



Redefining Geographies. Building Global Reach.

United Drilling Tools Limited

Annual Report
2020-21



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Reporting period and scope

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

Materiality

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

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

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

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Responsiveness

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

Forward-Looking Statements

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

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online at www.udt ltd.com

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

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

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

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

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

FY21 was one such year.

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

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

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



What UDTL has achieved till now?

Respect

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

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

Capability

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

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

Reach

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

Sustainability

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

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

Market share

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

Credibility

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

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

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

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

Operating with excellence

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

Deploying capital to deliver shareholder value

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

Understanding United Drilling Tools Limited



Who we are

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

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

Our Vision

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

Our Mission

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

Where we are

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

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

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



We are managed by

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

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

How we have created credible financials

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

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

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

How we have been pioneering

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

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

How we value quality

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



What we have on offer

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



Wireline Winch Units

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



Artificial Gas Lift Equipment

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



Down Hole Tools

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



High Performance Connectors

- Leopard
- Swift
- Lynx
- Puma

Our financial journey

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

