, new projects). Due to recent European War, USA has restricted

petroleum imports from Russia, thereby leading to price rise causing serious economic crisis. There has been sizeable number of rigs installed, indicating sizeable increase / enhancement in oil production activity. There were 727 rigs installed in 2022 (while this number was 527 in 2021).

We can shift our focus to Middle-east, which is soon becoming an important destination for International destination for heightened oil exploration activities. As per leading journal's report, during 2022-26, there is going to be slew of pipeline projects (about 600) slated for commissioning in the Middle-East region. Of this market, Saudi Arabia would be the leader, which, incidentally, happens to the largest producer of crude oil.

Again, after the ongoing war between Ukraine-Russia, European Countries have decided to shift its major procurement of energy requirements from Qatar, Israel, and USA instead of Russia. Also, the pandemic had impacted the travelling activity, thereby, making a negative impact on consumption of oil resources. It is hoped that offshore exploration & production activity would increase in the coming years. The oil demand is reeling around 9 mb/d, will be able to reach pre-covid demand level by end of 2023.

A thinly dependent economy on Oil is Australia, which largely focuses on its natural gas reservoir. There are a number of pipeline projects in the offing in the western region of this Continent, with major focus on gas projects, as against oil production & transportation.

On a similar page, African economy too is much dependent on gas supplies. It largely is exporter of gas to European countries. In recent past, the pipeline exports too have seen an increase.

Rising investments in the global oil and gas industry

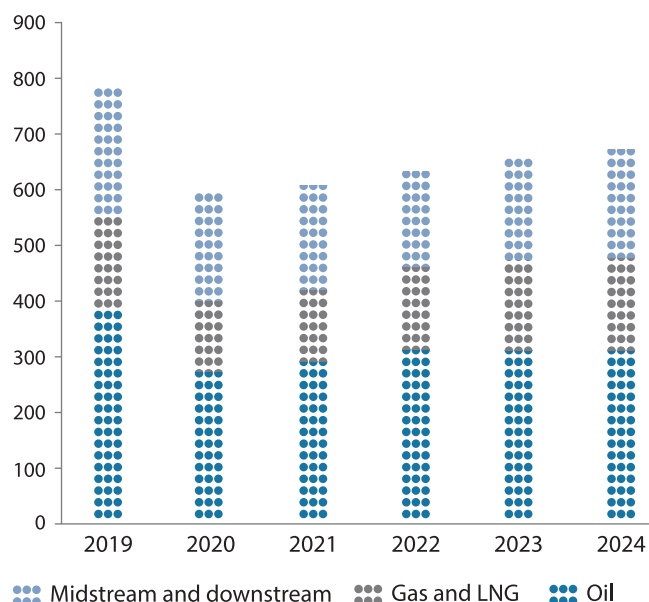
With the recovery of the industry from the worst of the pandemic and the challenges thrown by the hurdles imposed by the Omicron variant, the global oil and gas industry is expected to witness an increase in investment in the tune of US\$ 26 billion to reach US\$ 628 billion at the end of 2022 from \$602 billion in 2021, an increase of 4%. A significant factor behind the increase is a 14% increase in upstream gas and LNG investments. These segments will be the fastest-growing this year, with a jump in investments from US\$ 131 billion in 2021 to around US\$ 149 billion in 2022. Although this falls short of pre-pandemic totals, investments in the sector are expected to surpass 2019 levels of \$168 billion in just two years, reaching \$171 billion in 2024.

Upstream oil investments are projected to rise from US\$ 287 billion in 2021 to US\$ 307 billion this year, a 7% increase, while midstream and downstream investments will fall by 6.7% to \$172 billion this year.

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Global oil and gas investments by market

Billion USD



(Source: <https://www.rystadenergy.com/newsevents/news/press-releases/Global-oil-and-gas-investments-to-hit-628-billion-in-2022-led-by-upstream-gas-and-LNG/>)

[Note: 2022, 2023 and 2024 are projected numbers]

DOMESTIC OIL MARKET SCENARIO:

After the India's Independence, the Oil Industry in India was a very minuscule. Oil was produced mainly from Assam and the total amount of oil production was not more than 2,50,000 tonnes per year.

The small amount of production made the oil experts from different countries predict the future of the oil industry as a dull one and also doubted India's ability to search for new oil reserves. But the Government of India declared the Oil industry in India as the core sector Industry under the Industrial Policy Resolution bill in the year 1954, which helped the oil Industry in India vastly.

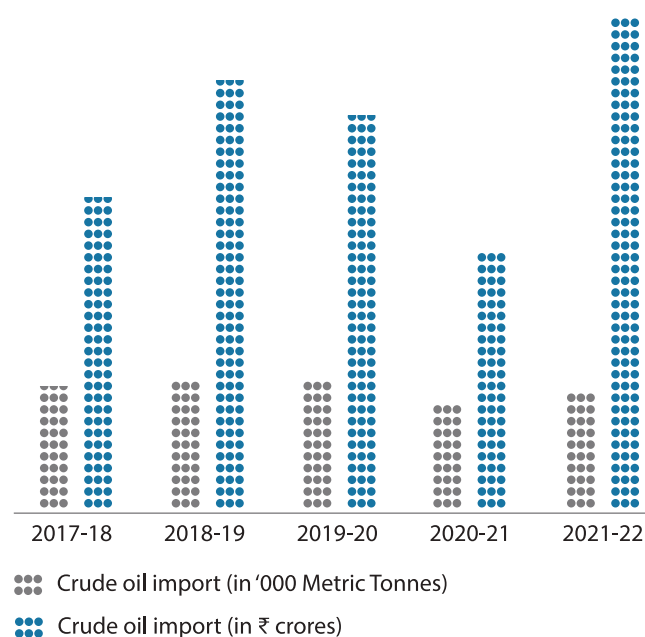
Oil Exploration and Production in India is done by National Oil Corporations (NOC) like ONGC or Oil India Ltd, largely owned by the government under the Industrial policy rule. These NOC's during the 1970's used to produce and supply more than 70% of the domestic need for the petroleum but, dropped to near about 35% over the years. This was because the demand on the one hand was increasing at a good rate and the production was declining at a steady rate; widening the gap sizeably.

Oil Industry in India during the year 2004-05 fulfilled most of the demand through importing oil from multiple oil producing countries. The oil industry in India itself produced nearly 35 million metric tonnes of oil from the year 2001 to 2005. The import that is done by the oil industry in India comes mostly from the Middle East Asia.

The Oil that is produced by the oil industry in India provides not more than 17% of the energy that is primarily consumed by the people in India. This amount is expected to grow further with both economic and overall growth in terms of production as well as percentage. The demand for oil is predicted to go higher and higher with every passing decade and is expected to reach an amount of nearly 250 million metric tonnes by the year 2024.

India produces only 20% of its total consumption of oil and the balance 80% is imported from other countries. Therefore, the Indian Government has given thrust on developing more and more oil fields in India and abroad to enhance the oil drilling activities. Besides NOC's, such as ONGC, Oil India, Oil leases are being offered to Indian and foreign private oil companies where they have found considerable success. Prime examples are Cairn Energy, Reliance Energy and British Petroleum who have found big reserves of oil and gas in the fields of Rajasthan and South India.

India's rising crude oil import

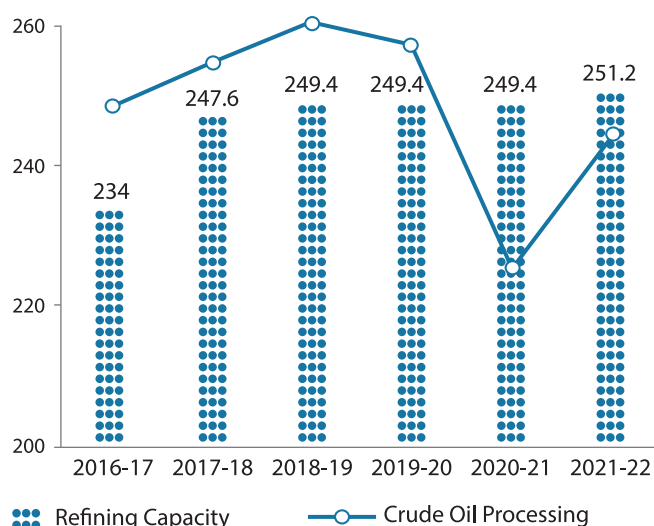


(Source: Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum & Natural Gas)

All the above facts give a very positive scenario of the oil industry and the oil equipment related industries that will grow substantially in the years to follow.

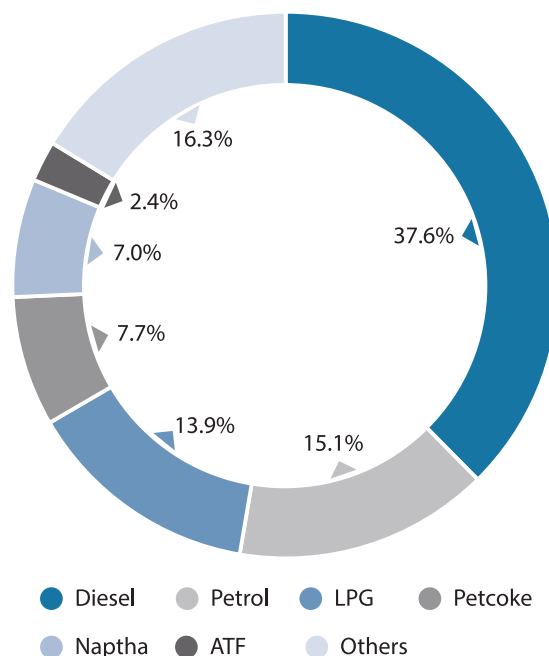
Of the several industries, Oil & Gas Sector is one of the key business sector acting as pillar of growth for the Country's economy. Globally, India Ranks No.3 in the order of Consumption of Oil, as also, for Imports of Crude Oil. India's import billing for Crude Oil was staggering 212.2 Million Metric Tonnes (MMT) (provisional) in FY 2021-22 as against 196.5 MMT in 2020-21, in terms of Dollars it translates to \$ Billion 62.2 and 120.4, respectively. In percentage terms, it was 8% increase in imports due to shortfall in domestic production. As regards production of Crude Oil, 2020-21 recorded 30.5 MMT, whereas, 2021-22 recorded 29.7 MMT (provisional). Again, Consumption of Crude Oil, 2020-21 recorded 194.3 MMT, whereas, 2021-22 recorded 204.2 MMT (provisional). As regards, Crude Oil pipeline infrastructure, it runs over 10,000 kms in length carrying about 150 million metric tons load per annum. PSU companies, Indian Oil, Oil India, and ONGC control more than 80% of the it, while the remaining is under Private Sector's control (such as Cairn Oil & Gas). The government has initiated slew of measures to help address sudden price rise, focus in sustainable recovery in production of crude oil. As per reports from International Energy Agency, it is projected that demand for oil will see a phenomenal rising trend & peak around 50% by 2030. Then, the Consumption is slated to be in the region of 7 mb/d (which presently is hovering around 5 mb/d. There is growth projected CAGR 4.5% on Y-O-Y basis. By 2024, the Crude Oil Production is expected to reach 250 MMT.

India's refining capacity and crude oil processing capacity



(Source: Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum & Natural Gas)

India's sector-wise consumption of petroleum products, FY22



(Source: Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum & Natural Gas)

Driven by the high cost of energy extraction and with a clear mandate to limit environmental impact, Well servicing companies are constantly searching for increasingly more efficient technology and aiming to deliver it.

The current technologies provide solutions to switch between every imaginable Well servicing activity without having to have another winch, operator or engineer on the rig, thus saving time, money and production downtime.

In Oil exploration and drilling industry, wireline units are used for oil Well completions, remedial measures and workovers. The uses of the solid wireline include depth determinations, crooked-hole tests, temperature and pressure surveys, paraffin cutting, following the plug in cementing operations, and setting, retrieving, and manipulating such devices as chokes, circulating plugs, gage cutters, swaging tools, safety valves, gas lift valves, and others.

Today's soaring demand for fossil fuels, combined with increasingly stringent environmental regulations and the high costs of bringing new production fields online, mean that reserves need almost constant monitoring and production interruptions must be minimized.

COMPANY'S OVERVIEW & OUTLOOK:

Despite odds, your Company has completed yet another successful year of its operations with renewed vigour, energy and marked improvement in its performance. During the year under review, our Company's management has taken decisions of strategic importance which would enhance our Group's market share, help in diversification, growth & acquisition. M/s P. Mittal Manufacturing (P) Ltd (PMMPL) is now a wholly owned subsidiary company of our Company. This MD&A report incorporates PMMPL's performance too.

UDTL's continuing integration of new technologies and industry leading product lines enhances the technological advantages offered to the oil and gas industry; an experienced engineering and support personnel coupled with extensive product lines makes UDTL a single source provider for wireline and slickline solutions. A new state-of-the-art and tech-focussed Greenfield manufacturing unit is soon coming up near Mundra port in the State of Gujarat.

Incorporating products with newer technology and with over 4 decades of combined experience, the UDTL product group is one of the leading companies in the design and manufacturing of wireline products for slickline and electric line applications.

UDTL has always been an innovation-led company with team of design engineers in Noida office conducting challenging Research and Development (R&D) Projects, as well as, client specific design programmes. Aided by the most up-to-date engineering and analysis software, their designs are robust, long lasting and comply with relevant region-specific regulations.

Featuring the dependable field-proven UDTL closed loop hydraulic system used in UDTL winches on all oil fields worldwide, the current wireline units are the industry's most compact all-weather solution for today's dynamic world of well servicing.

The company's products are hi-tech parts and equipment for oil drilling industry, used for a variety of purposes. The company uses raw material and components from other suppliers as components in its systems, but develops the products internally the company's products are "semi- custom", with most projects requiring some

degree of customization, but building on designs that have been developed in the past. Each new project, of course, adds to the company's pool of experience and technology.

For a manufacturing company, the technical know-how or the process is an important factor contributing to the overall business value of the company. For a Company it is really necessary to have a proper and effective technique for being successful.

The main object of the company's is manufacturing of various engineering items and equipment (oil drilling and production items) along with other objects. The company has been in business of manufacturing high tech equipment for oil drilling industry for a few years on job work.

Also, there are entry barriers to these types of products because the technology is highly sophisticated and is available only in advanced countries such as US and Europe. Further, the technology developed by the company is protected because it has been patented in Europe. Therefore, there is no chance of other company using, misusing the technology. Also, there are no Indian company so far who have developed such technology.

