

# NAVIGATING THROUGH TURBULENCE

ANNUAL REPORT  
2022-23



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## Reporting period and scope

This report covers financial and nonfinancial information and activities of United Drilling Tool Limited ('the Company' or 'UDTL') during the period April 1, 2022, to March 31, 2023. The report's financial figures have been audited by M/s R S Dani & Co., Chartered Accountants.

## 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.

## 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.

**In the realm of progress and growth, the path forward is not always a steady and predictable one.**

**Just as a ship must brave storms and rough seas to reach its intended destination, organizations come across challenges that scrutinize their resilience and adaptability.**

During FY23, we encountered a series of challenges. A substantial surplus of inventory at our customer's end led to a decrease in order placements, exacerbated by a significant surge in steel prices. Additionally, the implementation of reverse auctions contributed to heightened competitive pressures. Cumulatively, these factors exerted adverse effects on both our revenue and overall profitability.

**But this didn't deter us from our long-term goal. Instead, we saw these challenges as opportunities for growth and innovation.**

**We continued to reflect on the obstacles and uncertainties we faced, and focused on developing strategic initiatives that would help us on overcoming the hurdles.**

We worked closely with our customers to better understand their needs and develop strategies to satisfy their needs more effectively and efficiently.

We closely monitored the volatile steel market and implemented effective hedging strategies to mitigate the impact of rising prices.

We analysed our pricing structure and continued on streamlining our operations to offer more competitive bids without compromising on quality or service. Through continuous improvement initiatives, we optimized our production processes and reduced costs, enabling us to remain competitive in this changing landscape.

**As we delve into the strategies adopted and initiatives undertaken, one thing becomes clear: turbulence may be inevitable, but our ability to steer our course remains stronger than ever.**





# 'WE CAN'

Seeing our current year's performance, many sceptics outlined a number of reasons why we could be derailed from our growth track considering the challenges we faced in FY23.

## THEY SAID...

- We** didn't have enough orders to sustain growth.
- We** didn't have enough professional talent to navigate through the turbulence.
- We** didn't have enough experience to charter a well strategized growth path.
- We** didn't have a broad-based portfolio to cater a wider audience.

However, what eluded their understanding is that we possess something more precious than all these challenges combined.



Our self-belief. Captured in two simple words.

# 'WE CAN'

Our self-belief is a powerful force that helped propel us forward, even in the face of seemingly insurmountable challenges. While others may focus on the external obstacles that stand in their way, we understand that true strength lies within.

**With** this self-belief, we are not deterred by failures or setbacks. Instead, we see them as opportunities for growth and learning. We know that every stumble is just a stepping stone towards success.

**With** decades of extensive experience and an innate understanding of every intricate aspect of the business, we are empowered to make well-informed decisions.

**The** conviction that there must be a better way, even though it may not be immediately evident. The belief that team-working is the eventual balm that counters the pain of multi-site challenges.



**This** unwavering faith in ourselves allows us to persevere when others might give up.

**Our** self-belief fuels our resilience and gives us the courage to take risks and step outside of our comfort zones.

**Our** unwavering confidence in our abilities, our people, and our potential serves as the driving force propelling us forward and gives us the courage to stay in the fight, even when the odds appear loaded against you.

➤ **MAPPED** customer requirements precisely

➤ **ADOPTED** cutting-edge technologies

➤ **INTRODUCED** innovative product portfolio

➤ **EMBRACED** the manufacturing of high-quality and precision-engineered drilling tools and equipment

# MAKING A POSIT

➤ India's **ONLY MANUFACTURER** of long OD multi-start types of connectors

➤ **~70%**

UDTL's market share in the upstream drilling tools and equipment market in India

➤ India's **LARGEST** drilling tools and equipment manufacturer

➤ **38 years**

UDTL's longstanding industry experience

▶ **HELPED** customers arrive at informed exploration decisions

▶ **MADE** it possible for customers to get into exploration faster

▶ **MADE** it possible for customers to optimise their spending

▶ **REINFORCED** India's longstanding wish of being self-reliant in terms of oil and gas generation

▶ **EXTENDED** our presence from India to international geographies

# IVE DIFFERENCE

▶ **8,49,341 sq. ft.**

UDTL's total manufacturing area spread across 4 manufacturing facilities

▶ **16+ countries**

UDTL's rising global presence

▶ **ZERO**

Making a positive difference by being a zero-debt company



# CORPORATE SNAPSHOT

**United Drilling Tools Limited is India's leading manufacturer of oil drilling, production and exploration tools and equipment.**

The company is also one of the low-cost drilling tool and equipment manufacturer in the world.

**Our scale and cost leadership have been derived from a number of capabilities.**

Staying in business through good markets and bad.

**Continuous engagement with prominent customers.**

Courageous ability to innovate and evolve with our customers to solve their most difficult challenges.

**And that has made all the difference.**

We have emerged as arguably one of the largest oil drilling tools and equipment manufacturers in India.

## Who we are

United Drilling Tools Limited (UDTL) stands as an emerging business powerhouse with a remarkable reputation. Throughout its journey, UDTL has demonstrated an unwavering commitment to delivering products with impeccably reliable designs while maintaining a competitive pricing edge. Renowned worldwide for its exceptional manufacturing of downhole tools, wireline and well service equipment, gas lift gear, as well as large OD casing pipes and connectors, the Company has fostered enduring partnerships with some of the most esteemed names in the international oil industry.

Since its establishment in 1985 by Mr. Pramod Kumar Gupta, UDTL has consistently upheld its mission of generating value for all stakeholders. This unwavering dedication has propelled the company to the forefront of global leadership in connector technology, establishing it as a force to be reckoned with.





The formulation and technology behind UDTL's array of products stem from extensive technical partnerships forged with esteemed manufacturers from America and Europe spanning the past two decades. Presently, UDTL stands as an autonomous manufacturer and supplier, offering a spectrum of top-notch, field-tested, dependable, and competitively priced products to our worldwide clientele with resounding success.



## OUR VISION

Relentlessly focus on pioneering solutions for the E&P sector with devoted R&D clubbing global technology enabling higher savings for oil production companies



## 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.



## OUR VALUES

### Maximize output

We make effective use of all the resources at our disposal to attain optimal outcomes. Our diligent work practices guarantee a heightened level of productivity.

### Customer focus

We are unwavering in our dedication to serving the best interests of our customers, exemplified by our provision of world-class products and services meticulously tailored to meet their precise technical specifications.

### Comprehensive approach

Our cohesive strategy empowers us to leverage the full spectrum of the company's resources, thereby capitalizing on seamless collaboration and synergistic advantages.



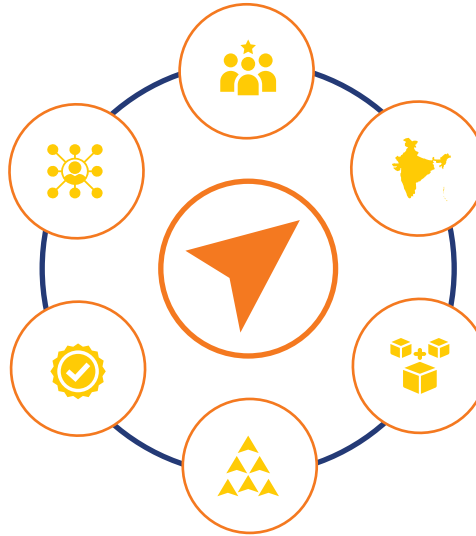
**CORPORATE SNAPSHOT**

# WHAT HELP US STAND OUT IN THE CROWD

We possess a wealth of industry experience spanning over three and half decades

We have cultivated the capability to offer customer-centric products that are both innovative and add significant value.

We uphold product quality by adhering to the quality standards established by the American Petroleum Institute (API).



We are actively engaged in one of India's pivotal sectors: the oil & gas industry, perfectly aligned with the nation's narrative of progress and development.

We maintain a diverse portfolio to effectively address the constantly evolving demands of consumers worldwide.

We consistently uphold a strong and sustainable leadership position across the critical markets where we have a presence.

## OUR BUSINESS DRIVERS

### Our technology focus

In the realm of oil drilling and exploration, technology stands as a paramount factor, pivotal for both retaining existing clients and enticing new ones. Our commitment lies in furnishing clients with unparalleled tools and equipment that not only facilitate the drilling process but also yield optimal results. The harmonious interplay of technology and methodology forms the bedrock of our achievements. Bolstered by our reservoir of knowledge, proficiency, and cutting-edge technology, we have consistently maintained a competitive edge within the industry.

We pioneered the integration of groundbreaking technologies such as CNC-equipped machine shops, specialized lathes, and advanced milling machines. Through this trailblazing approach, we've elevated the capabilities of players in the Indian oil and gas sector to global benchmarks. This commitment to research and innovation has propelled our growth across both domestic and international landscapes. Our unwavering focus on leveraging state-of-the-art technologies, fostering innovation, and introducing novel products has established us as a beacon of quality and customer-centric value enhancement.





### Our quality focus

As a conscientious and environmentally-conscious producer, we have embraced methodologies that enable us to not only guarantee workplace safety but also craft products of the highest caliber. Our dedication to maintaining excellence is substantiated by our internationally acknowledged accreditations, including ISO 9001:2008, ISO 14001:2015, and OHSAS 18001:2007. Additionally, our company boasts specialized certifications from the American Petroleum Institute (API) for specific products, encompassing API 19G1, API 19G2, API 5CT, API 7-1, and API 5L.



### Our certifications





**CORPORATE SNAPSHOT**

# WHAT WE HAVE ON OFFER

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

**High Performance Connectors**



- Leopard
- Swift
- Lynx
- Puma

## OUR RICH CLIENTELE

### Domestic



### International



# OUR GROWING PRESENCE

We have fostered enduring partnerships with global organizations, consistently delivering top-tier drilling tools and equipment to clientele spanning the US, UK, Singapore, Egypt, Libya, Vietnam, Europe, and numerous other nations. Our unwavering commitment centers on incessantly enhancing our product line, amplifying our global footprint, and generating enduring value for all stakeholders involved. At present, our reach extends over 16 countries.

Headquartered in Noida (Astralis Tower, Supernova Complex, Sector-94, Noida), UDTL boasts four cutting-edge manufacturing facilities strategically positioned in Kutch, Gujarat and Noida, Uttar Pradesh. Further bolstering our international presence, we have augmented our on-the-ground network by enlisting marketing representatives in pivotal markets.







# CHAIRMAN-CUM-MANAGING DIRECTOR'S MESSAGE



**“FY23 WAS A DIFFICULT YEAR FOR US, BUT THAT DIDN'T DETER US FROM PERSEVERING AND FINDING NEW OPPORTUNITIES FOR GROWTH AND SUCCESS. DESPITE THE CHALLENGES WE FACED, WE REMAINED RESILIENT AND FOCUSED ON OUR GOALS. WE RECOGNISED THAT IN TIMES OF ADVERSITY, IT IS CRUCIAL TO ADAPT AND INNOVATE.”**

## **Dear Shareholder's,**

A warm welcome to all of you to the 41st Annual General Meeting (AGM) of United Drilling Tools Limited. I hope you and your families are all doing well.

One either succumbs in the face of crisis or emerges stronger. Crises and challenges etch the true colours of a character. It is with this thought I announce with pride that our company has shown extraordinary resilience while navigating the turbulences the past year posed in front of the world.

The year FY23 was marked by a plethora of obstacles. Starting with the tepid demand for oil, the global oil and gas sector was further challenged by an inventory surplus. Crude oil prices exacerbated the problem as consumers became reluctant to buy raw materials at escalated prices.

A renewed demand from the end-users sectors revived hope temporarily, but the arrival of a reverse auction policy, initiated by oil companies, intensified the competition resulting in price rivalry and a growing price war.

In the face of these formidable challenges, our unwavering dedication persisted in forging pathways for fresh growth prospects, steering us back onto the trajectory of progress. I seize the opportunity to extend my utmost admiration to the indomitable spirit of those who stood at the vanguard, orchestrating our triumph over these adversities.

### Our performance

Despite the many challenges, I am happy to state that we showcased good resistance and navigated the situation appreciably.

We are pleased to announce that the Company has taken a positive step by declaring a dividend, even in the face of lower profitability and turnover compared to the previous year. This decision reflects our commitment to providing value to our shareholders and maintaining their confidence, even during challenging times.

The oil equipment manufacturing industry has faced considerable marketing competition, impacting our profitability and turnover. We continue to navigate the complexities of the industry and actively implementing strategies to improve our financial performance and operational efficiency with penetration in new market with new strategies. The declaration of the dividend reflects our long-term perspective and the confidence we have in our ability to overcome challenges and emerge stronger.

**We are adapting to the changing dynamics of the global oil & gas industry. Throughout the course of 2023, we focused on realigning our Company with the global demand, optimising costs, and enhancing returns for the shareholders.**

We achieved a few important milestones in FY23 Chief among them is our formalized partnership through a Agreement with a global producer of Steel Pipe. Additionally, our dedicated Research and Development team is diligently engage in creation of pioneering and innovative products. These new developments have stirred the pot within the industry and are expected to be instrumental in propelling our business with speed in the near future.

### Responding with effective strategies

To navigate through the turbulent times, the Company has prioritised a few strategic focus areas: continued capacity expansion, regular technological up-gradation, product innovation and value-addition and focused financial planning. These measures are likely to help UDTL route back on its growth trajectory with a focus on emerging as a technology-driven global enterprise.

### Harnessing our strengths

We are adapting to the changing dynamics of the global oil & gas industry. Throughout the course of 2023, we focused on realigning our Company with the global demand, optimising costs, and enhancing returns for the shareholders. Despite challenging macroeconomic conditions, we continued to pursue our long-term strategic goals, harnessing our internal strengths, and delivering value to our customers and shareholders.

### Investing in Innovation and R&D

Throughout FY23, our unwavering dedication was directed towards bolstering our research and development endeavours to elevate our product development capabilities through a synergy of innovation and cutting-edge technological platforms. These strategic endeavours have been meticulously designed to amplify our capacities, enhance the capability of our portfolio, and substantially augment our patent portfolio. Speaking of patents, a total of 14 design patents have been successfully registered. Among these, 9 have attained registration within the borders of India, while the remaining 5 have been secured in the United Kingdom. Our patent applications span both domestic and international jurisdictions, resulting in the acquisition of 2 patents within the Indian domain This helps us in protecting our proprietary design and products.

### Embedding sustainability in all that we do

We deeply acknowledge the paramount importance of sustainability across all our diverse functions. Over the course of the year, remarkable steps have been undertaken to establish a resilient governance system and embrace an all-encompassing policy framework that will steer our relentless efforts towards sustainability.

Our primary focus is on reducing our carbon emissions,





**We plan to expand our business into new international markets and diversify our portfolio. Our aim is to use our expertise and resources to create an innovative and expanding portfolio that meets the needs of both consumers and investors.**



conserving resources, and promoting responsible business practices. As we move forward, we are dedicated to delivering sustainable benefits to our stakeholders and making a positive impact on the environment for a cleaner and healthier planet.

### **Putting our people first**

We believe it is our duty to have a workforce that includes people from all the different communities we serve. In order to attract and retain the most talented individuals, it is crucial to establish a workplace that fully supports diversity. We are happy to announce that over the past year we have made great progress in creating an organization that is truly inclusive.

### **Geared to seize the potential that lies ahead**

FY23 was a difficult year for us, but that didn't deter us from persevering and finding new opportunities for growth and success. Despite the challenges we faced, we remained resilient and focused on our goals. We recognised that in times of adversity, it is crucial to adapt and innovate.

We plan to expand our business into new international markets and diversify our portfolio. Our aim is to use our expertise and resources to create an innovative and expanding portfolio that meets the needs of both consumers and investors. We want to become a drilling tool and equipment manufacturer that focuses on providing solutions and aligns with sustainability principles. Our goal is to offer value to our valued clients. In the coming years, we are excited to explore opportunities in

countries like Vietnam, Russia, Brazil, and Egypt, among others, and maximize our growth potential.

Given the positive macroeconomic conditions slowly returning in India as well as in the global oil market, we believe that UDTL is well-positioned to take advantage of opportunities. Additionally, I am optimistic that the ongoing increase in the country's oil and gas exploration spending is not a temporary measure, but rather the beginning of a long-term commitment to increasing oil ownership. This commitment has the potential to establish a solid foundation for sustained economic growth in the country.

This affords us with an excellent chance to generate value, particularly in our attempts to navigate our way back onto the growth track. On behalf of every member of the UDTL family, we thank our shareholders for the trust they have reposed in us. We are truly grateful for your sustained cooperation throughout our journey. Together, we will achieve a better and more sustainable future.

Sd/-

**Pramod Kumar Gupta**

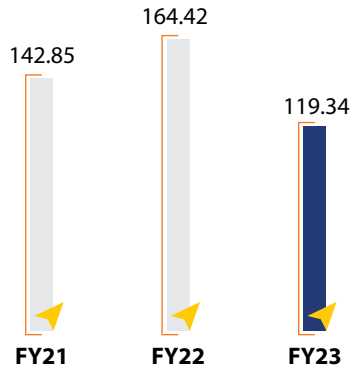
*Chairman and Managing Director*  
 United Drilling Tools Limited

# FINANCIAL SNAPSHOT

## PROFIT AND LOSS INDICATORS

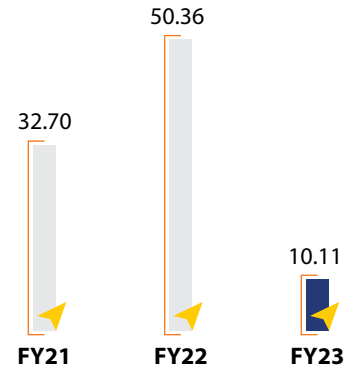
### Net sales

(₹ in crores)



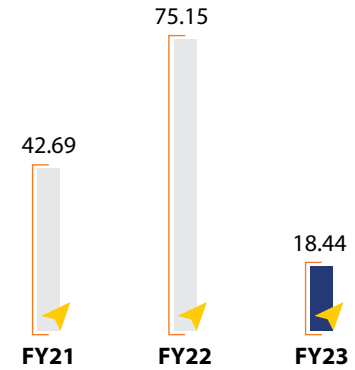
### PAT

(₹ in crores)



### EBIDTA

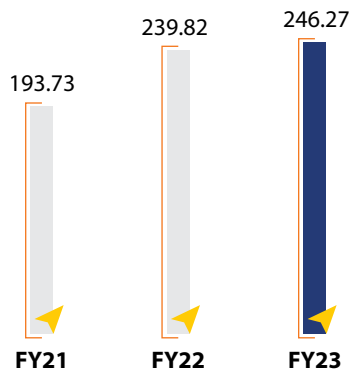
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## BALANCE SHEET INDICATORS

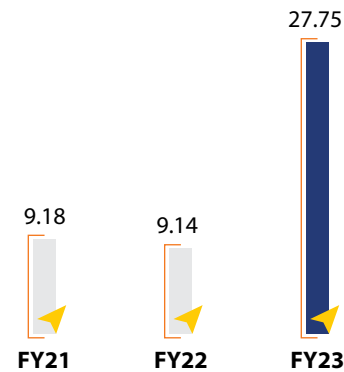
### Net worth

(₹ in crores)



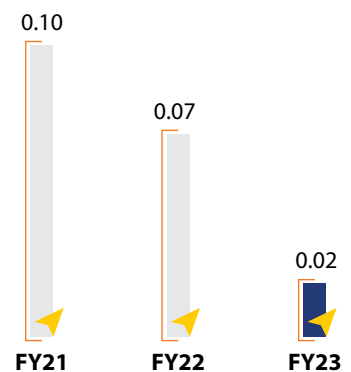
### Net Fixed Assets (PPE)

(₹ in crores)



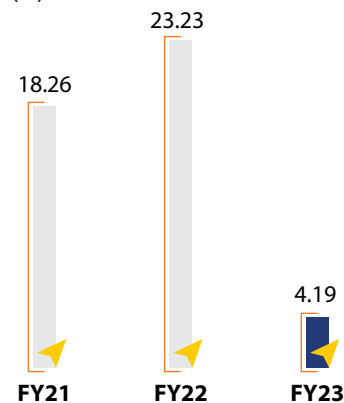
### Debt-equity ratio

(times)



### Return on equity

(%)



# BUILDING BLOCKS OF A COMPETITIVE AND FUTURISTIC UDTL



## CULTURE

The essence of our DNA will be characterized by a compelling drive to evolve in a manner that is both sustainable and responsible.



## KNOWLEDGE

We are a company driven by knowledge. Our commitment to enhancing competitive advantage remains unwavering as we persistently invest in refining processes, advancing practices, and innovating products.



## SHAREHOLDER VALUE

Our unwavering commitment lies in exerting dedicated efforts to optimize long-term shareholder value.



## VALUE CREATION

We are committed to consistently generating value through careful expansion, optimizing asset utilization, effective cost management, and capturing a more substantial portion of the customer's wallet.



## EMPLOYEES

We aim to establish ourselves as the preferred employer by offering a dynamic platform for personal growth, skill development, and meaningful contributions.



## CUSTOMISATION

We are committed to crafting products tailored to our customers' unique needs, fostering lasting relationships, ensuring business sustainability, and achieving exceptional outcomes.



## RESPONSIBILITY

We are committed to ensuring the sustainability of our business through continuous investments in reducing our carbon footprint, infrastructure, and fostering a forward-thinking mindset.



## GOVERNANCE

We are committed to upholding the utmost standards of governance through the establishment of a proficient Board of Directors, the recruitment of specialized experts, the implementation of comprehensive systemic checks and balances, rigorous adherence to compliance measures, and the principled conduct of our business operations.

## 01

### Build client relationships

We aim to cultivate strong client relationships by consistently meeting their requirements, maintaining active and meaningful engagement, increasing our contribution to their overall needs, and delivering products of exceptional quality at competitive prices.

## 02

### Maximise value creation

We strive to create value for shareholders by introducing new products, expanding into emerging markets, focusing on value-added products, and optimizing costs and processes. Moreover, our strategic approach also includes scaling up operations by capitalizing on our commitment to quality and competitiveness.

## 05

### Lead sustainability

We are committed to investing in advanced technologies and optimized processes aimed at significantly reducing our carbon footprint and water consumption. Additionally, we will ensure the thorough and effective treatment of all waste materials, reaffirming our dedication to environmental responsibility.

## 03

### Quality excellence

By investing in superior equipment, adopting the latest technologies, improving our processes, training our staff, and embracing the best global manufacturing practices, we have established new standards of quality excellence.

## Our strategic approach

## 05

### Leverage market opportunity

We intend to capitalize on the excellence of our product quality and the strength of our competitive pricing in order to strategically penetrate new markets. Our approach will involve tailoring strategies specific to each geographical location we target.

## 04

### Taking a long-term perspective

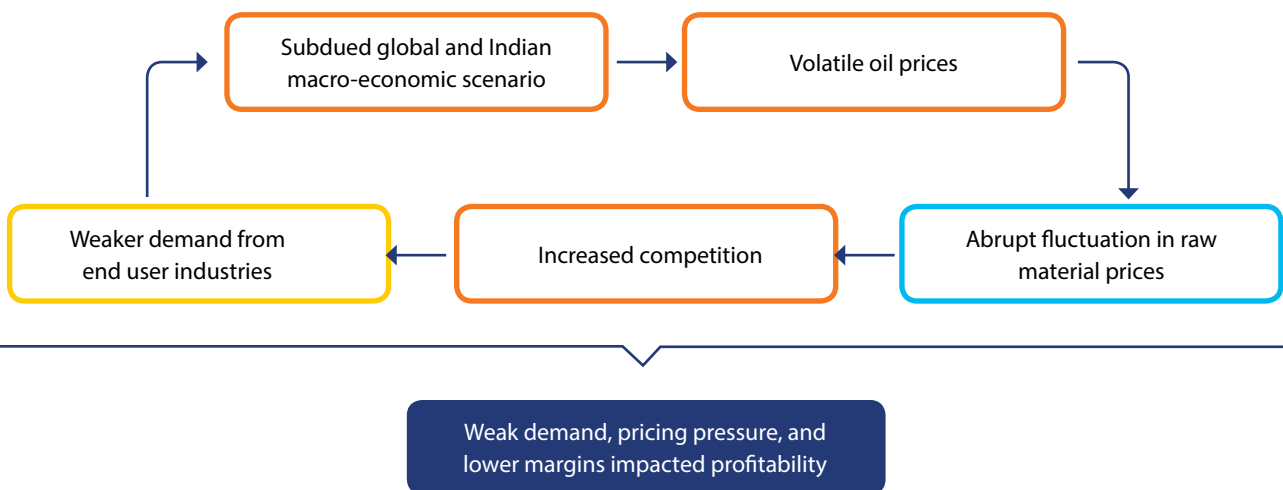
We are committed to unveiling novel products, as well as expanding into fresh markets, only when substantial potential is identified. Our dedication to fortifying our business expertise is a continuous endeavor, achieved through the elevation of employee skills and active engagement in global forums.



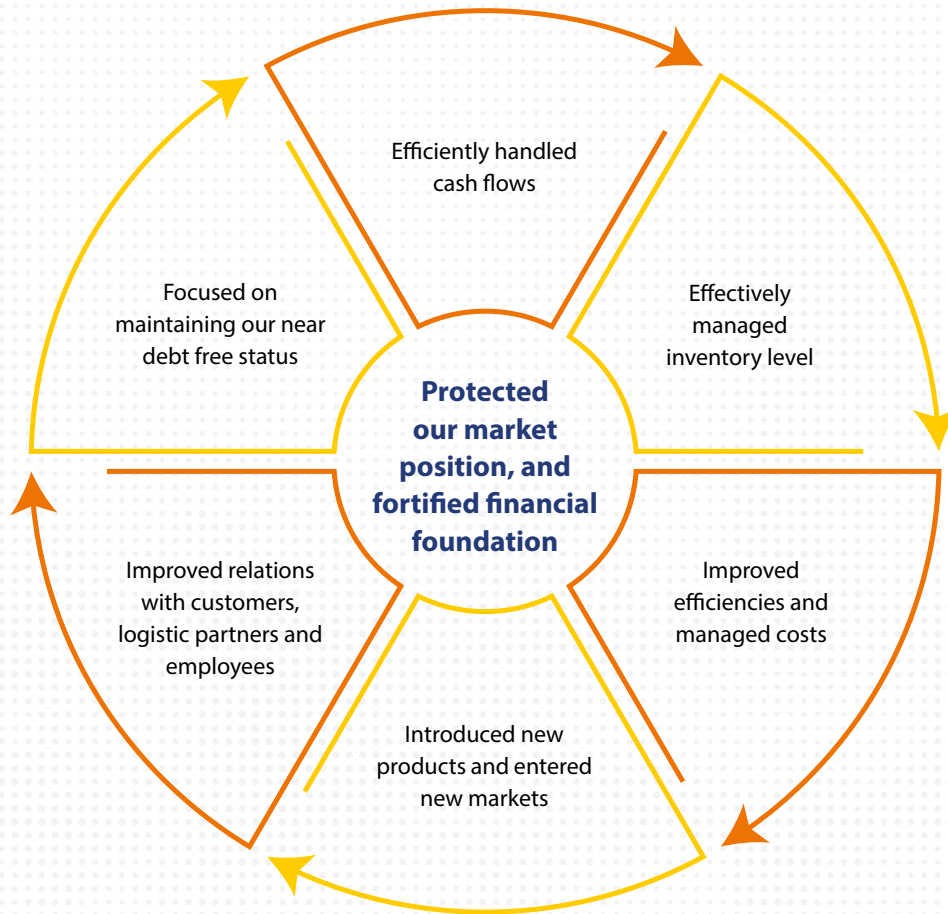
# ENTERPRISING SPIRIT IN A CHALLENGING YEAR



**We encountered challenging market conditions in FY23 owing to a number of factors.**



Leveraging our fundamental strengths, we responded with unwavering determination and remarkable agility to confront the challenges, effectively transforming them into opportunities.



### Corporate strengths

**Globally trusted brand with** over three and a half decades of product quality and service reliability track record

**Stringent quality adherence** with ISO 9001:2008, ISO 14001:2015, and OHSAS 18001:2007 certified products that are registered with API

**Diversified operations** with presence across four product lines

**Skilled manpower** who are highly experienced professionals and technologists

### Qualitative strengths

**State-of-the-art manufacturing equipment** comprising of advanced quality machines such as machine-shop-with CNC, special purpose lathes, milling machines, and drilling machines

**Operational excellence** benchmarked to global best practices for stability, predictability and higher uptime

**By implementing a rigorous quality maintenance** system, standard operating procedures, and encouraging continuous improvement, our organization has effectively established a zero-tolerance policy towards errors

**Robust customer relationships** leading to repeat business and revenue visibility

**NAVIGATING THROUGH TURBULENCE.**

# BY DRIVING OPERATIONAL EXCELLENCE.

We have established a robust reputation within the global oil and gas industry, renowned for our commitment to quality, operational excellence, punctual delivery, and competitive pricing. During the fiscal year FY23, confronted with a fiercely competitive and challenging industry landscape, we strategically directed our efforts towards fortifying our foundational strengths. This positioning ensures our preparedness to promptly respond to market recovery and deliver exceptional results.



### Driving operational efficiency

In order to improve quality standards and operational efficiency, we've invested in upgrading equipment and streamlining processes. A number of effective operational and manufacturing practices have been put in place to ensure ongoing improvement. Additionally, we are conducting training programs to augment the skills of our workforce and develop new competencies. We are continually investigating bottleneck areas through comprehensive root cause analysis to implement sufficient measures for their removal and guarantee smooth operations.



### Optimising cost

Implementing internationally recognized best practices and strategically investing in cutting-edge automation technologies have not only bolstered our operational efficiency but have also led to significant cost optimization. We are actively pursuing initiatives such as the optimal allocation of resources and more effective deployment of our workforce, all aimed at attaining unparalleled output at a controlled cost



### Focusing on innovation

Innovation continues to stand as a pivotal catalyst for success, empowering us to effectively address the ever-changing demands of our valued customers. At UDTL, we wholeheartedly embraced a culture of innovation, actively fostering an environment where employees are inspired to unleash their creative prowess. Over the past few years, this commitment has borne fruit as evidenced by the introduction of a range of innovative products. These offerings have not only garnered accolades from our esteemed clients, but have also significantly propelled our position in the global oil & gas industry.

**NAVIGATING THROUGH TURBULENCE.****BY STRENGTHENING RELATIONSHIPS.**

**Our business is built on the pillars of three key relationships – customers, suppliers and employees. These relationships provide stability and help us to grow business. In FY 2022-23, we continued to nurture these relationships to ensure long-term sustainability of our operations.**

During the year, with multiple challenges, especially the gloomy business sentiment with the oil & gas industry, we undertook initiatives to strengthen our relationships with customers, suppliers and employees. Focusing on the areas of trust, transparency and satisfaction, we have successfully taken our relationships to the next level.

**Strengthening relationships with customers**

We maintained sustained engagement with our customers to ensure their needs are met alongside focusing on impeccable quality and timely delivery. We continued with our strategy of building trust and transparency across all business dealing and working as a success partner with our customers to deliver superior customer experience. We also continue to address their business specific requirements like investments in sustainable technologies, to make our operations environment-friendly.

**Strengthening relationships with suppliers**

We undertook initiatives towards ensuring sustainable business generation and long-term reliability. We have also identified ways to build amicable business terms for mutual benefit to create win-win relationships.

**Strengthening relationships with employees**

We gave top priority to their health and safety by ensuring of our people. We carried out the required safety measures across our plants to ensure zero health hazards for our people. We continued to provide necessary skill development training to enhance their skills along with carryout engaging and entertaining activities to maintain a high motivation level.





# OUR VALUE-CREATION BUSINESS MODEL

## INPUTS ▶



### Financial capital

Financial resources that the Company has or obtains through financing.

**₹ 252.21 CRORE** Total capital employed  
**0.02** Debt-equity ratio

**₹ 22.93 CRORE**  
 Capex investment



### Manufacturing capital

Tangible assets used by the Company to conduct its business initiatives.

**4** Number of manufacturing units  
**₹ 27.75 CRORES** Fixed Assets (PPE)



### Intellectual capital

R&D knowledge, intangible, knowledge-based assets

**₹ 2.96 CRORES** R&D spending  
**18** Patents filed  
**15** R&D team size



### Human capital

Harmonious blend of expertise and proficiency of our formidable workforce helps us grow sustainably

**342** Total employees  
**₹ 11.54 CRORES** Employee benefit expense



### Social and relationship capital

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

**₹ 0.77 CRORES**  
 CSR Spends



### Natural capital

Natural resources impacted by Company's activities

**₹ 1.36 CRORES**  
 Energy cost

## 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: ₹120.91 crores

EBIDTA: ₹18.44 crores

PAT: ₹10.11 crores

RoCE: 5.51%

### Manufacturing

Domestic sales: 96.59%

International sales: 3.41%

### Intellectual

28 Trademarks

2 patents,

5 API Licenses,

6 ISO Certificates

1 product licenses

14 Design Patents

### Human

Rising employee productivity

### Social

2500 lives touched through CSR activities,

promoting Health Care,

Education,

Remove Hunger and Poverty,

and Food Distribution,

among others.

### Natural

2000 trees planted

Increment in energy cost in FY23 (compared to FY22) – 32%

**NAVIGATING THROUGH TURBULENCE.**

# BACKED BY OUR PEOPLE

At UDTL, our invaluable employees form the backbone of our organization, bringing their collective wisdom and expertise to navigate challenging times. We prioritize recruiting, nurturing, and retaining top talent to lead the industry. With decades of effort, we've cultivated a diverse cohort, embodying innovation, excellence, and integrity.

Empowerment is paramount; our nurturing work environment drives growth and success. Workplace transformation is central to our sustainable framework, focusing on health, safety, diversity, equity, and inclusion. Our aim is an ecosystem of equal opportunities and motivation.

This transformative approach unlocks our workforce's full potential, yielding lasting benefits through varied skills and perspectives.

## Attracting and retaining the right talent

Over the years, our main focus has been attracting top talent to our organization. We used a comprehensive recruitment strategy involving targeted sourcing, rigorous selection, and strong onboarding. Our goal was to bring in skilled individuals who align with our values and culture.

Beyond hiring, we've invested in employee engagement to enhance ownership and camaraderie. This supports personal growth alongside our company's expansion. We trust and involve employees in cross-functional projects, fostering teamwork and contributing to overall success.

## Learning and development

We prioritize the growth of our existing talent, evident in our substantial investments in comprehensive training, leadership development, and collaborations with prestigious institutes. Our structured program fosters potential leaders, equipping them with vital skills like strategic thinking, communication, and decision-making. We also support employees in pursuing knowledge-enhancing courses to enhance effectiveness and performance.

## Promoting diversity, equity and inclusion

Our people strategy prioritizes diversity and inclusion, ensuring gender parity and inclusivity across all levels of the organization. Our exceptional talent pool reflects individuals from diverse backgrounds, cultures, and geographies, aligning with our commitment as an equal-opportunity employer.

## Employee well-being

We highly prioritize our employees' well-being and have taken proactive steps to promote work-life balance, support mental health, and foster a positive workplace culture. Our commitment to their overall wellness is evident through flexible work options, wellness programs, health check-ups, and other comprehensive benefits, all aimed at creating a healthy and supportive environment for our team.





# COMMUNITY CARE

## Promoting inclusive development

At the heart of UDTL's ethos lies a fervent commitment to community development, rooted in our profound understanding of the intricate interdependence that binds our progress with the holistic welfare of the communities within which we function. These communities, in their capacity as valued stakeholders, bestow upon us the vital social endorsement that legitimizes our operational presence.

