

UNITED DRILLING TOOLS LIMITED

(MANUFACTURERS OF OILFIELD EQUIPMENT)

CIN:L29199DL1985PLC015796

POLICY ON RISK ASSESSMENT AND MINIMIZATION PROCEDURES

Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following procedures are being laid down to inform the Board Members about the risk assessment and minimization procedures:

1. The operating/service divisions have been informed to report quarterly on any major risks as perceived by them, whether they be internal risks or external risks.
2. External risks could arise from:
 - Worldwide economic trends such as crises in financial markets or sudden political turmoil in foreign countries which may influence the business prospects of our customers and in turn could impact the business of the company.
 - The micro economic environment is thus characterized by a high level of uncertainty and requires to be monitored continuously to manage the risks arising out of such events.
 - Changes in Government policy and increase in taxes/levies on essential inputs may increase the cost of manufacturing and reduce margins
3. Internal risks comprise operating, financial and business risks and would include:
 - Changes in product specifications leading to technological obsolescence of the manufacturing process.
 - Major labour unrest leading to loss of production and customer confidence.
 - Major machinery breakdown having both cost and production loss implications.
 - Fire hazards and risk of damage to equipment and assets of the company.
 - Overtrade and liquidity squeeze stifling the business.
 - Competition in end products leading to reduction in vendor prices

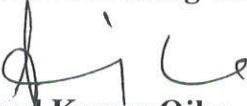
4. Both external and internal risks shall be continuously monitored and appropriate action



taken by the Company to minimize the adverse impact, if any.

5. The Board of Directors shall be responsible for reviewing and monitoring the risk management plan of the Company.
6. The Company shall also constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

For United Drilling Tools Limited


Pramod Kumar Ojha
Company Secretary