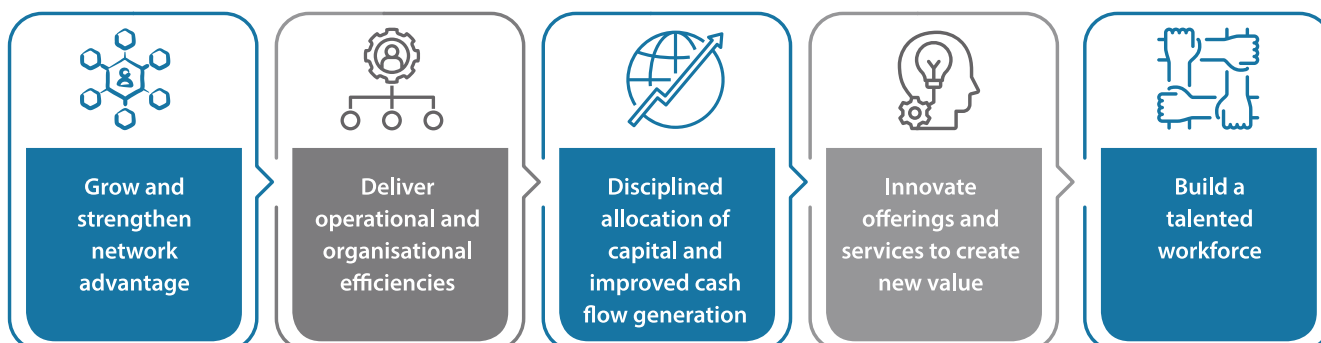
There have been very few technological changes in the Oil drilling industry during the last several years. The reason behind the slow changes lies in cost of Oil drilling which takes billions of dollars and once Well is working, then Oil is produced for years without much changes in the equipment technology.

Currently company is actively engaged in expanding the existing manufacturing facilities aggressively to meet the growing demand of global market and domestic market.

Your company has undertaken to expand the product range they are developing following products.

- Expand its connectors range by adding PUMA connectors and lynx connectors.
- Expanding its pipe range by developing premium threading.
- Developing side pocket mandrels 2 3/8" to 13 1/2"

Key strategic priorities for the Company





Our core strengths

Research – With a focus on research & development, we plan to regularly introduce new high-quality and precision-engineered products used in the upstream oil & gas industry.

Market leadership – The Company is a market leader in the Indian oil drilling tools and equipments manufacturing. We intend to sustain this leadership and grow our presence in the international markets.

Product portfolio – The product portfolio comprises niche products assuring integration and synergy in operating facilities.

Strong collaborations – The Company has well-founded technical partnerships with renowned global players.

Synergies – The Company lays great emphasis on synergies, which has augmented its quest for global leadership and helps to keep its competitive advantage.

Our operational excellence

We have an integrated operations with processes ranging from research to designing to manufacturing of high-precision and niche drilling tools and equipment. This allows us the flexibility to focus on manufacturing products that enjoy encouraging demand and offer better price. We leveraged this advantage to run our manufacturing units at optimum capacity utilisation to cater to the rising demand.

We undertake initiatives like improving process efficiencies and dedicated research and development on an ongoing basis to drive operational excellence. Our ability to regularly introduce new products within the existing manufacturing facilities validates the operational excellence achieved by UDTL. Further, we are focused on enhanced usage of data and analytics to take real-time and focused decisions.

SWOT Analysis:

S - Strengths

- Analysis suggests that over the next few years, the company can expect better growth than the industry as a whole.
- In India, since the labour and overhead costs are 1/5th of what are in USA and Europe, where most of these equipment's are Manufactured at present, the Indian companies manufacturing such equipment's have a great advantage over them.
- Relative to others in the Industry, the Company's products have a very high proprietary content which greatly strengthens the Company's competitive position.
- At the present time, the Company's products are believed to be of excellent quality, and are highly differentiated in the market.
- The market itself is strong and is growing rapidly and price competition is negligible.
- For new Competitors, entry into this type of business would be considered very difficult and expensive, which secures the Company's competitive position and increases its value.
- Customers buy from the Company because its products are import substitute, high-quality and reasonably priced.
- Since, Technology is well tested and approved in the Domestic and International Market, there is no risk of products failure.
- Long-standing client relationship.
- The company being a registered MSME, has got price preference by the Indian public sector companies in buying the equipment's over other large and international producers.

W - Weakness

- Our Company is among the smaller firms in its market, the company's competitive position is slightly weakened.
- The Company is relatively small in the SME segment and has not had enough funds and time to grow.
- The company's sales are presently concentrated among small number of NOC's, Customers.
- Limited exposure in the international market.
- Moderate scale of operations and tender-based nature of business

O - Opportunities

- There will be a continuous increase in demand for Oil and Natural Gas and the need for Drilling more Wells will also be increasing on a continuous basis.
- The price of Oil in the international market has increased. This has also increased the Demand for the equipment.
- There is no major business risk in the market for these products because the demand is growing regularly and the competition is limited to 3-4 players, in the World, who are significant players.
- Since the customers are more and more becoming cost-conscious and the image of Indian products is increasing in the World as quality products, acceptance of Indian products in this field is increasing.
- Besides the international market, there is substantial domestic market also which will always be there for the next 50 years, till the Demand for Oil is there.
- The quest for Oil is increasing 10% annually due to rise in demand for cars, power plants, infrastructure, etc. Therefore, the demand for Oil will also keep on increasing and the requirement for these products will also be increasing by 15-20% per year.

T - Threats

- In India, only 20% of the Domestic Oil Consumption is produced locally. The balance oil is imported by our Country by spending 40% of the total foreign exchange earned every year.
- 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

Established over three and a half decades ago, UDTL has developed a diverse product portfolio, with solid process expertise to provide solutions to Indian / global majors. In the last couple of years, the Company emphasized on being more agile, while it remained committed to its long-term sustainable growth strategies. In an uncertain macro-environment, the Company delivered a resilient performance during FY22.

Analysis of the profit and loss statement

Revenue from operations (standalone), excluding other income, stood at ₹164.42 crores, higher by 15.1% compared to the previous year. EBITDA registered 75.99% gain over the previous year

(₹42.70 crore) and stood at ₹75.15 crores. Total expenses of the Company decreased by 11.72 % from ₹107.36 crore in FY21 to ₹94.78 crore in FY22 due to decrease in employee benefit expenses, etc. Employee expenses, decreased by 17.59% from ₹13.13 crore in FY21 to ₹10.82 crore in FY22. Overall, Profit After Tax (PAT) increased from ₹32.70 crore in FY21 to ₹50.36 crore in FY22, registering an increase of 54% during the year, largely owing to increase in revenue from operations. The Company undertook several enhancements in the product mix, improved realisations, and cost-reduction efforts that helped deliver better margins. Profit before Tax (PBT) came in at ₹71.64 crores, up by 83.03% from last year.



Analysis of the Balance Sheet

Financial Performance	FY21 (₹ in crore)	FY22 (₹ in crore)	Growth (change in %)
Total equity	193.73	239.82	23.79%
Long-term borrowings	0.12	0.07	(41.67)%
Short-term borrowings	18.17	17.83	(1.87)%
Total non-current assets	117.33	98.72	(15.86)%
Trade receivables	60.14	40.89	(32.01)%
Cash and cash equivalents	5.65	1.83	67.61%
Land	0.63	0.62	1.58%

Sources of Fund

Net Worth of the Company increased by 23.79% from ₹193.73 crore as on 31st March, 2021 to ₹239.82 crore as on March 31, 2022 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 ₹245.69 crore as on March 31, 2022.
- Long-term Debt of the Company decreased by 41.67% to ₹0.07 crore as on March 31, 2022 owing to scheduled repayment of loans.

- The long-term debt-equity ratio of the Company stood at 0.07 in FY22 compared to 0.09 in FY21.
- Finance cost decreased by 6.81 % from ₹0.88 crore in FY21 to ₹0.82 crore in FY22 primarily on account of lower cost of funds.
- Interest service coverage ratio in FY22 stood 88.26% at compared to 45.71% in the previous year.

Applications of funds

Total non-current assets of the Company decreased by 15.86% from ₹117.33 crore as on March 31, 2021 to ₹98.72 crore as on March 31, 2022. Depreciation and amortisation marginally Increased from 2.68 cr. to ₹ 2.69 Cr.

Working Capital Management

Current Assets of the Company increased by 56.12% from ₹116.50 crore as on March 31, 2021 to ₹181.88 crore as on March 31, 2022. The current ratio of the Company stood at 3.40 in FY21 compared to 5.22 in FY22.

Key Financial Ratios

Particulars	FY 2022	FY 2021
Debtors' turnover ratio	3.25	3.94
Inventory turnover ratio	0.95	3.02
Interest coverage ratio	88.26	45.71
Current ratio	5.22	3.40
Debt equity ratio	0.07	0.09
Operating profit margin (%)	42.86	25.46
Net profit margin (%)	30.63	22.89
Return on net worth (%)	20.99	16.88

RISK MANAGEMENT

The objective of Risk Management at UDTL is to create and protect shareholders value by minimizing threats or losses, and identifying and maximizing opportunities & capitalizing on core strength. 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.

The Risk Management Committee of the Board periodically reviews adherence to compliances, providing sound framework for identification, effective management of risks in a time bound manner. Respective teams at senior hierarchy have been strengthened to maintaining comprehensive system to promptly identify risks, assess their materiality and take measures to minimize likelihood of losses. On this front, policy on Risk Management, Risk Assessment & Minimization Procedures are implemented with the right earnest, zeal & commitment to agreed timelines.

Risk type	Significance and meaning	UDTL's mitigation strategies
Macro-economic 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, Russia-Ukraine War, Climate Change will 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 key sectors for some of the major economies in the globe, including in India. Government's "Atma Nirbhar Bharat Abhiyan", "Make in India" drive will give much needed impetus to the Oil and Gas supply. This is likely to drive revenue growth of UDTL. UDTL maintains strong balance sheet, liquidity position and relationship with Stakeholders which enables it to mitigate any uncertainties, unforeseen challenges.
Business continuity risk	The company's business may not be relevant in the coming years.	The Company chooses to be present in the oil and gas industry, one of the core sectors of the economy and critical to national growth. The Company has strategically expanded its presence into relevant high-growth segments ensuring the sustainability of its business growth.
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.	The Company possesses over three and a half decades ago of domain knowledge across various precision-engineered products like wire line and well service equipment, gas lift equipment's, downhole tools and large OD casing connectors. State-of-the-art manufacturing units, focused management and committed production and quality control team makes us the preferred choice for the customers; not only in India, but across the globe. UDTL adheres to stringent API International standards. Your Company has received several quality certification, appreciation for adhering to maintaining strict QC norms.
Technology risk	With the advancement of technology there is a growing need to improve operational efficiency and ensure better customer satisfaction.	UDTL's manufacturing facilities are equipped with state-of-the-art machines and equipment that helps it to increase its operational efficiency; continuously monitor changes in technology conform to international standards. To stay ahead of its peers and helps match the international requirement in terms of product quality.
Currency risk	Foray in International Market, UDTL is exposed to volatility in the exchange rate, impacting its Profitability.	For Import of Raw Material, the Company enters into forward contracts, as deemed fit & meet out of export earnings.



Risk type	Significance and meaning	UDTL's mitigation strategies
Environment risk	Inability to maintain its environmental risks in prescribed limits might adversely affect operations.	UDTL has a strong policy in place to address any unforeseen situation arising due to environmental changes on its activities.
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 growth.	The Company has a strong retention and succession policy in place. Training programmes are conducted quite often to assess competence, learning, areas for improvement, etc.

Internal Control systems and their adequacy

The Company, as also, PMMPL has a well-framed internal control system commensurate with the size and nature of its business to ensure recording & reporting applicable regulatory requirements reviewed periodically by the internal audit team. To keep up with the changes in the business environment and statutory requirements. 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. Take corrective actions and suggest 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 Capital is pivot to any Company & UDTL is no exception to it. 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, precautions are being meticulously adhered, followed by one and all. UDTL & its subsidiary company, PMMPL continues to enjoy good Employee retention rates in the industry thereby creating sense of success, trust. As of March 31, 2022, UDTL had 350 employees in its work-force.

For and on behalf of the Board
United Drilling Tools Limited

Sd/-

Pramod Kumar Gupta

Managing Director

DIN: 00619482

Date: 13/08/2022

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. become Wholly Owned Subsidiary Company w.e.f. 28th June, 2021.
 - ii. M/s Parveen Industries Pvt. Ltd. in which brother of Mr. Pramod Kumar Gupta hold the Directorship as well as membership in the Company.
- (b) Nature of contracts/arrangements/transactions:
 - i. The Company (UDTL) has given unsecured Loan with the approval of Shareholders of the Company and P Mittal doing Job work for UDTL.
 - ii. The Company entered into transaction(s) for sale, purchase or supply of any goods in the ordinary course of Business.
- (c) Duration of the contracts/arrangements/transactions:
 - i. Three year for Unsecured Loan.
 - ii. One year
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - i. Receive interest on loan, Payment of Job Work & Sale of goods
 - ii. Purchase/Sale of goods
- (e) Date(s) of approval by the Board, if any:
 - i. 25/06/2021
 - ii. 25/06/2021
- (f) Amount paid as advances, if any: Nil

For and on behalf of the Board
United Drilling Tools Limited

Sd/-
Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 13/08/2022
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 innovating new technology.

Expenditure on Research and Development:

A.	Capital	2,18,41,732
B.	Recurring (Gross)	Nil
C.	Total	2,18,41,732
D.	Total R&D expenditure as percentage of total turnover	1.33%

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Forex management is an important mechanism which reflects 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 consideration.