Our endeavors pivot around nurturing enduring, comprehensive advancement for the marginalized and less privileged segments of society. We enthusiastically embrace initiatives spanning the domains of education, healthcare, communal progress, and ecological equilibrium, all in a concerted bid to catalyze the enduring prosperity of these very communities.

Our engagement with local communities stands as a testament to our abiding dedication and, in turn, safeguards the integrity of our reputation. This symbiotic connection assumes pivotal importance as we steer the course of our expansion and steadfastly endeavor to maintain our leadership role. While the bedrock of our business is inherently linked with the extractive processes of oil & gas drilling, it's unequivocal that this undertakes some measure of impact upon the surrounding communities and the natural world. Thus, our mission stands as a beacon guiding us toward the adaption of sustainable methodologies, thereby facilitating the realization of our sustainability aspirations and contributing to the forging of a community that thrives harmoniously over time.





**Key Projects undertaken in FY**
**Activities performed**

**Promoting Health Care**

The spectrum of endeavors encompassed offering artificial limbs and prosthetics, extending care to those battling cancer, performing intricate cataract surgeries, and authoring a comprehensive textbook elucidating the intricacies of heart failure.


**Setting up Old Age Homes**

The undertaken endeavors encompassed a partial yet heartfelt involvement in supporting the old-age home, facilitating the installation of a lift for enhanced accessibility, and extending a partial contribution towards the construction of the very same elderly care facility.


**Promoting Education**

Engaged in a spectrum of impactful endeavors, such as spearheading the operation of a vibrant community learning centre, orchestrating the meticulous construction of school rooftops, wholeheartedly embracing the cause of nurturing 30 Ekal schools, and meticulously upholding the optimal functioning of a computer training centres.

Setting up homes and hostels for women and orphans

Setting up blind students' hostel


**Eradicating hunger, poverty and malnutrition**

The endeavors encompassed the provision of essential dry rations and meticulously packaged nourishment.


**Compassionate outreach**

As a testament to our unwavering dedication to CSR, we orchestrated the distribution of 5,000 warm blankets in collaboration with our employees to the people in need, embodying our ethos of compassionate outreach.


**Enhancing vocational skills**

With the noble objective of enriching vocational training and fostering self-reliance, we have bestowed a set of twelve state-of-the-art sewing machines upon the women's skill center.


**Protection of national heritage, art and culture**

As an integral facet of our relentless commitment to safeguarding our cherished national heritage, artistic expressions, and rich cultural tapestry, we have embarked on the endeavour of embracing and nurturing a total of 20 quaint villages.


**Rural development projects**

As part of our rural development initiative, we have successfully installed solar-powered street lights within the neighbouring villages, closely situated to our manufacturing premises.


**Sanitation**

As an integral component of our endeavor to promote sanitation and women's health, we have undertaken an initiative to distribute First Aid Kits and sanitizers within the confines of the slum area.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER	COMPANY SECRETARY
Mr. Manoj Kumar Arora (w.e.f. February 11, 2023)	Mr. Anand Kumar Mishra (w.e.f. August 14, 2023)

## COMMITTEES OF BOARD AS ON 31ST MARCH, 2023

### 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. Kanal 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. Kanal Gupta	: Member

## AUDITORS

<b>STATUTORY AUDITORS</b>	R S Dani & Co. Chartered Accountants Kothari Complex, Near GPO, Bhilwara, Rajasthan - 311001
<b>INTERNAL AUDITORS</b>	A P U & Co. Chartered Accountants 116 1 <sup>st</sup> Floor, Laxmi Deep, Laxmi Nagar District Centre, Laxmi Nagar, New Delhi - 110092
<b>SECRETARIAL AUDITORS</b>	Balraj Sharma & Associates Company Secretaries 206 Munish Plaza, 20 Ansari Road, Opp. Fire Station, Darya Ganj, New Delhi - 110002

REGISTERED OFFICE	CORPORATE / HEAD OFFICE
United Drilling Tools Limited 139A, First Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001 IN Tel. No. 011-43046254	United Drilling Tools Limited 26 <sup>th</sup> Floor, Astralis Tower, Supernova Complex, Sector-94, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh – 201301 IN, 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-Kuchh-370410, Gujarat.

## REGISTRAR AND SHARE TRANSFER AGENT

Alankit Assignments Limited, 4E/2, Alankit Heights,  
Jhandewalan Extension, New Delhi-110055  
Tel. No. 011-4254-1956  
Email – Maheshcp@alankit.com

Website of the Company	: WWW.UDTLTD.COM
Investor E-mail	: COMPSECT@UDTLTD.COM
CIN	: L29199DL1985PLC015796
Financial Year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
BSE Scrip Code	: 522014
NSE Scrip Code	: UNIDT

## LISTING OF EQUITY SHARES

BSE Limited	BANKERS
P J Towers, Dalal Street, Mumbai – 400001 MH	1. Indian Bank 2. Axis Bank
<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051.	

## 41ST ANNUAL GENERAL MEETING

Tuesday, September 26, 2023 at 11:30 AM, AGM through Video Conferencing / Other Audio Visual Means (VC/OAVM) facility.  
Deemed Venue for meeting : Registered office of the Company

# NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 41<sup>st</sup> Annual General Meeting ('AGM') of the Members of United Drilling Tools Limited ('the Company / UDTL') will be held on Tuesday, the 26<sup>th</sup> day of September, 2023 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, 2023, together with the reports of the Board of Directors ('the Board') and Statutory 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, 2023 including Audited Balance Sheet as at March 31, 2023 and the statement of Profit & Loss, Cash Flow Statement and Statement of Change in Equity for the Financial year ended on that date and the report of the Board of Directors and Statutory Auditors thereon, as circulated to the members, be and are hereby considered and adopted;

**RESOLVED FURTHER THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 including audited Balance Sheet as at March 31, 2023 and the Statement of Profit & Loss, Cash Flow Statement and Statement of Change in Equity for the Financial Year ended on that date and the report of the Board of Directors and Statutory 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."

2. To consider and approve Final Dividend and also confirm two Interim Dividend(s) for the Financial Year ended March 31, 2023.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **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 ₹ 1.80/- only per equity share of ₹ 10/- each fully paid-up, as declared / recommended by the Board of Directors on 13.08.2022, 11.02.2023 and 29.05.2023, respectively for the FY ended March 31, 2023 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 2022-23."

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

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

**"RESOLVED THAT** in accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Mr. Kanal Gupta, Director having DIN: 01050505, 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."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** for the appointment of M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration Number - 010674C) as Statutory Auditors of the Company.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) be and is hereby appointed as Statutory Auditors of the Company to hold the office for a period of 2 (two) consecutive years from the conclusion of this 41<sup>st</sup> Annual General Meeting till the conclusion of 43<sup>rd</sup> Annual General Meeting, on payment of such remuneration and reimbursement of expenses, as may be mutually agreed between the Company and the said statutory auditors, and

as may be further approved by the Board of Directors on the recommendations of the Audit Committee to the Board from time to time, with power to the Board of Directors, to alter and vary the terms and conditions of appointment, etc., in such manner and to such extent as may be mutually agreed with the Statutory Auditors;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board authorised in this behalf), be and is hereby authorised to do all such acts, deeds, and things, as it may in its absolute discretion deem necessary, proper or desirable in this regard."

#### SPECIAL BUSINESS:

5. To consider the ratification of remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2024.

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the remuneration of ₹75,000/- (Rupees Seventy Five Thousand only) plus applicable Goods and Service tax (GST) and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, payable to Cost Auditors M/s Swati Chaturvedi, Practicing Cost Accountants, (Firm Registration Number: 100664), who have been appointed by the Board of Directors on the recommendation of Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Audit and Auditors) Rules, 2014 as amended, for the Financial Year ending March 31, 2024."

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

Sd/-  
**Anand Kumar Mishra**  
Company Secretary  
FCS - 7207

Date: 14/08/2023  
Place: Noida

#### NOTES:

- (i) An Explanatory Statement setting out the material facts, pursuant to Section 102(1) of the Act, relating to business of the accompanying Notice are annexed hereto.
- (ii) In view of the global outbreak and continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide General Circular No. 10/2022 dated 28/12/2022 and Securities and Exchange Board of India ('SEBI') vide Circular No. SEBI/HO/CFD/Pod-2/P/CIR/2023/4 dated 05/01/2023 and other various Circulars and clarifications permitted the holding of 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 Circulars, 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.
- (iii) The notice of AGM along with the Annual report are being send only in electronic mode to shareholders / members whose email are registered with the Company or the Depository Participant.
- (iv) 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.
- (v) The Members may join the AGM through 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.

- (vi) 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.
- (vii) In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.udtlimited.com](http://www.udtlimited.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](http://www.evotingindia.com).
- (viii) Since ensuing AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and SEBI Circulars. 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.
- (ix) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (in PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote E-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [balrajsharmafcs@gmail.com](mailto:balrajsharmafcs@gmail.com) with a copy marked to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- (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 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, 2023 on the website of the Company at [www.udtlimited.com](http://www.udtlimited.com) and also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
- (xi) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- (xii) As per 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.
- (xiii) 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).
- (xiv) The Securities and Exchange Board of India (SEBI) has by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 made it mandatory for all holders of physical Securities to furnish the copy of PAN, Nomination in form SH-13, Cancellation or change in Nomination in form SH-14, Updation of contact detail in form ISR-1, & updation of Bank account details

in form ISR-2. In this regard, you may contact with our Company's designated Registrar & Share Transfer Agent (RTA) and / or to our Company's official.

- (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](mailto:compsect@udtltd.com). The same will be replied by the Company suitably.
- (xvii) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 18, 2023 to Tuesday, September 26, 2023 (both days inclusive) for annual closing.
- (xviii) Since the AGM will be held through VC/OAVM, the question of providing Route Map to the venue of the meeting does not arise.
- (xix) 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 ensuing AGM are also annexed to this notice.
- (xx) The Company has fixed Saturday, August 26, 2023 as the cut-off date for determining entitlement of members to final dividend for the FY ended March 31, 2023, if approved at ensuing AGM. If the final Dividend, as recommended by the Board, is approved at ensuing AGM, payment of such dividend subject to deduction of Tax at source, as per Income Tax Act, 1961 will be made on Friday, October 13, 2023 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 Saturday, August 26, 2023 (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 Saturday, August 26, 2023.
- (xxi) Pursuant to finance Act, 2020, dividend income is taxable in the hand of shareholders w.e.f April 1, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) 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.
- (xxii) The e-voting period commences at 10.00 a.m. on Saturday, September 23, 2023 and ends at 5.00 p.m. on Monday, September 25, 2023. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, September 16, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxiii) 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 Saturday, September 16, 2023.
- (xxiv) The Board of Directors of the Company have appointed M/s Balraj Sharma & Associates (FCS-1605, C.P No. 824) Company Secretaries, Delhi as the scrutinizer to scrutinize the remote e-voting process as well as voting during the Annual General Meeting in a fair and transparent manner.
- (xxv) The Scrutinizer shall after the conclusion of voting at AGM, unblock the votes casted through remote e-voting and voting at AGM and shall not later than two days submit a consolidated scrutinizer's report of the total votes cast in favour and against, if any, forthwith to the Chairman of the Meeting or any other person authorized by him.
- (xxvi) The Results declared along with the scrutinizer's report shall be placed on the Company's website [www.udtltd.com](http://www.udtltd.com) and on the website of CDSL within 48 hours of conclusion of the AGM of the Company and communicated to the NSE and BSE where Company's equity shares are listed.

**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**

<b>Name of Director – Mr. Kanal Gupta (DIN: 01050505)</b>	
1. Reason for Change	Re-appointment due to retire by rotation
2. Date of Birth	27-10-1982
3. Nationality	Indian
4. Brief Profile / Resume / Exp.	<p>Mr. Kanal Gupta having around 15 year’s experience in the Business administration, marketing and operations, particularly in Oil and Gas Industry.</p> <p>Mr. Kanal Gupta has been a valued member of the UDTL’s Board &amp; its Committee’s. He has made immense contribution, services and continuous endeavours towards the achievement of organizational goals and carried out his responsibilities diligently.</p> <p>He is self-made business-man, done exceedingly well in his working span. He is fully, dedicated, involved with the UDTL’s projects and solely very confidently heading the operations.</p> <p>He is ideally suited for the job and having vast experience of Corporate Management and particularly of oil industry and successfully working as an Executive Director of the Company.</p>
5. Disclosure of Relationship	Son of Shri Pramod Kumar Gupta, Chairman-cum-Managing Director of the Company.
6. Directorship / Membership in other listed entities	Nil
7. No. of Shares Held in UDTL	2,900 Equity Shares

### 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 & 05 of the accompanying Notice dated August 14, 2023.

#### ITEM NO. 04

Appointment of M/s Sarupria Somani & Associates, Chartered Accountants, (ICAI Firm Registration No. 010674C) as Statutory Auditors of the Company.

Members of the Company at 37th Annual General Meeting ('AGM') held on September 20, 2019 had approved the appointment of M/s R S Dani & Co., Chartered Accountants (ICAI Firm Registration No. 000243C), as Statutory Auditors of the Company for a period of five years from the conclusion of that AGM till the conclusion of 42nd AGM to be held in the calendar year 2024. However, M/s R S Dani & Co., Chartered Accountants (ICAI Firm Registration No. 000243C), had tendered their resignation vide letter dated August 14, 2023 from the position of Statutory Auditors of the Company with immediate effect.

The said resignation letter was placed before the meeting of the Audit Committee and Board of Directors held on August 14, 2023. The Board had noted & accepted the resignation of existing statutory auditors M/s R S Dani & Co., Chartered Accountants (ICAI Firm Registration No. 000243C) cited the reason as mentioned in the aforesaid resignation letter.

Pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, pursuant to the recommendation of the Audit Committee of the Company, the Board of Directors has approved the appointment of M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) as the Statutory Auditors of the Company at the meeting held on August 14, 2023 to fill the casual vacancy caused by the resignation of M/s R S Dani & Co. Chartered Accountants.

Further, pursuant to the recommendation of Audit Committee of the Company, the Board had also recommended to the members for its approval at ensuing AGM, the appointment of M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) as Statutory Auditors of the

Company for a period of two consecutive years to hold office from the conclusion of 41st AGM till the conclusion of 43rd Annual General Meeting. The said appointment is pursuant to applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

On the recommendation of the Audit Committee, the Board also recommended for the approval of Members, the remuneration payable to M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) as mutually agreed between the Company and the said statutory auditors.

The Committee considered various parameters like audit experience, market standing of the firm, clientele served, technical knowledge etc., and found M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) to be best suited to handle the audit of the financial statements of the Company.

M/s Sarupria Somani & Associates, a distinguished Chartered Accountancy firm with an illustrious history spanning 35 years. M/s Sarupria Somani & Associates has established a strong presence in the field of audit, deep understanding of auditing practices, Audit financial reporting standards and has offices in 19 cities, including a fully equipped office in Karol Bagh, Delhi. The Firm having a dedicated team of 17 partners and 30 qualified and unqualified assistants, each of whom contributes their expertise to deliver exceptional services to their valued clients.

The firm has rich experience in the field of Bank Audits, Accounting, Auditing, Taxation, Company Law, Finance and Management Consultancy.

M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) have given their consent to act as Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Accordingly, consent of the members is being sought to appoint M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) as Statutory Auditors of the Company to conduct the Statutory Audit for the FY 2023-24 & 2024-25.

None of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out in Item No. 4 of this Notice for the approval of the members.

#### ITEM NO. 05

Ratify the remuneration payable to the cost auditors of the company for the financial year ending March 31, 2024;

Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 provides for:

- appointment of a Cost Accountant in practice, to conduct audit of cost records of a company, by the Board of Directors on the recommendation of Audit Committee; and
- ratification of remuneration payable to him by the members of the company.

In terms of the aforesaid provisions, the Board of Directors of the Company at its meeting held on February 11, 2023 and based on the recommendation of Audit Committee had approved the appointment of M/s Swati Chaturvedi, Practicing Cost Accountants, (Firm Registration Number: 100664) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024.

The remuneration fixed for the said appointment is ₹75,000 (Rupees Seventy Five Thousand only) plus applicable Goods and Service tax (GST) and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the Members is being sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out in Item No. 5 of this Notice for the approval of Members.

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

Sd/-

**Anand Kumar Mishra**

*Company Secretary*

FCS - 7207

Date: 14/08/2023

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/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM 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/EGM. 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 EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/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 EGM/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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM 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/EGM. 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/EGM 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/EGM has been uploaded on the website of the Company at [www.udtltd.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM 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.

### 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 **Saturday, September 23, 2023 and ends on Monday, September 25, 2023**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date Saturday, September 16, 2023** of Saturday, September 16, 2023 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 <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	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.: 022-4886 7000 and 022-2499 7000

### 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](http://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](http://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) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vii) '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](http://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](mailto: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](mailto: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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM 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/EGM.
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 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [COMPSECT@UDTLTD.COM](mailto:COMPSECT@UDTLTD.COM). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [COMPSECT@UDTLTD.COM](mailto: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/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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](mailto: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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

# DIRECTOR'S REPORT

Dear Shareholders / Members,

The Board of Directors are pleased to present the 41<sup>st</sup> Annual Report of the United Drilling Tools Limited ("UDTL"). This report, inter-alia, includes the audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2023 (FY23).

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report covers the financial results and other developments during the financial year ended March 31, 2023, in respect of UDTL.

## 1. BUSINESS PERFORMANCE AND FINANCIAL HIGHLIGHTS

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.

### 1.1 Financial Highlights

(₹ in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	11,934.02	16,441.89	11,982.69	17,489.55
Other Income	157.36	199.84	59.73	110.18
<b>TOTAL INCOME</b>	<b>12,091.38</b>	<b>16,641.73</b>	<b>12,042.42</b>	<b>17,599.73</b>
LESS Total Expenses	10,626.78	9,477.50	10,561.61	10,452.72
<b>Profit before Tax (PBT)</b>	<b>1,464.60</b>	<b>7,164.23</b>	<b>1,480.81</b>	<b>7,147.01</b>
LESS Tax Expenses	446.94	2,128.71	453.35	2,144.09
<b>Profit after Tax (PAT)</b>	<b>1,017.66</b>	<b>5,035.52</b>	<b>1,027.46</b>	<b>5,002.92</b>
Other comprehensive Income	(6.79)	(0.39)	(6.79)	(0.39)
<b>Total comprehensive Income for the period, net of tax</b>	<b>1,010.87</b>	<b>5,035.13</b>	<b>1,020.67</b>	<b>5,002.53</b>

### 1.2 General Information & State of Company's Affairs

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 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.

During the FY23, the company successfully developed two new patents, which have been recognized as valuable assets and capitalized in the Company's Financial Statements.

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, Cairn Energy, and Welspun, among others. In the international markets, we work with some of the renowned brands, such as Halliburton, Schlumberger, and Geo Empo among others. Our revenues are distributed between government organisations, private sector companies and exports in the oil and gas sectors.

## 2. DIVIDEND

During the Year under review, the Directors have declared and paid two interim dividends aggregating 12% i.e; ₹1.20/- per equity share of ₹10/- each.

The Directors have also recommended a final dividend @ 6% i.e; ₹0.60/- per equity share of ₹10/- each based on the parameters laid down in the Policy and such dividend will be paid out of the distributable profits for the year.

The said dividend, if approved by the Members at the ensuing Annual General Meeting ("the AGM") will be paid to those Members whose name appears on the register of Members (including Beneficial Owners) of the Company as at the end of August 26, 2023.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

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') had formulated and adopted a Dividend Distribution Policy (the 'Policy') and same is available on the website of the Company i.e; <https://udtltd.com/policies/>.

## 3. SHARE CAPITAL

During the year under review, the Company has not altered/modified its authorised share capital and has not issued any shares including equity shares with differential rights as to dividend, voting or otherwise. The Company has not issued any sweat equity shares to its directors or employees.

The Paid-up Share Capital of the Company as on March 31, 2023 is ₹20,30,31,260/- divided into 2,03,03,126 Equity Shares of ₹10/- each fully paid up.

## 4. LISTING

UDTL's Equity Shares continues to be listed on both the domestic stock exchange(s) viz., BSE Limited and National Stock Exchange of India Limited. 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 2023-24.

## 5. PUBLIC DEPOSITS

The Company has not accepted any deposits falling within the meaning of Section 73 or 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public was outstanding during the year under review.

## 6. CREDIT RATING

With strong commitment, performance, rating agency had continuously maintained BBB (STABLE) Rating for FY 2022, as also during FY 2023. 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.

## 7. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for FY 2022-23 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and as stipulated under Regulation 33 of SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

## 8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the FY23, the Company has 1 (one) Wholly-owned Subsidiary. The Board of Directors reviewed the affairs of the subsidiary. There is no other change in the status of subsidiaries, joint ventures and associate companies. Further, in accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiary along with a statement containing the salient features of the financial statements of Company's subsidiaries in Form AOC-1 forms part of Annual Report, given in "**Annexure-1**".

The statement also provides the details of performance, financial positions of the subsidiary Company. As per the provisions of Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and other related information of the Company and audited financial statements of its subsidiary, are available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com). These documents will also be available for inspection during business hours at our registered office till date of annual general meeting.

The policy for determining material subsidiaries may be accessed on the Company's website at <https://udtltd.com/policies/>.

## 9. AUDITORS AND THEIR REPORTS

### 9.1. Statutory Auditors and Statutory Audit Reports

Pursuant to Sections 139 & 142 of the Act, M/s R S Dani & Co., Chartered Accountants (ICAI Firm Registration No. 000243C) were appointed as the Statutory Auditors of the Company at the 37<sup>th</sup> AGM, for a period of five years. They continue as the Statutory Auditors of the Company.

There are no audit qualifications, reservations, disclaimers or adverse remarks, or reporting of fraud in the Statutory Auditors Report given by M/s R S Dani &

Co. Statutory Auditors of the Company for the financial year 2022-23 annexed in this Annual Report.

M/s R S Dani & Co., after carrying out the audit for the financial year ended March 31, 2023, and issuance of Limited Review Report on the un-audited financial results for the 1<sup>st</sup> quarter ended June 30, 2023, had resigned on August 14, 2023, to enable the Company to align its statutory auditors with the successor statutory auditors. The Board, after placing on record its appreciation for the contribution made by M/s R S Dani & Co., over the last ten years, accepted their resignation as statutory auditors in the meeting held on August 14, 2023.

Further, the Board took note of requisite declarations, consent letters and eligibility certificates received from the proposed Statutory Auditors i.e; M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C). They have confirmed that their appointment as Auditors, if made, shall be in accordance with the conditions laid down in the Companies Act, 2013 and rules made thereunder, including the criteria provided in Section 141 and Section 144 of the Companies Act, 2013 and SEBI Listing Regulations.

The Board approved the appointment of M/s Sarupria Somani & Associates, Chartered Accountants (ICAI Firm Registration No. 010674C) as the statutory auditors of the Company to fill the casual vacancy and further recommended to the shareholders for the appointment of statutory auditors for a first term of two years from the date of ensuing Annual General Meeting till the conclusion of the 43<sup>rd</sup> Annual General Meeting to be held in the year 2025 on such remuneration as may be mutually agreed between the statutory auditors and the Board of Directors of the Company, from time to time.

### 9.2. Secretarial Auditors & Secretarial Audit Report

In term of the provision of Section 204 of the Company Act, 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Balraj Sharma & Associates, Company Secretaries, New Delhi as Secretarial Auditors of the Company for the financial year ended March 31, 2023.

The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The report of the Secretarial Auditors in Form MR-3 forms part of the Directors' Report as "**Annexure-2**".



There are no audit qualifications, reservations, disclaimers, or adverse remarks in the said Secretarial Audit Report. Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

### 9.3. Internal Auditor & Internal Audit Reports

During the FY23, pursuant to the provision of section 138 of the Act and Listing Regulations, 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 2022-23 to conduct the Internal Audit of key functions and assessment of Internal Financial Controls, etc.

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.

### 9.4. Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended March 31, 2023 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s Balraj Sharma & Associates, Company Secretaries had submitted to the Stock Exchange/s as per the Listing regulations.

### 9.5. Reporting of Frauds by Auditors

During the FY23, the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the rules made thereunder.

## 10. 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') and Managing Director of the Company have certified and confirming the correctness of the Financial Statements (Standalone and Consolidated) and Cash Flow Statements (Standalone and Consolidated), adequacy of the internal control measures for financial reporting for the year ended March 31, 2023. The certificate dated May 29, 2023 which is forms part of this report as "**Annexure-3**".

## 11. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted a Code of Conduct for its employee including the Managing Director, Executive Directors, Non-Executive Directors and Independent Directors of the Company. Pursuant to the relevant listing regulations, the Company has received a compliance confirmation certificate from the Managing Director of the Company dated August 14, 2023 which is forms part of this report as "**Annexure-4**".

## 12. CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

None of the Directors on the Board of the Company for the FY ended March 31, 2023, have been debarred or disqualified from being appointed or continuing as Director of the Company. The Company have received a Certificate from Practicing Company Secretary dated August 01, 2023, which is forms part of this report as "**Annexure-5**".

## 13. 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.

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 January 22, 2022 and September 20, 2022 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-6**" of this report in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, which forms part of this Report.

The CSR Policy is available on the website of the Company i.e; <https://udtltd.com/policies/>.

#### 14. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report for the financial year under review is presented in a separate section, forming an integral part of this Annual Report as "**Annexure-7**".

#### 15. CORPORATE GOVERNANCE

We, at UDTL, re-affirms its continued commitment, adhering good Corporate Governance practices. The Company is committed to maintain the highest standards of corporate governance and adherence to the corporate governance requirement set out by SEBI Listing Regulations.

Pursuant to Regulation 34(3) of the Listing Regulations, a report on Corporate Governance along with a Certificate from the Chartered Accountants in Practice towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in "**Annexure-8**" and "**Annexure-9**" respectively.

#### 16. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as "**Annexure-10**".

Statement containing particulars of top 10 employees and particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this report.

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

The Company has always been conscious of the need to conserve energy in its manufacturing plants and to protect environment. Energy conservation is achieved through optimized consumption of power and fossil fuels and improvements in energy productivity, which contributes in reduction in operational costs and climate change mitigation through reduction in greenhouse gases.

The information pertaining to details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies Accounts Rules, 2014 are given in "**Annexure-11**".

#### 18. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the FY23 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 which is forms part of this report as "**Annexure-12**".

#### 19. RELATED PARTY TRANSACTIONS

The Board of Directors of the Company had laid down the criteria dealing with Related Party Transactions. During the year, the Company had not entered into any materially significant transaction as defined in the RPT Policy with related parties viz. promoters, directors, their relatives or the management, subsidiaries etc. that may have potential conflict with the interests of the Company at large.

All transactions entered by the Company during the FY23 with related parties were in the ordinary course of business and on an arm's length basis, which were recommended and approved by the Audi Committee.

Form AOC-2 furnishing particulars of contracts or arrangements entered by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, is annexed to this report as "**Annexure-13**".

The details of all the Related Party Transactions form part of Note No. 32D(8) to the standalone financial statements attached to this Annual Report. The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the website of the Company i.e; <https://udtltd.com/policies/>.

#### 20. INTERNAL FINANCIAL CONTROL, AUDIT SYSTEMS AND THEIR ADEQUACY

The Company's internal financial controls are commensurate to the scale and complexity of its operations.

The Company has adequate internal financial controls systems in place, which facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Internal Control Over Financial Reporting (ICFR) remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process

to adopt best practices. Your Company through Internal Audit Program is regularly conducting test of effectiveness of various controls. The ineffective and unsatisfactory controls are reviewed and remedial actions are taken immediately. The internal audit plan is also aligned to the business objectives of the Company which is reviewed and approved by the Audit Committee. Further the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

Esteemed Members / Shareholders may please refer 'Internal control systems and their adequacy' section in the Management's discussion and analysis report, which forms part of this Annual Report.

### 21. ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY the 2022-23 is uploaded on the website of the Company and the same is available on the website of the Company i.e; <https://udtltd.com/annual-return/>.

### 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177(9) and 177(10) of the Act and Regulation 22 of the Listing Regulations with a will to enable the stakeholders, including directors, individual employees to freely communicate their concerns about illegal, suspected Fraud or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The mechanism provides adequate safeguards against victimization of directors or employees who avail of the mechanism. The Whistle Blower Policy is available on the website of the Company i.e; <https://udtltd.com/policies/>.

### 23. PROHIBITION OF INSIDER TRADING

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code"). The Code is applicable to all Directors, Designated persons and connected Persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company.

Pursuant to PIT Regulations and circulars issued by SEBI and Stock Exchange/s from time to time, the Company have installed the Structured Digital Database (SDD) Software and all UPSI duly captured, quarterly compliance certificate also filed to Stock Exchanges.

The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with the PIT Regulations. The aforesaid Codes are available on the website of the Company i.e; <https://udtltd.com/code-of-conduct/>.

### 24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security were proposed to be utilized by the recipients are provided in the standalone financial statements (Please refer to Notes to the standalone financial statements).

### 25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### 25.1 Board of Directors

During the FY23, the Board of the Company is duly constituted having proper balance of Executive and Non-executive Directors in compliance of extant applicable Laws, Rules & Regulations, comprises of 07 (Seven) members out of which 4 (Four) are Independent Directors and 3 (Three) are Executive Directors including Chairman-cum-Managing Director. As on the date of this report, there was no change in the composition of the Board of Directors.

The composition of the Board of Directors at the end of FY23 was as under:-

Mr. Pramod Kumar Gupta	:	Chairman & Managing Director
Mr. Kanal Gupta	:	Executive Director
Mr. Inderpal Sharma	:	Executive Director
Mr. Krishan Diyal Aggarwal	:	Independent Director
Mrs. Preet Verma	:	Independent Director
Mr. Pandian Kalyanasundaram	:	Independent Director
Mr. Ved Prakash Mahawar	:	Independent Director

Further, in terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Kanal Gupta (DIN – 01050505), Whole-time Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting. Mr. Kanal Gupta, being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. His appointment is placed for approval of the members and forms part of the notice of the 41<sup>st</sup> AGM. The information about the Director seeking his reappointment as per Para 1.2.5 of Secretarial Standards on General Meetings and Regulation 36(3) of the Listing Regulations has been given in the AGM.

During the FY23, the Members in their 40<sup>th</sup> Annual General Meeting held on September 26, 2022 approved the re-appointment of Mr. Pramod Kumar Gupta (DIN – 00619482) as Chairman-cum-Managing Director w.e.f December 21, 2022 upto December 20, 2027 and Mr. Inderpal Sharma (DIN – 07649251) as Whole Time Director of the Company w.e.f the conclusion of 40<sup>th</sup> AGM upto the conclusion of 45<sup>th</sup> AGM to be held in the year 2027. The members in their 40<sup>th</sup> Annual General Meeting also confirm the re-appointment of Dr. Pandian Kalyanasundaram (DIN – 02568099) as Non-Executive Independent Director of the Company for another (second) term of five consecutive years from the conclusion of 39<sup>th</sup> AGM upto the conclusion of 44<sup>th</sup> AGM to be held in the year 2026.

The members of the Company through Postal Ballot results declared on May 06, 2023, approved the re-appointment of Mr. Kanal Gupta (DIN – 01050505) as Whole-time Director of the Company w.e.f February 10, 2023 upto February 09, 2028.

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the FY 2022-23.

All Independent Directors of the Company have affirmed compliance with the Schedule IV of the Act and Company's Code of Conduct for Directors and Employees for the FY 2022-23.

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled

themselves with the Indian Institute of Corporate Affairs ('IICA') on the Independent Directors Databank.

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 Listing Regulations.

The Company has adopted a policy on familiarisation programme for Independent Directors with an objective of making the Independent Directors of the Company accustomed with the business and operations of the Company through various structured orientation programme. The familiarization programme also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to take well informed and timely decision.

The details of the familiarization programme undertaken have been uploaded on the website of the Company i.e; <https://udtltd.com/policies/>.

## 25.2 Key Managerial Personnel

In terms of the provisions of Section 203 & 2(51) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company as on the date of report:

Mr. Pramod Kumar Gupta	:	Chairman & Managing Director
Mr. Kanal Gupta	:	Executive Director
Mr. Inderpal Sharma	:	Executive Director
Mr. Manoj Kumar Arora	:	Chief Financial Officer
Mr. Anand Kumar Mishra	:	Company Secretary & Compliance Officer

During the FY23, Mr. Naveen Bhatnagar was appointed as Company Secretary & Compliance Officer with effect from March 29, 2022 and have tendered their resignation & ceased to be Compliance Officer & Company Secretary w.e.f March 18, 2023.

Further, Mr. Mukesh Mehta also tendered their resignation & ceased to be the Chief Financial Officer (CFO) of the Company w.e.f September 20, 2022. After that Mr. Manoj Kumar Arora, qualified Chartered



Accountants was appointed as Chief Financial Officer (CFO) of the Company w.e.f. February 11, 2023.

The remuneration and other details of these KMPs for the FY23 are provided in the Corporate Governance Report which forms part of this report.

### 25.3 Committees of the Board & their meetings

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

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

For more details on composition and meeting of committee/s for the FY23 are provided in the Corporate Governance Report which forms part of this report.

### 25.4 Meetings of Board of Directors

The Board of Directors of the Company met 5 (five) times during the financial year ended March 31, 2023. These meetings of the Board of Directors were held on May 25, 2022, August 13, 2022, September 26, 2022, November 12, 2022 and February 11, 2023.

The composition of Board of Directors during the year ended March 31, 2023 is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. For more on attendance and other details for the FY23 are provided in the Corporate Governance Report which forms part of this report.

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

### 25.5 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 Listing regulations, a separate meeting of Independent Directors was held on February 11, 2022. The said meeting was attended by Mr. Krishan Diyal Aggarwal, Mrs. Preet Verma, Mr. Pandian Kalyanasundaram and Mr. Ved Prakash Mahawar without presence of other Directors, 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.

### 25.6 Performance Evaluation of Board and Effectiveness

Pursuant to the provisions of the Act and Listing Regulations and as per Guidance Note on Board Evaluation issued by SEBI, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees at its meeting held on February 11, 2023 on the basis of a structured Questionnaire covering various aspects of the Board's functioning.

During the FY23, all Directors have participated in the evaluation process and opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors are satisfactory. The Nomination and Remuneration Committee has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees.

The review concluded by affirming that the Board as a whole as well as its Chairman, all of its members, individually, and the Committees of the Board continued to display a commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in the overall growth of the organization.

## 26. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

The Company has on the recommendation of the Nomination and Remuneration Committee framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act. The policy, inter alia lays down the

principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management personnel of the Company.

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.

The Nomination & Remuneration Policy of the Company is available on the website of the Company i.e; <https://udtlttd.com/policies/>.

## 27. 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.

## 28. GREEN INITIATIVE & SHAREHOLDERS INFORMATION

The Ministry of Corporate Affairs (MCA), Government of India has taken a 'Green Initiative in the Corporate Governance' vide its Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 which enables the entity to effect electronic delivery of documents including the Notice of Annual General Meeting/Extra Ordinary General Meeting, audited financial statements, Director's Reports, etc. in electronic form, to the e-mail address the Shareholders have registered with Depository Participant(DP).

The Shareholders are requested to register/update their e-mail address immediately in their respective DP accounts so as to receive delivery of documents in electronic form instead of getting the same in physical form.

The Shareholders holding shares in physical form desirous of availing electronic form of delivery of documents/notices are requested to immediately register/update their e-mail address, by contacting with our designated Registrar and Transfer Agents, namely, M/s Alankit Assignments Limited.

