

UNITED DRILLING TOOLS LIMITED

CIN; L29199DL1985PLC015796

Regd. office: 139A, First Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg,
New Delhi-110001

Website: www.udt ltd.com E-Mail ID: compsect@udt ltd.com

Phone: +91-0120-4842400, Fax: +91-0120-2462675

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

A. INTRODUCTION

United Drilling Tools Limited (the Company) is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct and to help foster a culture of honesty and accountability. Each Director and Senior Official is expected to comply with the letter and spirit of this Code.

A Director and Senior Official must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance and maintain a work environment that encourages the stake holders to raise concerns to the attention of the management.

This Code of Conduct has been adopted by the Company to comply with the applicable rules of **stock exchanges** where securities of the Company are listed.

B. DEFINITIONS AND INTERPRETATION

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"**Board**" shall mean the Board of Directors of the Company.

"**Directors**" shall mean directors on the Board.

"**Company**" shall mean United Drilling Tools Limited.

"**Compliance Officer**" shall mean the Company Secretary of the Company.

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C. GUIDELINES FOR CONDUCT

Each Director should seek to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such Director reasonably believes to be not opposed to the best interest of the Company. A Director should seek to:

- i. make reasonable efforts to attend Board and committee meetings;
- ii. dedicate time and attention to the Company; and
- iii. seek to comply with all applicable laws, regulation and confidentiality obligations and corporate policies of the Company.

D. CORPORATE BUSINESS OPPORTUNITY

In carrying out the duties and responsibilities, Directors and senior officials should avoid:

- i. appropriating corporate business opportunities for themselves that are discovered through the use of Company's property or information or their position as Director or Senior Official;
- ii. Using Company's property or information or their position as Director or Senior Official for personal gain; and
- iii. Competing with the Company

A corporate business opportunity is an opportunity:

- (1) Which is in the Company's line of business or proposed expansion or diversification;
- (2) Which the Company is financially able to undertake; and
- (3) Which may be of interest to the Company.

A Director and Senior official who learn of such a corporate business opportunity and who wishes to avail of, it should disclose such opportunity to the Company's Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in such opportunity, then, and only then, may the Director and Senior official avail of it, provided that the Director and Senior official has not wrongfully utilized the Company's

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resources in order to acquire such opportunity.

E. CONFLICTS OF INTEREST

A conflict situation can arise:

- i. when a Director or Senior official takes action or has interest that may make it difficult to perform his or her work objectively and effectively,
- ii. the receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- iii. Any outside business activity that detracts an individual's ability to devote appropriate time an attention to his or her responsibilities with the Company,
- iv. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- v. any significant ownership interest in any supplier, customer, development, partner or competitor of the Company,
- vi. any consulting or employment relationship of any supplier, customer, business, associate or competitor of the Company.

The Directors and Senior Official should be scrupulous in avoiding "conflicts of interest" with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of facts and circumstances whereof to the Board of Directors or any committee/officer nominated for the purpose by the Board and a prior approval should be obtained.

F. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Directors and Senior Officials should protect the Company's assets and property and ensure its efficient use. Theft, carelessness and waste of the Company's assets and property have a direct impact on the Company's profitability. The Company's assets should be used

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only for legitimate business purposes.

G. INSIDER TRADING

The Directors and Senior Officers shall observe all applicable laws and regulations, including the Company policies and codes as applicable to them with respect to the purchase and sale of the Company's securities. It is the responsibility of the each Director and Senior Officer to become familiar with and understand these laws, regulations, policies and codes and should seek further explanations and advice concerning their interpretation, if required. All the directors, officers, and designated employees of a listed company would not be allowed to entered into Opposite Transaction, i.e., sell or buy any number of shares during the next six months following the prior transaction.

An absolute prohibition on the aforesaid person from taking positions in derivative transaction in the shares of the company at any time. Even the dependents of Directors/officers/designated employees who intend to deal with the securities of the company above the minimum threshold limit as decided by the company are required to pre-clear the transaction and execute the order within a week of obtaining the approval.

H. CONFIDENTIALITY

The Directors and Senior Officers shall maintain the confidentiality of confidential information(s) of the Company or that of any customer, supplier or business associate of the Company to which the Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The confidential information includes all non-public information (including private, proprietary and others) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

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I. HONESTY AND TRUST WORTHINESS

Honesty is an essential component of trust. Without trust an organization cannot function effectively. The Directors and Senior Officials are expected not to make deliberately false or deceptive claims about products/systems, but instead provide full disclosure of all pertinent limitations and problems. The Directors and Senior Officials shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct.