Particulars	2020-21 (₹ In Lakh)	2021-22 (₹ in Lakh)
Foreign Earning at FOB value	14035.18	649.00
Outgo: Total foreign Exchange outgo including cost of imported material	8023.01	1,286.50

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

Sd/-

Pramod Kumar Gupta

Managing Director

DIN: 00619482

Date: 13/08/2022

Place: Noida

Annexure-J

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L29199DL1985PLC015796
2. Name : United Drilling Tools Ltd.
3. Registered address : 139A, First Floor, Antriksh Bhawan 22, Kasturba Gandhi Marg
New Delhi -110 001
4. Website : <https://www.udtltd.com>
5. E-mail id : compsect@udtltd.com
6. Financial Year reported : 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC Code	Description
28221	High Performance Connectors, Down Hole Tools, Artificial Gas Lift Equipment & Wireline Winch Units.
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - (i) High Performance Connectors
 - (ii) Artificial Gas Lift Equipment
 - (iii) Down Hole Tools
9. In all, there are only Four (04) manufacturing facilities / locations within India only, as detailed hereunder:-
 - a) Plot No. 129 G / 25-26, NSEZ , Dadri Road, Phase 11, Noida- 201305, Distt- Gautam Budh Nagar (UP)
 - b) Plot No. C-41, Sector: 81 Noida -201305, Dist. Gautam Budh Nagar (UP).
 - c) Plot No. 523, New Area Kandla Special Economic Zone Kandla, Gandhidham- Kutch Gujarat.
 - d) Plot No. 423/3 & 424/4 Luni, Luni to Gundala Road, Mudra- Kutch Gujarat.
10. Markets served by the Company Local / State / National: UDTL Group serves both National, as also, International Markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- 1) Paid-up Capital: ₹20.30 Crore
- 2) Total Turnover: ₹164.42 Crore
- 3) Total Profit after Tax (PAT): ₹50.36 Crore
- 4) Total spending on CSR as percentage of PAT (%): 2.28%



- 5) List of activities in which expenditure, in 4 hereinabove, has been incurred:

S. Sector of activities

No.

1. Promoting education, including special education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
2. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Contribution to Swach Bharat Kosh, Bharat Ke Veer Fund, Clean Ganga Fund & National Defense Fund set up by the Central Government.

SECTION C: OTHER DETAILS

- 1) Does the Company have any Subsidiary Company / Companies:

Yes. As of 31st March 2022, UDTL had One (01) Wholly Owned Subsidiary Company named
M/s P. Mittal Manufacturing Private Ltd (PMMPL).

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

PMMPL actively managed and carried out its own BR initiative, in line with UDTL.

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

Suppliers / Vendors and Distributors do not participate in our BR initiatives. However, we have shared relevant policies with all our business partners, and they are expected to adhere to them.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR:

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

1. DIN Number : 01050505
2. Name : Dr. Kanal Gupta
3. Designation : Whole-time Director

- (b) Details of the BR Head:

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

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Yes/ No)

Name of principles:

P 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

P 3 Businesses should promote the well-being of all employees.

P 4 Businesses should respect the interests of, and be responsive towards **all stakeholders**, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

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

P 7 Businesses, when engaged in influencing public and regulatory policy, should do so in responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P 9 Businesses should engage with and provide value to their customers and consumers in responsible Manner.

[illegible]

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.****Principle 1.1****Do you have policy/policies for Principle 1?**

Yes, the key policy of company is Corporate Governance, Transparency and Audibility, Personal Conduct, Legal Compliance is implemented through a well-defined and codified mechanism. The Company also has a Whistle Blower Policy meant to provide a channel to the Employees to report genuine concerns about unethical behavior, actual or suspected fraud within the Group.

Principle 1.2**Has the policy been formulated in consultation with the relevant stakeholders?**

Policies have been formulated after consultation and discussion with relevant stakeholders. Further, the same gets reviewed from time-to-time to cater to emerging and new business realities/paradigms, after wider consultations amongst stakeholders

Principle 1.3**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

All policies as mandated by statutory/regulatory bodies are followed. All other policies/manuals of the Company are implemented as duly approved by the Board of Directors or other Competent Authority, as the case may be.

Principle 1.4**Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?**

Yes, The Company has an Audit Committee and also has a well-structured vigilance mechanism with units spread across the organization at various Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices.

Principle 1.5**Does the Company have in-house structure to implement the policy/policies?**

The Company follows the laid down policy as per the companies' manuals for its activity such as procurement, payment, tendering, contracting, human resources, finance and other functions that are governed by well documented policies available for reference to all concerned.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

We at UDTL Manufacture Connectors, Stabilizers, Wire-line Winches etc. which are as per as clients requirements. Although we have less option to use alternate material but still we design

in such a way that final product must be sustainable and safe in nature.

Principle 2.1:**Has the policy been formulated in consultation with the relevant stakeholders?**

The Company follows all work practices, procedures and production endeavors pertaining to its area of activities/operations as mandated by industry.

Principle 2.2:**Does the policy conform to any national/international standards? If yes, specify. (50 words)**

Yes, at UDTL we practice spec Q1 quality standard which meets many of the ISO 9001 requirements, as detailed hereunder:-

1. Specification API 5CT
2. Specification API 5 L
3. Specification API 19 G1
4. Specification API 19 G2
5. Specification API 7-1
6. Specification API 7-2
7. Specification API 5 B
8. Specification API 1104; and
9. Specification API RP 5C6

All Policies as mandated by statutory / regulatory bodies are followed by the Company. All other policies/manuals of the Company are implemented as duly approved by the Board of Directors or other Competent Authority, as the case may be.

Principle 2.3:**Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?**

The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of the Annual Report (2021-22).

Principle 2.4:**Do you have policy/policies for principle 2?**

The Company pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavor comply with the highest Health, Safety and Environment standards.... Awareness about HSE policy is must for every employee and other stakeholders directly impacted by the Company's operations.

The Company has well-established in-house infrastructure, manpower pool, documented Standard Operating Procedure

(SOP) and other executive & administrative machinery to implement the given policies in the area of safe and sustainable production of goods and services of the Company. A structured Grievance Management System is in place in the Company. The Company carried out independent audit/ evaluation of the working of this policy by external agency. Our team take steps to procure raw materials from local and small producers in a best possible way.

Principle 3: Businesses should promote the well-being of all Employees.

Do you have policy/policies for principle 3?

Yes. The Company has a wide range of HR policies covering all categories of the employees (workers, officers, women employees, SC/ST employees, sports person etc.). It addresses all aspect of professional skill & knowledge up-gradation, employee motivation and welfare measures, employees' health (Preliminary Medical Examination) and general well-being measures, women empowerment, empowerment of SC/ST and other disadvantaged class of employees, separation/superannuation and post- retirement welfare measures & the like.

Total number of UDTL's Employees: 350 (As on 31.03.2022) including Employees hired on temporary / contractual / casual basis.

Contractual workers	:	194
Contract Para Medics/Medics	:	NO
Tenure based		
Casual workers/contingent	:	NO

1. Please indicate the number of permanent women employees: Five (05).
2. Please indicate the number of permanent employees with disabilities: Nil
3. Do you have an employee association that is recognized by Management? NO

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

Nil

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

Category	No. of complaints filed during the financial year	No. of complaints pending at the end of the financial year
Child labour/ forced labour/ involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

• Permanent Employees

• Permanent Women Employees

• Casual/Temporary/ Contractual Employees

• Employees with Disabilities

Training or skill up-gradation were held frequently (weekly, bi-weekly, monthly etc.) during 2021-2022

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Identification and consultation with our stakeholders forms the bed rock of stakeholder engagement at UDTL. By engaging with our internal and external stakeholders we are able to identify their areas of concerns and take necessary measures to arrive suitable solutions.

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies.

Principle 5: Businesses should respect and promote human rights

The Company has a code of conduct for business and ethics, policy on sexual harassment of employees, vigil mechanism / whistle blower policy which covers ensuring human rights of employees. During financial year 2021-22 no complaint from stakeholder were received in this regard.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 6.1: Do you have policy/policies for principle 6?

Yes, UDTL cares for the environment and continually strives to mitigate the environmental impact, which may arise from business activities with a holistic approach. As a responsible corporate citizen, we are committed to managing our operations in a manner that reduces our environmental footprint. The emissions and waste generated are within the permissible limits.

Principle 6.2

Has the policy been formulated in consultation with the relevant stakeholders?

Yes

Principle 6.3

Does the policy conform to any national/ international standards? If yes, specify? (50 words)

Applicable rules and regulations both in India and globally. The Company has engaged in eco-friendly manufacturing practices. It has quality certifications such as ISO 9001:2008; ISO 14001:2015; OHSAS 18001:2007.

**Principle 7:**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

UDTL has association in a number of trade, chambers and associations, namely.,

1. Associated Chambers of Commerce and Industry of India (ASSOCHAM).
2. World Association of Small and Medium Enterprises (WASME).
3. Laghu Udyog Bharati (LBU).
4. Noida Entrepreneurs Association (NEA).
5. Confederation of Indian Micro, Small and Medium Enterprises (CIMSME); &
6. Institute of internal auditors (IIA).

Our Company understand the improvements advancements of the industry in interest of public at large. We cooperate with government bodies with honesty and transparency.

Principle 8:

Businesses should support inclusive growth and equitable development.

Principle 8.1

UDTL believes in Business growth along with community development so we work for holistic development of society and creating equal opportunity for livelihood near our operational areas. The CSR projects are targeted towards empowering weakest sections of the society, old aged, children, and orphans.

Principle 8.2

Has the policy been formulated in consultation with the relevant stakeholders?

UDTL believes in giving back to the society and creating sustainable environment for all. Being responsible Corporate Citizen we follow all CSR guidelines formulated by Ministry of Corporate Affairs under section 135 of Companies Act 2013 & the like.

Principle 8.3

Does the policy conform to any national/ international standards? If Yes, specify? (50 words)

The provisions of the Companies Act 2013, international norms on CSR are strictly followed / adhered to.

Principle 8.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?

CSR policy of the Company is approved by the Board of Directors of the Company. All activities pursued under CSR policy schemes are approved by the Competent Authority

Principle 8.5

Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?

CSR Committee of the Board is entrusted with the responsibility of overall implementation and monitoring of CSR activities. ACSR Executive appointed for the purpose to ensure implementation, compliance of CSR initiatives.

Principle 8.6

Indicate the link for the policy to be viewed online?

The Company's website on the link <https://udtltd.com/policies/> has the CSR policy.

Principle 8.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Both, internal and external stakeholders have been appropriately communicated, addressed on the CSR project related activities undertaken by the company.

Principle 8.8

Has the Company carried out independent audit/evaluation of the working of CSR policy by an internal or external agency?

Certification for compliance of CSR activities is got done by Auditors for FY 2021-22.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle 9.1

Customer satisfaction, loyalty and customer retention are vital for long-term success and expansion of our business. Our customers deserve products and services of the best quality that are compliant with all applicable national and international standards which we ensure seamlessly. We regularly engage with our customers and stakeholders through various channels to solicit their feedback and to understand their concerns and satisfaction levels. Our company is an API quality certified/ complaint under international guidelines for its products. We

also undertake customer satisfaction surveys and are rated the best. We proactively and dedicatedly work to meet the needs, expectations of our valued customers in a time bound manner.

Principle 9.2

Has the Policy been formulated in consultation with the relevant stakeholders?

The Company regularly engages in discussion with the valued customers and meeting their expectations, compliances for providing value to them in a responsible manner.

Principle 9.3

Does the policy conform to any national / international standards? If yes, specify? (50 words)

The applicable guidelines, benchmarks enshrined under the applicable guidelines of the regulatory authorities are strictly adhered to by our Company. Our products are quality of the highest standard, simple to use, saves cost in its usage, designed for use in both offshore and onshore locations.

Principle 9.4

Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the Policy?

The persons responsible for overseeing production, marketing and sales, quality control, plant/project development are dedicatedly responsible for the smooth implementation of the policy.

Principle 9.5

Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?

The Company carried out an internal review of the working of this policy.

The Road Ahead

Our Company has evolved the process of development of strong and sustainable principles, policies, into our business. Ever-since, SEBI LODR framework for business responsibility becoming mandatory we continue to follow the framework enshrined therein. Our focus on sustainability has also allowed us to become a more resilient organization that is prepared to respond successfully to ever increasing risks, climate change, pandemic, ongoing war between Russia and Ukraine. This Business Responsibility Report (2021-22) provides a snapshot of our efforts to incorporate sustainability during the reporting period.

For and on behalf of the Board
United Drilling Tools Limited

Sd/-
Pramod Kumar Gupta
Managing Director
DIN: 00619482

Date: 13/08/2022
Place: Noida

For and on behalf of the Board
United Drilling Tools Limited

Sd/-
Dr. Kanal Gupta
Whole-time Director
DIN: 01050505



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
United Drilling Tools Limited
139A, First Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi -110001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of United Drilling Tools Limited, having CIN L29199DL1985PLC015796 and having registered office at 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have 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, New Delhi or any such other Statutory Authority except that none of the Independent Directors of the Company hold a valid registration with data bank, and thus we are unable to report their eligibility as Independent Directors.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Designation
1	Mr. Pramod Kumar Gupta	00619482	21/08/1985	Managing Director
2	Mr. Krishan Diyal Aggarwal	00861164	29/09/2006	Independent Director
3	Mr. Kanal Gupta	01050505	28/02/2015	Wholetime Director
4	Mr. Pandian Kalyanasundaram	02568099	21/05/2016	Independent Director
5	Mr. Ved Prakash Mahawar	07208090	25/06/2021	Independent Director
6	Mr. Inderpal Sharma	07649251	10/11/2016	Wholetime Director
7	Mrs. Preet Verma	09124335	25/06/2021	Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Balraj Sharma & Associates
Company Secretaries

Sd/-
Balraj Sharma
Membership No.: F- 1605
CP No.: 824
UDIN: F001605D000855040

Place: New Delhi
Date: 26/08/2022

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, 2022 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2021 to March 31, 2022.
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, 2022.
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
(FRN- 000243C)

Sd/-
CA Ashok Mangal
Partner

Date: 13/08/2022
Place: Noida

M. No. 071714
UDIN – 22071714APVWNK8314



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, 2022, 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 Board
United Drilling Tools Limited**

**Sd/-
Pramod Kumar Gupta**

Chairman & Managing Director
DIN: 00619482

Date: 13/08/2022
Place: Noida

COMPLIANCE CERTIFICATE

(Pursuant to regulation 17(8) of LODR)

We have reviewed financial statements (Standalone & Consolidated) and the cash flow statement (Standalone & Consolidated) for the year 2021-22 and that to the best of their knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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.

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.

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.

We have indicated to the auditors and the Audit committee

- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- 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, 25/05/2022

Independent Auditor's Report

To
The Members of
United Drilling Tools Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying the standalone financial statements of United Drilling Tools Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone 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, 2022, 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 standalone 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 standalone 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 standalone 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 standalone Financial Statements.

Emphasis of Matter

4. We draw attention to Note no. 32 D (18) of the accompanying the standalone 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 standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone 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 standalone Financial Statements	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
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 dispatch, 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 analyzed this and concluded on the principles for deciding in which period or 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).	- Evaluated the design of internal controls relating to revenue recognition b. Selected a sample and tested the operating effectiveness of the internal control. - Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. - Read, analyzed and identified the distinct performance obligations in these tenders. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue. - Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes. - Performed analytical procedures for reasonableness of revenues disclosed by type of product and service offerings.



Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone Financial Statements and our auditor's report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 Standalone Financial Statements

9. 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 standalone 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 standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone 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.
11. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Financial Statements.

13. 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 standalone 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 standalone 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 standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Materiality is the magnitude of misstatements in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone Financial Statements.

14. 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.
15. 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.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

17. 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.

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 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.
19. 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.
20. 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone 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.
 - iv (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), except loans to wholly owned subsidiary company with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 (D) 10 to the standalone Financial Statements);



- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 57 to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

21. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
22. 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 Act.

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

Sd/-
Ashok Mangal
Partner
M. No. 071714

Place: Noida
Date: 25 May, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of United Drilling Tools Limited on the standalone financial statements as of and for the year ended March 31, 2022

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties, as disclosed in Note 1 to the standalone Financial Statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.

- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the audited books of account (Also refer Note 32(D)(19) to the standalone Financial Statements).
- iii. (a) The Company has made investments in one company (100% subsidiary), granted unsecured loans and advances in nature of loans to this company and (salary advances) to five other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiary, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

All amounts in ₹ Lacs

	Guarantees Security Loans Advances in nature of loans Aggregate amount granted/ provided during the year	Balance outstanding as a balance sheet date in respect of the above case
Subsidiaries	1250.00	1250.00
Joint Ventures	0	0
Associates	0	0
Others	5.32	4.84

(Also refer Note No.3 to the standalone Financial Statements)

- (b) In respect of the aforesaid investments/loans/advances in nature of the loan, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans/advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans/advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) The loans/advances in nature of loans (in the nature of salary advances) granted during the year, including to related parties had stipulated the scheduled repayment of principal and where applicable payment of interest.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits and have complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, and therefore, the question of our commenting on whether the same has been complied with or not does not arise.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, entry tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, income tax, cess, which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been previously recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 60 to the standalone Financial Statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Financial Statements of the Company, we report that no funds



raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment of equity shares during the year.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act.

- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 32 (D) (23) to the standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. Refer note 32(D)11 of the standalone financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of The standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd/-
Ashok Mangal
Partner
M. No. 071714

Place: Noida
Date: 25 May, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 19 of the Independent Auditors' Report of even date to the members of United Drilling Tools Limited on the standalone financial statements as of and for the year ended March 31, 2022. Report on the Internal Financial Controls with reference to the standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to the standalone Financial Statements of United Drilling Tools Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management 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 ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act 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 ICAI. 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 with reference to the standalone Financial Statements 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 with reference to the standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to the standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the standalone Financial Statements

6. A company's internal financial controls with reference to the standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone Financial Statements 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 the standalone 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to the standalone Financial Statements, 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 with reference to the standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the standalone

Financial Statements 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 with reference to the standalone Financial Statements and such internal financial controls with reference to the standalone Financial Statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

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

Sd/-
Ashok Mangal
Partner
M. No. 071714

Place: Noida
Date: 25 May, 2022

Standalone Balance Sheet

as at 31st March, 2022

₹ In Lacs

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021
ASSETS			
Non current assets			
Property, plant and equipment	1	913.82	917.50
Capital work-in-progress	1	1,421.53	1,263.13
Intangible assets	1	2,139.14	2,245.47
Intangible assets under development	1	468.58	250.16
Financial assets			
Investments	2	126.07	
Loans	3	1,250.00	1,110.00
Other Financial Assets	4	1,530.56	3,114.41
Other non-current assets	5	2,022.74	2,832.25
Total non current assets		9,872.44	11,732.92
Current assets			
Inventories	6	11,496.51	4,310.88
Financial assets			
Investments	7	-	-
Trade and other receivables	8	4,089.20	6,013.75
Cash and cash equivalents	9	183.01	565.61
Loans and advances	10	1,064.77	210.15
Other current assets	11	1,355.03	549.24
Total current assets		18,188.52	11,649.63
Total Assets		28,060.96	23,382.55
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	2,030.31	2,030.31
Other equity	13	21,951.69	17,342.92
Total Equity		23,982.00	19,373.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Long term borrowings	14	7.42	12.38
Other financial liabilities	15	-	-
Provisions	16	78.29	101.09
Deferred tax liabilities (Net)	17	442.33	432.54
Other non-current liabilities	18	59.37	32.74
Total non current liabilities		587.41	578.75
Current liabilities			
Financial liabilities			
Short term borrowings	19	1,783.29	1,817.25
Trade and other payables	20		
Dues to Micro and Small Enterprises		419.84	159.03
Other then dues to Micro and Small Enterprises		242.54	600.53
Other financial liabilities	21	17.18	19.26
Other current liabilities	22	982.43	793.33
Short-term provisions	23	46.28	41.18
Total current liabilities		3,491.56	3,430.58
Total liabilities		4,078.96	4,009.32
Total Equities and Liabilities		28,060.96	23,382.55
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: May 25, 2022

For **United Drilling Tools Ltd.**

Sd/-

Pramod Kumar GuptaManaging Director
(DIN 00619482)

Sd/-

Inderpal SharmaWhole Time Director
(DIN 07649251)

Sd/-

Ved Prakash MahawarIndependent Director
(DIN 07208090)

Sd/-

Dr. Kanal GuptaWhole Time Director
(DIN 01050505)

Sd/-

P KalayanasundaramIndependent Director
(DIN 02568099)

Sd/-

Mukesh Mehta

CFO

Sd/-

K.D. AggarwalIndependent Director
(DIN 00861164)

Sd/-

Preet VermaIndependent Director
(DIN 09124335)

Sd/-

Naveen Bhatnagar

Company Secretary



Standalone Statement of Profit & Loss

for the year ended on 31st March, 2022

₹ In Lacs

Particulars	Note No.	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
ASSETS			
Revenue from operations	24	16,441.89	14,285.36
Other Income	25	199.84	364.69
Total Income		16,641.73	14,650.05
EXPENSES			
Cost of Materials Consumed	26	13,397.01	9,715.84
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(6,476.98)	(1,743.58)
Employee Benefit Expense	28	1,082.14	1,313.31
Financial Costs	29	82.10	87.54
Depreciation and Amortization Expense	1	268.59	267.54
Other Expenses	30	1,124.64	1,095.45
Total Expenses		9,477.50	10,736.09
Profit before Tax		7,164.23	3,913.96
Tax expense:			
(1) Current tax MAT		0.00	55.63
(2) Current Tax		2,118.92	629.38
(3) Deferred tax		9.79	14.75
(4) For earlier period		0.00	0.00
(5) Less : MAT Credit available		0.00	55.63
Profit/(Loss) for the period		5,035.52	3,269.83
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(0.55)	(3.98)
Income tax relating to items that will not be reclassified to the profit or loss		(0.16)	(1.16)
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		5,035.13	3,267.01
Earning per equity share:	31		
(1) Basic		24.80	16.09
(2) Diluted		24.80	16.09
Significant Accounting Policies and other disclosures on Financial Statements	32		

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place: NOIDA
Date: May 25, 2022

For **United Drilling Tools Ltd.**

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

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

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

Sd/-
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Whole Time Director
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Sd/-
Mukesh Mehta
CFO

Sd/-
K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary

Standalone Cash Flow Statement for the year ended on 31st March, 2022

Particulars	₹ In Lacs	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	7,163.68	3,909.97
Items Adjustment for :		
Interest Income	195.17	346.44
Depreciation	268.59	267.54
Profit on sale of Fixed Assets	(1.93)	(0.14)
Operating profit Before Change in working capital	7,235.17	3,830.93
Adjustment for :		
Trade & Other Receivable	1,924.55	(4,775.39)
Inventories	(7,185.62)	(2,033.61)
Loans & Advances	(1,660.41)	(334.12)
Trade Payable	(97.18)	587.95
Other Non Current Assets	2,253.36	2,086.62
Other Current Liabilities	187.01	408.15
Provisions	(22.80)	16.67
Short Term Provisions	5.09	6.02
Other Non Current Liabilities	26.63	12.05
Cash Generated from operations	2,665.81	(194.74)
Less : Direct Taxes paid	2,118.76	628.22
Cash flow before Extra Ordinary Items	547.05	(822.96)
Less : Profit/(Loss) on Sale of Fixed Assets		
Net cash flow from operating activities	547.05	(822.96)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase/Transfer of fixed Assets	535.92	1,510.54
Sales of fixed Assets	(2.45)	(0.70)
Investment in wholly owned subsidiary	126.07	0.00
Net cash used in investing activities	659.54	1,509.85
CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution	(33.96)	1,817.25
Other Secured Loans	(4.96)	(29.56)
Interest Income	195.17	346.44
Payment of dividend	(426.37)	(304.55)
Receipt in Calls in Arrear		
Net Cash Flow from Financing Activities	(270.11)	1,829.58
Net increase in cash and equivalents	(382.60)	(503.23)
Cash and Cash Equivalents as at 1.4.2021 (Op. Bal.)	565.61	1,068.84
Cash and Cash Equivalents as at 31.3.2022 (Clo.Bal.)	183.01	565.61

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: May 25, 2022

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
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary



Standalone Statement of changes in equity

for the year ended on 31st March, 2022

A. Equity share capital

₹ In Lacs

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31st March, 2022
Equity share capital	2,030.31	-	2,030.31	-	2,030.31
Total	2,030.31	-	2,030.31	-	2,030.31
Note : Details 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 Share Forfeiture A/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, 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 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, 2022								
Balance at the beginning of the reporting period i.e. 1st April, 2021	3.84	1,783.04	-	1,234.69	500.00	13,835.27	(13.91)	17,342.92
Total comprehensive income for the year	-	-	-	-	-	5,035.52	(0.39)	5,035.13
Dividends	-	-	-	-	-	426.37	-	426.37
Transfer to / (from) retained earnings	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2022	3.84	1,783.04	-	1,234.69	500.00	18,444.41	(14.30)	21951.69

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: May 25, 2022

For **United Drilling Tools Ltd.**

Sd/-

Pramod Kumar GuptaManaging Director
(DIN 00619482)

Sd/-

Inderpal SharmaWhole Time Director
(DIN 07649251)

Sd/-

Ved Prakash MahawarIndependent Director
(DIN 07208090)

Sd/-

Dr. Kanak GuptaWhole Time Director
(DIN 01050505)

Sd/-

P KalayanasundaramIndependent Director
(DIN 02568099)

Sd/-

Mukesh Mehta

CFO

Sd/-

K.D. AggarwalIndependent Director
(DIN 00861164)

Sd/-

Preet VermaIndependent Director
(DIN 09124335)

Sd/-

Naveen Bhatnagar

Company Secretary

Note 01. Property Plant & Equipments

[illegible]



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 02. Investments

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investments	126.07	-
Total	126.07	-

Note 03. Loans

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Loans	1,250.00	1,110.00
Total	1,250.00	1,110.00

Note : The amount of ₹ 1250.00 Lacs (Previous Year 1110.00 Lacs due to related party refer note 32(D)10.

Note 04. Other Financial Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Fixed Deposit - Others	1,530.56	3,114.41
(Including accrued interest of ₹ 5.96 Lacs (Pr. Year 34.08 lacs)		
Total	1,530.56	3,114.41

Note 05. Other Non Current Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security Deposits & Advances	46.28	40.06
Advance Income Tax (Net of Provisions) and MAT	1,574.66	2,415.45
Other Non Current assets	401.79	376.74
Total	2,022.74	2,832.25

Advance Income Tax (Net of Provisions)

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
At the beginning of the year	2,415.45	2,416.53
Charges of the year	2,118.76	628.22
Others	5.08	123.85
Tax Paid during the year	1,272.89	750.99
At the end of the year	1,574.66	2,415.45

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 06. Inventories

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
(Valued at cost or Market value whichever is lower)		
Raw Material	1,792.04	1,217.41
Work-in-Progress	9,046.33	2,679.76
Finished Goods	205.33	94.92
Stores & Spares	452.81	318.79
Total	11,496.51	4,310.88

Note 07. Investments

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Investments	-	-
Total	-	-

Note 08. Trade and other receivables

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good :		
Outstanding for more than six months	229.13	372.13
Others	3,860.07	5,641.62
Total	4,089.20	6,013.75

Note 09. Cash & Cash Equivalent

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Cash at Bank		
In Current Account	81.57	480.34
Unpaid Dividend Account	100.69	84.57
<u>Cash-in-Hand</u>		
Cash Balance	0.75	0.70
Total	183.01	564.91

Note 10. Loans and Advances

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured Considered Good		
Other Advance	1,064.77	210.15
Total	1,064.77	210.15



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 11. Other Current Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured Considered Good		
Balance with GST/Excise/Service Tax and other authorities	1,355.03	549.24
Total	1,355.03	549.24

Note 12. Equity

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
AUTHORIZED CAPITAL		
3,69,88,330 Equity Shares of ₹ 10/- each.	3,698.83	3,698.83
(As at 31st March 2022 : 3,69,88,330 Equity Shares of ₹ 10/- each)		
(As at 1st April 2021 : 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 2022 : 10,01,167 Shares)	1,001.17	1,001.17
(As at 1st April 2021 : 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, 2022 : 2,03,03,126 Equity Shares of ₹ 10/- each)		
(As at 1st April, 2021 : 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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity Shares (No's)		
Opening	20,303,126	20,303,126
Closing	20,303,126	20,303,126

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

Particulars	As at 31 st March, 2022	
Equity Shares	No. of Shares	% of Holding
Name of the party		
Pramod Kumar Gupta	14,363,800	70.75
	As at 31st March, 2021	
Pramod Kumar Gupta	14,363,800	70.75
Cairn Oil Solution Pvt. Ltd.	1,900,495	9.36

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 12.3 Rights, preferences and restrictions attached to shares

Each holder of equity shares is entitled to one vote per share.

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. (No's)	8,261,013	8,261,013

Note 13. Other Equity

₹ In Lacs		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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
	1,783.04	1,783.04
C. Securities Premium Reserve		
As per last Balance Sheet	1,234.69	1,234.69
Less : Issue of Bonus Shares	-	-
	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	13,835.27	10,869.99
Add: Profit for the Year	5,035.52	3,269.83
	18,870.79	14,139.82
Less : Appropriations		
Transfer to General Reserve	-	-
Dividends (Including dividend distribution tax)	426.37	304.55
	18,444.41	13,835.27
F. Other Comprehensive Income		
As Per Last Balance Sheet	(13.91)	(11.09)
Add: Movement in OCI (Net) during the year	(0.39)	(2.82)
	(14.30)	(13.91)
G. Share Forfeiture Account		
As Per Last Balance Sheet	3.84	3.84
	3.84	3.84
TOTAL (A to G)	21951.69	17,342.96



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 14. Borrowings

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Secured		
Vehicle Loans from Banks	24.60	31.64
Less : Taken to Current Liability	17.18	19.26
	7.42	12.38
Unsecured		
From Corporate bodies	-	-
Total	7.42	12.38

Note 14.1: The Secured Loan of ₹ 3.01 Lacs (Previous Year 8.75 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 ₹ 9.36 Lacs (Previous Year 22.89 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 14.3: The Secured Loan of ₹ 12.23 Lacs (Previous Year nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 35 monthly installment. The applicable rate of interest is 6.9%.