Members may please note that AGM Notice and Annual Report 2022-23 are being send only in electronic mode and the said notice and annual report are also available on the Company's website [www.udtlttd.com](http://www.udtlttd.com), websites of the Stock Exchange/s i.e; BSE Limited and National Stock Exchange

of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

The Securities and Exchange Board of India (SEBI) has by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 made it mandatory for all holders of physical Securities to furnish the copy of PAN, Nomination in form SH-13, Cancellation or change in Nomination in form SH-14, Updation of contact detail in form ISR-1, & updation of Bank account details in form ISR-2. In this regard, you may contact with our Company's designated Registrar & Share Transfer Agent (RTA) and / or to our Company's official.

## 29. RISK MANAGEMENT

The Risk Management is an integral and important component of Corporate Governance. The Board of Directors of the Company has constituted Risk Management Committee ('RMC') which assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as Board may deem fit.

The Risk Management framework is in place to identify, prioritize, mitigate, monitor and appropriately report any significant threat to the organization's strategic objectives, its reputation, operational continuity, environment, compliance, and the health & safety of its employees. A detailed section on Risk Management is provided in the Management Discussion and Analysis Report forming an integral part of this Integrated Annual Report.

Pursuant to Section 134(3)(n) of the Act and Regulation 17(9) of the Listing Regulations, the Company has formulated and adopted a Risk Management Policy, same is available on the website of the Company i.e; <https://udtlttd.com/policies/>.

The Company has been consciously following a policy of risk mitigation by diversifying its products, services, markets and customers. Further, within the Industrial & Engineering segment, the risk of excessive reliance on contract manufacturing is being addressed by strengthening and growing the Company's own product portfolio and creating brand equity.

## 30. DIRECTORS' RESPONSIBILITY STATEMENT

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, 2023, the applicable accounting standards were followed along-with proper explanation relating to material departures;
- 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, 2023 and of the profit of UDTL for the year ended on that period;
- 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;
- the annual accounts for FY 2022-23 were prepared on a Going Concern basis; and
- devised the proper system to ensure compliance with the provisions of all applicable laws and that such and were adequate and operating effectively.

### 31. PREVENTION OF SEXUAL HARASSMENT

The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been setup to look after the complaints.

The Company is committed towards promoting the work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment irrespective of their gender, race, social class, caste, creed, religion, place of origin, sexual orientation, disability or economic status.

All employees of the Company are covered under this policy. The details of complaints received and disposed-off during the FY23 is as follows:

S. No.	Particulars	Status
1.	Number of complaints pending at the beginning of the FY23	0
2.	No. of complaints received during the FY23	0
3.	No. of complaints resolved during FY23	0
4.	Number of complaints pending at the end of FY23	0

### 32. OTHER STATUTORY DISCLOSURE

During FY23, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- Maintenance of cost records under sub-section (1) of Section 148 of the Act is not applicable to the Company.
- No material changes and commitment, affecting the financial position of the Company which occurred between the end of FY23 till the date of this Report.
- No instance of any one-time settlement with any Banks or Financial Institutions.
- No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- No significant and material orders passed by the Regulators/ Courts/Tribunals which impact the going concern status and Company's operations in future.
- UDTL has not issued any Equity Shares including with Differential Voting Rights / Sweat Equity Shares.
- No occasion for revision in the Financial Statements for the year under report.
- No change in the nature of business of UDTL as on the date of this Report.
- No any remuneration or commission to the Whole-time Director/ Managing Director of the Company from the subsidiaries of the Company.
- None of the Independent / Non- Executive Directors have any pecuniary relationship or transactions with the Company which in the judgement of the Board may affect the independence of the Directors.
- No transfer any amount to General Reserves of the Company, due to enhancing shareholders value.

### 33. CAUTIONARY STATEMENT

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

Directors' Report, Business Responsibility and Sustainability Report, Management Discussion & Analysis Report, Financial Statements (Standalone & Consolidated); annexure(s), attachment(s) thereto information pertaining to the projections, estimates, etc. are forward looking under SEBI

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.

### 34. ACKNOWLEDGEMENTS

The Directors take this opportunity to thank the shareholders, bankers and the financial institutions for their cooperation and support to the operations and look forward for their continued support in future. The Directors also thank all the customers, vendor partners, and other business associates for their continued support during the year. The Directors place on record their appreciation for the hard work put in by all employees of the Company.

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

Date: 14/08/2023  
Place: Noida

Sd/-  
**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN: 00619482



## Annexure-1

**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 ₹ in lacs)

<b>Name of the Subsidiary</b>	: <b>M/s P Mittal Manufacturing Pvt. Ltd.</b>
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 / Other Equity	: ₹144.68 Lakhs
6. Total Assets	: ₹1459.25 Lakhs
7. Total Liabilities	: ₹1459.25 Lakhs
8. Investment	: NIL
9. Turnover	: ₹464.05 Lakhs
10. Profit/ (Loss) before taxation	: ₹16.22 Lakhs
11. Provision for taxation	: ₹6.40 lakhs
12. Profit/ (Loss) after taxation	: ₹9.82 lakhs
13. Proposed Dividend	: NIL
14. % of shareholding	: 100%

**ADDITIONAL INFORMATION:**

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

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

 Sd/-  
**Manoj Kumar Arora**  
 Chief Financial Officer

 Sd/-  
**Anand Kumar Mishra**  
 Company Secretary

 Date: 14/08/2023  
 Place: Noida

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

**FORM NO. MR-3****Secretarial Audit Report****For the Financial Year ended 31st March, 2023**

[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 31<sup>st</sup>, 2023 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 31<sup>st</sup>, 2023 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 1<sup>st</sup> 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) 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 31<sup>st</sup> March, 2023)
  - 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 31<sup>st</sup> March, 2023)
- (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, 2023.
- 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 AOC-4 (XBRL) for filing of Financial Statements, , e-Form IEPF-2 for appointment of Nodal Officer, e-Form MGT-14 for fixation of record date for declaring Interim Dividend, e-Form-DIR-12 for appointment of CFO of the Company, e-Form CRA-2 for appointment of Cost Auditor of the Company were filed beyond the statutory time period due to technical glitches on the Ministry of Corporate Affairs Portal 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

Place: New Delhi Date: 01/08/2023  
UDIN: F001605E000720169  
PR Certificate: 1463/2021

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 Annexure-2**

To,  
The Members  
**United Drilling Tools Limited**

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

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

For **Balraj Sharma & Associates**  
Company Secretaries

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

Place: New Delhi Date: 01/08/2023  
PR Certificate: 1463/2021

**COMPLIANCE CERTIFICATE**  
**(Pursuant to regulation 17(8) of Listing Regulations)**

**Annexure-3**

To  
The Board of Directors,  
**United Drilling Tools Limited**

In compliance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that, we have reviewed financial statements (Standalone & Consolidated) and the cash flow statement (Standalone & Consolidated) for the financial year 2022-23 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 not observed any deficiencies in the design or operation of such internal controls.

We have indicated to the auditors and the Audit committee that there are:

- No significant changes in internal control over financial reporting during the year;
- No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- No 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/-  
**Manoj Kumar Arora**  
Chief Financial Officer  
Noida, 29/05/2023

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

**Annexure-4**

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.udt ltd.com](http://www.udt ltd.com).

I confirm that the Company has in respect of the year ended March 31, 2023, 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**

Date: 29/05/2023  
Place: Noida

Sd/-  
**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN: 00619482

## Annexure-5

**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, 2023 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 .

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	Whole-time 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	Whole-time 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: F001605E000719894

Place: New Delhi  
 Date: 01/08/2023

# 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.udtltd.com](http://www.udtltd.com). While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural disasters etc.)

## 2. COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of Meetings of CSR committee held during the year	No. of meetings committee attended
1.	Mr. Krishan Diyal Aggarwal	Chairman	04	04
2.	Mr. Pramod Kumar Gupta	Member	04	03
3.	Mr. Pandian Kalyanasundaram	Member	04	04
4.	Mrs. Preet Verma	Member	04	04

3. Provide the web—link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://udtltd.com/policies/>.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub—rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5.
  - (a) Average net profit of the company as per section 135(5): ₹54,50,55,494/- (Rupees Fifty Four Crore Fifty Lakh Fifty Five Thousand Four Hundred Ninety Four Only)
  - (b) Two percent of average net profit of the company as per section 135(5): ₹1,09,01,110/- (Rupees One Crore Nine Lakh One Thousand One Hundred Ten Only)
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - (d) Amount required to be set-off for the financial year, if any: 7,655/- (Rupees Seven Thousand Six Hundred Fifty Five Only)
  - (e) Total CSR obligation for the financial year (7a+7b-7c): ₹1,08,93,455/- (Rupees One Crore Eight lakh Ninety Three Thousand Four Hundred Fifty Five Only)
6.
  - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹76,99,590/-
  - (b) Amount spent in Administrative Overheads – ₹ Nil
  - (c) Amount spent on Impact Assessment, if applicable: ₹ Nil
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹76,99,590/-
  - (e) CSR amount spent or unspent for the financial year:



Amount Unspent (in ₹) – 31,93,865/- (Rupees Thirty One Lakh Ninety Three Thousand Eight Hundred Sixty Five Only)					
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
76,99,590/-	Nil	NA	NA		

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in The Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2019-20	NA	-	-	-	-	-	-
2	2020-21	NA	-	-	-	-	-	-
3	2021-22	NA	-	-	8,15,885	24/09/2021	-	-
					12,00,000	18/09/2021		
					4,00,000	21/09/2021		
					12,00,000	20/09/2021		
<b>Total</b>			-	-	<b>3615885</b>		-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 – During the year under review (FY2022-23), the total CSR Liability was ₹1,08,93,455, after set-off carry forward amount for FY2021-22. Out of which, the Company had spend ₹76,99,750/-which constitutes 70% of the total CSR Liabilities. The primary reason for not spending the whole amount was, as we were unable to find suitable NGOs to meets our criteria and standards for creating a positive impact on society and the environment despite of our ongoing discussion with different NGOs during last financial year. Most of our CSR expenditures were channelled through NGOs with a proven track record of utilization. In view of above, the Board shall be transferred the aforementioned unspent amount i.e; ₹31,93,705/- to a Government-specified fund before the due date

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

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

Sd/-  
**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN - 00619482

Sd/-  
**Krishan Diyal Aggarwal**  
Chairman CSR Committee  
DIN - 00861164

Date – 14/08/2023

Place - Noida

# MANAGEMENT DISCUSSION AND ANALYSIS

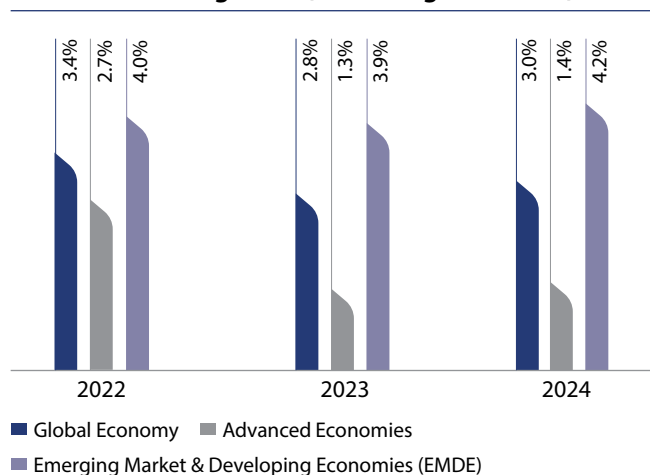
## Global economy overview

The year 2022 marked a significant milestone in the global economic recovery from the devastating impact of the Covid-19 pandemic. While the world witnessed substantial growth and stabilization, it also faced ongoing challenges stemming from the pandemic and geopolitical developments.

In 2022, the global economy experienced an estimated growth rate of approximately 3.4%. This growth was supported by a combination of effective monetary and fiscal policies, increasing vaccination rates, and the gradual easing of restrictions, which allowed for the resumption of economic activities. However, the pace of global recovery was hindered by various factors, including the Russian invasion of Ukraine, unprecedented inflation, a pandemic-induced slowdown in China, higher interest rates, a global liquidity squeeze, and quantitative tightening by the US Federal Reserve.

Consequently, global growth is projected to decline to 2.8% in 2023, as central banks raise interest rates to combat inflation and geopolitical issues continue to exert pressure on economic activity. Despite these challenges, the global economy continues to demonstrate resilience and modest improvement. However, it is important to note that these estimates fall below the long-term global growth average of 3.0%.

## Global economic growth (real GDP growth in %)



(Source: <https://www.imf.org/-/media/Images/IMF/Publications/WEO/2023/April/English/growth-projections.ashx?h=2160&w=3841&la=en>)

In 2022, the global economy experienced a significant rise in inflation due to various factors such as moderate spending, disrupted trade, and higher energy expenses. However, the situation began to change in the last quarter of 2022 when central banks responded by increasing interest rates, and fuel and energy commodity prices started to decrease. As a result, global headline inflation started to decline. Although the decline is happening at a slower pace than initially predicted, it is expected that global inflation will decrease from 8.7% in 2022 to 7.0% this year and further drop to 4.9% in 2024.

The year 2022 witnessed significant progress in the global economic recovery, but it was not without its share of obstacles. While the world experienced notable growth and stabilization, it also grappled with ongoing risks arising from the pandemic and geopolitical developments. Looking ahead, the global economy is expected to face further challenges in 2023, leading to a slight decline in growth. Nonetheless, the global economy remains resilient, and although the estimates fall below the long-term average, there is still room for cautious optimism.

## Outlook

While the balance of risks remains skewed towards the downside, there has been a moderation in these risks. There is a possibility of a stronger boost from pent-up demand in various economies or a faster decline in inflation. However, it is important to note that certain factors could exacerbate debt distress and lead to sudden repricing in financial markets. These factors include the rise in central bank rates to combat inflation, ongoing geopolitical conflicts, and the potential tightening of global financing costs. Therefore, it is crucial for most economies to prioritize achieving sustained disinflation. This necessitates the implementation of macro-prudential tools and the reinforcement of debt restructuring frameworks to maintain financial and debt stability.

In conclusion, the global economy is gradually recovering from the repercussions of the pandemic, and there are positive projections for inflation and growth in the upcoming years. Nevertheless, the persistent geopolitical and economic challenges continue to pose risks to the economy. To mitigate these risks effectively, it is imperative to adopt measures that are targeted and provide better fiscal support. Additionally, strengthening multilateral cooperation is essential to safeguard the gains from the rules-based multilateral system and attain sustainable economic growth.

## Indian economy overview

India has once again demonstrated its unwavering determination and ability to achieve robust economic growth, even in the face of global uncertainties, persistent inflation, and ongoing geopolitical challenges.

According to the latest report from the Ministry of Statistics and Programme Implementation, India's GDP is projected to grow by 7% in FY23, compared to 9.1% in FY22. This slight decrease in the year-on-year growth rate can be attributed in part to the fading of pandemic-induced base effects, which had contributed to higher growth figures in the previous fiscal year.

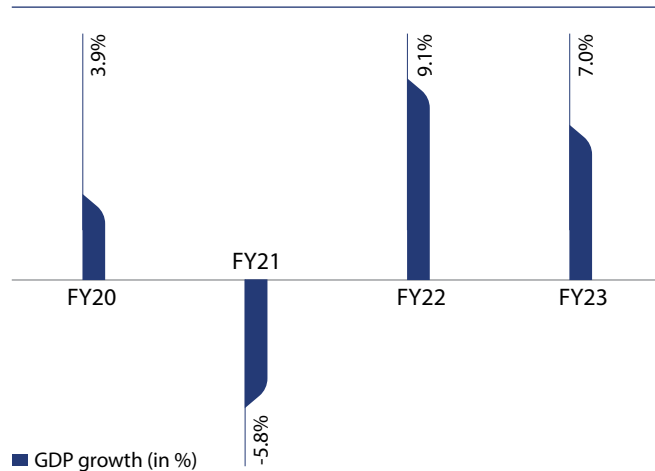
The government's substantial capital expenditure disbursements, along with the recovery in auto sales and improved capacity utilization at a macro level, have played a crucial role in driving India's economic progress. The Centre for Monitoring Indian Economy (CMIE) reported that new projects worth ₹6 trillion were announced in the December quarter, marking a significant 44% increase compared to the previous year. Additionally, India's exports surged by 14% to reach a record US\$770 billion in FY23, primarily driven by the services sector. However, imports reached a new peak of US\$892 billion due to subdued demand for goods amid global challenges.

Looking ahead, the World Bank expects India's GDP growth to moderate to 6.3% in FY24, mainly due to a sluggish recovery in private capital expenditure and a projected decrease in urban consumption. Furthermore, the recent increase in interest rates by the central bank (with the benchmark repo rate raised by 250 basis points between May 2022 and February 2023) is anticipated to impact private sector performance and capital expenditure. The International Monetary Fund (IMF) has also revised its GDP growth estimate for India in FY24 to 5.9%, down from its initial projection of 6.1%.

As India forges ahead, it is essential to acknowledge the challenges that persist, such as inflationary pressures and geopolitical fractures. These factors necessitate a proactive approach from policymakers and stakeholders to ensure sustainable and inclusive growth. By addressing these challenges head-on, India can further strengthen its economic foundations and create an environment conducive to long-term prosperity.

**Additionally, India's exports surged by 14% to reach a record US\$770 billion in FY23, primarily driven by the services sector. However, imports reached a new peak of US\$892 billion due to subdued demand for goods amid global challenges.**

## India's economic growth



(Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>)

Despite high inflation, the Indian economy achieved a remarkable GDP growth rate of ~7% in FY23. This impressive performance can be attributed to the sustained growth in GST collections, electronic toll collections, and the volume of e-waybills generated, all of which indicate a promising momentum. Furthermore, key indicators of manufacturing activity, such as the PMI-manufacturing, the Index of Industrial Production, and the Index of Core Industries (ICI), demonstrate a steady growth in this sector. Similarly, indicators of the services sector, including UPI transactions and high credit demand, also point towards sustained expansion.

In order to foster a virtuous cycle of infrastructure investment and job creation, the Union Government has significantly increased the capital expenditure outlay to ₹10 lakh crore, representing a remarkable 33% increase compared to the previous year. This substantial boost in infrastructure spending, particularly in tier II and tier III cities, is expected to have a profound impact on the Indian economy, generating new employment opportunities and stimulating overall growth. Overall, the demand conditions in India remain favorable for supporting economic activity. As we approach the coming financial year, India stands with confidence, underpinned by a foundation of macroeconomic stability. However, it is important to remain vigilant against potential political and geo-economic risks that may arise.

## Outlook

According to projections from the World Bank, India's GDP is expected to grow by 6.3% in FY24, driven by domestic demand and increased public investment. Additionally, there is a possibility of a decline in India's retail inflation rate from 6.6% to 5.2% in FY24. This growth is likely to be supported by various factors such as broad-based credit expansion, improved capacity utilization, and a reduction in trade deficits.

The government's implementation of production-linked incentive schemes is expected to provide further momentum to the economy, particularly benefiting downstream sectors. Despite an increase in interest rates, the outlook for private business investment remains positive. Moreover, India's economy has minimal exposure to Chinese economic weakness, which helps protect its long-term growth prospects.

With broad-based credit growth, improved capacity utilization, and the government's focus on capital spending and infrastructure development, investment activity is expected to receive a significant boost. As a result, firms operating in the manufacturing, services, and infrastructure sectors are optimistic about their business outlook. However, there are some downside risks to consider, including prolonged geopolitical tensions, tightening global financial conditions, and a slowdown in external demand.

### Global oil and gas industry overview

Over the past few years, the global oil & gas industry has undergone a profound transformation, weathering the storms of the Covid-19 pandemic and Russia's invasion of Ukraine. Despite the challenges, the industry emerged resilient and revitalized, and even in 2023, it continued its impressive recovery, fueled by various factors.

Consumer sentiment rebounded, economic activities surged, and trade flows increased, all contributing to a surge in demand for oil & gas products. As travel restrictions eased and economies reopened, the industry experienced a robust revival, with global refinery operating rates reaching new heights in response to the escalating demand.

Moreover, the power sector played a crucial role in driving this steady growth, as it embraced gas to oil switching following the energy crisis and elevated natural gas prices. This strategic move provided additional support to the industry's upward trajectory, reaffirming its potential for sustainable progress.

In terms of demand, the global oil demand increased by 2.3 mb/d to reach 101.6 mb/d in 2022 and is projected to climb by 2.2 mb/d in 2023 to reach 102.1 mb/d, a new record. Buoyed by surging petrochemical use, China will account for 70% of global gains, while OECD consumption remains anaemic.

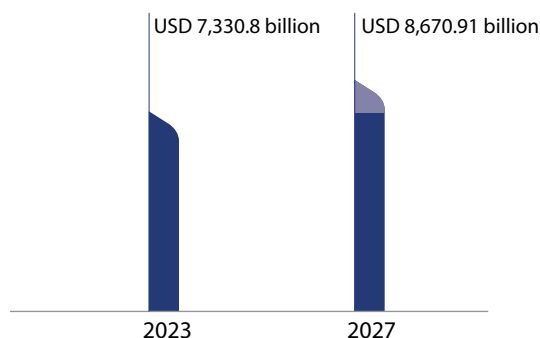
However, growth in world oil demand is set to lose momentum over the decade as the energy transition gathers pace, with an overall peak looming on the horizon. Led by continued increases in petrochemical feedstocks, total oil consumption is expected to grow at a much lower rate. For 2023, global production is forecast to increase by 1.6 mb/d to 101.5 mb/d, as non-OPEC+ expands by 1.9 mb/d. In 2024, global supply is set to rise by 1.2 mb/d to a new record of 102.8 mb/d, with non-OPEC+ accounting for all of the increase.

Amidst favorable conditions, the global oil and gas market showcased remarkable growth, surging from \$6,989.65 billion in 2022 to a formidable \$7,330.80 billion in 2023, achieving an impressive CAGR of 4.9%. However, the progress faced an unexpected impediment in the form of the Russia-Ukraine conflict, temporarily disrupting the market dynamics. The war led to economic sanctions affecting multiple nations, a surge in commodity prices, and significant supply chain disruptions, thereby triggering inflation in the prices of goods and services and exerting its impact on various markets worldwide.

Yet, with the gradual abating of the war's influence, the oil and gas market is anticipated to recover its momentum, poised to reach an astounding \$8,670.91 billion in 2027, demonstrating a steady CAGR of 4.3%. The resilience and adaptability of the industry are likely to pave the way for renewed growth and stability in the coming years.

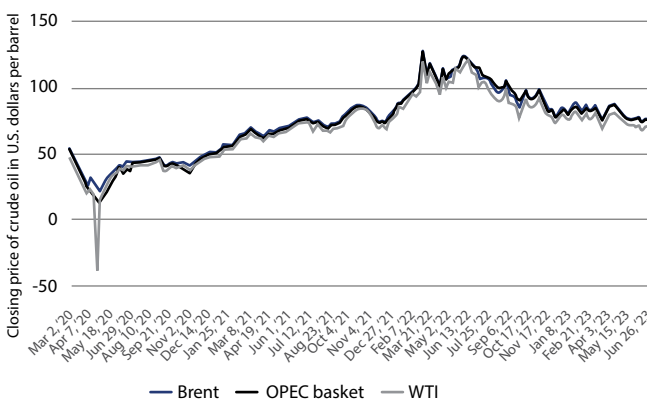
### Global Oil and Gas Market

Market forecast to grow at CAGR of 4.3%



(source: <https://www.researchandmarkets.com/reports/5781047/oil-gas-global-market-report#:~:text=The%20global%20oil%20and%20gas,least%20in%20the%20short%20term.>)

### Global oil prices trend



(Source: <https://www.statista.com/statistics/326017/weekly-crude-oil-prices/>)



## Key trends observed in the global oil and gas industry

### Tight supply

There is a reason most investment banks and energy consultancies keep forecasting higher prices of oil going forward despite considerable worry among traders about the state of the global economy. The reason is called supply and the explanation for the bullish price forecasts is that supply of crude oil is tightening on a global level. OPEC+'s recent decision to reduce production by another 1.16 million barrels daily amid a price slump driven by factors outside of the industry is one example of where supply is headed but it's not the only one.

The U.S. shale industry that went through a veritable boom during the last decade has transformed into a much more frugal, much more efficiency-oriented industry. The shale boom was proclaimed over last year, repeatedly, and there is little reason to believe these particular reports are exaggerated. U.S. shale oil output will continue rising, as long as the price is right, but it won't be rising at what the industry previously saw as its usual fast pace.

### Need for higher investments

While supply tightens both organically and artificially, demand for oil is being forecast at higher levels this year than last. The International Energy Agency expects oil demand to hit a record this year and exceed supply in late 2023. And the industry is preparing to respond. According to the report that global upstream investments will continue their rebound that began last year, hitting some \$470 billion this year. However, about half of that increase would be the result of higher costs rather than greater ambitions in production growth.

### OPEC's growing influence

A few years ago analysts argued that because of the advent of U.S. shale, OPEC is losing relevance, fast. Then came OPEC+, Saudi Arabia teamed up with Russia, and the larger organization came to account for an even higher portion of global oil supply than OPEC on its own used to.

As the latest move by the extended cartel shows, that organization is perfectly ready and willing to pull the market's strings to its advantage. It has no obstacles to doing that because OPEC+ is made up of state-owned companies. There is no investor activist pressure on these companies. Notably, there is no government pressure because all the OPEC+ governments are too aware of the benefits of oil revenues to just drop them in the name of a higher goal in the form of the energy transition.

### Fuelling a greener future

There is an increasing transformation of energy systems away from fossil fuels to renewable and clean energy. The world is likely to continue its transition towards cleaner and more sustainable energy sources. Governments and industries may focus on reducing carbon emissions and investing in renewable

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energy technologies. This transition could impact the demand for traditional oil and gas products.

### Outlook

Amidst the turbulence of demand-supply imbalances, the oil and gas sector has borne the brunt of the war crisis and ensuing energy politics, leading to sharp price distortions that caught markets off guard. Looking ahead, oil and gas prices are anticipated to experience upward pressure due to Europe's impending stricter energy import restrictions from Russia and the expected resurgence in demand as the pandemic recedes.

While the oil and gas industry has dealt with supply disruptions and price fluctuations before, the current situation presents a unique challenge. An intricate interplay of economic, geopolitical, trade, policy, and financial factors has exacerbated underinvestment issues and triggered a profound readjustment in the broader energy market. This has led to a "trilemma" of concerns encompassing energy security, supply diversification, and low-carbon transition.

Given these concerns, the industry foresees oil demand to grow in the next decade, but at a much slower pace compared to the previous one. Moreover, uncertainties loom large due to the evolving energy transition and supply tactics of OPEC+ and other major producers. All of these factors are set to maintain oil and gas markets on a volatile trajectory while simultaneously shaping a new world order concerning market dominance in the long run.

### Overview of the India oil and gas industry

The Indian oil and gas industry, as one of the eight core sectors, wields significant influence over the decision-making processes of other vital segments of the economy. Presently, India stands as the world's third-largest consumer of energy and oil, trailing only China and the United States. Additionally, it ranks as the fourth-largest importer of liquefied natural gas (LNG). The growth

of India's economy is intrinsically linked to its energy demands, thus creating a favorable environment for investment within the sector. Notably, India has successfully maintained its position as the third-largest global oil consumer throughout 2022.

In the FY23, the Indian oil and gas industry displayed a nuanced performance. A gleaming achievement emerged as crude oil production soared by 2.5%, surging to an impressive 36.7 million tonnes. This remarkable growth was fuelled by the successful expansion of production, particularly from novel oil fields like the Mangala field in Rajasthan.

Conversely, there were challenges to navigate. Refining throughput experienced a slight decline of 0.6%, settling at 230.4 million tonnes. This dip was primarily influenced by a confluence of factors, most notably the lingering repercussions of the COVID-19 pandemic and the ongoing Russo-Ukrainian war. Nevertheless, the industry's resilience in the face of these adversities showcases its unwavering determination to thrive amid tumultuous circumstances.

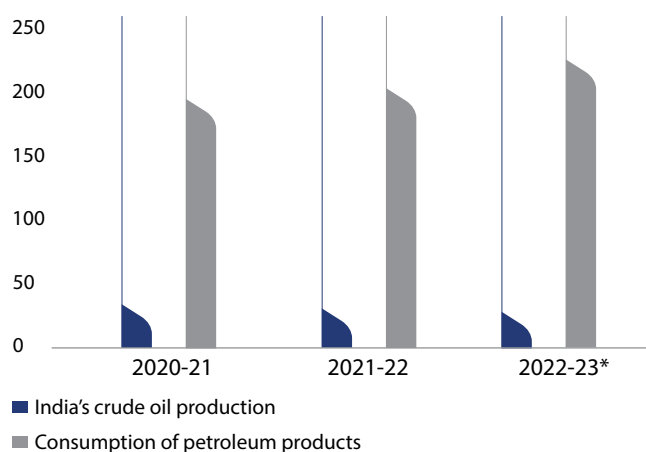
In the financial year 2022-23, India's appetite for petroleum products soared to unprecedented heights, underscoring a robust demand for transportation fuels and other refined commodities. The consumption of major fuels, including diesel, petrol, and liquefied petroleum gas (LPG), surpassed all previous records, signifying a remarkable growth in the demand for crude oil. Additionally, this consumption pattern acts as a reliable indicator to track the nation's industrial activity and domestic consumption trends.

With a total consumption of 222.30 million tonnes of petroleum products in 2022-23, India witnessed a staggering 10.2% year-on-year increase, setting a new milestone compared to the previous record of 214.13 million tonnes in 2019-20. The pandemic-induced slump in demand during 2020-21 was followed by a modest recovery in 2021-22. However, in the fiscal year 2022-23, demand surged past pre-COVID levels, as the various sectors of the economy made a triumphant comeback from the pandemic's impact.

**In the FY23, the Indian oil and gas industry displayed a nuanced performance. A gleaming achievement emerged as crude oil production soared by 2.5%, surging to an impressive 36.7 million tonnes.**

Moreover, as of March 2023, the Indian oil & gas industry encompasses 26 sedimentary basins, covering a vast area of 3.4 million square kilometres. This extensive region spans from the land to shallow waters up to 400-meter depth and even further to the Exclusive Economic Zone (EEZ) in deepwater. Regarding refining capacity, India boasts an impressive refining capacity of approximately 251 million metric tonnes per annum (MMTPA) as of October 2022, boasting 23 state-of-the-art refineries.

### Global economic growth (real GDP growth in %)



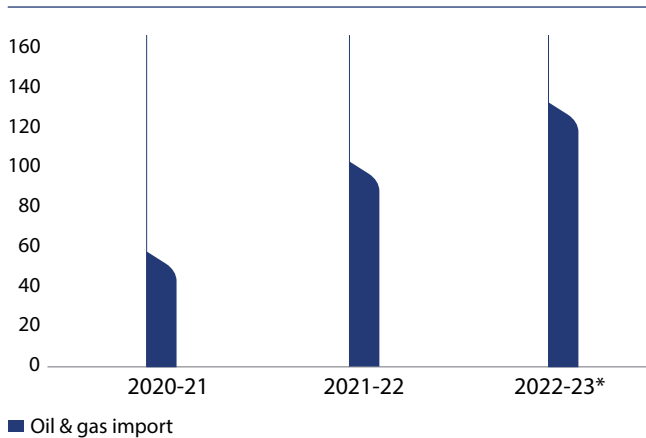
(Source: [https://ppac.gov.in/uploads/rep\\_studies/1681883210\\_Snapshot\\_of\\_India\\_Oil\\_Gas\\_data\\_Mar\\_2023\\_upload.pdf](https://ppac.gov.in/uploads/rep_studies/1681883210_Snapshot_of_India_Oil_Gas_data_Mar_2023_upload.pdf))

[\*projected]

### India's natural gas infrastructure

- A total of 22,335 km of the natural gas pipeline is operational and about 12,995 km of the gas pipeline is under construction as of December 2022.
- Target to increase the pipeline coverage by ~54% to 34,500 km by 2024-25 and to connect all the states with the trunk natural gas pipeline network by 2027.
- As on 31.01.2023, 10.5 million domestic PNG connections and 5,118 CNG stations have been established.
- As per the Minimum Work Programme, the authorized CGD entities authorized have to provide 123.3 million PNG connections and establish 17,700 CNG stations by 2030.
- Liquefied Natural Gas (LNG) supply is forging ahead on both coasts with 06 operational LNG terminals. The total capacity of LNG terminals stands at 42.7 MMTPA.

### India's net oil & gas imports (in \$ billion)



(Source: [https://ppac.gov.in/uploads/rep\\_studies/1681883210\\_Snapshot\\_of\\_India\\_Oil\\_Gas\\_data\\_Mar\\_2023\\_upload.pdf](https://ppac.gov.in/uploads/rep_studies/1681883210_Snapshot_of_India_Oil_Gas_data_Mar_2023_upload.pdf))

[\*projected]

### Growth drivers for the Indian oil & gas industry

#### India's growing energy demand

Expected to grow at about 3% per annum by 2040, compared to the global rate of 1%. Further, 25% of the global energy growth between 2020 and 2040 is envisaged to come from India due to the fast-growing economy and demographic dividend.

#### Unified tariff for natural gas pipelines and review of domestic gas pricing

Unified tariff aims to benefit the consumers located in the areas where currently the additive tariff is applicable, facilitating the development of gas markets. Domestic Natural Gas Price shall be 10% of the Indian Crude Basket Price. Further, for the gas produced from nomination fields, the price shall be subject to a floor (\$4/MMBTU) and a ceiling (\$6.5/MMBTU).

#### Favorable policies

National Data Repository (NDR), Discovered Small Field Policy (DSF), Marketing and Pricing freedom for natural gas, National Seismic Programme (NSP) of unapprised areas Planned 2D Seismic Survey for 48K LKM.

#### Government incentives

Early production royalty concession of 10%, 20% and 30% for Category I, II and III basins respectively

#### Setting up LNG stations

Any entity can set up LNG stations in any Geographical Area in India even if they do not have a City Gas Distribution license

#### Outlook

India's remarkable journey in the development of its energy sector stands as a testament to its progress in achieving high economic growth and elevating living standards. The oil and gas

industry, playing a pivotal role in meeting the escalating demands of transportation and industrialization, has undergone a series of transformative reforms. These reforms have not only bolstered the sector's position and heightened its efficiency but have also fostered competitiveness, reduced emissions, and expanded fuel accessibility nationwide.

As India's income rises and its infrastructure continues to expand, the energy sector is poised to experience significant growth, becoming a key player in driving the nation's prosperity and progress. In summary, India's ever-increasing consumption of petroleum products highlights the nation's dynamic economic growth, while the projections for the future signal a promising outlook for the country's energy sector. The vast expanse and advanced capabilities of the Indian oil & gas industry underscore its strategic importance on both regional and global levels.

### Company overview

UDTL, a distinguished manufacturer of top-notch drilling tools and products, stands as the unrivalled leader in India's oil and gas exploration sector, offering a comprehensive range of oil drilling, production, and exploration solutions. Commencing its journey in 1985, United Drilling Tools Ltd. (hereafter referred to as UDTL) now commands the lion's share in the Indian market for drilling tools and products. The company's eminence is founded upon its robust manufacturing and research infrastructure, cutting-edge equipment, rigorous quality control, and a highly skilled team.

Presently, UDTL boasts a diverse portfolio of drilling tools across four pivotal product lines, such as wireline and well service equipment, gas lift equipment, downhole tools, and large OD casing connectors. These innovative offerings have been thoroughly tested and proven in the field, adhering to international standards such as ISO 9001 and American Petroleum Institute (API) certifications (License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

Along with catering to the needs of India's oil and gas industry, UDTL has also made commendable strides in international markets. The Company established long-term partnerships with esteemed government and private entities in India, such as Oil and Natural Gas Corporation Limited and Oil India Limited, among others. Moreover, the company collaborates with renowned global brands, forging strong relationships to expand its presence on the international stage.

