

20<sup>th</sup> August, 2019

To,  
The Listing Department,  
BSE Limited,  
Floor 25, P. J. Towers,  
Dalal Street, Mumbai 400 001

Dear Sir / Madam,

**BSE Script Code: 530355**

**Sub: Submission of Annual Report for financial year 2018-19**

In accordance with the provisions of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report for the financial year 2018-19.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Asian Oilfield Services Limited**



Archana Nadgouda  
Company Secretary



Encl. a/a

**Asian Oilfield Services Ltd.**

CIN : L23200MH199PLC318353

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**Source to Solutions**



**Asian**  
Oilfield Services

# PATIENCE & PERSISTENCE

Annual Report 2018-19

# Across the pages

## Corporate Overview 1-9

We Asians	2-3
Our Projects around the World	4-5
CEO's Message	6-7
The Goal is to Shape the Future	8-9

## Statutory Reports 10-59

Management Discussion and Analysis	10-19
Board's Report	20-41
Report on Corporate Governance	42-59

## Financial Section 60-153

Standalone	60-106
Consolidated	107-153
AGM Notice	154-176

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<https://www.asianoilfield.com/investor-relations.html#annual-reports1>

Or simply scan to download



## Investor information

**Market Capitalisation as at March 31, 2019:**  
₹ 246 Crores

**CIN:**  
L23200MH1992PLC318353

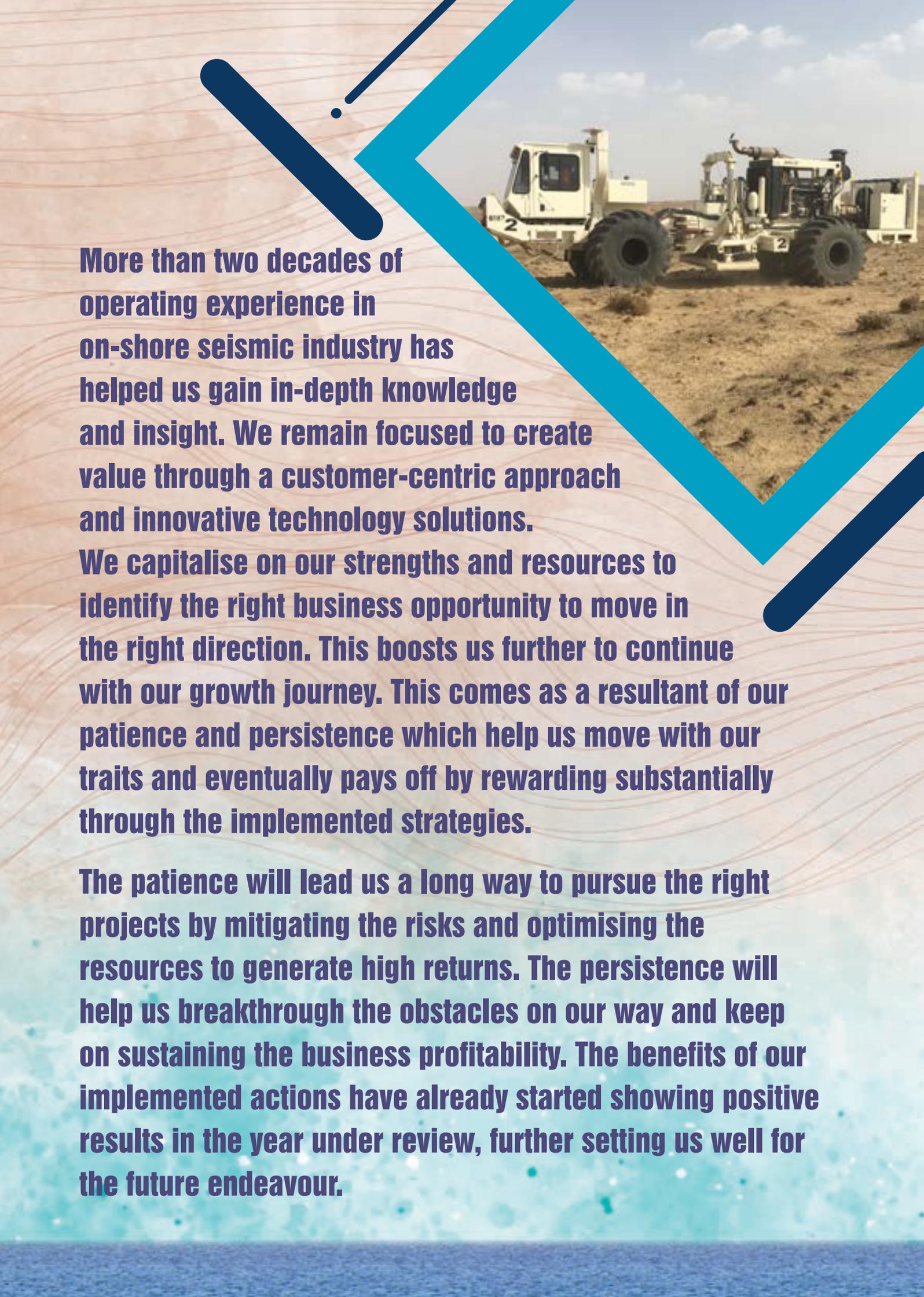
**BSE Code:**  
530355

**AGM Date:**  
September 18, 2019

**AGM Venue:**  
Boundary Hall,  
Mumbai Cricket Association Recreation Centre,  
RG-2, G-Block, Bandra Kurla Complex, Bandra (E),  
Mumbai 400051

**Disclaimer:** This document contains statements about expected future events and financials of Asian Oilfield Services Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.





**More than two decades of operating experience in on-shore seismic industry has helped us gain in-depth knowledge and insight. We remain focused to create value through a customer-centric approach and innovative technology solutions.