CODE OF ETHICS FOR DIRECTORS AND SENIOR OFFICIALS

Honesty, integrity and sound judgment of the Directors and Senior officials is fundamental for the success and reputation of a company. The professional and ethical conduct of the Directors and Senior officials is essential to the proper functioning. The Directors as well as senior officials of the Company shall be bound by the following code of ethics:

- a) Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships,
- b) make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities and to the public,
- c) Comply with governmental laws, rules, notifications and regulations applicable to the Company's business,
- d) Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the Company.
- e) Promote prompt reporting of violations of the Code of Ethics to the Board or Directors or any committee/person designated for this purpose, as may be necessary.
- f) Respect the confidentiality of information acquired in the course of employment unless

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legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit.

- g) Maintain the skills necessary and relevant to the Company's needs,
- h) Act in good faith, responsibility, with due care competence and diligence without misrepresenting material facts.
- i) Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts,
- j) Achieve responsible use of and control over all assets and resources employed or entrusted to them,
- k) Promote ethical and honest behavior within the Company and its subsidiaries.

All the Directors and Senior Officers should adhere to the both code of business conduct and code of ethics of the Company.

Any deviation/waiver from this code of conduct and code of ethics can only be effected on the sole and absolute discretionary authority of the Board or any person/committee designated by the Board for this purpose.

BREACH OF PROVISIONS OF CODE OF CONDUCT AND ETHICS

It is one of the important responsibilities of the Directors and Senior Officials to help enforce this code of conduct and ethics in the best interest of the Company. Any observed violation of this code or any other policies of the Company or other Rules and Regulations governing the Company or any probability of occurrence of such violation should be brought to the Notice of compliance officer (Company Secretary).

The Compliance officer shall in return inform about the same to the "ETHICS COMMITTEE", as constituted by the Board. The Ethics Committee consists of the following Members:

1. Mr. Kanal Gupta

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2. Mr. U.S Pandey

3. Mr. P.K. Ojha Company Secretary shall be the Secretary of the Ethics Committee. The Ethics committee shall be responsible to administer and implementation of the Code of Conduct and Ethics and will periodically review the breach of code and advise the action to be taken.

Open communication of issues and concerns by the Directors and Senior Officials without fear of retribution or retaliation is vital to the successful implementation of this Code of Conduct and Ethics. The Directors and Senior Officials shall cooperate in any internal or external investigation relating to any violation.

The Company shall take appropriate action against any Director and/or Senior Official whose action(s) are found to violate the Code or any other policy or Rules or Regulations of the Company.

ANNUAL DECLARATION

A copy of this Code of Conduct and Ethics shall be sent to all the Directors and Senior Officials of the Company. The Directors and Senior officials shall affirm the compliance with the Code and shall give an acknowledgment of having read and understood these Code of conduct and Ethics, as per the form provided in Annexure – I to this code within 15 days of the receipt of a copy of this Code.

The Directors and Senior officials shall also give annual declaration affirming the compliance with the Code as per the form provided in annexure – II to this Code within 14 days of the close of the financial year.

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Annexure - I

ACKNOWLEDGEMENT

I, _____, have read and understood the Company's Code of Conduct and Ethics (the Code) for the Board of Directors and the Senior Officials.

I hereby undertake to comply with the standards and policies contained in the Code and other policies or rules specific to my responsibilities to the Company.

Signature

Date:

Place:

Please sign this form and return to the Company Secretary

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Annexure - II

To,

The Compliance Officer

United Drilling Tools Limited

A-22, Phase - II,

Noida - 201305

Dear Sir,

I, _____, being a member of the Board of Directors/Senior Management of United Drilling Tools Limited (the Company) hereby acknowledge, confirm and certify that:

- i. I am aware of the Code of Conduct and Ethics for Directors and Senior Management of the Company;
- ii. The said Code has been and is applicable to my functions as a member of the Board of Directors/Senior Management of the Company;
- iii. During the financial year 2015-16 I have complied with the provisions of the said Code.
- iv. I am not aware of any non-compliance with the said Code.

Signed :

Place :

Name :

Date :

Designation :