The success of UDTL's endeavours is reflected in its diversified revenue streams, generated through collaborations with government organizations, private sector companies, and exports within the oil and gas sectors. UDTL's commitment to excellence and unwavering dedication positions it as a true pioneer in the Indian oil and gas drilling industry, consistently driving the exploration and production domains to new heights.

### 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

- a) Analysis suggests that over the next few years, the company can expect better growth than the industry as a whole.
- b) 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.
- c) Relative to others in the Industry, the Company's products have a very high proprietary content which greatly strengthens the Company's competitive position.
- d) At the present time, the Company's products are believed to be of excellent quality, and are highly differentiated in the market.
- e) The market itself is strong and is growing rapidly and price competition is negligible.
- f) 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.
- g) Customers buy from the Company because its products are import substitute, high-quality and reasonably priced.
- h) Since, Technology is well tested and approved in the Domestic and International Market, there is no risk of products failure.
- i) Long-standing client relationship.
- j) 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

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

#### O- Opportunities

- a) 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.
- b) The price of Oil in the international market has increased. This has also increased the Demand for the equipment.
- c) 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.
- d) 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.
- e) 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.



- f) 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

- a) 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.
- b) Rising focus on green and clean energy
- c) Rising popularity of EV
- d) 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 from renowned Indian to 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.

Revenue from operations, excluding other income, stood at ₹119.34 crores in FY23. EBITDA stood at ₹18.44 crores.

Revenue contribution from the domestic market stood at 96.59% while 3.41% came in from exports. Steady demand in key export geographies resulted in higher export revenues. Domestic Revenues for FY23 stood at ₹115.27 crores, compared to ₹159.93 crores in FY22.

### P&L analysis

Particulars	FY22 (₹ in crore)	FY23 (₹ in crore)	Change in %
Revenue from operations	164.42	119.34	(27.42)
Employee Benefits Expense	10.82	11.54	6.56
Interest cost	0.82	0.82	-
EBITDA	75.14	18.44	(75.46)
PBT	71.64	14.64	(79.56)
PAT	50.35	10.11	(79.92)
EPS (in ₹)	24.80	4.98	(79.92)

### Key financial ratios

Ratios	FY22	FY23
Trade Receivables Turnover	3.25	3.14
Inventory Turnover Ratio	0.88	0.60
Interest Coverage Ratio	66.56	16.52
Current Ratio	5.22	6.63
Debt-Equity Ratio	0.07	0.02
Net Profit Ratio	30.71	8.65
Return on Equity Ratio	23.23	4.19

### Analysis of Balance Sheet

Particulars	FY22 (₹ in crore)	FY23 (₹ in crore)	Change in %
Total equity	239.82	246.27	2.69
Long-term borrowings	0.07	0.04	(42.85)
Short-term borrowings	17.83	4.93	(72.34)
Total non-current assets	98.72	89.15	(9.69)
Trade receivables	40.89	34.06	(16.70)
Cash and cash equivalents	1.83	1.83	-
Land	0.62	3.76	509.67

As on March 31st March, 2023, the Company's Equity Capital stood at ₹246.27 crores compared to ₹239.82 crores as of 31st March, 2022.

Total long-term borrowings of UDTL as of 31st March, 2023 stood at ₹0.04 crore vis-à-vis ₹0.07 crore as on 31st March, 2022. We repaid debt worth ₹12.94 crore during the year.

Our tangible asset as of 31st March, 2023 stood at ₹27.75 crore vis-à-vis ₹23.35 crore as on 31st March, 2022, an increase of 18.85%.

Cash and cash equivalents as of 31st March, 2023 stood at ₹1.83 crore vis-à-vis ₹1.83 crore as on 31st March, 2022, as no change during the year.

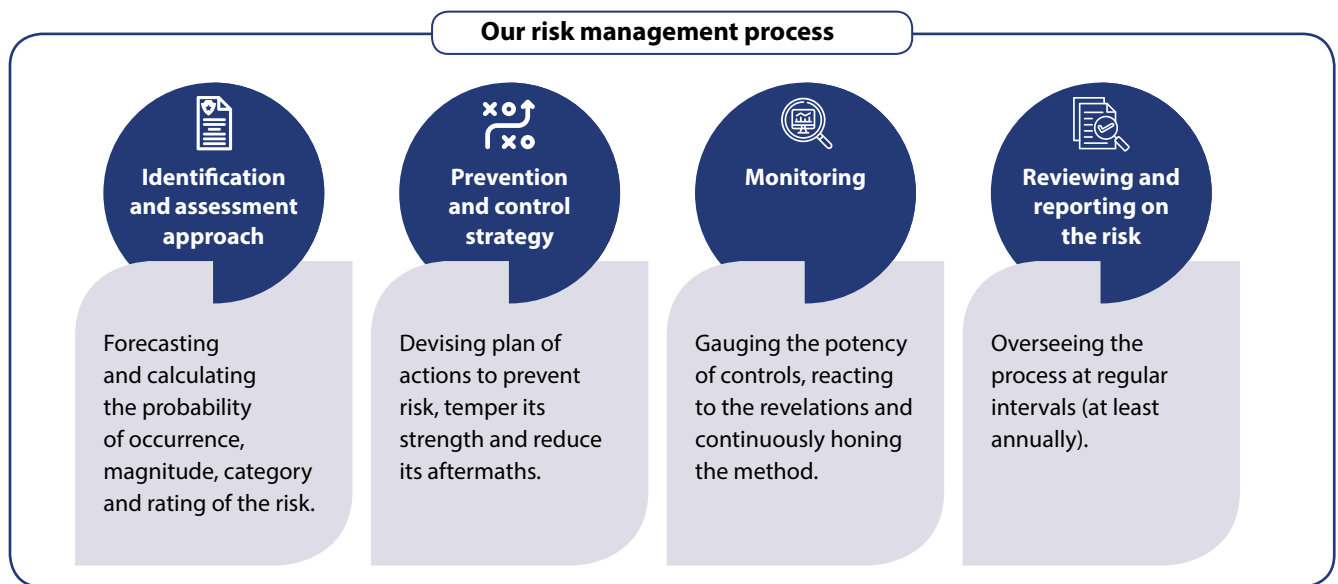
### Risk management

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
<b>Macro-economic and uncertainty in external environment</b>	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.
<b>Business continuity risk</b>	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.

Risk type	Significance and meaning	UDTL's mitigation strategies
<b>Quality risk</b>	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, down-hole 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.
<b>Technology risk</b>	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.
<b>Currency risk</b>	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.
<b>Environment risk</b>	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.
<b>Human Capital risk</b>	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.

### Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Risk Management Committee
- Participates in major decisions affecting the organization's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in each department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

### Internal control systems and their adequacy

The Company has a well-framed internal control system commensurate with the size and nature of its business. The

internal control systems are reviewed and modified periodically to keep up with the changes in the business environment and statutory requirements.

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

### Human resource and Industrial relations

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

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

Training and skill development are critical for contributing to the overall growth of personnel and the organisation. The Company organises training and development sessions for its workforce, motivating and empowering them to unleash their full potential. Further, we focus on following a flat communication structure to make it a lucid one when it comes to the employees sharing their view with the management. Such initiatives aid in the recruitment and retention of top talent across the sector and this has helped the Company enjoy the support of committed and well satisfied human capital. The Company provides an engaging workplace environment, attractive growth opportunities and fair compensation. The Company enjoys one of the highest employee retention rates in the industry; it creates leaders within the organisation, strengthening prospects. As of 31st March, 2023, UDTL had 342 employees in its work-force.

### Cautionary Statement

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

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

Sd/-

**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN: 00619482

Date: 14/08/2023  
Place: Noida

# CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('Listing Regulations) for the Financial Year ended March 31, 2023 (FY23).

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

As one of India's leading manufacturers of oil drilling tools and equipments, United Drilling Tools Limited ('the Company / 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 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 be sustained over the long term for consumers, shareholders, employees, business partners, stakeholders and the national economy.

## 2. BOARD OF DIRECTORS

### Composition and Category of Directors

The Company has formulated Board Diversity policy to have a competent and highly professional team of Board members. 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 composition of the Board is in conformity with Regulation 17 of listing regulations read with Section 149 of the Companies Act, 2013 ('the Act').

The total strength of the Board was seven (7) Directors, out of which four (4) (i.e; 55 percent) were Non-Executive Independent Director and three (3) (i.e.; 45 percent) were Executive Director, including Chairman-cum-Managing Director who is belongs to promoters group.

Sr. No.	Name of Directors	Category of Directorship	No. of Directorship and Committee membership/ chairmanship in other Companies*		
			Directorship	Committee Chairmanship*	Committee Membership*
1.	Shri Pramod Kumar Gupta	Promoter - Executive	-	-	1
2.	Shri Kanal Gupta	Promoter - Executive	1	-	2
3.	Shri Inderpal Sharma	Non-Promoter, Executive	-	-	-
4.	Shri Krishan Diyal Aggarwal	Independent – Non Executive	-	2	5
5.	Shri Pandian Kalyanasundaram	Independent – Non Executive	-	2	4
6.	Shri Ved Prakash Mahawar	Independent – Non Executive	5	-	2
7.	Smt. Preet Verma	Independent – Non Executive	-	1	3

\*includes Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee of the Company.

Based on the latest disclosure(s) received from Directors, it is stated that:-

- None of the directors other than Shri Kanal Gupta being son of Shri Pramod Kumar Gupta are relatives' inter-se .
- None of the Directors holds directorship in more than twenty Companies including ten public Companies.
- None of the Directors serves as Independent Director in more than three listed Companies.
- None of the Independent Directors serves as an Independent Director in more than seven listed Companies.



- Shri Kanal Gupta, Whole-Time Director of the Company whose office as directorship is counted as rotational, is liable to retire by rotation and being eligible offer himself, for re-appointment.

### Attendance, Number of Meetings & Number of Shares

During the FY23, 05 (Five) Board Meetings were held and the time gap between two board meetings did not exceed 120 days. The dates on which the Board meetings were held as May 25, 2022, August 13, 2022, September 26, 2022, November 12, 2022 & February 11, 2023. The attendance of each of the Directors including the last Annual General Meeting are as under:

Sr. No.	Name of Directors	Attendance at Board meetings during FY23		No. of Equity Shares held	Attendance at the last AGM
		Held	Attended		
1.	Shri Pramod Kumar Gupta	5	5	1,43,63,800	Yes
2.	Shri Kanal Gupta	5	5	2,900	Yes
3.	Shri Inderpal Sharma	5	5	-	Yes
4.	Shri Krishan Diyal Aggarwal	5	5	600	Yes
5.	Shri Pandian Kalyanasundaram	5	5	-	Yes
6.	Shri Ved Prakash Mahawar	5	5	-	Yes
7.	Smt. Preet Verma	5	4	-	No

All meetings of the Board & Committees as mentioned above were held either in through video conferencing or in physical form and necessary quorum was present throughout the meeting, in terms of the provisions of the Companies Act, 2013 and SEBI Listing regulations.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to SEBI Listing Regulations to the Board and the Board Committees to the extent applicable.

### Familiarisation Programme

In accordance with the provisions of regulation 25(7) of listing regulations, 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. The same is available on website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

### Board Skills, Expertise or competence

The Nomination and Remuneration committee work with the entire board to determine the appropriate characteristic, skill and experience require for the Board as a whole and for individual members. Board members are expected to possess the required qualification and experience for the position.

Mapping of the skills / expertise / competencies fundamental for the effective functioning of the company which are currently available with the board is given below:-

Sr. No.	Name of the Directors	Skills / Expertise / Competencies
1.	Shri Pramod Kumar Gupta	Industrialist, Entrepreneur, Corporate Finance, Governance, Leadership, General Management
2.	Shri Kanal Gupta	Business Administration, Marketing, R & D, Information Technology, Leadership,
3.	Shri Inderpal Sharma	Production, General Administration, Engineering, Manufacturing, Human Recourse
4.	Shri Krishan Diyal Aggarwal	Strategic Management, Social Work, Legal & Finance, Business Administration, Compliance Focus
5.	Shri Pandian Kalyanasundaram	Auditing, Legal & Social , Business Management, Administration, Governance,
6.	Shri Ved Prakash Mahawar	Mechanical Engineer, Industrial Experience, Leadership, Governance
7.	Smt. Preet Verma	Indian Audit and Accounts Service, Finance and Accounts, Social Activity, General Management

### Fulfilment of the Independence Criteria by the Independent Directors

The Independent Directors have submitted a declaration confirming that they meet the criteria of independence as required under Regulation 16(1)(b) of the listing regulations and under Section 149(6) of the Act and based on the declaration received, they are

independent of the management. In accordance with Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation which currently exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

No Independent Director has resigned before the expiry of his tenure.

### Board Evaluation

In terms of the Companies Act, 2013 and SEBI listing regulations, the Board has carried out annual performance evaluation of its own performance. The Board evaluated its own performance as well as committee to gauge its adherence to established roles, responsibilities and corporate governance standards. This introspective assessment aids in identifying areas for enhancement and strategic refinement. The performance of each Independent Director was meticulously reviewed. This personalized assessment focuses on their contributions, expertise, and independence, ensuring that they continue to uphold the highest standards of corporate ethics and objectivity. The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfil its fiduciary obligation to the Company.

### Meeting and attendance of Independent Directors

Independent Directors play a pivotal role in maintaining a transparent working environment in the Company. They provide valuable outside perspective to the deliberations of the Board and contribute significantly to the decision-making process. They help the Company in improving corporate credibility and governance standards. They bring an element of objectivity to the board processes and deliberations.

As per clause 7 of the schedule IV of the Act (Code for Independent Directors) read with Regulation 25(3) of the Listing Regulations, 2015, a separate meeting of Independent Directors of the Company without the attendance of Non-Independent Directors for the FY23, was held on February 11, 2023 in which all Independent Directors namely, Mr. Krishan Diyal Aggarwal, Mr. Pandian Kalyanasundaram, Mr. Ved Prakash Mahawar & Mrs. Preet Verma, were physically present.

## 3. AUDIT COMMITTEE

### Brief description of terms of reference

The scope and provisions of the Audit Committee encompass the requirements outlined in regulation 18 of Listing Regulations and Section 177 of the Act, in addition to any other terms as directed by the Company's Board of Directors.

### Composition, Name of Members and Chairperson

As on March 31, 2023, the Committee comprised of 3 (Three) Independent members, with an Independent Director serving as the Chairperson. The Audit Committee was led by Mr. Pandian Kalyanasundaram (DIN-02568099) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mr. Ved Prakash Mahawar (DIN-07208090). The composition of the Audit Committee is in full compliance with the stipulations outlined in the Companies Act, 2013, and the SEBI Listing Regulations.

During the FY23, the Audit Committee met 4 (four) times on May 25, 2022, August 13, 2022, November 12, 2022 and February 11, 2023.

### Number of Meetings held and Attendance

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

The minutes of the Audit Committee's meetings are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### Brief description of terms of reference

The responsibilities and terms of reference of the Nomination and Remuneration Committee encompass the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. In addition, the committee addresses other aspects as directed by the Board of Directors of the Company.

For the purpose of remuneration to Managerial Personnel, the Committee has established the Nomination and Remuneration Policy. The policy is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

##### Composition, Name of Members and Chairperson

As on March 31, 2023, the Nomination and Remuneration Committee comprised of 3 (Three) Independent Directors, with an Independent Director serving as the Chairperson. The Nomination and Remuneration Committee was led by Mr. Krishan Diyal Aggarwal (DIN-00861164) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Pandian Kalyanasundaram (DIN-02568099) and Mr. Ved Prakash Mahawar (DIN-07208090).

The composition of the Nomination and Remuneration Committee aligns completely with the stipulations outlined in the Companies Act, 2013, and the SEBI Listing Regulations.

During the FY23, the Nomination and Remuneration Committee met 3 (three) times on May 25, 2022, September 26, 2022 and February 11, 2023.

##### Number of Meetings held and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	03	03
Mr. Pandian Kalyanasundaram	03	03
Mr. Ved Prakash Mahawar	03	03

The minutes of the Nomination and Remuneration Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

##### Performance Evaluation criteria for Independent Directors

In terms of Section 178 of the Act and regulation 19 read with Schedule II to the listing regulations, 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.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### Brief description of terms of reference

The Stakeholders Relationship Committee operates in accordance with the guidelines outlined in Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations. This committee is responsible for approving share transmissions request, managing requests for duplicate share certificates, take note the registers Splits of Shares, Consolidations, Change in Name, Change in Mandate, Dematerialization and Rematerialization of shares and managing the transfer of shares to the Investor Education and Protection Fund (IEPF), in addition to other matters as may be referred by the Board of Directors.

##### Composition, Name of Members and Chairperson

As on March 31, 2023, the Stakeholders Relationship Committee comprised of 4 (Four) Directors, with an Independent Director serving as the Chairperson. The Stakeholders Relationship Committee was led by Mr. Pandian Kalyanasundaram (DIN-02568099) as Chairman, an Independent Non-Executive Director of the Company. Its other Non-Executive Independent Director members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mrs. Preet Verma (DIN-09124335) and one executive Director Mr. Kanak Gupta (DIN – 01050505).

The composition of the Stakeholders Relationship Committee aligns completely with the stipulations outlined in the Companies Act, 2013, and the SEBI Listing Regulations.

During the FY23, the Stakeholders Relationship Committee met 7 (seven) times on May 25, 2022, July 25, 2022, August 13, 2022, September 26, 2022, November 12, 2022, February 11, 2023 and March 27, 2023

### Number of Meetings and Attendance

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

The minutes of the Stakeholders Relationship Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

### Compliance Officer

Mr. Naveen Bhatnagar was the Company Secretary and Compliance Officer of the Company upto March 18, 2023 after that Mr. Anand Kumar Mishra joined the Company as Company Secretary and Compliance Officer w.e.f August 14, 2023.

### Shareholders Complaint and Status

The Company and designated Registrar and Share Transfer Agent (RTA) M/s Alankit Assignments Limited, collectively attend all grievances of shareholders and investors received directly or through SEBI, Stock Exchanges, etc. During the year under review, there were 5 (five) complaints received from the shareholders which were duly resolved and there were no complaint pending as on March 31, 2023.

## 5A. RISK MANAGEMENT COMMITTEE

### Brief description of terms of reference

The Terms of Reference of the Risk Management Committee are in accordance with Regulation 21, as outlined in Schedule II Part D of the SEBI Listing Regulations, 2015. The committee's role includes, among other things, formulating, monitoring, overseeing the implementation and periodically reviewing the Risk Management Policy. Additionally, the committee is responsible for keeping the Board of Directors informed about the nature, content of discussions, recommendations and proposed actions.

### Composition, Name of Members and Chairperson

As on March 31, 2023, the Risk Management Committee comprised of 3 (Three) Directors, with an Independent Director serving as the Chairperson. The Risk Management Committee was led by Mrs. Preet Verma (DIN-09124335) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Krishan Diyal Aggarwal (DIN-00861164) and Mr. Kanal Gupta (DIN-01050505). One of member Mr. Mukesh Mehta, CFO of the Company ceased as the member of the Company w.e.f. September 20, 2022.

The composition of the Risk Management Committee aligns completely with the stipulations outlined in the Companies Act, 2013, and the SEBI Listing Regulations.

During the FY23, the Risk Management Committee met 2 (two) times on November 12, 2022 & February 11, 2023.

### Number of Meetings and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mrs. Preet Verma	02	02
Mr. Kanal Gupta	02	02
Mr. Krishan Diyal Aggarwal	02	02

The minutes of the Risk Management Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

The Risk Management Policy of the Company is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

## 5B. SENIOR MANAGEMENT

During the FY23, Mr. Naveen Bhatnagar, Company Secretary and Compliance Officer of the Company has resigned from the position w.e.f March 18, 2023 and Mr. Mukesh Mehta, Chief Financial Officer of the Company has also tendered their resignation w.e.f September 20, 2022. Both KMPs are ceased from the position with immediate effect.

The Company has designated Mr. Manoj Kumar Arora, Deputy General Manager – Accounts and Finance as Chief Financial Officer of the Company w.e.f February 11, 2023.

There was no any other changes in the senior management of the Company during the financial year 2022-23.

## 5C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Brief description of terms of reference

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee is responsible for formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII, recommend the amount of expenditure and monitor the Corporate Social Responsibility Policy from time to time.

### Composition, Name of Members and Chairperson

As on March 31, 2023, the Corporate Social Responsibility comprised of 4 (Four) Directors, with an Independent Director serving as the Chairperson. The Corporate Social Responsibility Committee was led by Mr. Krishan Diyal Aggarwal (DIN-00861164) as Chairman, an Independent Non-Executive Director of the Company. Its other members included Mr. Preet Verma (DIN-09124335) Mr. Pramod Kumar Gupta (DIN-00619482) and Mr. Pandian Kalyanasundaram (DIN – 02568099).

The composition of the Corporate Social Responsibility Committee aligns completely with the stipulations outlined in the Companies Act, 2013, and the SEBI Listing Regulations.

During the FY23, the Corporate Social Responsibility Committee met 4 (four) times on May 25, 2022, August 13, 2022, November 12, 2022 and February 11, 2023.

### Number of Meetings and Attendance

Members	Number of Meeting Held	Number of Meeting Attended
Mr. Krishan Diyal Aggarwal	04	04
Mr. Pramod Kumar Gupta	04	03
Mrs. Preet Verma	04	04
Mr. Pandian Kalyanasundaram	04	04

The minutes of the Corporate Social Responsibility Committee are duly considered and acknowledged by the Board of Directors. The Company Secretary / Assistant Company Secretary shall act as Secretary of the Committee Meeting.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company i.e; [www.udtltd.com](http://www.udtltd.com).

## 6. REMUNERATION OF DIRECTORS

### Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and committee meetings as approved by the Board for their invaluable services to the Company.



### Non-Executive Directors

The Non-Executive Director(s) of the Company are remunerated in the form of sitting fees. Sitting fees is paid to the Non-Executive Directors for attending the meetings of Board of Directors, Committees of Board of Directors and other meetings of Directors at the rate of ₹45,000 per meeting (including committee meeting and other meeting) and ₹6,000/- as conveyance for attending the meetings.

### Criteria of making payments to Non-Executive Directors

Criteria of making payments to Non-Executive Directors are as per the nomination and remuneration policy of the Company and the same is available on the website of the Company i.e; www.udtlimited.com.

### Executive Directors

The Company paid remuneration to three Executive Directors (consisting of a Chairman-cum-Managing Director and two Whole-time Directors) as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to the Board with the approval of the Members and other necessary approvals.

### Remuneration to Executive Directors

Sr. No.	Name of Directors	Designation	Salary	Contribution to PF	Total
1.	Shri Pramod Kumar Gupta	Chairman-cum-Managing Director	1,20,00,000	21,600	1,20,21,600
2.	Shri Kanal Gupta	Whole-time Director	42,00,000	21,600	42,21,600
3.	Shri Inderpal Sharma	Whole-time Director	9,96,872	21,600	10,18,472

### Sitting Fees to Non-Executive Independent Directors

Sr. No.	Name of Directors	Designation	Sitting Fees	Other	Total
1.	Shri Krishan Diyal Aggarwal	Independent Director	2,10,000	-	2,10,000
2.	Shri Pandian Kalayanasundaram	Independent Director	2,10,000	-	2,10,000
3.	Shri Ved Prakash Mahawar	Independent Director	2,10,000	-	2,10,000
4.	Smt. Preet Verma	Independent Director	1,70,000	-	1,70,000

There are no stock options available/ issued to any non-executive Directors of the Company. The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the FY23, the Company did not given any advance or loan to any Director of the Company.

## 7. GENERAL BODY MEETING

### Annual General Meeting

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

Year	Location	Day, date & time	Special resolution
2019-20	Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: Registered Office of the Company.	Monday, the 28 <sup>th</sup> 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 28 <sup>th</sup> September, 2021 at 11.30 A.M.	Yes
2021-22	Through Video Conferencing/Other Audio Visual Means (VC/OAVM) facility. Deemed Venue for meeting: Registered Office of the Company.	Monday, the 26 <sup>th</sup> September, 2022 at 11.30 A.M.	Yes

### Postal Ballot

During the Financial Year 2022-23, the company did not seek any shareholders' approval through notice of postal ballot for special business.

## 8. MEANS OF COMMUNICATION

Quarterly Results & Newspapers	The quarterly, half-yearly, and annual financial results of the Company are duly submitted to the Stok Exchange/s and published in the prominent Indian newspapers i.e; Financial Express in English and Jansatta in Hindi Language
Website	The above approved financial results are uploaded on the Website of the Company i.e; <a href="https://udttd.com/quarterly-results/">https://udttd.com/quarterly-results/</a> .
Official News Release	No
Presentation	No

## 9. GENERAL SHAREHOLDERS INFORMATION

### a. 41st Annual General Meeting

**Date** – Tuesday, September 26, 2023

**Mode** - Through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

**Time** - 11:30 AM

**Venue** - Registered Office of the Company (Deemed Venue)

### b. Financial Year - April 01, 2022 to March 31, 2023

### b. Dividend Payment Date - October 10, 2023 onwards (Final Dividend)

**Dividend Record Date** – Saturday, August 26, 2023

**Book Closure** – Monday, September 18, 2023 to Tuesday, September 26, 2023

### d. Listing of Equity Shares on Stock Exchanges

The Company's Equity Shares continues to be listed on both the domestic stock exchange(s) viz., BSE Limited and National Stock Exchange of India Limited.

#### (i) BSE Limited

Floor 25, P. J. Towers  
Dalal Street,  
Mumbai - 400 001

#### (ii) National Stock Exchange of India Limited

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

The Company has paid Annual listing Fee(s) to both of them for the Financial Year 2023-24.

### e. Stock Code

BSE Limited – 522014

NSE Limited – UNIDT

ISIN – INE961D01019

### f. Market Price Rate during April 2022 to March 2023

Sr. No.	Name of the Month	Face Value of Shares (₹)	BSE		NSE	
			High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2022	10/-	576.00	489.50	578.00	485.95
2.	May-2022	10/-	534.00	401.00	536.00	373.00
3.	June-2022	10/-	478.45	366.20	479.80	373.00
4.	July-2022	10/-	421.90	377.50	425.00	380.00
5.	August-2022	10/-	440.00	337.50	435.00	340.00
6.	September-2022	10/-	399.95	301.60	389.00	283.75
7.	October-2022	10/-	340.00	256.65	337.35	280.00
8.	November-2022	10/-	318.00	246.45	320.00	247.95
9.	December-2022	10/-	295.60	240.95	296.30	240.00
10.	January-2023	10/-	268.60	217.30	268.05	220.10
11.	February-2023	10/-	248.90	215.00	249.40	216.00
12.	March-2023	10/-	230.00	190.15	226.00	190.55

**g. Performance in comparison to broad based indice**

Sr. No.	Month	BSE (Market Price)		BSE (SENSEX)	
		High Rate (₹)	Low Rate (₹)	High Rate (₹)	Low Rate (₹)
1.	April-2022	576.00	489.50	60,845.10	56,009.07
2.	May-2022	534.00	401.00	57,184.21	52,632.48
3.	June-2022	478.45	366.20	56,432.65	50,921.22
4.	July-2022	421.90	377.50	57,619.27	52,094.25
5.	August-2022	440.00	337.50	60,411.20	57,367.47
6.	September-2022	399.95	301.60	60,676.12	56,147.23
7.	October-2022	340.00	256.65	60,786.70	56,683.40
8.	November-2022	318.00	246.45	63,303.01	60,425.47
9.	December-2022	295.60	240.95	63,583.07	59,754.10
10.	January-2023	268.60	217.30	61,343.96	58,699.20
11.	February-2023	248.90	215.00	61,682.25	58,795.97
12.	March-2023	230.00	190.15	60,498.48	57,084.91

**h. Suspension from Trading**

No, the Company's equity shares are continue to trade on both the stock exchange(s).

**i. Registrar and Share Transfer Agent**

Alankit Assignments Limited,  
4E/2, Alankit Heights,  
Jhandewalan Extension, New Delhi-110055  
Tel. No. 011-4254-1956  
Email – Maheshcp@alankit.com

**j. Share Transfer System**

Pursuant to Regulation 40 of SEBI Listing Regulations and SEBI circular dated January 25, 2022 read with Gazette Notification dated January 24, 2022, requests for transfer of securities shall be processed only in dematerialized form with depository. Transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. "Letter of Confirmation" in lieu of physical securities certificate(s) shall be issued within 30 days of receipt of such request after removing objections for duplicate/ renewal / exchange / endorsement / sub-division / consolidation / Transmission / Transposition.

**k. Distribution Summary as on March 31, 2023**

Shareholding (No of shares)	Shareholders		Total (Common)	%
	Physical Number	Demat Number		
1 to 500	2206	11955	14161 (Com 27)	91.21417
501 to 1000	322	506	828 (Com 06)	5.333333
1001 to 2000	86	242	328 (Com05)	2.112721
2001 to 3000	12	75	87	0.560386
3001 to 4000	4	39	43	0.276973
4001 to 5000	0	16	16	0.10306
5001 to 10000	1	28	29	0.186795
10001 to above	0	33	33	0.21256
<b>Total</b>	<b>2,631</b>	<b>12,894</b>	<b>15525</b>	<b>100</b>

Shareholding (No of shares )	Shareholding		Total	%
	Physical shares	Demat share		
1 to 500	521786	947092	1468878	7.234738
501 to 1000	239551	389824	629375	3.099892
1001 to 2000	130454	362255	492709	2.426764
2001 to 3000	29424	186004	215428	1.061058
3001 to 4000	13800	143691	157491	0.775698
4001 to 5000	0	75312	75312	0.370938
5001 to 10000	6400	216678	223078	1.098737
10001 To above	0	17040855	17040855	83.93217
<b>Total</b>	<b>941415</b>	<b>19361711</b>	<b>20303126</b>	<b>100</b>

### Shareholding summary as on March 31, 2023

Particulars	Shares	Percentage (%)
Physical	941415	4.64
NSDL	2619627	12.90
CDSL	16742084	82.46
<b>Total</b>	<b>2,03,03,126</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2023

Categories	No. of Shares	Percentage (%)
(A) Promoter & Promoter Group (Indian, Individual)		
• Pramod Kumar Gupta	1,43,63,800	70.747
• Prabha Gupta	7,88,760	3.885
• Kanal Gupta	2,900	0.014
(B) Public		
(B1) Institutions (Foreign Portfolio Investor)	63,658	0.314
(B2) Central / State Government(s)	-	-
(B3) Non-Institutions:		
- Individual share capital upto ₹2 Lacs	30,53,734	15.041
- Individual share capital in excess of ₹2 Lacs	9,88,962	4.871
- NBFCs	-	-
- NRI	1,56,762	0.772
- Trust	800	0.004
- Clearing Member	6,107	0.030
- Body Corporate(s)	7,16,695	3.530
- HUF	1,60,948	0.793
<b>Total</b>	<b>2,03,03,126</b>	<b>100.00</b>

#### i. Dematerialization of shares and liquidity

The Shares of the Company are in compulsory Demat segment w.e.f. July 2000. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on March 31, 2023, 1,93,61,711 nos. of Shares of the Company were held in dematerialized form and rest in physical form. All the requests for nomination, change of address and rematerialization etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

- m. The Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.
- n. The company does not have any commodity price risk or foreign exchange risk and hedging activities.

#### o. Plant locations & Address for Correspondence

The locations of the Company's plants and Address for Correspondence 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.udt ltd.com](http://www.udt ltd.com).

#### p. Credit Rating

The information on Credit rating are given in Directors report forms part of the Annual Report of the Company for the FY23.

## 10. OTHER DISCLOSURES

- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with related parties set out in note no. 32D(8) of Standalone Financial Statements is forming part of the Annual Report. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.
- During the year, BSE and NSE have issued notice/s levying fine for Non-compliance under Regulation 21(2) of listing regulations. The BSE has also issued notice/s levying fine for Non-compliance under Regulation 23(9) of listing regulations. The Company has filed its reply, made Waiver application on January 21, 2023 and deposited the fine under protest for the purported non-compliance, stating that the company has not violated such regulation/s. The Company is waiting for the response of Stock Exchange/s.  
Other than the above, no penalty or strictures have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the year.
- A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- All the mandatory requirements have been duly complied with and certain discretionary disclosure requirements were undertaken.
- The Company's Policy relating to determination of Material Subsidiaries is available on the website of Company i.e; <https://udtltd.com/policies/>.
- The policy of the Company relating to Related Party Transaction is available on the website of Company i.e; <https://udtltd.com/policies/>.
- The Company does not have any significant exposure to commodity price risk. Hence, the Company is not undertaking any commodity hedging activities.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.
- A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company 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 or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted by the Board and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has paid a sum of ₹5.40 Lakhs as fees including out of pocket expenses, on consolidated basis to the Statutory Auditors and all entities in the network firm / entity of which the Statutory auditors is a part for the services rendered by them.
- Prevention of Sexual Harassment of Women at the Workplace

The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been setup to look after the complaints and requisite disclosures in relation thereto as under:

All employees of the Company are covered under this policy. The details of complaints received and disposed-off during the FY23 is as follows:

Sr. No.	Particulars	Status
1.	Number of complaints pending at the beginning of the FY23	0
2.	No. of complaints received during the FY23	0
3.	No. of complaints resolved during FY23	0
4.	Number of complaints pending at the end of FY23	0

- The Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: None
- The Company had adopted a Policy on Archival and Preservation of Documents and same is available on the website of Company i.e; <https://udtltd.com/policies/>.



- The Company had adopted a Policy on Determination of Materiality for Disclosures and same is available on the website of Company i.e; <https://udtltd.com/policies/>.
- 10.** All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of the Listing Regulations has been duly complied with.
- 12.** Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations: The Company has complied with all the mandatory requirements prescribed under SEBI Listing Regulations and also adopted the following non-mandatory requirements:
- (i) The Company does not have a non-executive Chairman.
  - (ii) As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
  - (iii) The Statutory Auditors of the Company have issued Audit Report on Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2023 with unmodified opinion. A declaration has submitted to the stock exchanges as per Regulation 33(3) (d) of the Listing regulations.
  - (iv) Internal Auditors of the Company, make quarterly presentations to the audit committee on their reports.
  - (v) Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.

#### **Demat Suspense / Unclaimed Suspense Account**

Pursuant to the provisions under Section 124(5) & (6) of the Companies Act, 2013 and read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 i.e., G.S.R. 1267(E) notified on 13.10.2017, shares in respect of which Dividend has not been paid or claimed for 7 consecutive years or more were transmitted to the demat account of IEPF authority bearing DP/CI Id No. IN300708 10656671 opened with NSDL by Ministry of Corporate Affairs.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has not transferred any Equity Shares to IEPF Authority during the financial year 2022-23.