**

**We capitalise on our strengths and resources to identify the right business opportunity to move in the right direction. This boosts us further to continue with our growth journey. This comes as a resultant of our patience and persistence which help us move with our traits and eventually pays off by rewarding substantially through the implemented strategies.**

**The patience will lead us a long way to pursue the right projects by mitigating the risks and optimising the resources to generate high returns. The persistence will help us breakthrough the obstacles on our way and keep on sustaining the business profitability. The benefits of our implemented actions have already started showing positive results in the year under review, further setting us well for the future endeavour.**



# We Asians

Asian Oilfield Services Limited (hereon referred as 'Asian' or 'the Company') provides end-to-end services across the entire upstream value chain. Built on an existence and experience of more than 25 years in the industry, it provides services such as geo-physical data acquisition, turnkey drilling, production facility EPC (Engineering, Procurement, and Construction), production facility operations & maintenance and de-commissioning.

Asian has got a good and consistent track record of operating across the length and breadth of India. Over the years, it has built a good proficiency in industry to operate even in a geo-politically tensed area and under difficult environmental conditions. Through its three subsidiaries and one joint venture, it provides services to domestic as well as large global clients. In doing so, it derives its strength from a strong workforce of 156+ experienced, skilled professionals who are well-versed with Oil & Gas industry. During the seasons, the number of people with us goes as high as 5,000.

#### Clients served by us

- Gazprom
- GeoEnpro
- GAIL
- Oil Search
- ONGC
- Oil India Limited
- Jubilent
- Reliance
- Selan Exploration
- Bashneft
- Oriental Energy
- Koral Energy
- Amni International