Note 15. Other Financial Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Preferential Shares	-	-
Total	-	-

Note 16. Provisions

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employees benefit	78.29	101.09
Total	78.29	101.09

Note 17. Deferred Tax Liabilities (Net)

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
A. Deferred tax liability		
At the Start of the year	432.54	417.79
Charge/(Credit) to the statement of Profit & Loss	9.79	14.75
Deferred tax liabilities (A-B)	442.33	432.54
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	478.60	473.97
Provisions (Asset)	36.27	(41.43)
Total	442.33	432.54

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Note 18. Other Non Current Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Other Non Current Liabilities	59.37	32.74
Total	59.37	32.74

Note 19. Short Term Borrowings

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Secured - At Amortised Cost		
Working Capital Loan from Banks	1,783.29	1,817.25
Total	1,783.29	1,817.25

Note 19.1 Credit Facilities from Banks are secured by hypothecation of all present and future current Assets and mortgage of all future entrie fixed Assets except vehicles financed by other Banks. also personal guarantee of Managing Director of the company.

Note 20. Trade Payables

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Dues to Micro and Small Enterprises	419.84	159.03
Other then dues to Micro and Small Enterprises	242.54	600.53
Total	662.38	759.56

Note 20.1 There is ₹19.37 Lacs overdue and Nil interest payable to Micro, Small and Medium Enterprises as at March 31, 2022 and ₹0.01 lacs overdue as on March 31, 2021 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, 2022	As at 31 st March, 2021
Current Maturity of Long Term Loan	17.18	19.26
Total	17.18	19.26

Note 22. Other Current Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Liabilities for Expenses	600.14	671.80
Advances from Customers	66.23	2.75
Other Payables	316.06	118.78
Total	982.43	793.33

Note 23. Short Term Provisions

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employment Benefit	46.28	41.18
Provision for Taxation	-	-
Total	46.28	41.18



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Taxation	2,118.76	628.22
Less : Reduced from advance taxes paid	2,118.76	628.22
Balance Amount	-	-

Note 24. Revenue from Operations

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Sale of Products	16368.98	14,125.66
Job Work	-	144.10
FE Fluctuation	45.71	-
Consulting and Engineering Services	27.20	15.60
Total	16441.89	14,285.36

Note 25. Other Income

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest Received	195.17	346.44
Profit on Sale of Fixed Assets	1.93	0.14
Misc. Income and w/off	2.74	18.11
Total	199.84	364.68

Note 26. Cost of Material Consumed

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
MATERIALS AND STORES		
Opening Stock	1536.20	1,246.14
Add: Purchase and expenses less returns	14105.66	10,005.90
	15641.86	11,252.04
Less: Closing stock	2244.85	1,536.20
Total	13397.01	9,715.85

Note 27. Change in Inventories

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Inventories (At commencement)		
Work-in- Progress	2679.76	1,020.35
Finished Goods	94.92	10.76
	2774.68	1,031.11

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Inventories (At close)		
Work-in- Progress	9046.34	2,679.77
Finished Goods	205.33	94.92
	9251.67	2,774.69
Change in Stock (Increase)/Decrease in Inventory		
Work-in- Progress	(6366.57)	(1,659.42)
Finished Goods	(110.41)	(84.16)
Total	(6476.98)	(1,743.58)

Note 28. Employees Benefit Expenses

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Salary and Wages	996.47	1,227.41
Contribution to PF and other funds & benefits	35.35	35.63
Bonus	18.25	16.54
Gratuity	14.95	13.96
Employee Welfare	17.12	19.77
Total	1082.14	1,313.31

Note 29. Financial Cost

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest to Banks	23.72	23.80
Other Interest	2.05	3.29
Other Borrowing Costs	56.33	60.45
Total	82.10	87.54

Note 30. Other Expenses

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(a) Manufacturing Expenses		
Power, Fuel & Water charges	103.15	120.03
Security Service Charges	35.57	35.85
Testing, Painting & Inspection Expenses	33.40	76.25
Job Charges	306.77	118.01
Repair & Maintenance		
Plant & Machinery	13.07	10.47
Building	18.17	1.47
Others	59.41	46.38
TOTAL (a)	569.55	408.46



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(b) Administrative and Other Expenses		
Printing & Stationary	11.35	10.46
Postage, Telegram & Telephones	14.61	17.83
Subscription & Membership Fees	1.73	2.68
Director's Sitting Fee	9.60	5.58
Rent	50.50	63.47
Travelling Directors	7.62	8.26
Others	26.46	48.57
Vehicle & Conveyance	53.31	61.07
Charity & Donation	1.75	3.02
Legal & Professional	24.82	36.78
Insurance Charges	11.06	16.61
CSR Expenses	114.86	25.52
Auditor's Remunerations		
Audit Fee	3.25	3.25
Tax Audit Fee	0.75	0.75
Reimbursement of expenses	0.00	-
Books & Periodicals	2.57	4.82
Rates, Taxes and Filling Fee	17.15	26.38
Applicable Loss on Foreign Currency transactions and translations	-	135.88
Miscellaneous Expenses	60.63	36.80
TOTAL (b)	412.02	507.73
(c) Selling and Distribution Expenses		
Selling Expenses	71.32	105.44
Distribution Expenses (Freight, Cartage & Insurance etc.)	71.75	73.82
TOTAL (c)	143.07	179.26
TOTAL (a to c)	1124.64	1,095.46

Note 31. Earning Per Share (EPS)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (₹ Lacs)	5035.13	3,267.01
Weighted Average number of Equity Shares used as denominator for calculating EPS	20,303,126	20,303,126
Basic EPS ₹	24.80	16.09
Diluted EPS ₹	24.80	16.09
Face Value Per Equity Share ₹	10.00	10.00

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements.

B.1 Basis of Preparation and Presentation

- (i) These standalone 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. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

(ii) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(iii) New and amended standards adopted by the company

The company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

* Extension of COVID-19 related concessions – amendments to Ind AS 116

* Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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.



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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

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

(c) Revenue Recognition

- (i) Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- (ii) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT/GST or other taxes collected on behalf of the government. 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.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

(ii) Post Employment Benefits :

Defined Contribution Plan :

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

Defined Benefit Plan :

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

(g) Foreign Currency Transactions

(i) Initial Recognition

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

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

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

(h) Research and Development

Equipment's 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.



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Deferred tax

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

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

(m) Leases

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

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

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

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

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

(n) Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized but are disclosed in notes.

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

(o) Segment Reporting

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

Business Segment: The Company's operating business is engineering goods 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.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

(p) Earning Per Share

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

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

(q) Financial Instruments

(i) Financial Assets

A. Initial recognition and measurement

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

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

C. Investment in subsidiaries, Associates and Joint Ventures

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

D. Other Equity Investments

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

E. Impairment of financial assets

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

(ii) Financial liabilities

A. Initial recognition and measurement

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



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

B. Subsequent measurement

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

(iii) Derivative and Financial Instrument and Hedge Accounting

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

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

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

a) Cash flow hedge

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

b) Fair Value Hedge

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

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

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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

Tangible Assets

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

Intangible Assets

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

2. Recoverability of trade receivable

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

3. Provisions

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

D. OTHER NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities not provided for :

- (i) Bank guarantees against our counter guarantees issued by banks ₹322.85 Lacs (Pr. Yr. ₹2140.15 Lacs) .
 - (ii) Letter of Credit opened by Banks ₹ Nil (Pr. Year ₹312.09 lacs)
 - (iii) Bill discounted by bank ₹ NIL (Pr. Yr. ₹ Nil).
 - (iv) No provision has been made for disputed income tax liabilities of ₹587.54 lacs which has been paid/adjusted by prepaid taxes. The case is pending before CIT (appeals) of income tax.
2. (i) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business.
- (ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- (iii) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.

3. Employee Benefit Obligations

(1) 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 ₹30.82 lacs (Pre. Yr. ₹31.32 lacs).

(2) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to Rs. 109.16 lacs (Previous Year ₹105.12 lacs) on actuarial liability basis as on the date of balance sheet. It is non funded.



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation at the beginning of the period	105.12	89.78
Interest cost	8.54	6.07
Past service cost		-
Current service cost	7.92	7.90
Benefits paid	(12.55)	(2.61)
Actuarial (gain)/loss on obligation	0.55	3.98
Present value of obligation at the end of period	109.16	105.12

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
In Income Statement		
Past service cost	-	-
Current service cost	8.54	7.90
Interest Cost	6.07	6.07
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	14.61	13.97
In Other Comprehensive Income	(0.55)	(3.98)
Net actuarial (gain)/loss recognized in the period	0.55	3.98
Net (Income)/ Expense For the period Recognised in OCI	0.39	2.82

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

Particulars	(₹ in Lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation as at the end of period	109.16	105.12
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	109.16	105.12

The assumptions used in Actuarial Valuation:-

Particulars	(₹ in Lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
i) Discounting Rate	7.16	6.69
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.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is :

₹ in Lacs

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31-Mar-22	31-Mar-21	Rate	31-Mar-22	31-Mar-21	Rate	31-Mar-22	31-Mar-21
Discount rate	7.16%	6.69%	0.50%	(3.40)	(3.16)	0.50%	3.67	3.42
Salary growth rate	5.50%	5.50%	0.50%	3.71	3.45	0.50%	(3.45)	(3.21)
Attrition rate	-	-						

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated.

with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(iii) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to Rs. 15.41 lacs (Previous Year Rs. 37.15 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:

(₹ in Lacs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
A Forward Exchange Contracts outstanding (USD)	-	-	-	-



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

(₹ in Lacs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
B.1 Foreign currency exposure not covered by derivative instrument				
1. Amount receivable on account of export of goods and services.(USD)	6.83	518.75	77.65	5701.58
2. Advances given in USD	1.33	101.32	1.36	100.03
3. Amount in EEFC A/c in bank (USD)			5.32	390.24
Sub Total (B.1)(USD)	8.16	620.07	84.33	6191.85
4. Advances given in (Euro)	-	-	-	-
5. Advances given in (GBP)	-	-	-	-
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)	0.65	49.04	5.34	392.06
Sub Total (B.2)	0.65	49.04	30.09	2209.31
Total (B1+B2) (USD)	8.81	669.11	114.42	8401.16
Total (Euro)	-	-	-	-
Total (GBP)	-	-	-	-

7. Segment Reporting

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

(₹ in Lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
1. Segmental Revenue		
- Revenue in Local Currency	15719.98	250.18
- Revenue in Foreign Currency	649.00	14035.18
Total Revenue	16368.98	14285.36
2. Segmental Assets*		
- Assets in Local Currency	27440.89	17190.70
- Assets in Foreign Currency	620.07	6191.85
Total Assets	28060.96	23382.55
3. Segmental Liabilities		
- Liabilities in Local Currency	28011.92	21173.24
- Liabilities in Foreign Currency	49.04	2209.31
Total Liabilities	28060.96	23382.55

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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 Ved Prakash Mahawar (From 25.06.2021)	Independent Director
Mrs. Preet Verma (From 25.06.2021)	Independent Director
Shri Mukesh Mehta (From 25.06.2021)	CFO
Shri Arun Kumar Thakur (Up to 17.06.2021)	CFO
Shri Naveen Bhatnagar (From 29.03.2022)	Company Secretary
Shri Pramod Kumar Ojha (Up to 29.04.2021)	Company Secretary
Shri Tarun Chabra (From 24.7.2021 to 07.10.2021)	Company Secretary

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

P. Mittal Manufacturing Pvt. Ltd.	Wholly owned subsidiary company
Parveen Industries Pvt. Ltd.	Relative is Director

Details of Transactions with related parties :

Particulars	(₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1. Rent Payment		
P Mittal Manufacturing Pvt. Ltd.	-	2.50
2. Salary		
Shri Pramod Kumar Gupta	120.22	203.03
Dr. Kanak Gupta	42.22	40.45
Shri A.K.Thakur (CFO)	1.72	6.60
Shri Inder Pal Sharma	8.80	7.61
Shri P.K.Ojha	0.66	7.92
Shri Mukesh Mehta (CFO)	15.47	-
Shree Tarun Chabra (CS)	2.67	-
Shree Naveen Bhatnagar	0.09	-
3. Director's Sitting Fee		
Shri K D Agarwal	2.40	1.85
Shri Ved Prakash Mahawar	2.40	-
Shri P Kalayan Sunderam	2.40	1.88
Smt Preet Verma	2.40	-
Mrs Twinkle Singh	-	1.85
4. Purchases		
Parveen Industries Pvt. Ltd	7.58	36.07
P Mittal Manufacturing Pvt. Ltd.	40.79	51.86



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
5. Job Work		
P. Mittal Manufacturing Pvt. Ltd.	99.42	104.35
6. Sales		
P Mittal Manufacturing Pvt. Ltd.	-	6.34
7. Interest Received		
P. Mittal Manufacturing Pvt. Ltd.	99.48	85.96
8. Loans Given		
P. Mittal Manufacturing Pvt. Ltd.	140.00	190.00
9. Consultancy Charges		
Mrs. Shunali Gupta	-	1.00

Outstanding

(₹ in Lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
1. Shri Pramod Kumar Gupta (Cr.)	10.02	20.02
2. Shri (Dr.) Kanal Gupta (Cr.)	3.52	3.52
3. Shri Inder Pal Sharma (Cr.)	0.86	0.76
4. Shri A K Thakur (Cr.)	-	0.64
5. Shri P K Ojha (Cr.)	-	0.80
6. Shri Mukesh Mehta (Cr.)	1.73	-
7. Shri Naveen Bhatnagar (Cr.)	0.09	-
8. P. Mittal Manufacturing Pvt. Ltd. (Dr.)	45.29	-
9. Parveen Industries Pvt. Ltd. (Cr.)	-	35.71
10. P. Mittal Manufacturing Pvt. Ltd. (Loan A/c.) (Dr.)	1250.00	1110.00

9. Managerial Remuneration

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1. Shri Pramod Kumar Gupta	120.22	203.03
2. Dr. Kanal Gupta	42.22	40.45
3. Shri Inder Pal Sharma	8.80	7.61
Total Salary & Perquisites*	171.24	251.09

*The aforesaid amount doesn't includes amount in respect of gratuity and leave encashment as the same is not determinable.