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

Sd/-

**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN: 00619482

Date: 14/08/2023  
Place: Noida

**Annexure-9****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 31<sup>st</sup> March, 2023 as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 1, 2022 to March 31, 2023.
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, 2023.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-  
**Ashok Mangal**  
Partner  
M No. 071714  
UDIN- 23071714BGYBIF7037

Date: 29<sup>th</sup> May, 2023  
Place : Noida

## Annexure-10

# STATEMENT OF PARTICULARS OF EMPLOYEES

## DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 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 2022-23 and % increase in the remuneration of each Director, CFO and CS during the FY 2022-23 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2022-23	% increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Pramod Kumar Gupta Managing Director	120.22/-	Nil	37.43:1
2	Mr. Kanal Gupta Executive Director	42.22/-	Nil	13.14:1
3	Mr. Inderpal Sharma Executive Director	10.18/-	12.27	3.17:1
4	Mr. Manoj Kumar Arora, Chief Financial Officer, w.e.f. 11/02/2023	7.09/-	NA	NA
5	Mr. Naveen Bhatnagar Company Secretary, upto 18/03/2023	11.37/-	NA	NA
6	Mr. Mukesh Mehta Chief Financial Officer, upto 20/09/2022	9.17/-	NA	NA

- ii. % Increase in the median remuneration of employees during the FY 2022-23 – 4.46%
- iii. Number of permanent employee on the rolls of the Company – 150
- iv. Median remuneration of employees of the Company - ₹3,21,167/-
- v. It is hereby affirmed that the remuneration paid as per remuneration policy for Directors, Key managerial Personnel and other employees of the Company.
- vi. The average percentage increase made in the salaries of employees other than the managerial personnel. The average percentage increase in the salaries is an outcome of the individual as well as Company's performance.

### 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 Lakh)	Date of Joining	Experience	Last Employment
1	Mr. Pramod Kumar Gupta, 75 Yrs	MSIE (USA), B.E. (Mech. Engg.)	Managing Director	120.22	21/08/1985	42 Years	Own Business
2	Mr. Kanal Gupta, 41 Yrs.	MBA (Finance & Intt. Marketing)	Executive Director	42.22	28/02/2015	17 Years	United Drilling Tools Limited
3	Mr. Ajit Kumar, 40 Yrs	B-Tech Mechanical Engg.	Sr. Manager - Operation	19.04	23/07/2018	18 Years	Advance valves Group LLP
4	Mr. Shri Lal Sahu, 65 Yrs	Diploma in Mechanical Engg.	DGM - Design	17.46	05/09/2017	36 Years	SRB Machine Private Limited
5	Mr. Govind Sharma, 66 Yrs	B.E.	GM, Sales & Marketing	15.63	14/01/2019	34 Years	Laxmi Engineering Industries (Bhopal) Pvt. Ltd.

Sr. No.	Name of Employee & Age	Qualification	Designation	Remuneration (₹ In Lakh)	Date of Joining	Experience	Last Employment
6	Mr. Rupesh Kumar Jain, 36 Yrs	M-Tech (Mechanical)	Business Development Manager	15.62	18/02/2020	10 Years	Oil Drilling Equipment Pvt. Ltd.
7	Mr. Jyoti Kumar Singh, 44 Yrs	B.E. (CSE)	DGM – Sales & Marketing	15.13	15/04/2010	18 Years	Eneroil Offshore Drilling Limited
8	Mr. Chandra Pal Sharma, 59 Yrs	M.Com & PGDM	DGM – HR & Admin.	11.50	02/02/2009	22 Years	Hindustan Everest Tools Limited
9	Mr. Naveen Bhatnagar, 53 Yrs	FCS, LL.B, MBA	Company Secretary	11.38	29/03/2022	27 Years	Patna Metro Rail Corporation Limited
10	Mr. Khaliq Ahmed, 50 Yrs	B.E. (Mechanical)	AGM - Quality	10.42	20/10/2020	30 Years	Al Jazira Pipe Industries & Oil Services Co. LLC

- 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**  
 Chairman & Managing Director  
 DIN - 00619482

Date: 14/08/2023

Place: Noida

## Annexure-11

# 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	63,82,716
B. Recurring (Gross)	Nil
C. Total	63,82,716
D. Total R&D expenditure as percentage of total turnover	0.52%

### 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	2022-23 (₹ In Lakh)	2021-22 (₹ in Lakh)
Foreign Earning at FOB value	406.90	649.00
Outgo: Total foreign Exchange outgo including cost of imported material	1,256.32	1,286.50

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

Sd/-

**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN - 00619482

Date: 14/08/2023  
Place: Noida



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L29199DL1985PLC015796
2	Name of the Listed Entity	UNITED DRILLING TOOLS LIMITED
3	Year of incorporation Date	24/05/1985
4	Registered office address	139A, First Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi - 110001
5	Corporate address	26 <sup>th</sup> Floor , Astrails Tower Supernova complex, Sector -94, Noida – 201301, Distt. Gautam Budh Nagar, Uttar Pradesh
6	E-mail	compsect@udtltd.com
7	Telephone	0120-4162715, 4842400
8	Website	WWW.UDTLTD.COM
9	Financial year for which reporting is being done	April 1, 2022- March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India (NSE) Ltd.
11	Paid-up Capital	2,03,03,126 equity shares of ₹10/- each fully Paid-up i.e; Rs. 20,30,31,260
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name - Nikhil Gupta compsect@udtltd.com +91 8750055919
13	Reporting boundary	Standalone basis

### II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	NIC Code	% of Turnover of The Entity
1	Casing Pipe With Connection and Wireline Winches	UNITED DRILLING TOOLS LIMITED is involved in the production and sale of Oil Drilling tools and Equipment's.	28221	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	NIC Code	% of total Turnover contributed
1	Casing Pipe With Connection and Wireline Winches	28221	100

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	2	6

**Number of plants:**

1. C-41, Sector -81, Noida - 201305 Distt. Gautam Budh Nagar, Uttar Pradesh
2. Plot No. 523, New Area, KSEZ, Gandhidham, Kutch – 370230, Gujarat
3. Plot No. 129G/25-26, Noida Special Economic Zone (NSEZ) – 201305, Distt. Gautam Budh Nagar, Uttar Pradesh
4. Plot No. 423/3 & 424/4 Luni, Luni to Gundala Road, Mundra – Kutch - 370410, Gujarat

**Number of offices:**

1. Registered office: New Delhi
2. Corporate / Head office: Noida
3. Technical centre at Noida

International	0	0	0
Number of Plants: NIL			
Number of offices: NIL			

## 17. Markets served by the entity:

## a. Number of locations

Locations	Number
National (No. of States)	8 (Eight)
International (No. of Countries)	5 (Five)

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

The overall contribution of the exports to the total turnover is 3.41%.

## c. A brief type of customers

United Drilling Tools Limited are engaged in the manufacturing of high-tech machines and tools such as wire-line winch units, artificial gas lift equipment, down hole tools and high-performance connectors, being used in the oil, gas, drilling and allied industries.

Manufacturing facilities have the most advanced machines and include four-major sections - Machine shop with CNC and Special-purpose lathes, VTL's, VMC's Milling machines, Drilling machines, Cylindrical grinders etc. Fabrication, assembly and testing shops.

Design, research, development and engineering Department - Quality assurance department to provide destructive testings such as Tensile test, impact test and hardness test and non-destructive testing such as ultrasonic magnaflux, phased array, dye-penetration and Radiography. Testing facilities include Tension, compression, bending, internal and external pressure testing machines & fixtures.

The manufacturing facilities have been designed to deliver high quality products of proven designs in conformity with international standards as per ISO 9001-2015 & API standards (API license No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

Our customer base includes ONGC, WEAfri, PITMAN, WELSPUN, OIL INDIA LTD, HALLIBURTON, PETROLEUM DEVELOPMENT OMAN & SCHLUMBERGER ETC.

## IV Employee

## 18. Details as at the end of Financial Year:

## a. Employees and workers including differently abled

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	150	146	97.33%	04	2.67%
2.	Other than Permanent (E)		-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>150</b>	<b>146</b>	<b>97.33%</b>	<b>04</b>	<b>2.67%</b>
<b>WORKER</b>						
1.	Permanent (D)	27	27	100%	-	-
2.	Other than Permanent (E)	165	165	100%	-	-
3.	<b>Total employees (D + E)</b>	<b>192</b>	<b>192</b>	<b>100%</b>	-	-

## b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	<b>Total differently abled employees (D + E)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>WORKER</b>						
1.	Permanent (F)	NIL	NIL	NIL	NIL	NIL
2.	Other than permanent (G)	NIL	NIL	NIL	NIL	NIL
3.	<b>Total differently abled workers (F + G)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29
Key Management Personnel	4	NIL	NIL

## 20. Turnover rate for permanent employees and workers

Figures in %

	FY 2022-23 (Turnover rate in current FYC)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8	0	8	2	0	2	3	0	3
Permanent Workers	23	0	23	16	9	9	17	0	17

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. a) Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	New Name	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	M/s P Mittal Manufacturing Private Limited	Subsidiary company	100%	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes  
(ii) Turn-over (in lacs) – ₹12091.38  
(iii) Net Worth (in lacs) – ₹24627.40

## VII. Transparency and Disclosure

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	(If Yes, then provide web-link for grievance redress policy) Yes finance@Udtltd.com	Nil	Nil	NA	Nil	Nil	NA
Shareholder	Yes, Shareholders grievance mechanism	5	0	NA	6	1	Resolved in the Quarter June , 2022
Employees	Yes, HR@udttd.com	The company has established robust mechanisms for engagement with all its stakeholders. Code of conduct for our employees, customers, and other stakeholders are set up and provide ample avenues for reporting and resolving grievances. No grievances other than those that may occur in the normal course of business.					
Communities	Yes						
Customers	Yes, Enquiry@udttd.com						
Value Chain Partners	Yes, enquiry@udttd.com						

24. Overview of the entity's material responsible business conduct issues:-

The material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, which is as under

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate Positive or Negative implications)
1.	Product Innovation, safety and quality	opportunity	As the economic is growing up at faster face and government policy being made for the "Atmanirbhar Bharat" and better opportunity for indigenous industries to supply the products government companies	NA	To grasp up the right opportunity made positive impact on financial position. The right type of marketing strategy and products design and developments, Broad base the market according to industries situation impact our business in a positive manners.
2.	Customer Satisfaction	Opportunity	The quality products according to specification provided by the customers leads to the customer satisfaction, which is way to penetrate the market penetration and developments and resulting that of gain to the company	NA	Positive impact on the financial position. The customer stratification is ultimate goal of the company, which broad base the new customers, new market area and leads to the frequent orders from existing customers, helping in the market expansion.
3.	Corporate Governance _ Board oversight Conflict of Interest , Ethics , Risk and Compliance	Risk	The effective compliance all the policy made for governance of the company in the true spirit , which is necessary for achieving the goals and objective of the company	By making suitable Governance policy according rules and law of the country and industry prospect.	Negative impact on financial as it leads to financial loss and damage of goodwill of the company

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

- P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and Management Process</b>									
1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Web Link of the Policies, if available	UNITED DRILLING TOOLS LIMITED has inculcated various policies throughout its business conduct to align themselves with all the regulatory guidelines and it is available on the company's website Link: <a href="https://udt ltd.com/policies/">https://udt ltd.com/policies/</a>								
2. Whether the entity has translated the policy into procedures	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N



4. Name of the national and international codes / certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The organization abides by all the applicable laws and standards for the above given principles. The manufacturing facilities have been designed to deliver high quality products of proven designs in conformity with international standards as per ISO 9001-2015, & API standards (API license No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008,19G2-0010).
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	The company has identified and set goals and targets with defined timelines.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable

#### Governance Leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are fully dedicated to our commitment towards society performing our duties by providing drive of improvements in educations, rural developments, medical facility for poor people, who cannot affords costly medical treatments etc. through our CSR activities. We make best efforts relating to conservation of resources of natural / environment and managing our operational/ manufacturing such way that minimum impact on environment. We screening (governing) our business/operational activities in such a way and their environmental and social impacts by ensue that which leads to create a value to all the stakeholders.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Pramod Kumar Gupta, Chairman-cum-Managing Director

#### Managing Director

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Board is responsible for sustainability related issues. Please refer to the Directors' Report for details.
---	---

#### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director /Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies Yes and follow up action	Yes									At regular intervals as required								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes. We comply with all applicable laws of the land we operate in.									At regular intervals as required								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	Yes, external assessment was carried out by our Statutory Auditor, Internal Auditors and Secretarial Auditors other technical Auditors.																	

#### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NOTE APPLICABLE								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

#### **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

##### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

**UNITED DRILLING TOOLS LIMITED** is unwavering in its commitment to conduct business in a manner that upholds the highest echelons of morality and professionalism. The organization has formulated a comprehensive “Code of Conduct” (CoC) that encompasses the entire spectrum of our operations. Rooted in the fundamental tenets of ethics, accountability, and transparency, this code serves as our guiding compass.

The CoC delves into an array of crucial subjects, ranging from bribery and corruption to unwavering adherence to our company’s bedrock principles of corporate behaviour. It stands as a safeguard to ensure that our actions align with regulatory obligations, fostering an environment of ethical excellence.

Across the global landscape, it is incumbent upon all members of our workforce to fully embrace and adhere to the code of conduct (CoC). This initiation occurs as an integral part of the induction process, ensuring a holistic understanding of our ethical framework. Our organization leaves no stone unturned to guarantee that every employee undergoes regular training sessions covering various facets, including safety protocols, codes of conduct, and matters related to human rights, such as Prevention of Sexual Harassment (POSH).

These comprehensive training sessions extend to every facet of our workforce, from the board of directors to key managerial personnel, and cascade down to every employee and worker. The focus is on Codes of Conduct, as well as aspects linked to human rights (such as POSH) and safety, thereby fostering a culture of continuous learning and responsible corporate behaviour.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	The Directors of the Company are given extensive information through plant visit(s), periodical updates and detailed presentations. Our familiarisation programme includes awareness trainings on topics like ESG & CSR, exhaustive presentations on the Company’s internal control systems, Audit process, and on new development initiatives.	50%
Key Managerial Personnel	4	Employees undergo regular training programmes in the areas of skill upgradation, process orientation, soft skill development and safety.	100%
Employees other than Board of Directors and KMPs	76	Workers are given regular process training, safety training, fire fighting training and other technical trainings.	50%
Workers	98		59%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty	1. The Fine being imposed by BSE and NSE amounting to ₹4,57,840/- for the purported Non-compliance under Regulation 21(2) of listing regulations. The company has deposited the said amount under protest. The Company filed a waiver application to BSE and NSE on 21.01.2023 which yet to be decided by stock exchanges. 2. The Fine being imposed by BSE only amounting to ₹4,36,600/- for the purported Non-compliance under Regulation 21(9) of listing regulations. The Company has filed combined waiver application to BSE on 21.01.2023 which yet to be decided by stock exchange.				
Settlement			NA		
Compounding Fee			NA		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the code of conduct covers anti-corruption and anti-bribery. The company has a Vigil Mechanism framed under section 177 of the Companies Act, 2013 . The policy ensures that all the entities abide by anti-bribery and corruption laws in all spheres of business, and comply with the requirements preventing improper payments under all applicable anti-bribery and corruption laws. The company is committed to prevention, deterrence and detection of any unethical business practices. The policy is applicable to all the employees, contractor workers, and suppliers associated with the organization. Our Guiding Principles documents clearly states that the company does not accepts gifts, favours or entertainment from any person or organisation with which there are official dealings.

For more details refer the link given below: <https://udtltd.com/policies>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints regarding conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

Not Applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total no of awareness programmes held	Topics/principles covered in training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
NOT APPLICABLE		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the policy on Code of Conduct for Directors and Senior Management expects that all its Senior Management team discloses potential conflicts of interest that they may be there regarding any matter and comply with applicable laws and guidelines. We are processes in place to avoid and manage conflicts of interest involving members of the Board

All Board members submit disclosure of their interest in other entities pursuant to Section 184 of the Companies Act, 2013 at the first Board Meeting of every financial year and also as & when there is a change in previous disclosure made. The Company also prepares a Related Party List pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is being monitored to check proposed related party transactions/potential conflict of interest and ensures prior approvals of the Board/Audit Committees/Shareholders as the case may be, are in place. The company is committed to identifying and managing conflicts of the interest to ensure the highest level of ethical standards. Website:- <https://udtltd.com/code-of-conduct>.

### PRINCIPLE 2:

#### Businesses should provide goods and services in a manner that is sustainable and safe

##### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The relentless pursuit of technological progress and the spark of innovation are the cornerstones upon which our enduring success is built. Our Research and Development (R&D) division stands as the propelling force driving the Company's mission to set new industry standards. Simultaneously, we hold steadfast in our commitment to embrace a diverse array of technological breakthroughs. The heart of our R&D initiatives beats to the rhythm of creating pioneering products and transformative modifications that amplify customer contentment, elevate the bar of quality, ensure unwavering safety, and fortify dependability. This virtuous cycle results in a decreased overall cost of ownership, all while strictly adhering to the rigors of stringent emissions regulations.

A fraction of our overall R&D and capital expenditure (capex) investments are diligently channelled into specific technologies with the aim of enhancing both environmental and societal impacts tied to our products and processes. This targeted allocation stands in proportion to the entirety of our R&D and capex endeavours, each bearing testament to our commitment.

Within the annual report, the allocation of both capital and revenue expenditures for Research and Development undertakings has been meticulously categorized under the respective headings. However, due to the intricate interplay of these expenditures, the task of segregating them into discreet categories remains a practical challenge.

	FY 2022-23	FY 2021-22
R&D	100%	100%
Capex	2.96	2.18

2. (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The company has a procedure for sustainable sourcing and procurement and adhere to all essential requirements for sustainable production and consumption of products and related activities and processes. We have also integrated critical material lifecycles and circular economy measures into product procurement, manufacturing, and end-of-life of our products. Our sustainability policy emphasizes the optimal use of resources such as energy, water and raw materials for all products and ensures that the manufacturing process is in harmony with the environment and fulfils our social responsibilities. Whenever applicable and feasible, environmental, and social sustainability requirements are added to bidding documents by reference to national and regional international standards or equivalents.

- (b) If yes, what percentage of inputs were sourced sustainably?

The main raw material is Steel and Metals. It is widely available, in a sustainable manner, both from domestic and overseas market and the services of transport/railway authorities are available for the transportation of raw material to our manufacturing facilities.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company is working towards achieving a circular economy by ensuring the use of the 3R principle of Reduce, Reuse and Recycle. This principle has helped in optimizing resource utilization with minimal environmental impact.

- Plastics (including packaging) – Reuse
  - E-waste – Being disposed of through authorised re-cyclers
  - Hazardous waste (Oil mixed with water) – Being disposed of through authorised re-cyclers
  - The company is also making constant efforts to achieve zero waste to landfill.
  - It is running paperless operations during the bidding process to decrease their footprint.
  - All the hazardous waste is either treated, co-processed in cement kilns or sent to authorized vendors for disposal.
  - The non-hazardous waste is segregated and sold to authorized dealers, while the hazardous waste is treated in adherence to prescribed guidelines.
  - Waste generated is tracked and reported for better management.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, the organization is not following the Extended Producer Responsibility plan currently

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Currently, the company has not conducted any Life Cycle Perspective / Assessments (LCA) for any of its products.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There are no environmental or social concerns arising from the disposal of its products. The organization proactively ensures that all necessary steps are taken during the disposal of products.



3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).  
Not Applicable
4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:  
Not applicable
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.  
Not applicable

**PRINCIPLE 3:**
**Businesses should respect and promote the well-being of all employees, including those in their value chains**
**1 (a) Details of measures for the well-being of employees:**

UDTLLTD is dedicated to fostering a culture of performance excellence inside the Company by investing in the development of its workers' skills and competencies as well as assuring their overall advancement and well-being. The following table provides a percentage of employees (Permanent employees & Other than Permanent employees) covered under the well-being measures in the reporting year.

<b>% of Employees covered</b>											
<b>Category</b>	<b>Total (A)</b>	<b>Health insurance care facilities</b>		<b>Accident insurance</b>		<b>Maternity Benefits</b>		<b>Paternity benefits</b>		<b>Day care facilities</b>	
		<b>No. (B)</b>	<b>(B/A) %</b>	<b>No. (C)</b>	<b>(C/A) %</b>	<b>No. (D)</b>	<b>(D/A) %</b>	<b>No. (E)</b>	<b>(E/A) %</b>	<b>No. (F)</b>	<b>(F/A) %</b>
<b>Permanent Employees</b>											
Male	146	127	86.99%	146	100%	NA	NA	NA	NA	NA	NA
Female	04	02	50%	04	100%	NA	NA	NA	NA	NA	NA
Total	150	129	86%	150	100%	NA	NA	NA	NA	NA	NA
<b>Other than Permanent employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**1 (b) Details of measures for the well-being of workers:**

The following table provides a percentage of workers (Permanent workers & Other than Permanent workers) covered under the well-being measures in the reporting year.

<b>% of workers covered</b>											
<b>Category</b>	<b>Total (A)</b>	<b>Health insurance care facilities</b>		<b>Accident insurance</b>		<b>Maternity Benefits</b>		<b>Paternity benefits</b>		<b>Day care facilities</b>	
		<b>No. (B)</b>	<b>(B/A) %</b>	<b>No. (C)</b>	<b>(C/A) %</b>	<b>No. (D)</b>	<b>(D/A) %</b>	<b>No. (E)</b>	<b>(E/A) %</b>	<b>No. (F)</b>	<b>(F/A) %</b>
<b>Permanent workers</b>											
Male	27	27	100%	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
Total	27	27	27	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent workers</b>											
Male	165	NA	NA	165	100%	0	NA	NA	NA	NA	NA
Female	0	NA	NA	0	0	0	NA	NA	NA	NA	NA
Total	165	NA	NA	165	100%	0	NA	NA	NA	NA	NA

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes
Gratuity	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes
ESI	28% of the applicable employees, as per the relevant Act	29% of the applicable employees, as per the relevant Act	Yes	37% of the applicable employees, as per the relevant Act	37% of the applicable employees, as per the relevant Act	Yes

## 3. Accessibility of Workplace-

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises of Company constructed in a way that is accessible to differently abled workers and employees and are as per the requirements of the Rights of Persons with Disabilities Act , 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The company has constantly been working on providing equal opportunity and promoting equal rights. It is very strict with its anti-discrimination stands. The company has an holistic approach towards providing employment opportunities at plant and office location based on the nature of disabilities.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes. The Board of Directors of the Company has adopted POSH- (Prevention of Sexual Harassment Act), CoC- (Code of Conduct), for all classes of permanent employees and workers. All the employees and workers can report the human rights abuses through dedicated channels. And also Whistle Blower Policy in place to establish a vigil mechanism for the Directors, employees, vendors and dealers of the Company, to report genuine concerns or grievances.

The link to the same is available on Company's website at: <https://udtld.com/policies>

If yes, give details of the mechanism in brief (Yes/No)	
Permanent workers	At our organization, all individuals, regardless of their status as permanent employees or workers, are encouraged to voice their concerns and report any grievances they may have. We have established a dedicated committee along with a set of well-defined Standard Operating Procedures (SOPs) to ensure that grievances are handled efficiently and effectively.
Other than Permanent workers	
Permanent Employees	Upholding Fundamental Values
Other than permanent Employees	Our company operates with a steadfast commitment to upholding human rights, guided by a comprehensive policy that reflects our ethical principles. Our Code of Conduct, Prevention of Sexual Harassment (POSH) guidelines, and vigilant Whistle-blower Policy all work in tandem to establish a robust framework. This framework is designed to swiftly address concerns and ensure that issues are resolved within a specified timeframe. We remain dedicated to creating an environment where every individual's voice is heard and every concern is taken seriously. Through our systematic approach and policies, we aim to foster an atmosphere of trust and accountability while nurturing a workplace that is respectful, secure, and responsive.

#### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees /workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total Employee /workers irrespective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	NIL	NIL	NIL	NIL	NIL	NIL
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL
Total Permanent Workers	NIL	NIL	NIL	NIL	NIL	NIL
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL

#### 8. Details of training given to employees and workers:

The company strives to provide appropriate education and training opportunities to develop its employees wherever possible, and conducts regular performance reviews for all employees. At company, all employees including fresh hire and new contact workers undergo mandatory Health and safety training during the time of orientation and on an ongoing basis consequently. And action plans are strictly followed to guide continuous learning and performance improvement at all locations. A tailored approach to nurturing employee needs has proven effective for organizations.

Category	Total FY23	Health and safety		Skill Development		Total FY22	Health and safety		Skill Development	
<b>Employees</b>										
Male	146	146	100%	146	100%	121	121	100%	121	100%
Female	04	04	100%	04	100%	04	04	100%	04	100%
Total	150	150	100%	150	100%	125	125	100%	125	100%
<b>Workers</b>										
Male	27	27	100%	27	100%	38	38	100%	38	100%
Female	-	-	-	-	-	-	-	-	-	-
Total	27	27	100%	27	100%	38	38	100%	38	100%

## 9. Details of performance and career development reviews of employees and worker:

As an employee-centric company and provides continuous and ongoing support to its employees through various measures and initiatives. All promotions and salary increases are based on the employee's annual performance evaluation and are in line with company performance stated with equal pay for men and women.

Category	FY 2023			FY2022		
	Total(A)	No.(B)	(B/A)%	Total(A)	No.(B)	(B/A)%
<b>Employee</b>						
Male	146	146	100%	121	121	100%
Female	04	04	100%	04	04	100%
Total	150	150	100%	125	125	100%
<b>Workers</b>						
Male	27	7	100%	38	38	100%
Female	-	-	-	-	-	100%
Total	27	7	100%	38	38	100%

## 10. Health and safety management system:

- (a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes. In line with its integrated management system, the Company has successfully instituted certified safety management systems across all four manufacturing sites, spare parts departments, and the headquarters. This comprehensive approach extends its coverage to include all employees and workers, thereby enveloping them within a robust occupational health and safety management system.

- (b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have meticulously implemented a comprehensive process for identifying work-related hazards and conducting daily Hazard Identification and Risk Assessment (HIRA). This approach ensures that potential risks are assessed as an integral part of our daily routine. Our dedication to safety encompasses the following practices:

**Systematic Hazard Identification:** Work-related hazards are identified and evaluated using the procedure established for Identifying and Evaluating Environmental Aspects, Occupational Health & Safety hazards. Records of these evaluations are meticulously updated within our Aspect and Hazard Evaluation Register.

**Constant Vigilance:** We continually identify workplace hazards through various methods, including:

- Daily Safety Toolbox Talk: Regular discussions to install safety awareness.
- Daily Safety Inspection: Safety personnel, plant teams, and night duty officers conduct daily inspections.
- Routine Unsafe Condition Identification: Identifying and addressing unsafe conditions and acts.
- Weekly Senior Officer Inspections: Weekly inspections by senior officers to reinforce safety.
- Engagement with Workmen: Weekly shop floor safety meetings to collaborate with our workforce.
- Controlled Work Permits: Work permits issued by plant and safety personnel to ensure safe tasks.
- Safety Observation Tour (SOT): Tours around the plant to maintain safety standards.
- Safety Committee Meetings/Reviews: Regular meetings for safety review and enhancement.
- External Audits and Inspections: Third-party safety inspections and external audits contribute to our rigorous safety approach.

Through these multifaceted approaches, we are steadfast in our commitment to creating a work environment that prioritizes safety and safeguards the well-being of our workforce.

(c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report work related hazards and to remove themselves from such risks.

(d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. we offer a comprehensive array of benefits that underscore our commitment to their well-being:

Life Insurance: We provide life insurance coverage to ensure financial security for our employees and their loved ones.

Healthcare: The health of our employees is of utmost importance. We offer robust healthcare benefits to address medical needs and promote well-being.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL -	NIL -
	Workers	NIL -	NIL -
Total recordable work-related injuries	Employees	NIL -	NIL -
	Workers	NIL -	NIL -
No. of fatalities	Employees	NIL -	NIL -
	Workers	NIL -	NIL -
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL -	NIL -
	Workers	NIL -	NIL -

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We make continuous efforts to provide a safe, productive and positive environment for employees/workers. We have implemented occupational health & safety (OH&S) Management system at our plants. The OH&S management system is also supported through safety observation (SO), legal and statutory compliance, internal and external audits by 3<sup>rd</sup> party etc.

**13. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/ fatalities. Complaints on the following made by employees and workers:**

	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	Nil	-	-	Nil
Health Safety	-	-	Nil	-	-	Nil



## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

Our unwavering commitment to accident prevention and safety enhancement is evident through various ongoing measures within our plants.

Zero Accident Aim

Adopting and refining best practices across roles with an unyielding pursuit of zero accidents.

These concerted measures reflect our organization's commitment to creating a safe and secure work environment. Our continuous efforts and improvement strategies propel us toward our ultimate goal of zero accidents.

## Leadership Indicators

## 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

Yes, the organization ensures that its employees and workers and their families are taken care of in case of any unfortunate situation. some of the initiatives already in place are:

- EMPLOYEES: Yes
- WORKERS: Yes.

## 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not Applicable

## 3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)	FY2022-23 (Current Financial Year)	F2021-Y22 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

## 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

**5. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	NOT APPLICABLE
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective actions were taken as no major risks concerns were identified.

**Principle 4**
**Businesses should respect the interests of and be responsive to all its stakeholders**
**Essential Indicators**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

Our approach is characterized by persistent engagement and experiential insights gathered from both internal and external stakeholders. This collaborative effort enables us to discern their needs and expectations, ultimately guiding the formulation of sustainable strategies.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder engagement is an ongoing process and over the years, the Company has established accessible channels for communication on topics related to various groups. The following table provide the company diverse stakeholder base and engagements:

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), the</b>	<b>Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Employees/ Workers	NO	Inter Office Memo, one-to-one counselling, Emails, Meetings	As and when required	To boost morale, to motivate them and to convey information.
Vendors	NO	Meetings, Calls, emails.	As and when required	To develop stronger relationships with vendors and to ensure regular timely supply of material
Customers	NO	Website, Email, Customer visits, Calls, Surveys	As and when required	To understand Customers Preferences and attitude towards the Products
Govt. Regulatory	NO	Email, E-Filings, Newspaper, Advertisements, Websites, Office Visits.	As and when required	To maintain Statutory records and to resolve issues, if any.
Shareholder & Investors	NO	Email, E-Filings, Newspaper, Advertisement, Website, Meetings, Investor conferences	As per regulatory requirements ; on request of shareholders	Understanding investor expectations and clarifying any concerns relating to Company.
Bankers & Financial Institutions	NO	Website, Email, One to one Meetings	As and when required	For working capital facilities or any other short term requirement.

## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We communicate with our stakeholders mainly through the annual report, websites and the annual general meeting (AGM). We engage with our investors directly through our investor relations department and have a constant dialogue with them throughout the year on key environment, social and governance (ESG) related issues.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

We understand the consultations with the stakeholders are very important from the view of aligning its ESG strategies and goals. Thus by leveraging stakeholder engagements we plan to incorporate their view on the key material topics to help us in managing the identified risks and opportunities associated with them.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

NIL

## PRINCIPLE 5

### Businesses should respect and promote human rights

#### Essential Indicators

### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (B)	% (D / C)
<b>Employees</b>						
Permanent	150	150	100%	125	125	100%
Other than permanent		-	-	-	-	-
Total Employees	150	150	100%	125	125	100%
<b>Workers</b>						
Permanent	27	27	100%	38	38	100%
Other than permanent		-	-	-	-	-
Total Workers	27	27	100%	38	38	100%

All the employees and workers are given trainings on human rights, safety and Code of Conduct on a periodic basis

### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 22-23 Current Financial Year				Total (D)	FY 21-22 Previous Financial Year			
		Equal to minimum wages		More than Minimum Wage			Equal To minimum wages		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male		Minimum Wage is being complied as per the State / Central govt. regulations, as applicable								
Female										
<b>Other than Permanent</b>										
Male		Minimum Wage is being complied as per the State / Central govt. regulations, as applicable.								
Female										

Category	Total (A)	FY 22-23 Current Financial Year				Total (D)	FY 21-22 Previous Financial Year			
		Equal to minimum wages		More than Minimum Wage			Equal To minimum wages		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/D)
<b>Workers</b>										
<b>Permanent</b>										
Male	Minimum Wage is being complied as per the State / Central govt. regulations, as applicable									
Female	Minimum Wage is being complied as per the State / Central govt. regulations, as applicable									

**3. Details of remuneration/salary/wages, in the following format:**

Category	Male		Female	
	Number	Median remuneration In INR	Number	Median remuneration (In INR)
Board of Directors (BoD)	6	3,2,1617	1	3,21,167
Key Managerial Personnel	4	3,2,1617	-	3,21,167
Employees other than BoD and KMP	142	3,2,1617	4	3,21,167
Workers	192	NA	-	NA

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues**

At our organization, ensuring the protection of human rights is of paramount importance. We have established a robust internal mechanism to address and redress any grievances related to human rights issues. This mechanism guarantees a fair and transparent process for individuals to voice their concerns and seek resolution.

**6. Number of Complaints on the following made by employees and worker:**

These mechanisms ensure that all employees are treated with respect and dignity, and that their concerns are addressed in a fair and transparent manner without any discrimination.

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour		NIL			NIL	
Wages						
Other Human Rights related issues						

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The company emphasizes on creating an environment where everyone is treated with respect and dignity. The company's POSH policy offers guidance to ensure no form of misconduct such as discrimination and harassment takes place. The POSH committee has established a mechanism to address any complaints or concerns reported.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. All our agreements and contracts include statutory and regulatory laws including the clause related to human rights, safe working place etc, A supplier code of conduct is also extended throughout the supply chain that insists every supplier to adhere to all applicable laws and regulations with respect to human rights and comply with this Code. Additionally, the company adheres to the principles of the UNGC (United Nation Global Compact), which include human rights clauses.

**9. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100% - Assessed by HR through internal assessment
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not Applicable

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

No .

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes.

**4. Details on assessment of value chain partners:**

Not Applicable

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Currently there are no significant risks or concerns identified during the assessment process and hence no corrective actions were undertaken.

**Principle 6****Businesses should respect and make efforts to protect and restore the environment****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	(Figures in MJ)	
	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total electricity consumption (A)	43,63,200	36,33,580
Total fuel consumption (B)	5,46,706	7,71,400
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	49,09,906	44,04,980
Energy intensity per rupee of turnover (Total energy consumption/ turnover in Rupee)	0.41	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	617	520
(iii) Third party water	48	42
(iv) Seawater / desalinated water	-	-
(v) Others- Water from Municipality	-	-
(vi) Others- Collected rainwater	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	665	562
<b>Total volume of water consumption (in kilolitres)</b>	552	490
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover ₹ Cr) (calculated as per revenue from operations in ₹ Cr)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
NOx	MT	Below the norms of CPCB	Below the norms of CPCB
SOx	MT	Below the norms of CPCB	Below the norms of CPCB
Particulate matter (PM)	MT	Below the norms of CPCB	Below the norms of CPCB
Persistent organic pollutants (POP)	NA	Below the norms of CPCB	Below the norms of CPCB
Volatile organic compounds (VOC)	NA	Below the norms of CPCB	Below the norms of CPCB
Hazardous air pollutants (HAP)	NA	Below the norms of CPCB	Below the norms of CPCB

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3358	3109
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg of Co <sub>2</sub> e / Re	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Kg	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No



7. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2 Tons	01 Tons
E-waste (B)	07 Tons	03 Tons
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	29 Nos	17 Nos
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
ETP Chemical sludge	1500 Kg	1200 Kg
Paint sludge, powder & filter	-	-
Phosphate sludge	-	-
Spent solvent	-	-
Used oil	270 Kg	123 Kg
Waste / reduces containing oil	-	-
Discarded containers	-	-
<b>Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)</b>	17 Tons Metal Scrap, 230 Kg Cartons, 17 Nos. Drums.	12 Tons Metal Scrap, 210 Kg Cartons, 52 Nos. Drums
Total (A+B + C + D + E + F + G + H)	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external Agency. - No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The company waste management systems are well defined to manage manufacturing and operational waste. The company's approach towards Reduce, Reuse, and Recycle (3R) concept promotes the circular economy of its business and ensures reducing use of virgin material and lowering the environmental impact.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

No, Company does not operate in ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc which require approvals / clearances.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether Conducted by independent external agency (Yes / No)	Results communicated In public domain (Yes / No)	Relevant Web link
The Company has not conducted any environmental impact assessments (EIA) of projects or industrial facility in FY 22-23					

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No. Specify Regulation / guidelines which was not complied with	the law / Details of The non-compliance	Provide penalties / action taken by regulatory agencies such as Pollution control boards or by courts	Any fines / taken, if any	Corrective action
Not applicable				

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption KWh (solar)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D) KWh	1212000	1009328
Total fuel consumption (E) KWh (Diesel + LPG + CNG)	136675	192850
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1348675	1202178

**2. Provide the following details related to water discharged:**

Not Applicable

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:  
Not Applicable

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Not applicable

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:****7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Company has a Risk Management Committee in place which formulates business continuity and disaster management plans. The committee works on creating a framework for identification of risks related to finance, operations, sectorial, sustainability and cyber security while taking appropriate measures for risk mitigation including systems and processes for internal control. It also monitors and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

**PRINCIPLE 7****Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent****Essential Indicators****1 (a) Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of 4 main trade and industry chambers / associations. The Company participates in the discussions, meetings and seminar organized by these associations and actively put forth its viewpoint on various policy matters and inclusive development policies.

- (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry [CII]	National
2	PHD Chamber of Commerce and Industry	National
3	ASSOCHAM	National
4	Indian Chamber of Commerce and Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable.

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not applicable

#### PRINCIPLE 8:

#### Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	15%	12.6%
Sourced directly from within the district and neighboring districts	7%	6%

#### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact has been identified during social impact assessment.	Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

The company believes in creating positive social impact in the community and uplift the lives of its beneficiaries by undertaking various CSR initiatives and projects. At present the company is not operating its CSR projects under aspirational districts as all the CSR initiatives undertaken are in Delhi NCR but it is working on expanding its reach in the upcoming years.

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

The Company does not have a preferential procurement policy to purchase from suppliers comprising marginalized / vulnerable groups but it is directly working with various local suppliers and vendors for its supply.

**(b) From which marginalized /vulnerable groups do you procure?**

Not applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

No benefits derived and shared during the year

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

No complaints regarding intellectual property related disputes have been registered and hence no corrective action was taken.

**6. Details of beneficiaries**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	23	18000 approx	75

**Principle 9:**

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

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Well defined internal procedures are in place for timely redressal and resolution of customer complaints.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

**3. Number of consumer complaints in respect of the following:**

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Received During the year	Pending resolutions at the end of year	Remarks	Received During the year	Pending resolution at the end of year	Remarks
Data Privacy	NIL		NIL		NIL	NONE
Advertising	NIL		NIL		NIL	NONE
Cyber-security	NIL		NIL		NIL	NONE
Delivery of essential services	NIL		NIL		NIL	NONE
Restrictive Trade Practices	NIL		NIL		NIL	NONE
Unfair Trade Practices	NIL		NIL		NIL	NONE
Others	NIL		NIL		NIL	NONE

**4. Details of instances of product recalls on account of safety issues:**

No Instances of product recalls on account of safety occurred for FY 22-23.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, The company has an internal Information security policy that takes care of risks associated with cyber security and data privacy.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No corrective action has been taken relating to any of the above-mentioned issues in FY 22-23

**Leadership Indicators**
**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The same can be accessed on [www.udtltd.com](http://www.udtltd.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

We encourage all the consumers to adhere to all the safety protocols.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, all products manufactured by us are as per industry standards.



**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No

**6. Provide the following information relating to data breaches:**

Data Breach	FY 22-23
Number of instances of data breaches along-with impact	Nil
Percentage of data breaches involving personally identifiable information of customers	Nil

**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. Wholly Owned Subsidiary Company.
- 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. 25/05/2022
- ii. 25/05/2022

**(f) Amount paid as advances, if any: Nil**

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

Sd/-

**Pramod Kumar Gupta**  
Chairman & Managing Director  
DIN - 00619482

Date: 14/08/2023  
Place: Noida



# STADALONE FINANCIAL STATEMENTS

# 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, 2023, 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 for the year ended on that date. (here in after 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, 2023, 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
Capitalization of self-generated technology and patents - Refer Note 32D(27) of the standalone Financial Statements	
<ul style="list-style-type: none"> <li>• The company is a manufacturer of high tech products and therefore carry out Research &amp; Development activities of various products, this include continuous improvements of existing and new products, which further get registered as patents in favour of the company. Such development takes years to develop and get registered as a patent for design and technology.</li> <li>• These patents carry a lot of future values, but company capitalised the expenses incurred on development of the products, which remains in R&amp;D expenses under development, till completion and transferred the cost to intangible assets, once product is final and patent is filed for technology and design.</li> <li>• The company has analyzed this and concluded on the principles for deciding the time of capitalisation, value to be capitalised and Amortisation of such intangible assets.</li> </ul>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a. Evaluated the design of internal controls relating to research and development expenses capitalised and transferred to capital assets as intangibles from R&amp;D under development.</li> <li>b. Selected a sample of patent filed and tested the operating effectiveness of the internal control.</li> <li>c. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>d. Read, analyzed and identified the process of patents filed.</li> <li>e. Considered the details of patents filed and cost incurred with life of such patents.</li> <li>f. Analytical procedures for reasonableness of expenses disclosed of R&amp;D with type of product and cost involved.</li> </ol>

## 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.

## AUDITOR'S REPORT

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.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

9. The Company's Board of Director 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 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.

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 standalone Balance Sheet, the Statement of standalone Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d In our opinion, the aforesaid standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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 :

Refer Note No. 32(D)2(v) of 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 32(D)28 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
23. 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  
 UDIN – 23071714BGYBID8648
- Place - Noida  
 Date - 29<sup>th</sup> May, 2023

## 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, 2023

- (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)31(iii) to the standalone Financial Statements).
- (iii) (a) The Company has made investments in one company (100% subsidiary) during the previous year, granted unsecured loans and advances in nature of loans to this company and (salary advances) to 3 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:

₹ in Lacs

	<b>Guarantees Security Loans Advances in nature of loans Aggregate amount granted/ provided during the year</b>	<b>Balance outstanding at a balance sheet date in respect of the above case</b>
Subsidiaries	1,250.00	1,150.00
Joint Ventures	-	-
Associates	-	-
Others	2.62	1.24

(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. During the year, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with 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 deposits accepted from the public in earlier years and transferred to Investor Education and Protection Fund during the year. 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, 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 32(D)38 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. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- 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) 22 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. (a) The Company was not required to transfer the amount of Corporate Social Responsibility remaining unspent being nil under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to

a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the Act.

- (b) There are no ongoing projects, as at balance sheet date, therefore, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

- 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

UDIN – 23071714BGYBID8648

Place - Noida

Date - 29<sup>th</sup> May, 2023

## 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, 2023. 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, 2023 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, 2023, 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

Place - Noida  
Date - 29<sup>th</sup> May, 2023

M. No. 071714  
UDIN - 23071714BGYBID8648

# Standalone Balance Sheet

as at 31st March, 2023

₹ in Lacs

Particulars	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	1	2,775.41	913.82
Capital work-in-progress	1	-	1,421.53
Intangible assets	1	2,266.60	2,139.14
Intangible assets under development	1	532.41	468.58
Financial assets			
Investments	2	126.07	126.07
Loans	3	1,150.00	1,250.00
Other Financial Assets	4	362.69	1,530.56
<b>Other non-current assets</b>	5	1,702.07	2,022.74
<b>Total non current assets</b>		<b>8,915.25</b>	<b>9,872.44</b>
<b>Current assets</b>			
Inventories	6	13,576.69	11,496.51
Financial assets			
Investments	7	-	-
Trade and other receivables	8	3,406.79	4,089.20
Cash and cash equivalents	9	183.68	183.01
Loans and advances	10	297.60	1,064.77
<b>Other current assets</b>	11	1,739.19	1,355.03
<b>Total current assets</b>		<b>19,203.95</b>	<b>18,188.52</b>
<b>TOTAL ASSETS</b>		<b>28,119.20</b>	<b>28,060.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	2,030.31	2,030.31
Other equity	13	22,597.09	21,951.69
<b>Total Equity</b>		<b>24,627.40</b>	<b>23,982.00</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	14	3.63	7.42
Other financial liabilities	15	-	-
Provisions	16	101.13	78.29
Deferred tax liabilities (Net)	17	445.24	442.33
Other non-current liabilities	18	44.05	59.37
<b>Total non current liabilities</b>		<b>594.05</b>	<b>587.41</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	19	493.04	1,783.29
Trade and other payables	20		
Dues to Micro and Small Enterprises		106.10	419.84
Other then dues to Micro and Small Enterprises		1,322.54	242.54
Other financial liabilities	21	4.15	17.18
Other current liabilities	22	923.30	982.43
Short-term provisions	23	48.62	46.28
<b>Total current liabilities</b>		<b>2,897.75</b>	<b>3,491.56</b>
<b>Total liabilities</b>		<b>3,491.80</b>	<b>4,078.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,119.20</b>	<b>28,060.96</b>
Corporate Information, 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  
UDIN – 23071714BGYBID8648

Place : NOIDA  
Date : 29.05.2023

For **United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Standalone Statement of Profit & Loss

for the year ended on 31st March, 2023

₹ in Lacs

Particulars	Note No.	For the Current year ended on 31 <sup>st</sup> March, 2023	For the Previous year ended on 31 <sup>st</sup> March, 2022
<b>INCOME</b>			
Revenue from operations	24	11,934.02	16,441.89
Other Income	25	157.36	199.84
<b>Total Income</b>		<b>12,091.38</b>	<b>16,641.73</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	10,062.92	13,397.01
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(2,510.84)	(6,476.98)
Employee Benefit Expense	28	1,153.54	1,082.14
Financial Costs	29	82.59	82.10
Depreciation and Amortization Expense	1	296.70	268.59
Other Expenses	30	1,541.88	1,124.64
<b>Total Expenses</b>		<b>10,626.78</b>	<b>9,477.50</b>
Profit before Tax		1,464.60	7164.23
Tax expense:			
(1) Current Tax		444.04	2,118.92
(2) Deferred tax		2.91	9.79
<b>Profit/(Loss) for the period</b>		<b>1,017.65</b>	<b>5,035.52</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss		(9.58)	(0.55)
Income tax relating to items that will not be reclassified to the profit or loss		(2.79)	(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			
<b>Total comprehensive income for the year</b>		<b>1,010.86</b>	<b>5,035.13</b>
Earning per equity share of ₹ 10/- each :	31		
(1) Basic		<b>4.98</b>	<b>24.80</b>
(2) Diluted		<b>4.98</b>	<b>24.80</b>
Corporate Information, 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  
UDIN – 23071714BGYBID8648

Place : NOIDA  
Date : 29.05.2023

**For United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Standalone Statement of Cash Flow

for the year ended on 31st March, 2023

₹. in Lacs

PARTICULARS	For the Current year ended on 31 <sup>st</sup> March, 2023	For the Previous year ended on 31 <sup>st</sup> March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax	1,464.60	7,164.23
OCI Impact	(6.78)	(0.55)
Items Adjustment for :		
Interest Income	118.37	195.17
Depreciation	296.70	268.59
Profit on sale of Fixed Assets	0.61	1.93
<b>Operating profit Before Change in working capital</b>	<b>1,635.53</b>	<b>7,235.17</b>
Adjustment for :		
Trade & Other Receivable	682.41	1,924.55
Inventories	(2,080.18)	(7,185.62)
Loans & Advances	383.00	(1,660.41)
Trade Payable	766.27	(97.18)
Other Non Current Assets	1,588.54	2,253.36
Other Current Liabilities	(72.16)	187.01
Provisions	22.84	(22.80)
Short Term Provisions	2.34	5.09
Other Non Current Liabilities	(15.32)	26.63
<b>Cash Generated from operations</b>	<b>2,913.27</b>	<b>2,665.81</b>
Less : Taxes paid	444.04	2,118.76
<b>Net cash flow from operating activities</b>	<b>2,469.24</b>	<b>547.05</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	935.53	535.92
Sale proceeds from property, plant and equipment and intangible assets	8.10	(2.45)
Investment in wholly owned subsidiary	0.00	126.07
<b>Net cash flow from investing activities</b>	<b>927.44</b>	<b>659.54</b>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Proceeds from Banks, Financial Institution	(1,290.25)	(33.96)
Other Secured Loans	(3.79)	(4.96)
Interest Income	118.37	195.17
Payment of dividend	(365.46)	(426.37)
Changes in Equity	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(1,541.13)</b>	<b>(270.12)</b>
<b>Net increase in cash and equivalents</b>	<b>0.67</b>	<b>(382.61)</b>
Cash and Cash Equivalents at the beginning of the year as at 1.4.2022	183.01	565.61
<b>Cash and Cash Equivalents at the end of the year as at 31.03.2023</b>	<b>183.68</b>	<b>183.01</b>

**Notes :**

- Increase/(decrease in current borrowings are shown net of repayments
- Figures in bracket indicates cash outflow.
- The above statement of cash flow has been prepared under the indirect method set out in IND AS -7 'Statement of Cash Flows'.

In terms of our report of even date attached.

**For United Drilling Tools Ltd.**

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

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

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

Sd/-  
**Ashok Mangal**  
Partner  
M.No. 071714  
UDIN - 23071714BGYBID8648

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Place : NOIDA  
Date : 29.05.2023

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

Sd/-  
**Manoj Kumar Arora**  
CFO

# Standalone Statement of changes in equity

for the year ended on 31st March, 2023

## A. EQUITY SHARE CAPITAL

₹ in Lacs

	Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2023
Equity share capital	2,030.31	-	2,030.31	-	2,030.31
<b>Total</b>	<b>2,030.31</b>	<b>-</b>	<b>2,030.31</b>	<b>-</b>	<b>2,030.31</b>
<b>Note : Details of Changes</b>	-	-	-	-	-
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

	Share Forfeiture Account	Reserves and Surplus					Other comprehensive income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>As on 31<sup>st</sup> March, 2022</b>								
Balance at the beginning of the reporting period i.e.1 <sup>st</sup> 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
Tax on Dividends	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2022	<b>3.84</b>	<b>1,783.04</b>	<b>-</b>	<b>1,234.69</b>	<b>500.00</b>	<b>18,444.41</b>	<b>(14.30)</b>	<b>21,951.69</b>

	Share Forfeiture Account	Reserves and Surplus					Other comprehensive income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>As at 31<sup>st</sup> March, 2023</b>								
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2022	3.84	1,783.04	-	1,234.69	500.00	18,444.41	(14.30)	21,951.69
Total comprehensive income for the year	-	-	-	-	-	1,017.65	(6.79)	1,010.86
Dividends	-	-	-	-	-	365.46	-	365.46
Transfer to / (from)retained earnings	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2023	<b>3.84</b>	<b>1,783.04</b>	<b>-</b>	<b>1,234.69</b>	<b>500.00</b>	<b>19,096.60</b>	<b>(21.09)</b>	<b>22,597.09</b>

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  
UDIN – 23071714BGYBID8648

Place : NOIDA  
Date : 29.05.2023

**For United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

Sd/-  
**Ved Prakash Mahawar**  
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(DIN 07208090)

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE NO. 1) PROPERTY, PLANT & EQUIPMENT

Own Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK						
	As on 1-Apr-22	Add/Ded. Due to Inter Unit/ Head Tr.	Additions	Adjustment/ Deduction	Impact of INDIAS Transactions	As on 1-Apr-22	Add/Ded. Due to Inter Unit/ Head Tr.	Additions	Adjustment/ Deduction	Impact of INDIAS Transactions	As on 1-Apr-22	Add/Ded. Due to Inter Unit/ Head Tr.	For the Year	Adjustment/ Deduction	As on 31-Mar-23	As on 31-Mar-22	
Tangible Assets																	
Land	66.92	-	-	-	-	66.92	-	314.77	-	-	381.69	-	0.91	-	5.48	376.21	62.36
Building	809.67	-	-	-	-	809.67	-	-	-	439.48	-	35.17	-	-	506.47	303.20	335.03
Office Building	-	-	-	-	-	-	-	1,349.52	-	-	1,349.52	-	-	-	0.35	1,349.17	-
Electric Fitting	114.21	-	4.36	-	-	118.57	-	4.22	-	-	122.79	-	6.29	-	94.85	27.94	29.49
Plant & Machinery and Equipment																	
Plant & Machinery	429.60	-	74.31	-	-	503.91	-	80.35	14.49	-	569.77	237.89	44.46	-	319.76	250.01	221.57
Tools & Dies	176.96	-	11.49	-	-	188.45	-	7.11	-	-	195.56	151.96	9.07	-	170.89	24.67	27.42
Generator	50.99	-	-	-	-	50.99	-	-	-	-	50.99	29.99	3.80	-	36.90	14.09	17.21
Tracing & Equip	238.34	-	32.81	-	-	271.15	-	56.95	-	-	328.10	166.93	21.06	-	216.68	111.42	83.15
Office Equipment	61.50	-	10.82	-	-	72.33	-	19.41	-	-	91.74	58.62	4.11	-	69.32	22.41	9.60
Safety Equipment	19.08	-	-	-	-	19.08	-	-	-	-	19.08	13.60	0.99	-	15.40	3.67	4.49
R&D Tech Equip P & M	170.06	-	-	-	-	170.06	-	85.50	-	-	255.56	120.32	8.05	-	147.03	108.53	41.69
Furniture & Fixture	38.42	-	0.50	-	-	38.92	-	110.46	-	-	149.37	33.47	1.38	-	40.88	108.50	4.07
Computer	43.79	-	27.2	-	-	46.51	-	157.6	-	-	62.27	40.82	2.31	-	50.12	12.15	3.39
Vehicles	291.23	-	22.08	18.05	-	295.26	-	16.83	3.59	-	308.50	213.76	24.66	17.53	245.07	63.43	74.36
TOTAL (A)	2,510.77	-	159.10	18.05	-	2,651.82	-	2,060.87	18.08	-	4,694.61	1,593.28	162.26	17.53	1,919.21	2,775.41	913.81
Intangible Assets *																	
Patented Technologies (acquired)	4,758.81	-	-	-	-	4,758.81	-	-	-	-	4,758.81	2,526.42	10.10	-	2,728.62	2,030.19	2,131.29
Patented Technologies (in-house developed)	-	-	-	-	-	-	-	232.40	-	-	232.40	-	-	-	0.70	231.70	-
Software	21.27	-	-	-	-	21.27	-	-	-	-	21.27	8.18	5.24	-	16.57	4.71	7.85
TOTAL (B)	4,780.08	-	-	-	-	4,780.08	-	232.40	-	-	5,012.48	2,534.61	106.34	-	2,745.89	2,266.60	2,139.14
TOTAL (A+B)	7,290.86	-	159.10	18.05	-	7,431.90	-	2,293.27	18.08	-	9,707.09	4,127.89	268.60	17.53	4,665.09	5,042.01	3,052.95
Intangible Asset under development	250.16	-	218.42	-	-	468.58	-	296.23	232.40	-	532.41	-	-	-	532.41	468.58	-
Capital WIP (Office)	1,263.13	-	152.52	-	-	1,415.65	-	-	-	-	-	-	-	-	-	-	1,415.65
Capital WIP (Office)	-	-	5.88	-	-	5.88	-	-	-	-	-	-	-	-	-	-	5.88

- 1.1 For Properties pledged as security - refer Note 19.1  
 1.2 Intangible Assets includes acquired and patented intangibles include internally generated. For ageing of intangible Asset under development are given in note 32(D) 25



# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 2) INVESTMENTS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Investments		
Subsidiary Company (At Cost)		
P Mittal Manufacturing Private Limited.	126.07	126.07
(No of Shares 5,93,284 having face value of ₹ 10/-)		
<b>Total</b>	<b>126.07</b>	<b>126.07</b>

## NOTE 3) LOANS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Loans		
Subsidiary Company		
P Mittal Manufacturing Private Limited.	1,150.00	1,250.00
<b>Total</b>	<b>1,150.00</b>	<b>1,250.00</b>

Note : Please refer to note no. 32(D)10 on related party.

## NOTE 4) OTHER NON CURRENT FINANCIAL ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Bank Fixed Deposits (including accrued interest)	362.69	1,530.56
( Including accrued interest of ₹5.96 Lacs ( Pr. Year 34.08 lacs)		
<b>Total</b>	<b>362.69</b>	<b>1,530.56</b>

## NOTE 5) OTHER NON CURRENT ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security Deposits	52.79	46.28
Advance Income Tax ( Net of Provisions) and MAT	1,560.84	1,574.66
Advances and Other Non Current assets	88.44	401.79
<b>Total</b>	<b>1,702.07</b>	<b>2,022.74</b>

Advance Income Tax ( Net of Provisions)	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
At the beginning of the year	1,574.66	2,415.45
Charges of the year	444.04	2,118.76
Others	13.82	5.08
Tax Paid during the year	444.04	1,272.89
At the end of the year	1,560.84	1,574.66

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 6) INVENTORIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(Valued at cost or Market value whichever is lower)		
Raw Material	1,384.33	1,792.04
Work-in-Progress	11,646.14	9,046.33
Finished Goods	116.35	205.33
Stores & Spares	429.86	452.81
<b>Total</b>	<b>13,576.69</b>	<b>11,496.51</b>

## NOTE 7) INVESTMENTS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Current Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 8) TRADE AND OTHER RECEIVABLES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured, Considered Good	3,406.79	4,089.20
<b>Total</b>	<b>3,406.79</b>	<b>4,089.20</b>

Note : Please refer to note no. 32(D)8b and note 32(D)17 .

## NOTE 9) CASH & CASH EQUIVALENT

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Cash at Bank		
In Current Account	70.28	81.57
Unpaid Dividend Account	113.26	100.69
Cash-in-Hand		
Cash Balance	0.14	0.75
<b>Total</b>	<b>183.68</b>	<b>183.01</b>

## NOTE 10) LOANS AND ADVANCES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured Considered Good		
Employees Advances	4.59	13.90
Other Advance	293.01	1,050.87
<b>Total</b>	<b>297.60</b>	<b>1,064.77</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 11) OTHER CURRENT ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured Considered Good		
Balance with State, Central and other authorities	1,739.19	1,355.03
<b>Total</b>	<b>1,739.19</b>	<b>1,355.03</b>

## NOTE 12) EQUITY

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>AUTHORIZED CAPITAL</b>		
3,69,88,330 Equity Shares of ₹ 10/- each.	3,698.83	3,698.83
( As at 31 <sup>st</sup> March 2023 : 3,69,88,330 Equity Shares of ₹ 10/- each)		
( As at 1 <sup>st</sup> April 2022 : 3,69,88,330 Equity Shares of ₹ 10/- each)		
Pref. Shares of ₹ 100/- each.		
10,01,167 5% Cumulative compulsory redeemable		
( As at 31 <sup>st</sup> March 2023 : 10,01,167 Shares)	1,001.17	1,001.17
( As at 1 <sup>st</sup> April 2022 : 10,01,167 Shares)		
	<b>4,700.00</b>	<b>4,700.00</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
Equity Shares		
2,03,03,126 Equity Shares of ₹ 10/- each, Fully Paid up	2,030.31	2,030.31
(As at 31 <sup>st</sup> March, 2023 : 2,03,03,126 Equity Shares of ₹ 10/- each)		
(As at 1 <sup>st</sup> April, 2022 : 2,03,03,126 Equity Shares of ₹ 10/- each)		
Sub - Total	2,030.31	2,030.31
<b>Total</b>	<b>2,030.31</b>	<b>2,030.31</b>

## 12.1 RECONCILIATION OF THE NUMBER OF SHARE OUTSTANDING

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Equity Shares ( No's)		
Opening	2,03,03,126	2,03,03,126
<b>Closing</b>	<b>2,03,03,126</b>	<b>2,03,03,126</b>

## 12.2 DETAILS OF SHARE HOLDING ( MORE THEN 5%) (GIVEN FOR ONLY ISSUED & SUBSCRIBED CAPITAL)

Equity Shares Name of the party	As at 31 <sup>st</sup> March, 2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
	<b>As at 31<sup>st</sup> March, 2022</b>	
<b>Pramod Kumar Gupta</b>	1,43,63,800	70.75

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 12.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10/- each.

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

## 12.4 AGGREGATE NUMBER OF SHARES ISSUED FOR CONSIDERATION OTHER THEN CASH

Particulars	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. ( No's)	82,61,013	82,61,013

## 12.5 SHAREHOLDING OF PROMOTER AS BELOW :

Name of the party	As at 31 <sup>st</sup> March, 2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Prabha Gupta	7,88,760	3.88
Kanal Gupta	2,900	0.01
<b>Total Promoters shareholding</b>	<b>1,51,55,460</b>	<b>74.64</b>

Name of the party	As at 31 <sup>st</sup> March, 2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Prabha Gupta	7,88,760	3.88
Kanal Gupta	2,900	0.01
<b>Total Promoters shareholding</b>	<b>1,51,55,460</b>	<b>74.64</b>

Changes in shareholding	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Name of the party		
Nil	-	-

## NOTE 13) OTHER EQUITY

Particulars	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
₹ in lacs		
<b>A. Capital Redemption Reserve</b>		
As per last Balance Sheet	-	-
Less : Issue of Bonus Shares	-	-
	-	-
<b>B. Capital Reserve</b>		
As per last Balance Sheet	1,783.04	1,783.04
	<b>1,783.04</b>	<b>1,783.04</b>
<b>C. Securities Premium Reserve</b>		

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
As per last Balance Sheet	1,234.69	1,234.69
Less : Issue of Bonus Shares	-	-
	<b>1,234.69</b>	<b>1,234.69</b>
<b>D. General Reserve</b>		
As per last Balance Sheet	500.00	500.00
Add: Transfer from retain earnings	-	-
	<b>500.00</b>	<b>500.00</b>
<b>E. Retained Earnings</b>		
As per last Balance Sheet	18,444.41	13,835.27
Add: Profit for the Year	1,017.65	5,035.52
	<b>19,462.06</b>	<b>18,870.79</b>
Less : Appropriations		
Transfer to General Reserve	-	-
Dividends	365.46	426.37
	<b>19,096.60</b>	<b>18,444.41</b>
<b>F. Other Comprehensive Income</b>		
As Per Last Balance Sheet	(14.30)	(13.91)
Add: Movement in OCI ( Net) during the year	(6.79)	(0.39)
	<b>(21.09)</b>	<b>(14.30)</b>
<b>F. Share Forfeiture Account</b>		
As Per Last Balance Sheet	3.84	3.84
	<b>3.84</b>	<b>3.84</b>
<b>TOTAL ( A to F)</b>	<b>22,597.09</b>	<b>21,951.69</b>

## NOTE 14) NON CURRENT BORROWINGS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured</b>		
Vehicle Loans from Banks	7.78	24.60
Less : Taken to Current Liability	4.15	17.18
	3.63	7.42
<b>Unsecured</b>		
From Corporate bodies	-	-
<b>Total</b>	<b>3.63</b>	<b>7.42</b>

**Note 14.1 :** The Secured Loan of ₹ Nil ( Previous Year 3.01 Lacs) is secured by way of hypothecation of vehicles . The applicable rate of interest is 8.7%.

**Note 14.2 :** The Secured Loan of ₹ Nil. ( Previous Year 9.36 Lacs) is secured by way of hypothecation of vehicles. The applicable rate of interest is 4.5%.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

**Note 14.2 :** The Secured Loan of ₹ 7.78 Lacs ( Previous Year 12.23 Lacs) is secured by way of hypothecation of vehicle, payable in variable installments in next 23 monthly installment. The applicable rate of interest is 9.4%

## NOTE 15) OTHER FINANCIAL LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Preferential Shares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 16) NON-CURRENT PROVISIONS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for employees benefit	101.13	78.29
<b>Total</b>	<b>101.13</b>	<b>78.29</b>

## NOTE 17) DEFERRED TAX LIABILITIES (NET)

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Deferred tax liability</b>		
At the Start of the year	442.33	432.54
Charge/(Credit) to the statement of Profit & Loss	2.91	9.79
<b>Deferred tax liabilities (A-B)</b>	<b>445.24</b>	<b>442.33</b>
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	488.85	478.60
Related to Provisions (Asset)	(43.61)	(36.27)
<b>Total</b>	<b>445.24</b>	<b>442.33</b>

## NOTE 18) OTHER NON CURRENT LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Other Non Current Liabilities	44.05	59.37
<b>Total</b>	<b>44.05</b>	<b>59.37</b>

## NOTE 19) SHORT TERM BORROWINGS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured - At Amortised Cost</b>		
Working Capital Loan from Banks	493.04	1,783.29
<b>Total</b>	<b>493.04</b>	<b>1,783.29</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 19.1

The Working Capital loan from banks is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture and all movable and current assets including Vehicle, Inventories, Book Debts of the company and also by personal guarantee of Chairman and Managing Director. There is no default in repayment of principal and interest.

## NOTE 20) TRADE PAYABLES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to Micro and Small Enterprises	106.10	419.84
Other than dues to Micro and Small Enterprises	1,322.54	242.54
<b>Total</b>	<b>1,428.64</b>	<b>662.38</b>

Note : Refer to Note No. 32 (D) 20

## NOTE 21) OTHER FINANCIAL LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Current Maturity of Long Term Loan	4.15	17.18
<b>Total</b>	<b>4.15</b>	<b>17.18</b>

## NOTE 22) OTHER CURRENT LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Liabilities for Expenses	276.18	499.45
Dividend Payable	113.26	100.69
Advances from Customers	0.99	66.23
Other Payables	532.87	316.06
<b>Total</b>	<b>923.30</b>	<b>982.43</b>

## NOTE 23) SHORT TERM PROVISIONS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employment Benefit	48.62	46.28
Provision for Taxation		
<b>Total</b>	<b>48.62</b>	<b>46.28</b>

Refer to Note No. 32(D)3

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Taxation	444.04	2,118.76
Less : Reduced from advance taxes paid	444.04	2,118.76
Balance Amount	-	-

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 24) REVENUE FROM OPERATIONS

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>Operating Revenue</b>		
Sale of Products	11748.00	16,368.98
Consulting and Engineering Services	15.85	27.20
<b>Other Operating Revenue</b>		
FE Fluctuation	48.94	45.71
Other Operating Income	121.23	-
<b>Total</b>	<b>11934.02</b>	<b>16,441.89</b>

## NOTE 25) OTHER INCOME

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Interest Received	118.37	195.17
Profit on Sale of Fixed Assets	0.61	1.93
Other Non-operational Income	38.38	2.73
<b>Total</b>	<b>157.36</b>	<b>199.84</b>

## NOTE 26) COST OF MATERIAL CONSUMED

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>MATERIALS AND STORES</b>		
Opening Stock	2244.85	1,536.20
Add: Purchase and expenses less returns	9632.26	14,105.66
	<b>11877.11</b>	<b>15,641.86</b>
Less: Closing stock	1814.19	2,244.85
<b>MATERIAL CONSUMED</b>	<b>10062.93</b>	<b>13,397.01</b>

## NOTE 27) CHANGE IN INVENTORIES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>Inventories (At commencement)</b>		
Work-in- Progress	9046.33	2,679.76
Finished Goods	205.33	94.92
	<b>9251.66</b>	<b>2,774.68</b>
<b>Inventories (At close)</b>		
Work-in- Progress	11646.14	9,046.34
Finished Goods	116.35	205.33
	<b>11762.49</b>	<b>9,251.67</b>
<b>Change in Stock (Increase)/Decrease in Inventory</b>		
Work-in- Progress	(2599.81)	(6,366.57)
Finished Goods	88.98	(110.41)
<b>Total</b>	<b>(2510.83)</b>	<b>(6,476.98)</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## NOTE 28) EMPLOYEES BENEFIT EXPENSES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Salary and Wages	1051.97	996.47
Contribution to PF and other funds & benefits	39.50	35.35
Bonus	19.86	18.25
Gratuity	19.91	14.95
Employee Welfare	22.30	17.12
<b>Total</b>	<b>1153.54</b>	<b>1,082.14</b>

Refer Note 32(D)3

## NOTE 29) FINANCIAL COST

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Interest Expense		
Bank Borrowings	36.29	23.72
Other Interest	0.83	2.05
Other Borrowing Costs	45.47	56.33
<b>Total</b>	<b>82.59</b>	<b>82.10</b>

## NOTE 30) OTHER EXPENSES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>(a) Manufacturing Expenses</b>		
Power, Fuel & Water charges	136.88	103.15
Security Service Charges	34.66	35.57
Testing, Painting & Inspection Expenses	33.60	33.40
Job Charges	608.69	306.77
Repair & Maintenance		
Plant & Machinery	29.29	13.07
Building	7.83	18.17
Others	49.38	59.41
<b>TOTAL (a)</b>	<b>900.33</b>	<b>569.55</b>
<b>(b) Administrative and Other Expenses</b>		
Printing & Stationary	20.27	11.35
Postage, Telegram & Telephones	20.84	14.61
Subscription & Membership Fees	4.33	1.73
Director's Sitting Fee	8.00	9.60
Rent	96.24	50.50
Travelling Directors	22.76	7.62
Others	28.61	26.46
Vehicle & Conveyance	59.87	53.31
Charity & Donation	1.89	1.75
Legal & Professional	41.08	24.82
Insurance Charges	10.70	11.06

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
CSR Expenses (Refer Note: 32(D)11)	77.00	114.86
Auditor's Remunerations		
Audit Fee	4.00	3.25
Tax Audit Fee	1.00	0.75
Reimbursement of expenses	0.40	-
Books & Periodicals	2.81	2.57
Rates, Taxes and Filling Fee	25.71	17.15
Miscellaneous Expenses	59.55	60.63
<b>TOTAL (b)</b>	<b>485.05</b>	<b>412.02</b>
<b>(c) Selling Expenses</b>		
Selling Expenses	139.87	71.32
Forwarding Expenses (Freight, Cartage & Insurance etc.)	16.63	71.75
<b>TOTAL (c)</b>	<b>156.50</b>	<b>143.07</b>
<b>TOTAL (a to c)</b>	<b>1541.88</b>	<b>1,124.64</b>

## NOTE 31) EARNING PER SHARE (EPS)

Particulars	₹ in lacs except EPS and FV	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (₹ Lacs)	1010.86	5,035.13
Weighted Average number of Equity Shares used as denominator for calculating EPS	2,03,03,126	2,03,03,126
Basic EPS ₹	4.98	24.80
Diluted EPS ₹	4.98	24.80
Face Value Per Equity Share ₹	10.00	10.00

## NOTE 32) SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON FINANCIAL STATEMENTS

These are hereunder given summary of significant accounting policies and other disclosures on the consolidated 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 it's registered Office and principal place of businesses 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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

## Recent accounting pronouncements New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

## B.2 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value: • certain financial assets and liabilities, • defined benefit plans – plan assets measured at fair value.

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are

rounded to the nearest lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise

## B.3 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. (refer Note 32 C on critical accounting estimates, assumptions and judgements)

## B.4 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.

### Impairment of Assets

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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## (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

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.

### (i) Sale of Goods

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.

### (ii) Sale of Services

Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.

### (iii) Other Operating Revenue

Interest from foreign exchange fluctuation, which is mostly related to sale and is recognised as other operating income, being related to direct operational income.

Incentives on exports and other Government Grants related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

(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 Standalone Financial Statements

For the year ended March 31, 2023

- (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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## (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.

### (i) Current Tax

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

### (ii) 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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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.

## (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

### (i) 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.

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

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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

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

**C. Investment in subsidiaries, Associates and Joint Ventures**

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

**D. Other Equity Investments**

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

**E. Impairment of financial assets**

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

**(ii) Financial liabilities**

**A. Initial recognition and measurement**

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

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payable 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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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.