Remuneration is within limits specified under Section 197 of the Act, as recommended by Remuneration and Nomination Committee and approved by Board and approved by shareholders' at the annual General Meeting.

10. Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, except to wholly owned subsidiary mention below and in note no 3 (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

(₹ in Lacs)

Wholly owned subsidiary company	Amount Outstanding as at 31 st March, 2022	Amount Outstanding as at 31 st March, 2021
P. Mittal Manufacturing Pvt. Ltd.	1250.00	1110.00

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

The company has provided unsecured loan of ₹1250.00 lacs (Previous Year ₹1110.00 lacs) to P. Mittal Manufacturing Pvt. Ltd., a wholly owned subsidiary company, with relevant approval of the Board of Directors and Shareholders. The loan is subject to the minimum interest @ 8.5% p.a. on ₹600.00 lacs & @ 8.5% on ₹650.00 lacs as per terms of agreement, and repayable not later than 5 Years (Five Years) from the date of disbursement.

11. Expenditure towards Corporate Social Responsibility (CSR)

Particular	(₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Gross amount required to be spent by the company during the year	78.13	61.68
Amount Spent during the year	114.86	25.52

Head	Amount Spent (₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Promoting Health Care	15.47	5.30
Setting up old age Home	14.20	5.60
Promoting Education	18.01	5.06
Eradication Hunger, Poverty	23.52	7.08
Setting Up Home care	6.05	2.48
Empowering Women	1.45	-
National Defence Fund	12.00	-
Swachh Bharat Kosh	8.16	-
Bharat Ke Veer	12.00	-
Swachh Ganga Kosh	4.00	-
Contribution to relief funds set up by Central Govt.	-	-
Total	114.86	25.52

12. Expenditure in Foreign Currency

Sr. No.	Particulars	(₹ in Lacs)	
		For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1	Travelling	4.54	4.45
2	Purchases	1270.92	8007.24
3	License Fee	11.04	11.32

13. Export earning in Foreign Currency

Sr. No.	Particulars	(₹ in Lacs)	
		For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(i)	Export Earning in foreign Currency at FOB value	649.00	14035.18

14. Financial Risk Management

(i) Financial risk management objectives and policies

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



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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

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

The Company manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

(ii) Market Risk- Interest rate risk

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

(iii) Market Risk- Foreign currency risk.

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

15. Capital risk management

(i) Risk Management

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize 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, 2022	For the year ended 31 st March, 2021
Dividend	426.37	304.55

16. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business.
- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as an income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

17. (a) Trade Receivables ageing schedule :

Sr. No.	Particulars	Outstanding for following periods from due date of payment					₹ In Lacs
		Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total as at 31 March 2022
1	Undisputed trade receivables considered good	3860.07	229.13	305.26	24.22	12.17	4430.85
2	Undisputed Trade receivables considered doubtful						
3	Disputed Trade receivables considered Good						
4	Disputed Trade receivables considered doubtful						
	Total	3860.07	229.13	305.26	24.22	12.17	4430.85

17. (b) Trade Receivables ageing schedule :

Sr. No.	Particulars	Outstanding for following periods from due date of payment					₹ In Lacs
		Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total as at 31 March 2021
1	Undisputed trade receivables considered good	5641.62	372.13	328.92	10.49	1.68	6354.84
2	Undisputed Trade receivables considered doubtful						
3	Disputed Trade receivables considered Good						
4	Disputed Trade receivables considered doubtful						
	Total	5641.62	372.13	328.92	10.49	1.68	6354.84

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

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, 2022	As at 31 st March, 2021
Floating Rate		
Expiring within one year (Packing credit facility- Pre shipment/ post shipment)	692.00	2235.00

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.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

21. Trade Payables ageing schedule

₹ In Lacs

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2022
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1	MSME		419.84	-	-	-	419.84
2	Others		242.21	0.11	-	0.22	242.54
3	Disputed dues-MSME		-	-	-	-	-
4	Disputed dues-Others		-	-	-	-	-
	Total		662.05	0.11	-	0.22	662.38

Trade Payables ageing schedule:

₹ In Lacs

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2021
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1	MSME	-	159.02	-	0.01	-	159.03
2	Others	-	600.24	0.09	0.20	-	600.53
3	Disputed dues-MSME	-	-	-	-	-	-
4	Disputed dues-Others	-	-	-	-	-	-
	Total	-	759.26	0.09	0.21	-	759.56

22. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non-current Assets		
(a) Property, plant and equipment	913.82	917.50
(b) Capital work-in-progress	1421.53	1263.13
(c) Intangible assets	2139.14	2245.47
(d) Financial assets		
Investments	126.07	-
Other financial assets	1530.56	3114.41
(e) Other non-current assets	2022.74	2832.25
Current Assets		
(a) Inventories	11496.51	4310.88
(b) Financial assets		
(i) Trade receivables	4089.20	6013.75
(ii) Cash and cash equivalents	183.01	565.61
(iii) Other bank balances	-	-
(iv) Loans	1064.77	210.15
(v) Other financial assets		
(c) Other current assets	1355.03	549.24
Total	26342.38	22022.39



Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

23. Financial Ratios:

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance%	Reason for variance of above 25%
Current Ratio (no. of times)	Current Assets	Current Liabilities	5.21	3.40	53.42%	Current ratio increased mainly due to increase in the advances paid for new project in Mundra and other business advances.
Debt Equity ratio (no. of times)	Total Debt	Shareholder's Equity	0.07	0.09	-22.22	
Debt service coverage ratio (no. of times)	Earnings available for debt service	Debt Service	2.78	1.78	56.74	Ratio increased due to increase in profit after tax significantly
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	23.23	21.88	6.17	
Inventory turnover ratio (no. of times)	Cost of goods sold (or) sales	Average Inventory	1.70	2.95	-42.37	Ratio decreased due to increase in inventory level in the year 2021-22 because of increase in sales, increase in the price and volume of steel
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	2.62	3.91	-32.99	Ratio came down since average credit period was less in the last year 2020-21. Sales were made to private companies from which we took 100% advance before despatch
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	22.14	25.00	-11.46	
Net capital turnover ratio (no. of times)	Net Sales	Working Capital	1.12	1.74	-35.63	Ratio decreased due to increase in the level of inventory in the current year 2021-22 due to various reasons
Net profit ratio (%)	Net Profits after taxes	Net Sales	0.31	0.23	33.80	Net profit ratio increased due to increase in margin of profit significantly in the FY 2021-22
Return on Capital employed (%)	Earnings before interest and taxes	Capital Employed	29.49	20.06	17.01	Return on capital increased due to increase in margin of profit significantly in the FY 2021-22

24. Title deeds of immovable properties

The title deeds of all the immovable properties, as disclosed in note 1 to the financial statements, are held in the name of the company.

25. Valuation of Property Plant & Equipment, intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

26. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Notes to the Standalone Financial Statements for the year ended 31 March 2022.

Notes to the Standalone Financial Statements

for the year ended on 31st March 2022

27. Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

28. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

29. Relationship with struck off companies

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

30. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

31. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

32. Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

33. Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

34. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

35. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

36. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

37. The Financial Statements were authorised for issue by the directors on 25th May, 2022.

In terms of our report of even date attached.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place: NOIDA
Date: May 25, 2022

For **United Drilling Tools Ltd.**

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

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

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/-
Mukesh Mehta
CFO

Sd/-
K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary



Independent Auditor's Report

To
The Members of
United Drilling Tools Limited

Report on the audit of the Consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of United Drilling Tools Limited (hereinafter referred to as the "Holding Company") and its subsidiary P Mittal Manufacturing Private Limited (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph [16] of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note no. 32 D (18) of the accompanying the standalone 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 are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Revenue recognition - Refer Note 32B 2(C) of the standalone 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 dispatch, 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 analyzed this and concluded on the principles for deciding in which period or 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).

How our audit addressed the key audit matter

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- 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, analyzed and identified the distinct performance obligations in these tenders.
- 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.
- e. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes.
- f. Performed analytical procedures for reasonableness of revenues disclosed by type of product and service offerings.

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us (Refer paragraph 16 below), 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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 control 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 Holding company has adequate internal financial controls with reference to consolidated financial statements 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 14. We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors 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.
- 15. 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.
- 16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matters

- 17. We did not audit the financial statements of subsidiary whose financial statements reflect total assets of ₹1574.31 lakhs as at March 31, 2022, total revenue of ₹1191.48 lakhs, total comprehensive Income (comprising of Income and other comprehensive Income) of ₹64.62 lakhs and net cash flows amounting to ₹35.30 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- 18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
- 19. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

- 20. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

We have sought and obtained all the information and explanations which to the best of our knowledge and

- a belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- c The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- d In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary Company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group.
 - ii The Group did not have any long-term contracts including derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

- iii There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company, incorporated in India during the year.
 - iv (a) The respective Managements of the Holding Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company or any of such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which is a Company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- 21. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. No dividend has been declared/paid by the subsidiary during the year.
 - 22. The Group 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 Act.

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

Sd/-
Ashok Mangal
Partner
M. No. 071714

Place: Noida
Date: 25 May, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 19 of the Independent Auditor's Report of even date to the members of United Drilling Tools Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of United Drilling Tools Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary Company which is a Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") 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 the respective 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary Company which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Sd/-
Ashok Mangal
Partner
M. No. 071714

Place: Noida
Date: 25 May, 2022

Consolidated Balance Sheet

as at 31st March, 2022

₹ In Lacs

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021
ASSETS			
Non current assets			
Property, plant and equipment	1	1,905.98	-
Capital work-in-progress	1	1,421.53	-
Intangible assets	1	2,139.14	-
Intangible assets under development	1	468.58	-
Financial assets		-	-
Investments	2	-	-
Loans	3	-	-
Other Financial Assets	4	1,542.54	-
Other non-current assets	5	2,196.59	-
Total non current assets		9,674.36	-
Current assets			
Inventories	6	11,507.28	-
Financial assets			
Investments	7	-	-
Trade and other receivables	8	4,200.43	-
Cash and cash equivalents	9	220.52	-
Loans and advances	10	1,137.08	-
Other current assets	11	1,377.01	-
Total current assets		18,442.32	-
Total Assets		28,116.68	-
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	2,030.31	-
Other equity	13	21,922.60	-
Total Equity		23,952.91	-
Liabilities			
Non-current liabilities			
Financial liabilities			
Long term borrowings	14	7.42	-
Other financial liabilities	15	-	-
Provisions	16	78.29	-
Deferred tax liabilities (Net)	17	442.56	-
Other non-current liabilities	18	59.37	-
Total non current liabilities		587.64	-
Current liabilities			
Financial liabilities			
Short term borrowings	19	1,783.29	-
Trade and other payables	20	-	-
Dues to Micro and Small Enterprises		419.84	-
Other than dues to Micro and Small Enterprises		306.02	-
Other financial liabilities	21	17.18	-
Other current liabilities	22	988.92	-
Short-term provisions	23	60.88	-
Total current liabilities		3,576.13	-
Total liabilities		4,163.77	-
Total Equities and Liabilities		28,116.68	-
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: May 25, 2022

For **United Drilling Tools Ltd.**

Sd/-

Pramod Kumar GuptaManaging Director
(DIN 00619482)

Sd/-

Inderpal SharmaWhole Time Director
(DIN 07649251)

Sd/-

Ved Prakash MahawarIndependent Director
(DIN 07208090)

Sd/-

Dr. Kanal GuptaWhole Time Director
(DIN 01050505)

Sd/-

P KalayanasundaramIndependent Director
(DIN 02568099)

Sd/-

Mukesh Mehta

CFO

Sd/-

K.D. AggarwalIndependent Director
(DIN 00861164)

Sd/-

Preet VermaIndependent Director
(DIN 09124335)

Sd/-

Naveen Bhatnagar

Company Secretary



Consolidated Statement of Profit & Loss

for the year ended on 31st March, 2022

₹ In Lacs

Particulars	Note No.	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
INCOME			
Revenue from operations	24	17,489.55	-
Other Income	25	110.18	-
Total Income		17,599.73	-
EXPENSES			
Cost of Materials Consumed	26	14,360.43	-
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(6,476.98)	-
Employee Benefit Expense	28	1,104.79	-
Financial Costs	29	83.75	-
Depreciation and Amortization Expense	1	304.46	-
Other Expenses	30	1,076.26	-
Total Expenses		10,452.72	-
Profit before Tax		7147.01	-
Tax expense:			
(1) Current tax MAT		-	-
(2) Current Tax		2,133.53	-
(3) Deferred tax		10.56	-
(4) For earlier period		-	-
(5) Less : MAT Credit available		-	-
Profit/(Loss) for the period		5,002.92	-
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(0.55)	-
Income tax relating to items that will not be reclassified to the profit or loss		(0.16)	-
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		5,002.53	-
Earning per equity share:	31		
(1) Basic		24.64	-
(2) Diluted		24.64	-
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: May 25, 2022

For **United Drilling Tools Ltd.**

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

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

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

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K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary

Consolidated Cash Flow Statement for the year ended on 31st March, 2022

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	7,146.46	-
Items Adjustment for :		
Interest Income	96.17	-
Depreciation	304.46	-
Profit on sale of Fixed Assets	1.93	-
Operating profit Before Change in working capital	7,356.68	-
Adjustment for :		
Trade & Other Receivable	1,813.32	-
Inventories	(7,157.35)	-
Loans & Advances	(1,641.02)	-
Trade Payable	(190.85)	-
Other Non Current Assets	2,404.78	-
Other Current Liabilities	175.13	-
Provisions	(22.80)	-
Short Term Provisions	9.77	-
Other Non Current Liabilities	26.63	-
Cash Generated from operations	2,774.29	-
Less : Direct Taxes paid	2,133.37	-
Cash flow before Extra Ordinary Items	640.92	-
Less : Profit/(Loss) on Sale of Fixed Assets	-	-
Net cash flow from operating activities	640.92	-
CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase/Transfer of fixed Assets	613.66	-
Sales of fixed Assets	2.45	-
Investment in wholly owned subsidiary	-	-
Net cash used in investing activities	616.11	-
CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Banks, Financial Institution	(33.96)	-
Other Secured Loans	(7.96)	-
Interest Income	96.17	-
Payment of dividend	(426.37)	-
Receipt in Calls in Arrear	-	-
Net Cash Flow from Financing Activities	(372.11)	-
Net increase in cash and equivalents	(347.31)	-
Cash and Cash Equivalents as at 1.4.2021 (Op. Bal.)	567.83	-
Cash and Cash Equivalents as at 31.3.2022 (Clo.Bal.)	220.52	-

Note:

The consolidated Cash Flow as on 31.03.2022 has been prepared by making notional consolidated Balance sheet as on 31.03.2021 by taking the audited figures of subsidiary and holding the Company as on 31.03.2021. This being the first year of the consolidated Balance Sheet.