## (r) Government Grants:

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are

recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets. The company has option to present the government grant related to fixed assets by deducting the grant from the carrying value of the asset and to present the non-monetary grant at a nominal amount. The company has not availed this option in current financial year. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached condition.

## (s) Current versus non-current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

### (i) An asset is classified

as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(ii) **A liability is classified**

as current when it is:

- a) Expected to be settled in normal operating cycle.
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents

## C. CRITICAL ACCOUNTING ESTIMATES , ASSUMPTIONS , JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### 1. Depreciation / 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 and advances

Judgements are required in assessing the recoverability of overdue trade receivables and advances 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.

### 4. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 5. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

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

(v) The company has pending litigation of Income tax, but as the demand raised by the authorities (even after finalization of appeals) is to be adjusted against MAT already paid, the company don't foresee the cash flow of the company being negatively affected.

## D. OTHER NOTES ON FINANCIAL STATEMENTS

### 1. Contingent and disputed Liabilities not provided for :

- (i) Bank guarantees against our counter guarantees issued by banks ₹ 298.32 Lacs (Pr. Yr. ₹ 322.85 Lacs) .
- (ii) Letter of Credit opened by Banks ₹ 620.80 (Pr. Year ₹ Nil)
- (iii) Bill discounted by bank ₹ NIL (Pr. Yr. Nil).
- (iv) No provision has been made for disputed income tax liabilities of ₹1007.01 lacs (Previous Year ₹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.

### 3. Employee Benefit Obligations

#### (i) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans. The contribution of PF is ₹ 35.29 lacs ( Pre. Yr. ₹ 30.82 lacs)

#### (ii) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Gratuity liability is provided in the books amounting to ₹ 130.93 lacs (Previous Year ₹ 109.16 lacs ) on actuarial liability basis as on the date of balance sheet. It is non funded.

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation at the beginning of the period	109.79	105.12
Interest cost	7.86	7.03
Past service cost	-	-
Current service cost	11.42	8.55
Benefits paid	(4.33)	(11.46)
Actuarial (gain)/loss on obligation	6.19	0.55
Present value of obligation at the end of period	130.93	109.79

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
In Income Statement		
Past service cost	-	-
Current service cost	11.42	8.54
Interest Cost	7.86	6.07
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	19.28	14.61
In Other Comprehensive Income	(6.19)	(0.55)
Net actuarial (gain)/loss recognized in the period	6.19	0.55
Net (Income)/ Expense For the period Recognised in OCI	4.38	0.39

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation as at the end of period	130.93	109.79
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	130.93	109.79

The assumptions used in Actuarial Valuation:-

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
i) Discounting Rate	7.34	7.16
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.

## Significant estimates and sensitivity Analysis

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

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22
Discount rate	7.34%	7.16%	0.50%	(4.48)	(3.40)	0.50%	4.85	3.67
Salary growth rate	5.50%	5.50%	0.50%	3.71	3.45	0.50%	(4.57)	(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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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 ₹ 18.82 lacs (Previous Year ₹ 15.41 lacs) on the basis of actuarial valuation basis as on balance sheet date. The liability is paid annually or during the year. It is non funded.

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation at the beginning of the period	15.41	
Interest cost	1.40	6.47
Past service cost	-	13.17
Current service cost	3.74	3.78
Benefits paid	(5.13)	(1.26)
Actuarial (gain)/loss on obligation	3.40	-
Present value of obligation at the end of period	18.82	15.41

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
In Income Statement		
Past service cost	-	13.17
Current service cost	3.74	3.78
Interest Cost	1.12	-
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	4.86	16.95
In Other Comprehensive Income	(3.40)	-
Net actuarial (gain)/loss recognized in the period	3.40	-
Net (Income)/ Expense For the period Recognized in OCI	2.41	-

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation as at the end of period	18.82	15.41
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	18.82	15.41

#### The assumptions used in Actuarial Valuation:-

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
i) Discounting Rate	7.34	7.16
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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22
Discount rate	7.34%	7.16%	0.50%	(0.89)	(0.77)	0.50%	0.97	0.85
Salary growth rate	5.50%	5.50%	0.50%	0.98	0.86	0.50%	(0.91)	(0.79)
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.

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 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.

## 6. Foreign exchange risk and exposure

The Company transacts business primarily in USD, Euro and other currencies. The Company has foreign currency trade payables, receivables and advances, is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.

The Company doesn't use Forward Exchange Contracts to hedge its exposure in foreign currency. The foreign currency exposures are very less as compared to total working, therefore sensitivity analysis is not given. The information on derivative instruments and foreign currency exposure are as follows:

₹ in lacs

Particulars	As at 31.3.2023		As at 31.3.2022	
	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)	3.24	266.60	6.83	518.75
2. Advances given in USD	1.87	153.94	1.33	101.32

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

₹ in lacs

Particulars	As at 31.3.2023		As at 31.3.2022	
	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
3. Amount in EEFC A/c in bank (USD)	-	-	-	-
<b>Sub Total (B.1)(USD)</b>	<b>5.11</b>	<b>420.54</b>	<b>8.16</b>	<b>620.07</b>
4. Advances given in (Euro)	-	-	-	-
5. Advances given in (GBP)	-	-	-	-
B.2 4. Amount of Bank Credit (PCFC) (USD)	-	-	-	-
5. Amount payable on account of import of goods and services.(USD)	0.06	5.27	0.65	49.04
<b>Sub Total (B.2)</b>	<b>0.06</b>	<b>49.04</b>	<b>0.65</b>	<b>49.04</b>
<b>Total (B1+B2) (USD)</b>	<b>5.18</b>	<b>425.81</b>	<b>8.81</b>	<b>669.11</b>
Total (Euro)	-	-	-	-
Total (GBP)	-	-	-	-

## 7. Segment Reporting

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

₹ in lacs

Particulars	As at 31.3.2023	As at 31.3.2022
1. Segmental Revenue		
- Revenue in Local Currency	11341.10	15719.98
- Revenue in Foreign Currency	406.90	649.00
Total Revenue	11748.00	16368.98
2. Segmental Assets*		
- Assets in Local Currency	27698.67	27440.89
- Assets in Foreign Currency	420.53	620.07
Total Assets	28119.20	28060.96
2. Segmental Liabilities		
- Liabilities in Local Currency	28113.93	28011.92
- Liabilities in Foreign Currency	5.27	49.04
Total Liabilities	28119.20	28060.96

## 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	Independent Director

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

Name of Person	Relationship
Mrs. Preet Verma	Independent Director
Shri Mukesh Mehta ( Up to 20.09.2022)	CFO
Shri Manoj Kumar Arora (w.e.f. 11.02.2023)	CFO
Shri Naveen Bhatnagar (Up to 18.03.2023)	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.	Director's relative

## Details of Transactions with related parties :-

S. No.	Particulars	₹ in lacs	
		As at 31.3.2023	As at 31.3.2022
<b>1.</b>	<b>Rent Payment</b>		
<b>2.</b>	<b>Salary</b>		
	Shri Pramod Kumar Gupta	120.22	120.22
	Dr. Kanal Gupta	42.22	42.22
	Shri Manoj Arora	7.09	-
	Shri A.K.Thakur (CFO)	-	1.72
	Shri Inder Pal Sharma	10.18	8.80
	Shri P.K.Ojha	-	0.66
	Shri Mukesh Mehta ( CFO )	9.17	15.47
	Shree Tarun Chabra ( CS)	-	2.67
	Shree Naveen Bhatnagar	11.37	0.09
<b>3.</b>	<b>Director Sitting Fee</b>		
	Shri K D Agarwal	2.10	2.40
	Shri Ved Prakash Mahawar	2.10	2.40
	Shri P Kalayan Sunderam	2.10	2.40
	Smt Preet Verma	1.70	2.40
<b>4.</b>	<b>Purchases</b>		
	Parveen Industries Pvt. Ltd	104.39	7.58
	P. Mittal Manufacturing Pvt. Ltd.	53.22	40.79
<b>5.</b>	<b>Job Work</b>		
	P. Mittal Manufacturing Pvt. Ltd.	359.17	99.42
<b>6.</b>	<b>Sales</b>		
	P. Mittal Manufacturing Pvt. Ltd.	6.60	-
<b>7.</b>	<b>Interest Received</b>		
	P. Mittal Manufacturing Pvt. Ltd.	99.26	99.48
<b>8.</b>	<b>Loans Given</b>		
	P. Mittal Manufacturing Pvt. Ltd.	-	140.00
<b>9.</b>	<b>Loans Received</b>		
	P. Mittal Manufacturing Pvt. Ltd.	100.00	-

## Outstanding

S. No.	Particulars	₹ in lacs	
		As at 31.3.2023	As at 31.3.2022
1.	Shri Pramod Kumar Gupta (Cr.)	-	10.02
2.	Shri (Dr.) Kanal Gupta(Cr.)	2.57	3.52
3.	Shri Inder Pal Sharma(Cr.)	0.82	0.86



# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

		₹ in lacs	
S.No.	Particulars	As at 31.3.2023	As at 31.3.2022
4.	Shri Manoj Arora (Cr.)	1.12	-
5.	Shri Mukesh Mehta ( Cr )	-	1.73
6.	Shri Naveen Bhatnagar (Cr.)	0.33	0.09
7.	P. Mittal Manufacturing Pvt. Ltd. (Dr.)	-	45.29
8.	P. Mittal Manufacturing Pvt. Ltd. (Cr.)	138.86	-
9.	Parveen Industries Pvt. Ltd. (Cr.)	82.56	-
10.	P. Mittal Manufacturing Pvt. Ltd. (Loan A/c.)(Dr.)	1150.00	1250.00

## 9. Managerial Remuneration

		₹ in lacs	
S.No.	Particulars	For the year ended on 31.3.2023	For the year ended on 31.3.2022
1	Shri Pramod Kumar Gupta	120.22	120.22
2	Dr. Kanal Gupta	42.22	42.22
3	Shri Inder Pal Sharma	10.18	8.80
	Total Salary & Perquisites*	172.41	171.34

\*The aforesaid amount doesn't includes amount in respect of gratuity and leave encashment.

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 31.3.2023	Amount Outstanding as at 31.3.2022	
P. Mittal Manufacturing Pvt. Ltd.	1150.00	1250.00	

The company has provided unsecured loan of ₹ 1150.00 lacs (Previous Year 1250.00 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% p.a. on ₹500.00 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)

		₹ in lacs	
Particulars	For the year ended on 31.3.2023	For the year ended on 31.3.2022	
Gross amount required to be spent by the company during the year	109.01	78.13	
Amount Spent during the year	77.00	78.70	
Unspent amount of previous year transferred to specified funds	-	36.16	
Excess spent carried forward	-	0.07	
Excess amount spent in previous year brought forward	0.07	-	
Unspent amount of current year	31.94	-	

Note : Amount spent in F.Y. 2021-22 include ₹ 36.16 Lacs\* unspent amount of previous year, ₹ 0.50 Lacs personal donation not qualified for CSR and ₹ 0.07 Lacs excel spent to be set off in FY 2022-23.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

In F.Y. 2022-23, Total amount required to be spent was ₹ 109.01 Lacs, out of which ₹ 77.00 Lacs was spent, and ₹ 07 Lacs sett off out of excess spent during previous year and remaining ₹ 31.94 is under spent during the year. The details of head wise spending is as follows :

Head	Amount Spent	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Promoting Health Care	9.13	15.47
Setting up old age Home	16.67	14.20
Promoting Education	20.81	18.01
Eradication Hunger, Poverty	7.54	23.52
Setting Up Home care	-	6.05
Empowering Women	-	1.45
National Defense Fund*	-	12.00
Swachh Bharat Kosh*	-	8.16
Bharat Ke Veer*	-	12.00
Swachh Ganga Kosh*	-	4.00
Help and relief to homeless people	12.69	-
Enhancing Vocational skill for Children and women	1.99	-
Protection of national heritage, art and culture	1.21	-
Rural development project	2.00	-
Sanitizations	1.35	-
Setting up of orphanage and women hostels	3.60	-
Total	77.00	114.86

## 12. (a) Expenditure in Foreign Currency

S.No. Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Travelling	6.98	4.54
Purchases	1233.61	1270.92
License Fee	15.73	11.04

## 12. (b) Earning in Foreign Currency

S.No. Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
(i) Export Earning in foreign Currency at FOB value	406.90	649.00

## 13. Earnings per share

Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Issued equity shares	2,03,03,126	2,03,03,126
Net profit available to equity holders of the Group	1010.86	5035.13
Basic Earnings per share	4.98	24.80
Diluted Earnings per share	4.98	24.80

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 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, payable 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

₹ in lacs

S.No. Particulars	For the year ended on 31.3.2023	For the year ended on 31.3.2022
	365.46	426.37

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 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:

- 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. Trade Receivables and provision for expected credit losses (ECL)

The Company extends credit to customers as per the contractual obligation and internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables and contract assets are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Loss allowances and impairment is recognised as per the Company policy. The ageing of trade receivables are as follows:

### 17(a). Trade Receivables ageing schedule :

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2023
		Less Than 6 Months	6 Months-1Year	1-2 Years	2-3 years	More Than 3 Years	
1	Undisputed trade receivables considered good	3073.51	30.38	63.89	68.29	83.00	3299.42
2	Undisputed Trade receivables considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables considered Good	-	-	-	-	87.71	107.37
4	Disputed Trade receivables considered doubtful	-	-	-	-	-	-
	Total	3073.51	30.38	63.89	68.29	170.71	3406.79

₹ in lacs

Note : The amount of ₹ 3406.79 Lacs taken to Current Assets.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 17(b). Trade Receivables ageing schedule :

₹ in lacs

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2022
		Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 years	More Than 3 Years	
1	Undisputed Trade receivables considered good	3860.07	229.13	223.99	24.22	12.17	4349.58
2	Undisputed Trade receivables considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables considered Good	-	-	-	81.27	-	81.27
4	Disputed Trade receivables considered doubtful	-	-	-	-	-	-
	Total	3860.07	229.13	223.99	105.49	12.17	4430.85

- Note: 1. The amount of ₹ 4089.20 Lacs taken to Current and ₹ 341.65 Lacs Taken to non-current assets.  
2. 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 during the previous financial year 2021-22, however during the current Financial Year there is no direct impact on the company, but company feels the effect indirectly, in form of decreased demand of products.

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 recover ability 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. Risk Management

### (a) Credit risk arises from cash and cash equivalents:

Contractual cash flows of debt investments carried at amortised cost, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments. Trade receivables and contract assets. The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has obtained advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

### (b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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.

## 20. Financing arrangements

### (i) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Floating Rate	3256.00	3277.00
Expiring within one year (Packing credit facility- Pre shipment/ post shipment)		

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.

### (ii) Unused line of credit

The Company had access to the following undrawn borrowing facilities:

Particulars	₹ in lacs			
	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Total	Available (Undrawn)	Total	Available (Undrawn)
Secured (Cash Credit and others)	3256.00	2762.96	3277.00	1493.71

### (iii). Trade Payables ageing schedule

Sr No	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2023
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	
1	MSME	-	106.10	-	-	-	106.10
2	Others	-	1322.54	-	-	-	1322.54
3	Disputed dues-MSME	-	-	-	-	-	-
4	Disputed dues-Others	-	-	-	-	-	-
	<b>Total</b>	-	<b>1428.64</b>	-	-	-	<b>1428.64</b>

### Trade Payables ageing :

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	-	419.85	-	-	-	419.85
2	Others	-	242.21	0.11	-	0.22	242.54
3	Disputed dues-MSME	-	-	-	-	-	-
4	Disputed dues-Others	-	-	-	-	-	-
	<b>Total</b>	-	<b>662.06</b>	<b>0.11</b>	-	<b>0.22</b>	<b>662.40</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 21. Assets pledged as Security

The carrying amounts of assets pledged as security for current and non current borrowings are as follows :

Particulars	₹ in lacs	
	31-Mar-23	31-Mar-22
<b>Non-current Assets</b>		
(a) Property, plant and equipment (WDV)	2775.41	913.82
(b) Capital work-in-progress	-	1421.53
(c) Intangible assets	2266.60	2139.14
(d) Financial assets		
Other financial assets	362.69	1530.56
(e) Other non-current assets	1702.07	2022.74
<b>Current Assets</b>		
(a) Inventories	13576.68	11496.51
(b) Financial assets		
(i) Trade receivables	3406.79	4089.20
(ii) Cash and cash equivalents	183.68	183.01
(iii) Other bank balances	-	-
(iv) Loans	297.60	1064.77
(v) Other financial assets		
(c) Other current assets	1739.19	1355.03
<b>Total</b>	<b>26310.71</b>	<b>26216.31</b>

## 22. Financial Ratios:

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance%	Reason for variance of above 25%
Current Ratio (no. of times)	Current Assets	Current Liabilities	6.63	5.21	27.22	Current ratio increased mainly due to increase in the Current Assets, and internal accruals.
Debt Equity ratio (no. of times)	Total Debt	Shareholder's Equity	0.02	0.07	-71.42	Ratio decreased due to decrease in debt and increase in Equity due to profit.
Debt service (Interest coverage ) ratio (no. of times)	Earnings before Interest and Tax	Interest Charges	16.52	66.56	-75.18	Ratio decreased due to reduction in interest and debt caused by repayment of debts.
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	4.19	23.23	-81.97	Due to decrease in profit.
Inventory turnover ratio (no. of times)	Cost of goods sold (or) sales	Average Inventory	0.60	0.88	-31.20	Ratio decreased due to increase in inventory level and decrease in sales.
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	3.14	3.25	-3.38	
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	9.21	19.84	-53.56	Ratio decreased due to decrease in sales .
Net capital turnover ratio (no. of times)	Net Sales	Working Capital	0.72	1.12	-35.71	Ratio decreased due to decrease in sales .
Net profit ratio (%)	Net Profits after taxes	Net Sales	8.65	30.71	-71.83	Net profit ratio decreased due to decrease in margin of profit significantly in the F Y 2022-23
Return on Capital employed (%)	Earnings before interest and taxes	Capital Employed	5.51	29.47	-81.32	Return on capital increased due to decrease in margin of profit significantly in the F Y 2022-23
Return on Investment	Interest (Finance Income)	Average Investment	8.93	15.70	43.76	reduced due to lower profit

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 23. Fair value of financial assets and liabilities

Fair valuation techniques: The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data.

The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash, bank and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate loans/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair

value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Company's borrowings rate. Risk of nonperformance for the company is considered to be insignificant in valuation.

- 3) The fair values of derivatives, if any, are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management evaluates the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

## 24 (i). Micro and Small Enterprises

Particulars	₹ in lacs	
	31-Mar-23	31-Mar-22
1. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; Principal Interest	106.10 -	419.84 -
2. Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
3. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.		
4. Amount of interest accrued and remaining unpaid at the end of each accounting year.		
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

## 24 (ii). Disclosure as per amendments to clause 34(3) and 53(f) Schedule V of the listing agreement:

### a. Loans to subsidiaries:

Name of Company	₹ in lacs			
	Amount outstanding as at March 31, 2023	Maximum Balance outstanding during the year 2022-23	Amount outstanding as at March 31, 2022	Maximum Balance outstanding during the year 2021-22
P Mittal Manufacturing Pvt. Ltd.	1150.00	1150.00	1250.00	1250.00

### b. Loans to companies in which directors are interested

Name of Company	₹ in lacs			
	Amount outstanding as at March 31, 2023	Maximum Balance outstanding during the year 2022-23	Amount outstanding as at March 31, 2022	Maximum Balance outstanding during the year 2021-22
Nil				

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## c. Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act 2013

₹ in lacs

Name of Company	Amount outstanding as at March 31, 2023	Maximum Balance outstanding during the year 2022-23	Amount outstanding as at March 31, 2022	Maximum Balance outstanding during the year 2021-22
Nil				

### 25. Ageing schedule of Intangibles under development:

The company carry out a lot of R & D activities, and it takes time to develop a technology or products to be patented. The ageing of expenditure incurred under this head is given below :

₹ in lacs

Particular	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.3.2023	296.23	148.77	12.99	74.42	532.41
As at 31.3.2022	218.42	78.33	25.92	145.91	438.58

### 26. Sensitivity Analysis

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The company don't have any long term borrowings except vehicle loans, therefore sensitivity analysis is not given. As regards working capital borrowing, the company has floating rate of interest, and also has very low exposures to borrowings, therefore sensitivity is very less, hence analysis is not given.

#### (i) Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company uses prevailing market price method to buy the material, as inventory of raw material and some times for procurement of material, majority of transactions have short term fixed price contract. The imported portion of raw material is not significant, therefore forward contract is not used.

### 27. 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. However, patents got registered or in the process of registration, developed by inhouse R&D, has been capitalised at the cost incurred in development of such patent and technology.

### 28. 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.

### 29. 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.

### 30. Event occurring after balance sheet date

There is no reportable event happened after balance sheet date and up to finalization of balance sheet except:

The Board of directors have recommended final dividend of 6% i.e. ₹ 0.60 per equity share, for the financial year 2022-23, which is subject to the approval of the shareholders in the ensuing annual general meeting.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 31. (i) 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.

## (ii) 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.

(iii) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks. The Company has filed quarterly returns or statements with such banks, which are in agreement with the audited books of account.

## 32. 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 2023.

## 33. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

## 34. 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.

## 35. 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.

## 36. 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.

## 37. 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.

## 38. 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.

39. The Financial Statements were authorised for issue by the directors on 29<sup>th</sup> May, 2023.

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  
UDIN – 23071714BGYBID8648

Place : NOIDA  
Date : 29.05.2023

For **United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO



**CONSOLIDATED FINANCIAL STATEMENTS**

# 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, 2023, 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, 2023, 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 and 17 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

### 4. EMPHASIS OF MATTER

We draw attention to Note no. 32 D (18) of the accompanying the consolidated 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.

### 5. KEY AUDIT MATTERS

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. We have reported key audit matters in our report of even date on the audit of standalone financial statements of the Holding Company with respect to capitalisation of Intangibles technology and patents and their useful life. We have determined that there are no other key audit matters to communicate in our report on the consolidated financial statements.

### OTHER INFORMATION

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.

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

In connection with our audit of the 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**

7. 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.
8. 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.
9. 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**

10. 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.
11. 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.
12. 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.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. We did not audit the financial statements of subsidiary whose financial statements reflect total assets of ₹ 1459.25 Lacs as at March 31, 2023, total revenue of ₹ 464.06 lakhs, total comprehensive Income (comprising of Income and other comprehensive Income) of ₹ 9.82 lakhs and net cash flows amounting to ₹ 0.25 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 in so far 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

16. 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.
17. 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.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 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, 2023 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, 2023 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, 2023 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.
19. 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.
20. 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.
21. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate company and joint venture, is applicable to the Group, associate company and joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

Sd/-

**Ashok Mangal**

Partner

M. No. 071714

UDIN – 23071714BGYBIE6404

Place - Noida

Date - 29<sup>th</sup> May, 2023

## Annexure A to Independent Auditor's Report

Referred to in paragraph 17 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, 2023

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, 2023, 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, 2023, 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

Place - Noida  
Date - 29<sup>th</sup> May, 2023

M. No. 071714  
UDIN – 23071714BGYBIE6404

# Consolidated Balance Sheet

as at 31st March, 2023

₹ in lacs

Particulars	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	1	3,759.03	1,905.98
Capital work-in-progress	1	-	1,421.53
Intangible assets	1	2,266.60	2,139.14
Intangible assets under development	1	532.41	468.58
Financial assets		-	-
Investments	2	-	-
Loans	3	-	-
Other Financial Assets	4	375.20	1,542.54
Other non-current assets	5	1,873.75	2,196.59
<b>Total non current assets</b>		<b>8,807.00</b>	<b>9,674.36</b>
<b>Current assets</b>			
Inventories	6	13,605.35	11,507.28
Financial assets		-	-
Investments	7	-	-
Trade and other receivables	8	3,406.89	4,200.43
Cash and cash equivalents	9	220.94	220.52
Loans and advances	10	375.03	1,137.08
Other current assets	11	1,748.34	1,377.01
<b>Total current assets</b>		<b>19,356.54</b>	<b>18,442.32</b>
<b>Total Assets</b>		<b>28,163.54</b>	<b>28,116.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	2,030.31	2,030.31
Other equity	13	22,675.02	21,922.60
<b>Total Equity</b>		<b>24,705.33</b>	<b>23,952.91</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities		-	-
Long term borrowings	14	3.63	7.42
Other financial liabilities	15	-	-
Provisions	16	101.13	78.29
Deferred tax liabilities (Net)	17	451.47	442.56
Other non-current liabilities	18	44.05	59.37
<b>Total non current liabilities</b>		<b>600.28</b>	<b>587.64</b>
<b>Current liabilities</b>			
Financial liabilities		-	-
Short term borrowings	19	493.04	1,783.29
Trade and other payables	20	-	-
Dues to Micro and Small Enterprises		106.10	419.84
Other then dues to Micro and Small Enterprises		1,260.57	306.02
Other financial liabilities	21	4.15	17.18
Other current liabilities	22	942.92	988.92
Short-term provisions	23	51.15	60.88
<b>Total current liabilities</b>		<b>2,857.93</b>	<b>3,576.13</b>
<b>Total liabilities</b>		<b>3,458.21</b>	<b>4,163.77</b>
<b>Total Equities and Liabilities</b>		<b>28,163.54</b>	<b>28,116.68</b>
Corporate Information, 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  
UDIN – 23071714BGYBIE6404

Place : NOIDA  
Date : 29.05.2023

For **United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO



# Consolidated Statement of Profit & Loss

for the year ended on 31st March, 2023

₹ in Lacs

Particulars	Note No.	For the Current year ended on 31 <sup>st</sup> March, 2023	For the Previous year ended on 31 <sup>st</sup> March, 2022
<b>INCOME</b>			
Revenue from operations	24	11,982.69	17,489.55
Other Income	25	59.73	110.18
<b>Total Income</b>		<b>12,042.42</b>	<b>17,599.73</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	10,076.06	14,360.43
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(2,510.83)	(6,476.98)
Employee Benefit Expense	28	1,203.78	1,104.79
Financial Costs	29	82.66	83.75
Depreciation and Amortization Expense	1	413.30	304.46
Other Expenses	30	1,296.64	1,076.26
<b>Total Expenses</b>		<b>10,561.61</b>	<b>10,452.72</b>
Profit before Tax		1480.81	7147.01
Tax expense:			
(1) Current tax MAT			-
(2) Current Tax		445.54	2133.53
(3) Deferred tax		7.81	10.56
(4) For earlier period		-	-
(5) Less : MAT Credit available			-
<b>Profit/(Loss) for the period</b>		<b>1,027.46</b>	<b>5,002.92</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss		(9.58)	(0.39)
Income tax relating to items that will not be reclassified to the profit or loss		(2.79)	(0.39)
Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to the profit or loss			
<b>Total comprehensive income for the year</b>		<b>1,020.67</b>	<b>5,002.53</b>
Earning per equity share:	31		
(1) Basic		<b>5.03</b>	<b>24.64</b>
(2) Diluted		<b>5.03</b>	<b>24.64</b>
Corporate Information, 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  
UDIN – 23071714BGYBIE6404

Place : NOIDA  
Date : 29.05.2023

**For United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Consolidated Statement of Cash Flow

for the year ended on 31st March, 2023

₹ in Lacs

PARTICULARS	For the Current year ended on 31 <sup>st</sup> March, 2023	For the Previous year ended on 31 <sup>st</sup> March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax	1,480.81	7,147.01
OCI Impact	(6.78)	(0.55)
Items Adjustment for :		
Interest Income	19.72	96.17
Depreciation	413.30	304.46
Writing off of Preliminary Expenses of subsidiary	11.89	-
Profit on sale of Fixed Assets	0.99	1.93
<b>Operating profit Before Change in working capital</b>	<b>1,880.50</b>	<b>7,356.68</b>
Adjustment for :		
Trade & Other Receivable	793.54	1,813.32
Inventories	(2,098.07)	(7,157.35)
Loans & Advances	390.71	(1,641.02)
Trade Payable	640.81	(190.85)
Other Non Current Assets	1,478.29	2,404.78
Other Current Liabilities	(59.03)	175.13
Provisions	22.84	(22.80)
Short Term Provisions	(9.73)	9.77
Other Non Current Liabilities	(15.32)	26.63
<b>Cash Generated from operations</b>	<b>3,024.55</b>	<b>2,774.29</b>
Less : Direct Taxes paid	454.05	2,133.37
Cash flow before Extra Ordinary Items	2,570.50	640.92
<b>Net cash flow from operating activities</b>	<b>2,570.50</b>	<b>640.92</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Increase/Transfer of fixed Assets	945.61	613.66
Sales of fixed Assets	15.31	2.45
Investment in wholly owned subsidiary	-	-
<b>Net cash used in investing activities</b>	<b>930.29</b>	<b>616.11</b>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Proceeds from Banks, Financial Institution	(1,290.25)	(33.96)
Other Secured Loans	(3.79)	(7.96)
Interest Income	19.72	96.17
Payment of dividend	(365.46)	(426.37)
Changes in Equity	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(1,639.79)</b>	<b>(372.11)</b>
<b>Net increase in cash and equivalents</b>	<b>0.42</b>	<b>(347.31)</b>
Cash and Cash Equivalents as at 1.4.2022 (Op. Bal.)	220.52	567.83
<b>Cash and Cash Equivalents as at 31.03.2023 (Clo.Bal.)</b>	<b>220.94</b>	<b>220.52</b>
<b>Components of cash and cash equivalents</b>		

# Consolidated Statement of Cash Flow

for the year ended on 31st March, 2023

₹ in Lacs

PARTICULARS	For the Current year ended on 31 <sup>st</sup> March, 2023	For the Previous year ended on 31 <sup>st</sup> March, 2022
<b>Balance with Banks</b>		
In current accounts	104.25	118.39
In Deposit accounts	113.26	100.69
Cheques on Hand	-	-
Cash on Hand	3.43	1.44
Remittance in Transit	-	-
	<b>220.94</b>	<b>220.52</b>

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  
UDIN – 23071714BGYBIE6404

Place : NOIDA  
Date : 29.05.2023

**For United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Consolidated Statement of changes in equity

for the year ended on 31st March, 2023

## A. EQUITY SHARE CAPITAL

₹ in Lacs

	Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2023
Equity share capital	-	-	2,030.31	-	2,030.31
<b>Total</b>	-	-	<b>2,030.31</b>	-	<b>2,030.31</b>

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

	Share Forfeiture Account	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Reserves and Surplus		Other comprehensive income	Total
					General Reserve	Retained Earnings		
<b>As on 31<sup>st</sup> March, 2022</b>								
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> 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
On acquisition of Subsidiary	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2022	<b>3.84</b>	<b>1,786.54</b>	-	<b>1,234.70</b>	<b>500.00</b>	<b>18,411.82</b>	<b>(14.30)</b>	<b>21,922.60</b>

	Share Forfeiture Account	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Reserves and Surplus		Other comprehensive income	Total
					General Reserve	Retained Earnings		
<b>As on 31<sup>st</sup> March, 2023</b>								
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2022	3.84	1,786.54	-	1,234.70	500.00	18,411.82	(14.30)	21,922.60
Total comprehensive income for the year	-	-	-	-	-	1,027.46	(6.79)	1,020.67
Dividends	-	-	-	-	-	365.46	-	365.46
Adjustment of Interest capitalised by subsidiary	-	-	-	-	-	97.21	-	97.21
Transfer to / (from) retained earnings	-	-	-	-	-	-	-	-
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2023	<b>3.84</b>	<b>1,786.54</b>	-	<b>1,234.70</b>	<b>500.00</b>	<b>19,171.03</b>	<b>(21.09)</b>	<b>22,675.02</b>

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  
UDIN – 23071714BGYBIE6404

Place : NOIDA  
Date : 29.05.2023

For **United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
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(DIN 02568099)

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**Dr. Kanal Gupta**  
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Sd/-  
**Inderpal Sharma**  
Whole Time Director  
(DIN 07649251)

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE NO. 1) PROPERTY, PLANT & EQUIPMENT

Own Assets	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 1-Apr-21	Add/Ded. Due to Inter Unit/ Head Tr.	Additions	Adjustment/ Deduction	Impact of IInd AS Transactions	As on 1-Apr-22	Add/Ded. Due to Inter Unit/ Head Tr.	Additions	Adjustment/ Deduction	As on 1-Apr-22	Add/Ded. Due to Inter Unit/ Head Tr.	For the Year	Adjustment/ Deduction	As on 31-Mar-23	As on 31-Mar-22	
Tangible Assets																
Land	66.92	-	-	-	-	66.92	-	314.77	-	381.69	365	0.91	-	5.48	376.21	62.36
Building	809.67	-	965.07	-	-	1,774.74	-	9.59	-	1,784.33	4,394.8	37.43	-	600.20	1,184.12	1,200.62
Office Building						1,349.52		1,349.52		1,349.52				0.35	1,349.17	-
Electric Fitting	147.62	-	4.64	-	-	152.26	-	4.22	-	156.48	85.79	15.19	-	11.239	44.08	51.27
<b>Plant &amp; Machinery and Equipments</b>																
Plant & Machinery	531.33	-	74.31	-	-	605.64	-	87.13	26.16	666.61	2,463.4	61.34	-	355.06	3,115.5	297.96
Tools & Dies	179.83	-	11.49	-	-	191.32	-	7.75	-	199.07	1,521.2	9.56	-	172.00	27.08	29.64
Generator	61.69	-	-	-	-	61.69	-	-	-	61.69	3,095	5.56	-	41.07	20.62	25.18
Testing & Other Equipment	252.76	-	32.81	-	-	285.57	-	56.97	-	342.54	1,685.9	24.37	-	224.10	1,184.4	92.61
Office Equipment	61.50	-	11.08	-	-	72.58	-	21.18	-	93.76	58.62	4.19	-	69.85	23.91	9.77
Safety Equipment	29.59	-	-	-	-	29.59	-	-	-	29.59	1,445	2.74	-	19.43	10.16	12.40
R&D Tech Equip P & M	170.06	-	-	-	-	170.06	-	85.50	-	255.56	1,203.2	8.05	-	147.03	108.53	41.69
Furniture & Fixture	39.17	-	0.50	-	-	39.67	-	110.57	-	150.24	335.5	1.55	-	41.27	108.97	4.57
Computer	44.28	-	2.72	-	-	47.00	-	16.49	-	63.49	40.90	2.57	-	50.73	12.76	3.53
Vehicles	291.23	-	22.08	18.05	-	295.26	-	16.83	3.59	308.50	213.76	24.66	17.53	245.07	63.43	74.36
TOTAL (A)	2,685.66	-	1,124.69	18.05	-	3,792.30	-	2,080.51	29.75	5,843.07	1,688.52	198.13	17.53	2,084.04	3,759.03	1,905.98
Intangible Assets*																
Patented Technologies (acquired)	4,758.81	-	-	-	-	4,758.81	-	-	-	4,758.81	2,526.42	10.110	-	2,728.62	2,030.19	2,131.29
Patented technologies (inhouse developed)	-	-	-	-	-	-	-	232.40	-	232.40	-	-	-	0.70	231.70	-
Software	21.27	-	-	-	-	21.27	-	-	-	21.27	81.8	5.24	-	16.56	4.71	7.85
TOTAL (B)	4,780.08	-	-	-	-	4,780.08	-	232.40	-	5,012.48	2,534.61	106.33	-	2,745.88	2,266.60	2,139.14
TOTAL (A+B)	7,465.74	-	1,124.69	18.05	-	8,572.39	-	2,312.91	29.75	10,855.55	4,143.12	304.46	17.53	4,829.93	6,025.63	4,045.12
Intangible Asset under development	250.16	-	218.42	-	-	468.58	-	296.23	232.40	532.41	-	-	-	-	532.41	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	-	-	-	-	-	1,415.65	-
Capital WIP (Office)	-	-	5.88	-	-	5.88	-	-	5.88	-	-	-	-	-	5.88	-

- 1.1 For Properties pledged as security - refer Note 19.1
- 1.2 Intangible Assets includes acquired and patented intangibles include internally generated.
- 1.3 For ageing of intangible Asset under development are given in note 32(D) 23

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 2) INVESTMENTS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 3) LOANS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Loans	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 4) OTHER FINANCIAL ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Fixed Deposit - Others	375.20	1,542.54
(Including accrued interest of ₹5.96 Lacs ( Pr. Year 34.08 lacs)		
<b>Total</b>	<b>375.20</b>	<b>1,542.54</b>

## NOTE 5) OTHER NON CURRENT ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security Deposits & Advances	87.55	71.34
Advance Income Tax ( Net of Provisions) and MAT	1,560.84	1,574.66
Other Non Current assets	94.48	407.83
Pro-perative Expenses of Subsidiary	130.87	142.76
<b>Total</b>	<b>1,873.75</b>	<b>2,196.59</b>

Advance Income Tax ( Net of Provisions)	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
At the beginning of the year	1,574.66	2,415.45
Charges of the year	445.54	2,133.53
Others	22.32	(5.24)
Tax Paid during the year	454.05	1,287.50
At the end of the year	1,560.84	1,574.66



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 6) INVENTORIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(Valued at cost or Market value whichever is lower)		
Raw Material	1,401.76	1,795.14
Work-in-Progress	11,657.38	9,048.05
Finished Goods	116.35	205.33
Stores & Spares	429.86	458.76
<b>Total</b>	<b>13,605.35</b>	<b>11,507.28</b>

## NOTE 7) INVESTMENTS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 8) TRADE AND OTHER RECEIVABLES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured, Considered Good :		
Outstanding for more than six months	3,406.89	229.13
Others	-	3,971.30
<b>Total</b>	<b>3,406.89</b>	<b>4,200.43</b>

Note : Please refer to note no. 32(D)8b and note 32(D)17 (a)

## NOTE 9) CASH & CASH EQUIVALENT

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Cash at Bank		
In Current Account	104.25	118.39
Unpaid Dividend Account	113.26	100.69
Cash-in-Hand		
Cash Balance	3.43	1.44
<b>Total</b>	<b>220.94</b>	<b>220.52</b>

## NOTE 10) LOANS AND ADVANCES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured Considered Good		
Employees Advances	4.59	13.90
Other Advance	370.44	1,123.18
<b>Total</b>	<b>375.03</b>	<b>1,137.08</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 11) OTHER CURRENT ASSETS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured Considered Good		
Balance with State, Central and other authorities	1,748.34	1,377.01
<b>Total</b>	<b>1,748.34</b>	<b>1,377.01</b>

## NOTE 12) EQUITY

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>AUTHORIZED CAPITAL</b>		
3,69,88,330 Equity Shares of ₹ 10/- each.	3,698.83	3,698.83
( As at 31 <sup>st</sup> March 2023 : 3,69,88,330 Equity Shares of ₹ 10/- each)		
( As at 1 <sup>st</sup> April 2022 : 3,69,88,330 Equity Shares of ₹ 10/- each)		
Prof. Shares of ₹ 100/- each.		
10,01,167 5% Cumulative compulsory redeemable		
( As at 31 <sup>st</sup> March 2023 : 10,01,167 Shares)	1,001.17	1,001.17
( As at 1 <sup>st</sup> April 2022 : 10,01,167 Shares)		
	<b>4,700.00</b>	<b>4,700.00</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
<b>Equity Shares</b>		
2,03,03,126 Equity Shares of ₹ 10/- each, Fully Paid up	2,030.31	2,030.31
(As at 31 <sup>st</sup> March, 2023 : 2,03,03,126 Equity Shares of ₹ 10/- each)		
(As at 1 <sup>st</sup> April, 2022 : 2,03,03,126 Equity Shares of ₹ 10/- each)		
Sub - Total	2,030.31	2,030.31
<b>Total</b>	<b>2,030.31</b>	<b>2,030.31</b>

### 12.1 RECONCILIATION OF THE NUMBER OF SHARE OUTSTANDING

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Equity Shares ( No's)		
Opening	2,03,03,126	2,03,03,126
<b>Closing</b>	<b>2,03,03,126</b>	<b>2,03,03,126</b>

### 12.2 DETAILS OF SHARE HOLDING (MORE THEN 5%) (GIVEN FOR ONLY ISSUED & SUBSCRIBED CAPITAL) OF PARENT COMPANY

Equity Shares Name of the party	As at 31.03.2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
	<b>As at 31<sup>st</sup> March, 2022</b>	
Pramod Kumar Gupta	1,43,63,800	70.75

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## 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/-.

## 12.4 AGGREGATE NUMBER OF SHARES ISSUED FOR CONSIDERATION OTHER THEN CASH

Particulars	As at	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Equity Shares allotted in pursuance of Amalgamations sanctioned by the Hon'ble High Courts in the earlier years. ( No's)	82,61,013	82,61,013

## 12.5 SHAREHOLDING OF PROMOTER OF PARENT COMPANY IS AS BELOW :

Name of the party	As at 31 <sup>st</sup> March, 2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Prabha Gupta	7,88,760	3.88
Kanal Gupta	2,900	0.01
<b>Total Promoters shareholding</b>	<b>1,51,55,460</b>	<b>74.64</b>

Name of the party	As at 31 <sup>st</sup> March, 2023	
	No. Of Shares	% of Holding
Pramod Kumar Gupta	1,43,63,800	70.75
Prabha Gupta	7,88,760	3.88
Kanal Gupta	2,900	0.01
<b>Total Promoters shareholding</b>	<b>1,51,55,460</b>	<b>74.64</b>

Changes in shareholding	As at	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Name of the party		
Nil	-	-

## NOTE 13) OTHER EQUITY

Particulars	As at	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
₹ in lacs		
<b>A. Capital Redemption Reserve</b>		
As per last Balance Sheet	-	-
Less : Issue of Bonus Shares	-	-
	-	-
<b>B. Capital Reserve</b>		
As per last Balance Sheet	1,786.54	1783.04
On acquisition of subsidiary P Mittal Manufacturing P.Ltd.		3.50
	<b>1,786.54</b>	<b>1,786.54</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>C. Securities Premium Reserve</b>		
As per last Balance Sheet	1,234.70	1,234.69
	<b>1,234.70</b>	<b>1,234.69</b>
<b>D. General Reserve</b>		
As per last Balance Sheet	500.00	500.00
Add: Transfer from retain earnings		
	<b>500.00</b>	<b>500.00</b>
<b>E. Retained Earnings</b>		
As per last Balance Sheet	18,411.82	13,835.27
Profit & Loss Adjustment of subsidiary	97.21	
Add: Profit for the Year	1,027.46	5,002.92
	<b>19,536.49</b>	<b>18,838.19</b>
Less : Appropriations		
Transfer to General Reserve		
Dividends ( Including dividend distribution tax)	365.46	426.37
	<b>19,171.03</b>	<b>18,411.82</b>
<b>F. Other Comprehensive Income</b>		
As Per Last Balance Sheet	(14.30)	(13.91)
Add: Movement in OCI ( Net) during the year	(6.79)	(0.39)
	<b>(21.09)</b>	<b>(14.30)</b>
<b>F. Share Forfeiture Account</b>		
As Per Last Balance Sheet	3.84	3.84
<b>TOTAL ( A to F)</b>	<b>22675.02</b>	<b>21922.60</b>

## NOTE 14) BORROWINGS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured</b>		
Vehicle Loans from Banks	7.78	24.60
Less : Taken to Current Liability	4.15	17.18
	3.63	7.42
<b>Unsecured</b>		
From Corporate bodies	-	-
<b>Total</b>	<b>3.63</b>	<b>7.42</b>

**Note 14.1** : The Secured Loan of ₹ Nil ( Previous Year 3.01 Lacs) is secured by way of hypothecation of vehicles . The applicable rate of interest is 8.7%.

**Note 14.2** : The Secured Loan of ₹ Nil. ( Previous Year 9.36 Lacs) is secured by way of hypothecation of vehicles. The applicable rate of interest is 4.5%.

**Note 14.3** : The Secured Loan of ₹ 7.78 Lacs ( Previous Year 12.23 Lacs) is secured by way of hypothecation of vehicle, payable in variable installments in next 23 monthly installment. The applicable rate of interest is 9.4%

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 15) OTHER FINANCIAL LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Preferential Shares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 16) PROVISIONS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for employees benefit	101.13	78.29
<b>Total</b>	<b>101.13</b>	<b>78.29</b>

## NOTE 17) DEFERRED TAX LIABILITIES (NET)

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Deferred tax liability</b>		
At the Start of the year	442.33	432.54
Charge/(Credit) to the statement of Profit & Loss	9.14	10.02
<b>Deferred tax liabilities ( A-B)</b>	<b>451.47</b>	<b>442.56</b>
Deferred tax liability/Asset in relation to :		
Relating to Property, Plant & Equipments	488.85	478.60
Related to Provisions (Asset)	49.84	(36.04)
<b>Total</b>	<b>538.68</b>	<b>442.56</b>

## NOTE 18) OTHER NON CURRENT LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Other Non Current Liabilities	44.05	59.37
<b>Total</b>	<b>44.05</b>	<b>59.37</b>

## NOTE 19) SHORT TERM BORROWINGS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured - At Amortised Cost</b>		
Working Capital Loan from Banks	493.04	1,783.29
<b>Total</b>	<b>493.04</b>	<b>1,783.29</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 19.1

The Working Capital loan from banks is secured by hypothecation of all present and future Fixed Assets including Plant & Machinery, Furniture and Fixture and all movable and current assets including Vehicle, Inventories, Book Debts of the company and also by personal guarantee of Chairman and Managing Director. There is no default in repayment of principal and interest.

## NOTE 20) TRADE PAYABLES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to Micro and Small Enterprises	106.10	419.84
Other then dues to Micro and Small Enterprises	1,260.57	306.02
<b>Total</b>	<b>1,366.67</b>	<b>725.86</b>

Refer to Note 32(D) 21

## NOTE 21) OTHER FINANCIAL LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Current Maturity of Long Term Loan	4.15	17.18
<b>Total</b>	<b>4.15</b>	<b>17.18</b>

## NOTE 22) OTHER CURRENT LIABILITIES

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Liabilities for Expenses	290.48	505.56
Dividend Payable	113.26	100.69
Advances from Customers	0.99	66.23
Other Payables	538.18	316.44
<b>Total</b>	<b>942.92</b>	<b>988.92</b>

## NOTE 23) SHORT TERM PROVISIONS

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employment Benefit	48.62	46.28
Provision for Taxation	2.53	14.61
<b>Total</b>	<b>51.15</b>	<b>60.88</b>

Particulars	₹ in lacs	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Taxation	446.57	2,133.37
Less : Reduced from advance taxes paid	444.04	2,118.76
Balance Amount	2.53	14.61



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 24) REVENUE FROM OPERATIONS

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Sale of Products	11796.68	17,416.64
LD Charges Received	121.23	-
Job Work	-	-
FE Fluctuation	48.94	45.71
Consulting and Engineering Services	15.85	27.20
<b>Total</b>	<b>11,982.69</b>	<b>17,489.55</b>

## NOTE 25) OTHER INCOME

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Interest Received	19.72	96.17
Profit on Sale of Fixed Assets	0.99	1.93
Misc. Income and w/off	39.02	12.09
<b>Total</b>	<b>59.73</b>	<b>110.18</b>

## NOTE 26) COST OF MATERIAL CONSUMED

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>MATERIALS AND STORES</b>		
Opening Stock	2255.62	1,575.25
Add: Purchase and expenses less returns	9663.29	15,040.80
	<b>11918.91</b>	<b>16616.05</b>
Less: Closing stock	1842.85	2,255.62
<b>MATERIAL CONSUMED</b>	<b>10,076.06</b>	<b>14,360.43</b>

## NOTE 27) CHANGE IN INVENTORIES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>Inventories ( At commencement)</b>		
Work-in- Progress	9046.33	2679.76
Finished Goods	205.33	94.92
	<b>9,251.65</b>	<b>2,774.69</b>
<b>Inventories ( At close )</b>		
Work-in- Progress	11646.14	9,046.34
Finished Goods	116.35	205.33
	<b>11,762.49</b>	<b>9,251.66</b>
<b>Change in Stock (Increase)/Decrease in Inventory</b>		
Work-in- Progress	(2599.81)	(6366.57)
Finished Goods	88.98	(110.41)
<b>Total</b>	<b>(2510.83)</b>	<b>(6,476.98)</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## NOTE 28) EMPLOYEES BENEFIT EXPENSES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Salary and Wages	1098.16	1017.73
Contribution to PF and other funds & benefits	42.35	35.35
Bonus	19.86	18.25
Gratuity	20.11	15.24
Employee Welfare	23.31	18.21
<b>Total</b>	<b>1203.78</b>	<b>1,104.79</b>

## NOTE 29) FINANCIAL COST

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Interest to Banks	36.29	24.29
Other Interest	0.87	3.13
Other Borrowing Costs	45.49	56.33
<b>Total</b>	<b>82.66</b>	<b>83.75</b>

## NOTE 30) OTHER EXPENSES

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
<b>(a) Manufacturing Expenses</b>		
Power, Fuel & Water charges	148.49	103.15
Security Service Charges	49.12	35.57
Testing, Painting & Inspection Expenses	33.80	33.40
Job Charges	250.14	207.35
Repair & Maintenance		
Plant & Machinery	31.01	13.07
Building	7.83	18.17
Others	55.77	59.41
<b>TOTAL (a)</b>	<b>576.13</b>	<b>470.12</b>
<b>(b) Administrative and Other Expenses</b>		
Printing & Stationary	20.98	11.35
Postage, Telegram & Telephones	21.01	15.32
Subscription & Membership Fees	4.34	1.73
Director's Sitting Fee	8.72	9.60
Rent	141.17	50.50
Travelling Directors	22.76	7.62
Others	28.61	26.46
Vehicle & Conveyance	60.04	53.31
Charity & Donation	1.99	1.75
Legal & Professional	46.55	23.82
Insurance Charges	10.70	11.06
CSR Expenses	77.00	114.86

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Auditor's Remunerations		
Audit Fee	4.50	3.75
Tax Audit Fee	1.00	0.75
For Other Services	0.50	0.50
Reimbursement of expenses	0.40	-
Books & Periodicals	2.81	2.57
Rates, Taxes and Filling Fee	26.16	17.91
Miscellaneous Expenses	78.29	110.17
<b>TOTAL (b)</b>	<b>557.54</b>	<b>463.02</b>
<b>(c) Selling and Distribution Expenses</b>		
Selling Expenses	139.87	71.37
Distribution Expenses (Freight, Cartage & Insurance etc.)	23.09	71.75
<b>TOTAL (c)</b>	<b>162.96</b>	<b>143.12</b>
<b>TOTAL (a to c)</b>	<b>1,296.64</b>	<b>1,076.26</b>

## NOTE 31) EARNING PER SHARE (EPS)

Particulars	₹ in lacs	
	For the Current year ended on 31.03.2023	For the Previous year ended on 31.3.2022
Net Profit after tax as per Statements of Profit and loss attributable to Equity shareholder (₹ Lacs)	1,010.86	5,002.53
Weighted Average number of Equity Shares used as denominator for calculating EPS	2,03,03,126	2,03,03,126
Basic EPS ₹	4.98	24.64
Diluted EPS ₹	4.98	24.64
Face Value Per Equity Share ₹	10.00	10.00

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

These are hereunder given summary of significant accounting policies and other disclosures on the consolidated financial statements.

#### A. CORPORATE INFORMATION

United Drilling Tools Ltd. ("UDTL" or "the parent" 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.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For the purpose of these financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

Group is a leading manufacturer and supplier of Oil Drilling related equipment with manufacturing facilities in India. Its products have application in oil and gas exploration.

#### 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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## 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 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.

### Recent accounting pronouncements New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

## B.2 Basis of Measurement

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value: • certain financial assets and liabilities, • defined benefit plans – plan assets measured at fair value.

The consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation currency and all amounts are rounded to the nearest lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise

## B.3 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. (refer Note 32. C on critical accounting estimates, assumptions and judgements)

## B.4 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.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## B.5 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.

#### Impairment of Assets

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.

Internally generated intangible patented, is amortised over the estimated life of 25 years.

### (c) Revenue Recognition

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

#### (i) Sale of Goods

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 group, the group 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 group 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.

#### (ii) Sale of Services

Revenue from rendering services is recognized when the performance of agreed contractual task has been completed.

#### (iii) Other Operating Revenue

Interest from foreign exchange fluctuation, which is mostly related to sale and is recognised as other operating income, being related to direct operational income.

Incentives on exports and other Government Grants related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

(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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## (d) Expenditures

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

## (e) Inventories

- (i) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realizable value.
- (ii) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of GST/Cenvat credit.
- (iii) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.
- (iv) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, either written off or provision is made for such inventories.
- (v) Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

## (f) Employee Benefit

### (i) Short Term Employee Benefit :

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the

employees render the services this excludes leave encashment entitlement annually, which is accounted for on the basis of actuarial basis.

### (ii) Post Employment Benefits :

#### Defined Contribution Plan :

Employees benefits in the form of the Group'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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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.

### (i) Current Tax

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

### (ii) 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 Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group 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 Group 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 Group will obtain ownership by the end of the lease term, the asset is depreciated



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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 Group 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 group for segment reporting are in line with the Ind AS 108.

**Business Segment:** The Group'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.

## (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

##### (i) 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.

##### (ii) 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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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.

**(iii) 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 Group 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.

**E. Impairment of financial assets**

In accordance with Ind AS 109, the Group 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 payable 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 Group 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 Group 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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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 Group 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.

## (r) Government Grants:

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets. The group has option to present the government grant related to fixed assets by deducting the grant from the carrying value of the asset and to present the non-monetary grant

at a nominal amount. The group has not availed this option in current financial year. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached condition.

## (s) Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

### (i) An asset is classified

as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

### (ii) A liability is classified

as current when it is:

- a) Expected to be settled in normal operating cycle.
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents

## 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 and advances

Judgements are required in assessing the recoverability of overdue trade receivables and advances 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.

### 4. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

### 5. Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

## D. OTHER NOTES ON FINANCIAL STATEMENTS

### 1. Contingent Liabilities not provided for :

- (i) Bank guarantees against our counter guarantees issued by banks ₹309.84 lacs (Pr. Yr. ₹ 322.85 ).
- (ii) Letter of Credit opened by Banks ₹620.80 lacs (Pr. Year ₹ Nil)
- (iii) Bill discounted by bank ₹ Nil ( Pr. Yr. Nil).
- (iv) No provision has been made for disputed income tax liabilities of ₹1,007.01 Lacs (₹587.54 lacs) which has been paid/adjusted by prepaid taxes.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

The cases are pending before CIT (appeals) of income tax.

## 2. The Cost of control in the subsidiary company P Mittal Manufacturing Private Limited, 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

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 Group 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 ₹ 37.67 lacs ( Pre. Yr. ₹ 30.82 lacs )

### (ii) Defined Benefit Plan

The Group 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 ₹ 130.93 lacs ( Previous Year ₹ 109.79 Lacs ) on actuarial liability basis as on the date of balance sheet. It is non funded.

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation at the beginning of the period	109.79	105.12
Interest cost	7.86	7.03
Past service cost		-
Current service cost	11.42	8.55
Benefits paid	(4.33)	(11.46)
Actuarial (gain)/loss on obligation	6.19	0.55
Present value of obligation at the end of period	130.93	109.79

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
In Income Statement		
Past service cost	-	-
Current service cost	11.42	8.54
Interest Cost	7.86	6.07
Net actuarial (gain)/loss recognized in the period		
Expenses recognized in the Profit & Loss statement	19.28	14.61
In Other Comprehensive Income	(6.19)	(0.55)
Net actuarial (gain)/loss recognized in the period	6.19	0.55
Net (Income)/ Expense For the period Recognised in OCI	4.38	0.39

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation as at the end of period	130.93	109.79
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	130.93	109.79

## The assumptions used in Actuarial Valuation:-

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
i) Discounting Rate	7.34	7.16
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.

## Significant estimates and sensitivity Analysis

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

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22
Discount rate	7.34%	7.16%	0.50%	(4.48)	(3.40)	0.50%	4.85	3.67
Salary growth rate	5.50%	5.50%	0.50%	4.91	3.71	0.50%	(4.57)	(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 ₹ 18.82 lacs (Previous Year ₹ 15.41 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.

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation at the beginning of the period	15.41	
Interest cost	1.40	6.47
Past service cost	-	13.17
Current service cost	3.74	3.78
Benefits paid	(5.13)	(1.26)

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Actuarial (gain)/loss on obligation	3.40	-
Present value of obligation at the end of period	18.82	15.41

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
In Income Statement	-	-
Past service cost	-	13.17
Current service cost	3.74	3.78
Interest Cost	1.12	-
Net actuarial (gain)/loss recognized in the period	-	-
Expenses recognized in the Profit & Loss statement	4.86	16.95
In Other Comprehensive Income	(3.40)	-
Net actuarial (gain)/loss recognized in the period	3.40	-
Net (Income)/ Expense For the period Recognized in OCI	2.41	-

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

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
Present value of obligation as at the end of period	18.82	15.41
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	18.82	15.41

The assumptions used in Actuarial Valuation:-

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
i) Discounting Rate	7.34	7.16
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.

## Significant estimates and sensitivity Analysis

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

Particulars	Key assumptions		(Increase)/Decrease in Defined benefit obligation by					
			Increase in assumption by			Decrease in assumption by		
	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22	Rate	31-Mar-23	31-Mar-22
	₹ in lacs							
Discount rate	7.34%	7.16%	0.50%	(0.89)	(0.77)	0.50%	0.97	0.85
Salary growth rate	5.50%	5.50%	0.50%	0.98	0.86	0.50%	(0.91)	(0.79)
Attrition rate	-	-	-	-	-	-	-	-



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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.

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 group 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.

## 7. Foreign Exchange risk and exposure

The Group uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments and foreign currency exposure are as follows:

Particulars	₹ in lacs			
	As at 31.3.2023		As at 31.3.2022	
	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)	3.24	266.60	6.83	518.75
2. Advances given in USD	1.87	153.94	1.33	101.32
3. Amount in EEFC A/c in bank (USD)	-	-	-	-
<b>Sub Total (B.1)(USD)</b>	<b>5.11</b>	<b>420.54</b>	<b>8.16</b>	<b>620.07</b>
4. Advances given in (Euro)	-	-	-	-
5. Advances given in (GBP)	-	-	-	-
B.2 4. Amount of Bank Credit (PCFC) (USD)	-	-	-	-
5. Amount payable on account of import of goods and services.(USD)	0.06	5.27	0.65	49.04
<b>Sub Total (B.2)</b>	<b>0.06</b>	<b>49.04</b>	<b>0.65</b>	<b>49.04</b>
<b>Total (B1+B2) (USD)</b>	<b>5.18</b>	<b>425.81</b>	<b>8.81</b>	<b>669.11</b>
Total (Euro)	-	-	-	-
Total (GBP)	-	-	-	-

## 8. Segment Reporting

- (i) The Group 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:

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Particulars	₹ in lacs	
	As at 31.3.2023	As at 31.3.2022
1. Segmental Revenue		
- Revenue in Local Currency	11389.78	16840.55
- Revenue in Foreign Currency	406.90	649.00
Total Revenue	11796.68	17489.55
2. Segmental Assets*		
- Assets in Local Currency	27743.01	27496.61
- Assets in Foreign Currency	420.53	620.07
Total Assets	28163.54	28116.68
2. Segmental Liabilities		
- Liabilities in Local Currency	28158.27	28067.64
- Liabilities in Foreign Currency	5.27	49.04
Total Liabilities	28163.54	28116.68

## 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. Kanal 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)	Independent Director
Mrs. Preet Verma	Independent Director
Dr. Kanal Gupta	Director ( Subsidiary Company)
Mrs Vibha Mishra	Director ( Subsidiary Company)
Shri Jagdish Chandra Pathak	Director ( Subsidiary Company)
Shri Mukesh Mehta ( Up to 20.09.2022)	CFO
Shri Manoj Arora (w.e.f. 11.02.2023)	CFO
Shri Naveen Bhatnagar (Up to 18.03.2023)	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.	Director's Relative

### Details of Transactions with related parties :-

S. No.	Particulars	₹ in lacs	
		As at 31.3.2023	As at 31.3.2022
<b>1</b>	<b>Salary</b>		
	Shri Pramod Kumar Gupta	120.22	120.22
	Dr. Kanal Gupta	42.22	42.22
	Shri A.K.Thakur (CFO)	-	1.72
	Shri Manoj Arora	7.09	-
	Shri Inder Pal Sharma	10.08	8.80
	Shri P.K.Ojha	-	0.66

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

		₹ in lacs	
S. No.	Particulars	As at 31.3.2023	As at 31.3.2022
	Shri Mukesh Mehta ( CFO )	9.17	15.47
	Shri Tarun Chabra ( CS )	-	2.67
	Shree Naveen Bhatnagar	11.37	0.09
<b>2.</b>	<b>Director Sitting Fee</b>		
	Shri K D Agarwal	2.10	2.40
	Shri Ved Prakash Mahawar	2.10	2.40
	Shri P Kalayan Sunderam	2.10	2.40
	Smt Preet Verma	1.70	2.40
	Mrs Vibha Mishra	0.72	0.72
<b>3.</b>	<b>Purchases</b>		
	Parveen Industries Pvt. Ltd	104.39	7.58

## Outstanding

		₹ in lacs	
S. No.	Particulars	As at 31.3.2023	As at 31.3.2022
1.	Shri Pramod Kumar Gupta (Cr.)	-	10.02
2.	Shri (Dr.) Kanal Gupta(Cr.)	2.57	3.52
3.	Shri Inder Pal Sharma(Cr.)	0.82	0.86
4.	Shri Manoj Arora (Cr.)	1.12	-
5.	Shri Mukesh Mehta (Cr.)	-	1.73
6.	Shri Naveen Bhatnagar (Cr.)	0.33	0.09
7.	Parveen Industries Pvt. Ltd. (Cr.)	82.56	-

## 10. Managerial Remuneration

		₹ in lacs	
S.No.	Particulars	For the year ended on 31.3.2023	For the year ended on 31.3.2022
1	Shri Pramod Kumar Gupta	120.22	120.22
2	Dr. Kanal Gupta	42.22	42.22
3	Shri Inder Pal Sharma	10.18	8.80
4	Total Salary & Perquisites*	172.41	171.34

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)

		₹ in lacs	
Particulars	For the year ended on 31.3.2023	For the year ended on 31.3.2022	
Gross amount required to be spent by the company during the year	109.01	78.13	
Amount Spent during the year	77.00	78.70	
Unspent amount of previous year transferred to specified funds	-	36.16	
Excess spent carried forward	-	0.07	
Excess amount spent in previous year brought forward	0.07	-	
Unspent amount of current year	31.94	-	

**Note :** Amount spent in F.Y. 2021-22 include ₹ 36.16 Lacs unspent amount of previous year, ₹ 0.50 Lacs personal donation not qualified for CSR and ₹ 0.07 Lacs excel spent to be set off in FY 2022-23.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

In F.Y. 2022-23, Total amount required to be spent was ₹ 109.01 Lacs, out of which ₹ 77.00 Lacs was spent, and ₹ 07 Lacs sett off out of excess spent during previous year and remaining ₹ 31.94 is under spent during the year. The details of head wise spending is as follows :

Head	Amount Spent	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Promoting Health Care	9.13	15.47
Setting up old age Home	16.67	14.20
Promoting Education	20.81	18.01
Eradication Hunger, Poverty	7.54	23.52
Setting Up Home care	-	6.05
Empowering Women	-	1.45
National Defense Fund*	-	12.00
Swachh Bharat Kosh*	-	8.16
Bharat Ke Veer*	-	12.00
Swachh Ganga Kosh*	-	4.00
Help and relief to homeless people	12.69	-
Enhancing Vocational skill for Children and women	1.99	-
Protection of national heritage, art and culture	1.21	-
Rural development project	2.00	-
Sanitizations	1.35	-
Setting up of orphanage and women hostels	3.60	-
Total	77.00	114.86

## 12. Expenditure in Foreign Currency

S.No. Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Travelling	6.98	4.54
Purchases	1233.61	1270.92
License Fee	15.73	11.04

## 13. Export earning in Foreign Currency

S.No. Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
(i) Export Earning in foreign Currency at FOB value	406.90	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 Group'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.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group 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 Group's position with regards to interest income and interest expenses and to manage the interest rate risk. The group uses normally Fixed Deposit route to park the surplus funds. For borrowing which reduces to Nil some time, group uses Bank borrowings at the prevailing rate of the Bank, after bargain by the senior management.

## (iii) Market Risk- Foreign currency risk.

The Group operates internationally and portion of the business is transacted in several currencies

and consequently the Group 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 Group 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 Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group'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 group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## (ii) Dividend on Equity shares

S.No. Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
	465.46	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 Group 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 Group 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 Group 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:

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

- 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 Group. Where loans or receivables have been written off, the Group 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 Group 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. Trade Receivables and provision for expected credit losses (ECL)

The Company extends credit to customers as per the contractual obligation and internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables and contract assets are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Loss allowances and impairment is recognised as per the Company policy. The ageing of trade receivables are as follows:

### 17(a). Trade Receivables ageing schedule :

Sr No	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2023
		Less Than 6 Months	6 Months-1Year	1-2 Years	2-3 years	More Than 3 Years	
1	Undisputed trade receivables considered good	3073.51	30.48	63.89	68.29	170.71	3406.89
2	Undisputed Trade receivables considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables considered Good	-	-	-	-	-	-
4	Disputed Trade receivables considered doubtful	-	-	-	-	-	-
	Total	3073.51	30.48	63.89	68.29	170.71	3406.89

₹ in lacs

Note : The amount of ₹ 3406.79 Lacs taken to Current Assets.

### 17(b). Ageing of Account receivables

Sr No	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2022
		Less Than 6 Months	6 Months-1Year	1-2 Years	2-3 years	More Than 3 Years	
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

₹ in lacs

Note : 1. The amount of ₹ 4089.20 Lacs taken to Current and ₹ 341.65 Lacs Taken to non-current assets.  
2. Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## 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 during the previous financial year 2021-22, however during the current Financial Year there is no direct impact on the company, but company feels the effect indirectly, in form of decreased demand of products.

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 recover ability 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. Risk Management

### Credit risk Credit risk arises from cash and cash equivalents:

Contractual cash flows of debt investments carried at amortised cost, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments. Trade receivables and contract assets. The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has obtained advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

### 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 borrowing facilities at the end of the reporting period:

Particulars	₹ in lacs	
	For the year ended on 31.3.2023	For the year ended on 31.3.2022
Floating Rate Expiring within one year (Packing credit facility- Pre shipment/ post shipment)	3256.00	3277.00



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## (ii) Unused line of credit

The Company had access to the following undrawn borrowing facilities:

₹ in lacs

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Total	Available (Undrawn)	Total	Available (Undrawn)
Secured (Cash Credit and others)	3256.00	2762.96	3277.00	1493.71

## (iii) Trade Payables ageing schedule

₹ in lacs

Sr No	Particulars	Outstanding for following periods from due date of payment					Total as at 31 March 2023
		Unbilled dues	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	
1	MSME		106.10	-	-	-	106.10
2	Others		1339.46	50.90	2.69	6.37	1399.42
3	Disputed dues-MSME		-	-	-	-	-
4	Disputed dues-Others		-	-	-	-	-
	Total		1445.56	50.90	2.69	6.37	1505.52

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

## 20. Fair value of financial assets and liabilities

**Fair valuation techniques:** The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data.

The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash, bank and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- 2) Long-term fixed-rate and variable-rate loans/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Company's borrowings rate. Risk of nonperformance for the company is considered to be insignificant in valuation.

- 3) The fair values of derivatives, if any, are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management evaluates the credit and

non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

## 21. Disclosure as per amendments to clause 34(3) and 53(f) Schedule V of the listing agreement:

### a. Loans to companies in which directors are interested

₹ in lacs

Name of Company	Amount outstanding as at March 31, 2023	Maximum Balance outstanding during the year 2022-23	Amount outstanding as at March 31, 2022	Maximum Balance outstanding during the year 2021-22
Nil				

### b. Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act 2013

₹ in lacs

Name of Company	Amount outstanding as at March 31, 2023	Maximum Balance outstanding during the year 2022-23	Amount outstanding as at March 31, 2022	Maximum Balance outstanding during the year 2021-22
Nil				

## 22. Earnings per share

₹ in lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Issued equity shares	2,03,03,126	2,03,03,126
Net profit available to equity holders of the Group	1020.67	5002.53
Basic Earnings per share	5.03	24.64
Diluted Earnings per share	5.03	24.64

## 23. Sensitivity Analysis

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. The group don't have any long term borrowings except vehicle loans, therefore sensitivity analysis is not given. As regards working capital borrowing, the group has floating rate of interest, and also has very low exposures to borrowings, therefore sensitivity is very less, hence analysis is not given.

### Commodity price risk and sensitivity

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The group uses prevailing market price method to buy the material, as inventory of raw material and some times for procurement of material, majority of transactions have

short term fixed price contract. The imported portion of raw material is not significant, therefore forward contract is not used.

## 24. Valuation of Property Plant & Equipment, intangible asset

The Group has not revalued its property, plant and equipment or intangible assets or both during the current or previous year. However, patents got registered or in the process of registration, developed by inhouse R&D, has been capitalised at the cost incurred in development of such patent and technology.

## 25. 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 Group to or in any other person or

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 26. 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 group.

## 27. Event occurring after balance sheet date

There is no reportable event happened after balance sheet date and up to finalization of balance sheet except:

The Board of directors of UDTL have recommended final dividend of 6% i.e. ₹ 0.60 per equity share, for the financial year 2022-23, which is subject to the approval of the shareholders in the ensuing annual general meeting.

## 28. (i) Compliance with number of layers of companies

The Group 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.

## (ii) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

## (iii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

## 29. Details of benami property held

No proceedings have been initiated on or are pending against the Group 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 2023.

## 30. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

## 31. 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.

## 32. 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.

## 33. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

## 34. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were taken.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## 35. Financial information pursuant to Schedule III of Companies Act, 2013

₹ in lacs

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ In lacs	As % of consolidated profit and loss	₹ In lacs	As % of consolidated other Comprehensive income	₹ In lacs	As % of consolidated Total Comprehensive income	₹ In lacs
Parent -United Drilling Tools Ltd.	99.68	24627.42	99.04	1017.63	100.00	(6.79)	99.04	1010.84
Subsidiary- P Mittal Manufacturing Pvt. Ltd.	0.32	77.95	0.96	9.83	-	-	0.96	0.96

## 36. The Financial Statements were authorised for issue by the directors on 29<sup>th</sup> May, 2023.

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  
UDIN – 23071714BGYBIE6404

Place : NOIDA  
Date : 29.05.2023

**For United Drilling Tools Ltd.**

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

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

Sd/-  
**P Kalayanasundaram**  
Independent Director  
(DIN 02568099)

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

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

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

Sd/-  
**Preet Verma**  
Independent Director  
(DIN 09124335)

Sd/-  
**Manoj Kumar Arora**  
CFO

Conceptualized and Developed By



9830272983 • 9892288895



**United Drilling Tools Limited**  
[www.udtltd.com](http://www.udtltd.com)