In terms of our report of even date attached.

For **United Drilling Tools Ltd.**

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place: NOIDA
Date: May 25, 2022

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

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

Sd/-
Ved Prakash Mahawar
Independent Director
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Sd/-
Mukesh Mehta
CFO

Sd/-
K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary



Consolidated Statement of changes in equity

for the year ended on 31st March, 2022

A. Equity share capital

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the reporting period i.e. 31st March, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31st March, 2022
Equity share capital	-	-	-	-	2,030.31
Total	-	-	-	-	2,030.31
Note : Details 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 Share Forfeiture A/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

Particulars	Share Forfeiture Account	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other comprehensive income	Total
As on 31st March, 2021								
Balance at the beginning of the reporting period i.e.1st April, 2020	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Tax on Dividends	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2021	-	-	-	-	-	-	-	-

Particulars	Share Forfeiture Account	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other comprehensive income	Total
As on 31st March, 2022								
Balance at the beginning of the reporting period i.e.1st April, 2021	3.84	1,786.54	-	1,234.70	500.00	13,835.27	(13.91)	17,342.92
Total comprehensive income for the year	-	-	-	-	-	5,002.92	(0.39)	5,002.53
Dividends	-	-	-	-	-	426.37	-	426.37
Transfer to / (from)retained earnings	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2022	3.84	1,786.54	-	1,234.70	500.00	18,411.81	(14.30)	21,922.60

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: May 25, 2022

For **United Drilling Tools Ltd.**

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

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

Sd/-
Ved Prakash Mahawar
Independent Director
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Whole Time Director
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Independent Director
(DIN 02568099)

Sd/-
Mukesh Mehta
CFO

Sd/-
K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 01. Property Plant & Equipments

Own Assets	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK			
	As on 1-Apr-21	Add/ Ded. Due to Inter Unit/head Tr.	Additions	Adjustment/ Deduction	As on 31-Mar-22	As on 1-Apr-21	Add/ Ded. Due to Inter Unit/head Tr.	For the Year	Adjustment/ Deduction	As on 31-Mar-22	As on 31-Mar-21
Tangible Assets											
Land	66.92	-	-	-	66.92	3.65	-	0.91	-	4.56	62.36
Building	809.67	-	965.07	-	1,774.74	439.48	-	37.43	-	476.91	1,297.83
Electric Fitting	147.62	-	4.64	-	152.26	85.79	-	15.19	-	100.99	51.27
Plant & Machinery and Equipments											
Plant & Machinery	531.33	-	74.31	-	605.64	246.34	-	61.34	-	307.68	297.96
Tools & Dies	179.83	-	11.49	-	191.32	152.12	-	9.56	-	161.68	29.64
Generator	61.69	-	-	-	61.69	30.95	-	5.56	-	36.52	25.18
Testing & Other Equipment	252.76	-	32.81	-	285.57	168.59	-	24.37	-	192.96	92.61
Office Equipment	61.50	-	11.08	-	72.58	58.62	-	4.19	-	62.81	9.77
Safety Equipment	29.59	-	-	-	29.59	14.45	-	2.74	-	17.19	12.40
R&D Tech Equip P & M	170.06	-	-	-	170.06	120.32	-	8.05	-	128.37	41.69
Furniture & Fixture	39.17	-	0.50	-	39.67	33.55	-	1.55	-	35.10	4.57
Computer	44.28	-	2.72	-	47.00	40.90	-	2.57	-	43.46	3.53
Vehicles	291.23	-	22.08	18.05	295.26	213.76	-	24.66	17.53	220.89	74.36
TOTAL (A)	2,685.66	-	1,124.69	18.05	3,792.30	1,608.52	-	198.13	17.53	1,789.12	2,003.19
Intangible Assets*											
Patented Technologies	4,758.81	-	-	-	4,758.81	2,526.42	-	101.10	-	2,627.52	2,131.29
Software	21.27	-	-	-	21.27	8.18	-	5.24	-	13.42	7.85
TOTAL (B)	4,780.08	-	-	-	4,780.08	2,534.61	-	106.33	-	2,640.94	2,139.14
TOTAL (A+B)	7,465.74	-	1,124.69	18.05	8,572.39	4,143.12	-	304.46	17.53	4,430.07	4,142.33
Intangible Asset under development	250.16	-	218.42	-	468.58	-	-	-	-	-	468.58
Capital WIP (Building Under Const.)	789.57	-	-	789.57	-	-	-	-	-	-	-
Capital WIP (Office)	1,263.13	-	152.52	-	1,415.65	-	-	-	-	-	1,415.65
Capital WIP (Office)	-	-	5.88	-	5.88	-	-	-	-	-	5.88

For Properties pledged as security - refer Note 19.1

Intangible Assets are other then internally generated except which is under development.

Capital WIP (Office) include office premises purchased and Furnishing work under progress.

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 Consolidated Financial Statements

for the year ended on 31st March 2022

Note 02. Investments

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investments	-	-
Total	-	-

Note 03. Loans

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Loans	-	-
Total	-	-

Note 04. Other Financial Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Fixed Deposit - Others	1,542.54	-
(Including accrued interest of ₹34.08 Lacs (Pr. Year ₹179.79 lacs))		
Total	1,542.54	-

Note 05. Other Non Current Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security Deposits & Advances	71.34	-
Advance Income Tax (Net of Provisions) and MAT	1,574.66	-
Other Non Current assets	550.59	-
Total	2,196.59	-

Advance Income Tax (Net of Provisions)

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
At the beginning of the year	2,415.45	-
Charges of the year	2,133.37	-
Others	5.08	-
Tax Paid during the year	1,287.50	-
At the end of the year	1,574.66	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 06. Inventories

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
(Valued at cost or Market value whichever is lower)		
Raw Material	1,795.14	-
Work-in-Progress	9,048.05	-
Finished Goods	205.33	-
Stores & Spares	458.76	-
Total	11,507.28	-

Note 07. Investments

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Investments	-	-
Total	-	-

Note 8. Trade and other receivables

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, Considered Good :		
Outstanding for more than six months	229.13	-
Others	3,971.30	-
Total	4,200.43	-

Note 09. Cash & Cash Equivalent

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Cash at Bank		
In Current Account	118.39	-
Unpaid Dividend Account	100.69	-
Cash-in-Hand	-	-
Cash Balance	1.44	-
Total	220.52	-

Note 10. Loans and Advances

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured Considered Good		
Other Advance	1,137.08	-
Total	1,137.08	-



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 11. Other Current Assets

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured Considered Good		
Balance with GST/Excise/Service Tax and other authorities	1,377.01	-
Total	1,377.01	-

Note 12. Equity

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
AUTHORIZED CAPITAL		
3,69,88,330 Equity Shares of ₹10/- each.	3,698.83	-
(As at 31st March 2022 : 3,69,88,330 Equity Shares of ₹10/- each)		
(As at 1st April 2021 : 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 2022 : 10,01,167 Shares)	1,001.17	-
(As at 1st April 2021 : 10,01,167 Shares)		
	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	-
(As at 31st March, 2022 : 2,03,03,126 Equity Shares of ₹10/- each)		
(As at 1st April, 2021 : 2,03,03,126 Equity Shares of ₹10/- each)		
Sub - Total	2,030.31	-
Total	2,030.31	-

Note 12.1 Reconciliation of the number of share outstanding

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity Shares (No's)		
Opening	2,03,03,126.00	-
Closing	2,03,03,126.00	-

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

Particulars	As at 31 st March, 2022	
Equity Shares	No. of Shares	% of Holding
Name of the party		
Pramod Kumar Gupta	1,43,63,800.00	70.75
	As at 31st March, 2021	
Pramod Kumar Gupta	1,43,63,800.00	70.75
Cairn Oil Solution Pvt. Ltd.	19,00,495.00	9.36

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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/-.

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. (No's)	82,61,013.00	-

Note 13. Other Equity

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Capital Redemption Reserve		
As per last Balance Sheet	1,001.17	-
Less : Issue of Bonus Shares	1,001.17	-
	-	-
B. Capital Reserve		
As per last Balance Sheet	1,783.04	-
on acquisition of Subsidiary P Mittal Manufacturing Pvt Ltd	3.50	-
	1,786.84	-
C. Securities Premium Reserve		
As per last Balance Sheet	1,234.70	-
Less : Issue of Bonus Shares		-
	1,234.70	-
D. General Reserve		
As per last Balance Sheet	500.00	-
Add: Transfer from retain earnings		-
	500.00	-
E. Retained Earnings		
As per last Balance Sheet	13,835.27	-
Add: Profit for the Year	5,002.91	-
	18,838.18	-
Less : Appropriations		
Transfer to General Reserve		-
Dividends (Including dividend distribution tax)	426.37	-
	18,411.81	-
F. Other Comprehensive Income		
As Per Last Balance Sheet	(13.91)	-
Add: Movement in OCI (Net) during the year	(0.39)	-
	(14.30)	-
G. Share Forfeiture Account		
As Per Last Balance Sheet	3.84	-
	3.84	-
TOTAL (A to G)	21922.60	-



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 14. Borrowings

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Secured		
Vehicle Loans from Banks	24.60	-
Less : Taken to Current Liability	17.18	-
	7.42	-
Unsecured		
From Corporate bodies	-	-
Total	7.42	-

Note 14.1: The Secured Loan of ₹3.01 Lacs (Previous Year ₹8.75 Lacs) is secured by way of hypothecation of vehicles and payable in variable installments in next 6 monthly installment. The applicable rate of interest is 8.7%.

Note 14.2: The Secured Loan of ₹9.36 Lacs (Previous Year ₹22.89 Lacs) is secured by way of hypothecation of vehicles, payable in variable installments in next 8 monthly installment. The applicable rate of interest is 4.5%.

Note 14.2: The ThirSecured Loan of ₹12.23 Lacs (Previous Year ₹ Nil) is secured by way of hypothecation of vehicles, payable in variable installments in next 35 monthly installment. The applicable rate of interest is 6.9%.

Note 15. Other Financial Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Preferential Shares	-	-
Total	-	-

Note 16. Provisions

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employees benefit	78.29	-
Total	78.29	-

Note 17. Deferred Tax Liabilities (Net)

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
A. Deferred tax liability		
At the Start of the year	432.54	-
Charge/(Credit) to the statement of Profit & Loss	10.02	-
Deferred tax liabilities (A-B)	442.56	-
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	478.60	-
Provisions (Asset)	(36.04)	-
Total	442.56	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 18. Other Non Current Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Other Non Current Liabilities	59.37	-
Total	59.37	-

Note 19. Short Term Borrowings

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Secured - At Amortised Cost		
Working Capital Loan from Banks	1,783.29	-
Total	1,783.29	-

Note 19.1 Credit Facilities from Banks are secured by hypothecation of all present and future current Assets and mortgage of all future entrie fixed Assets except vehicles financed by other Banks. also personal gurantee of Managing Director of the company.

Note 20. Trade Payables

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Dues to Micro and Small Enterprises	419.84	-
Other than dues to Micro and Small Enterprises	306.02	-
Total	725.86	-

20.1 There is ₹19.37 Lacs overdue and Nil interest payable to Micro, Small and Medium Enterprises as at March 31, 2022 and ₹0.01 lacs overdue as on March 31, 2021 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, 2022	As at 31 st March, 2021
Current Maturity of Long Term Loan	17.18	-
Total	17.18	-

Note 22. Other Current Liabilities

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
Liabilities for Expenses	606.25	-
Advances from Customers	66.23	-
Other Payables	316.44	-
Total	988.92	-



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 23. Short Term Provisions

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employment Benefit	46.28	-
Provision for Taxation	14.61	-
Total	60.88	-

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Taxation	2,133.37	-
Less : Reduced from advance taxes paid	2,133.37	-
Balance Amount	-	-

Note 24. Revenue from Operations

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Sale of Products	17416.64	-
Job Work	0.00	-
FE Fluctuation	45.71	-
Consulting and Engineering Services	27.20	-
Total	17,489.55	-

Note 25. Other Income

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest Received	96.17	-
Profit on Sale of Fixed Assets	1.93	-
Misc. Income and w/off	12.09	-
Total	110.18	-

Note 26. Cost of Material Consumed

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
MATERIALS AND STORES		
Opening Stock	1575.25	-
Add: Purchase and expenses less returns	15040.80	-
	16616.05	-
Less: Closing stock	2255.62	-
Total	14,360.43	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Note 27. Change in Inventories

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Inventories (At commencement)		
Work-in- Progress	2679.76	-
Finished Goods	94.92	-
	2,774.69	-
Inventories (At close)		
Work-in- Progress	9046.34	-
Finished Goods	205.33	-
	9,251.66	-
Change in Stock (Increase)/Decrease in Inventory		
Work-in- Progress	(6366.57)	-
Finished Goods	(110.41)	-
Total	(6476.98)	-

Note 28. Employees Benefit Expenses

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Salary and Wages	1017.73	-
Contribution to PF and other funds & benefits	35.35	-
Bonus	18.25	-
Gratuity	15.24	-
Employee Welfare	18.21	-
Total	1104.79	-

Note 29. Financial Cost

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest to Banks	24.29	-
Other Interest	3.13	-
Other Borrowing Costs	56.33	-
Total	83.75	-

Note 30. Other Expenses

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(a) Manufacturing Expenses		
Power, Fuel & Water charges	103.15	-
Security Service Charges	35.57	-
Testing, Painting & Inspection Expenses	33.40	-
Job Charges	207.35	-
<u>Repair & Maintenance</u>		
Plant & Machinery	13.07	-
Building	18.17	-
Others	59.41	-
TOTAL (a)	470.12	-



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

₹ In Lacs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(b) Administrative and Other Expenses		
Printing & Stationary	11.35	-
Postage, Telegram & Telephones	15.32	-
Subscription & Membership Fees	1.73	-
Director's Sitting Fee	9.60	-
Rent	50.50	-
Travelling Directors	7.62	-
Others	26.46	-
Vehicle & Conveyance	53.31	-
Charity & Donation	1.75	-
Legal & Professional	24.82	-
Insurance Charges	11.06	-
CSR Expenses	114.86	-
Auditor's Remunerations		
Audit Fee	3.25	-
Tax Audit Fee	0.75	-
Reimbursement of expenses	0.00	-
Books & Periodicals	2.57	-
Rates, Taxes and Filling Fee	17.91	-
Applicable Loss on Foreign Currency transactions and translations		-
Miscellaneous Expenses	110.17	-
TOTAL (b)	463.02	-
(c) Selling and Distribution Expenses		
Selling Expenses	71.37	-
Distribution Expenses (Freight, Cartage & Insurance etc.)	71.75	-
TOTAL (c)	143.12	-
TOTAL (a to c)	1,076.26	-

Note 31 Earning Per Share (EPS)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (₹ Lacs)	5,002.53	-
Weighted Average number of Equity Shares used as denominator for calculating EPS	2,03,03,126.00	-
Basic EPS ₹	24.64	-
Diluted EPS ₹	24.64	-
Face Value Per Equity Share ₹	10.00	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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 has one wholly owned subsidiary namely P Mittal manufacturing Private Limited. The company and its subsidiary are manufacturer of Oil Drilling related Equipment's in the country. The company has obtained Global quality standards for its major products. The address of it's registered Office and principal place of business are disclosed in the introduction to the annual report.

B. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. The consolidated financial statements are for the group consisting of United Drilling Tools Limited (the "company") and its subsidiary P Mittal manufacturing Private Limited

B.1 Basis of Preparation and Presentation

(i) These consolidated 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 Group. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

(ii) Compliance with Ind AS

The subsidiary company has adopted the Ind AS for the first time for the year ended on 31.3.2022.

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(iii) New and amended standards adopted by the group

The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

B.2 Principles of consolidation

Subsidiary is the entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

B.3 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.



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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

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

(b) Intangible Assets

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

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

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

(c) Revenue Recognition

- (i) Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- (ii) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT/GST or other taxes collected on behalf of the government. 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.

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

- (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.

(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

Equipment's 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.



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

(l) Tax Expenses

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

Current Tax

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

Deferred tax

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

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

(m) Leases

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

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

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

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

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

(n) Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized but are disclosed in notes.

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

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

(o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified the Managing Director and Executive Director as chief operating decision makers. 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 Engineering products 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.

(q) Financial Instruments

(i) Financial Assets

A. Initial recognition and measurement

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

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

C. Investment in subsidiaries, Associates and Joint Ventures

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



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

D. Other Equity Investments

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

E. Impairment of financial assets

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

(ii) Financial liabilities

A. Initial recognition and measurement

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

B. Subsequent measurement

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

(iii) Derivative and Financial Instrument and Hedge Accounting

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

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

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

a) Cash flow hedge

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

b) Fair Value Hedge

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

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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

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

Tangible Assets

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

Intangible Assets

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

2. Recoverability of trade receivable

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

3. Provisions

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

D. OTHER NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities not provided for :

- (i) Bank guarantees against our counter guarantees issued by banks ₹322.85 Lacs (Pr. Yr. ₹ Nil) .
- (ii) Letter of Credit opened by Banks ₹ Nil (Pr. Year ₹ Nil)
- (iii) Bill discounted by bank ₹ NIL (Pr. Yr. ₹ Nil).

2. The subsidiary company P Mittal Manufacturing Private Limited, became subsidiary during the year, therefore figures for previous year is not applicable.

The Cost of control in subsidiary has been calculated as follows:

Total Equity in subsidiary	: 59.33 Lacs
Reserves on acquisition	: 70.24 Lacs
Amount Paid for Control	: 126.07 Lacs
Capital Reserve	: 3.50 Lacs



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

3. (i) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realized in the ordinary course of business.
- (ii) The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- (iii) Balances of Debtors, Creditors and Loan and Advances are subject to confirmation.

4. 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 ₹30.82 lacs (Pre. Yr. ₹ Nil)

(ii) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to Rs. 109.16 lacs (Previous Year Rs. Nil) 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 :

(₹ in Lacs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation at the beginning of the period	105.12	-
Interest cost	8.54	-
Past service cost	-	-
Current service cost	7.92	-
Benefits paid	(12.55)	-
Actuarial (gain)/loss on obligation	0.55	-
Present value of obligation at the end of period	109.16	-

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

(₹ in Lacs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
In Income Statement		
Past service cost	-	-
Current service cost	8.54	-
Interest Cost	6.07	-
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	14.61	-
In Other Comprehensive Income	(0.55)	-
Net actuarial (gain)/loss recognized in the period	0.55	-
Net (Income)/ Expense For the period Recognised in OCI	0.39	-

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

(₹ in Lacs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Present value of obligation as at the end of period	109.16	-
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	109.16	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

The assumptions used in Actuarial Valuation:-

Particulars	(₹ in Lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
i) Discounting Rate	7.16	-
ii) Future salary Increase	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.

Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is :

									₹ in Lacs
Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by						
			Increase in assumption by			Decrease in assumption by			
	31-Mar-22	31-Mar-21	Rate	31-Mar-22	31-Mar-21	Rate	31-Mar-22	31-Mar-21	
Discount rate	7.16%	-	0.50%	(3.40)	-	0.50%	3.67	-	
Salary growth rate	5.50%	-	0.50%	3.71	-	0.50%	(3.45)	-	
Attrition rate	-	-							

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(iii) Other Long Term Employee Benefits

Liability of Leave Encashment is provided in the books of account amounting to ₹15.40 lacs (Previous Year ₹ Nil) on the basis of actuarial valuation basis as on balance sheet date. The liability is paid annually or during the year. It is nonfunded.

5. The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.
6. (i) The company is doing further research in enhanced recovery of oil from low performing oil well globally, the expenditure incurred is 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.



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

7. 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:

(₹ in Lacs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	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)	6.83	518.75	-	-
2. Advances given in USD	1.33	101.32	-	-
3. Amount in EEFC A/c in bank (USD)	-	-	-	-
Sub Total (B.1)(USD)	8.16	620.07	-	-
4. Advances given in (Euro)	-	-	-	-
5. Advances given in (GBP)	-	-	-	-
B.2 1. Amount of Bank Credit (PCFC) (USD)	-	-	-	-
2. Amount payable on account of import of goods and services.(USD)	0.65	49.04	-	-
Sub Total (B.2)	0.65	49.04	-	-
Total (B1+B2) (USD)	8.81	669.11	-	-
Total (Euro)	-	-	-	-
Total (GBP)	-	-	-	-

8. 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, 2022	As at 31 st March, 2021
1. Segmental Revenue		
- Revenue in Local Currency	16840.55	-
- Revenue in Foreign Currency	649.00	-
Total Revenue	17489.55	-
2. Segmental Assets*		
- Assets in Local Currency	27496.61	-
- Assets in Foreign Currency	620.07	-
Total Assets	28116.68	-
3. Segmental Liabilities		
- Liabilities in Local Currency	28067.64	-
- Liabilities in Foreign Currency	49.04	-
Total Liabilities	28116.68	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

9. 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. Kanai 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 Ved Prakash Mahawar (From 25.06.2021)	Independent Director
Mrs. Preet Verma (From 25.06.2021)	Independent Director
Dr. Kanai Gupta	Director (Subsidiary Company)
Mrs Vibha Mishra	Director (Subsidiary Company)
Shri Jagdish Chandra Pathak	Director (Subsidiary Company)
Shri Mukesh Mehta (From 25.06.2021)	CFO
Shri Arun Kumar Thakur (Up to 17.06.2021)	CFO
Shri Naveen Bhatnagar (From 29.03.2022)	Company Secretary
Shri Pramod Kumar Ojha (Up to 29.04.2021)	Company Secretary
Shri Tarun Chabra (From 24.7.2021 to 07.10.2021)	Company Secretary

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

P. Mittal Manufacturing Pvt. Ltd.	Wholly owned subsidiary Company
Parveen Industries Pvt. Ltd.	Relative is Director

Details of Transactions with related parties :

		(₹ in Lacs)	
Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021	
1 Salary			
Shri Pramod Kumar Gupta	120.22	-	
Dr. Kanai Gupta	42.22	-	
Shri A. K. Thakur (CFO)	1.72	-	
Shri Inder Pal Sharma	8.80	-	
Shri P. K. Ojha	0.66	-	
Shri Mukesh Mehta (CFO)	15.47	-	
Shri Tarun Chabra (CS)	2.67	-	
Shri Naveen Bhatnagar	0.09	-	
2. Director's Sitting Fee			
Shri K D Agarwal	2.40	-	
Shri Ved Prakash Mahawar	2.40	-	
Shri P Kalayan Sunderam	2.40	-	
Mrs. Preet Verma	2.40	-	
Mrs Vibha Mishra	0.72	-	
3. Purchases			
Parveen Industries Pvt. Ltd	7.58	-	



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Outstanding

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
1. Shri Pramod Kumar Gupta (Cr.)	10.02	-
2. Shri (Dr.) Kanal Gupta (Cr.)	3.52	-
3. Shri Inder Pal Sharma (Cr.)	0.86	-
4. Shri A K Thakur (Cr.)	-	-
5. Shri P K Ojha (Cr.)	-	-
6. Shri Mukesh Mehta	1.73	-
7. Shri Naveen Bhatnagar	0.09	-
8. Parveen Industries Pvt. Ltd. (Cr.)	-	-

10. Managerial Remuneration

Particulars	(₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1. Shri Pramod Kumar Gupta	120.22	-
2. Dr. Kanal Gupta	42.22	-
3. Shri Inder Pal Sharma	8.80	-
4. Total Salary & Perquisites*	171.24	-

*The aforesaid amount doesn't include amount in respect of gratuity and leave encashment as the same is not determinable.

Remuneration is within limits specified under Section 197 of the Act, as recommended by Remuneration and Nomination Committee and approved by Board and approved by shareholders' at the annual General Meeting.

11. Expenditure towards Corporate Social Responsibility (CSR)

Particular	(₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Gross amount required to be spent by the company during the year	78.13	-
Amount Spent during the year	114.86	-

Head	Amount Spent (₹ in Lacs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Promoting Health Care	15.47	-
Setting up old age Home	14.20	-
Promoting Education	18.01	-
Eradication Hunger, Poverty	23.52	-
Setting Up Home care	6.05	-
Animal Welfare	1.45	-
National Defence Fund	12.00	-
Swachh Bharat Kosh	8.16	-
Bharat Ke Veer	12.00	-
Swachh Ganga Kosh	4.00	-
Contribution to relief funds set up by Central Govt.	-	-
Total	114.86	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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.

12. Expenditure in Foreign Currency

		(₹ in Lacs)	
Sr. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1	Travelling	4.54	-
2	Purchases	1270.92	-
3	License Fee	11.04	-

13. Export earning in Foreign Currency

		(₹ in Lacs)	
Sr. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
(i)	Export Earning in foreign Currency at FOB value	649.00	-

14. Financial Risk Management

(i) Financial risk management objectives and policies

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

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

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

The Company manages market risk through top management executives, which evaluates and exercises control over the entire process of market risk management. The decisions which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

(ii) Market Risk- Interest rate risk

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

(iii) Market Risk- Foreign currency risk.

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



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

15. Capital risk management

(i) Risk Management

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize 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, 2022	For the year ended 31 st March, 2021
Dividend	426.37	-

16. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- 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.

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

17. (a) Ageing of Account receivables

Sr. No.	Particulars	Outstanding for following periods from due date of payment					₹ In Lacs
		Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total as at 31 March 2022
1	Undisputed trade receivables considered good	3971.30	229.13	305.26	22.74	13.65	4542.08
2	Undisputed Trade receivables considered doubtful						
3	Disputed Trade receivables considered Good						
4	Disputed Trade receivables considered doubtful						
Total		3971.30	229.13	305.26	22.74	13.65	4542.08

17. (b) Trade Receivables ageing schedule :

Sr. No.	Particulars	Outstanding for following periods from due date of payment					₹ In Lacs
		Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total as at 31 March 2021
1	Undisputed trade receivables considered good	-	-	-	-	-	-
2	Undisputed Trade receivables considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables considered Good	-	-	-	-	-	-
4	Disputed Trade receivables considered doubtful	-	-	-	-	-	-
Total		-	-	-	-	-	-

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:

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.



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

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:

(₹ in Lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Floating Rate		
Expiring within one year (Packing credit facility- Pre shipment/ post shipment)	692.00	-

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. Trade Payables ageing schedule

₹ In Lacs

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2022
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1	MSME		419.84	-	-	-	419.84
2	Others		298.12	2.0	1.42	4.48	306.02
3	Disputed dues-MSME		-	-	-	-	-
4	Disputed dues-Others		-	-	-	-	-
	Total		717.96	2.0	1.42	4.48	725.86

Trade Payables ageing schedule:

₹ In Lacs

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2021
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
1	MSME	-	-	-	-	-	-
2	Others	-	-	-	-	-	-
3	Disputed dues-MSME	-	-	-	-	-	-
4	Disputed dues-Others	-	-	-	-	-	-
	Total	-	-	-	-	-	-

22. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ In Lacs

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non-current Assets		
(a) Property, plant and equipment	1905.98	-
(b) Capital work-in-progress	1421.53	-
(c) Intangible assets	2139.14	-

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

Particulars	₹ In Lacs	
	As at 31 st March, 2022	As at 31 st March, 2021
(d) Financial assets		-
Investments	-	-
Other financial assets	1542.54	-
(e) Other non-current assets	2196.59	-
Current Assets		-
(a) Inventories	11507.28	-
(b) Financial assets		-
(i) Trade receivables	4200.43	-
(ii) Cash and cash equivalents	220.52	-
(iii) Other bank balances	-	-
(iv) Loans	1137.08	-
(v) Other financial assets		-
(c) Other current assets	1377.01	-
Total	27648.10	-

23. Valuation of Property Plant & Equipment, intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

24. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Notes to the Standalone Financial Statements for the year ended 31 March 2022.

25. Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

26. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

27. Relationship with struck off companies

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

28. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

29. Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes to the Consolidated Financial Statements

for the year ended on 31st March 2022

30. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

31. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

32. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

33. The Financial Statements were authorised for issue by the directors on 25th May, 2022.

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

Sd/-
Ashok Mangal
Partner
M.No. 071714

Place: NOIDA
Date: May 25, 2022

For **United Drilling Tools Ltd.**

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

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

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/-
Mukesh Mehta
CFO

Sd/-
K.D. Aggarwal
Independent Director
(DIN 00861164)

Sd/-
Preet Verma
Independent Director
(DIN 09124335)

Sd/-
Naveen Bhatnagar
Company Secretary

Notes

Conceptualized and Developed By



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United Drilling Tools Limited

www.udtltd.com