### Consolidated financial progress in 2018-19



### Standalone financial progress in 2018-19



### Consolidated projects highlights as on date



# Our Projects around the globe



## Global Presence

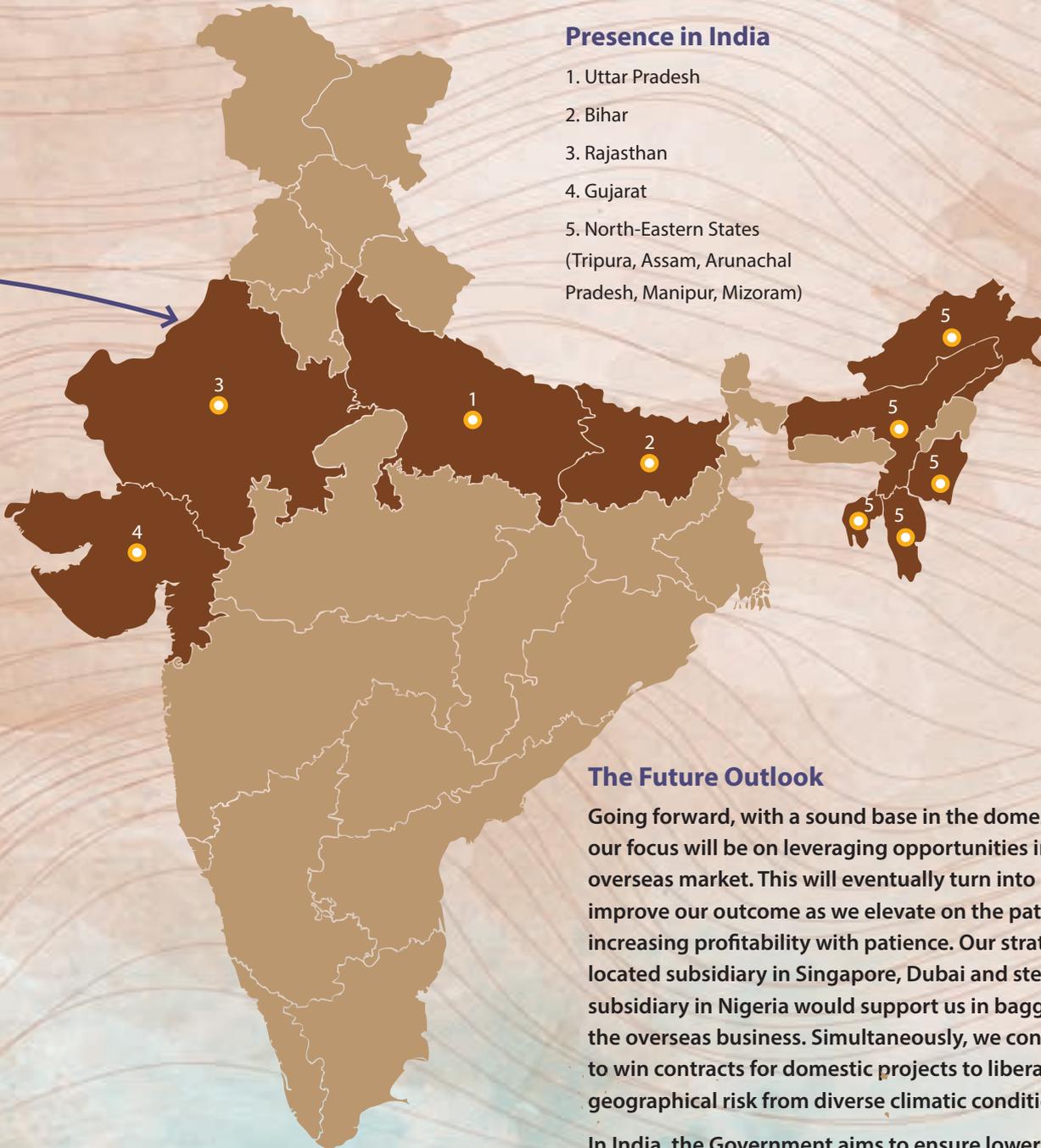
1. India
2. Iraq (Kurdistan, Baghdad)
3. Nigeria
4. Myanmar
5. Indonesia

**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, Officers or Employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



## Presence in India

1. Uttar Pradesh
2. Bihar
3. Rajasthan
4. Gujarat
5. North-Eastern States  
(Tripura, Assam, Arunachal Pradesh, Manipur, Mizoram)



## The Future Outlook

Going forward, with a sound base in the domestic market, our focus will be on leveraging opportunities in the overseas market. This will eventually turn into reality and improve our outcome as we elevate on the path of the increasing profitability with patience. Our strategically located subsidiary in Singapore, Dubai and step-down subsidiary in Nigeria would support us in bagging the overseas business. Simultaneously, we continue to win contracts for domestic projects to liberate our geographical risk from diverse climatic conditions.

In India, the Government aims to ensure lower oil import, coupled with increased investment in exploration. This initiative would certainly benefit us. Our ability to offer multiple services on offshore/onshore basins and skilled, experienced workforce, well-versed with international projects have helped us to drive further in the market with persistence.



# CEO's Message - A year of challenge, change and realising opportunities

## Dear Partners and Shareholders,

I am delighted to present the Company's Annual Report to you for the year 2018-19.

This has been a year of challenge and change, yet it has also been a year in which we have realised the opportunities. Today, the Company has a market capitalisation of ₹ 246 Crores and managed to overcome all the major challenges so far. Despite facing various hurdles, our financial results showed a positive outcome this year. We reported a consolidated net profit of ₹ 918 Lacs as compared to a net profit of ₹ 1,050 Lacs in last fiscal year. We know that we still have many miles to go irrespective of what we have achieved so far and for this, we are well-positioned and have refocused on many opportunities in the pipeline of projects in 2019-20 to capitalise on our learnings and capabilities.

## Macro-economic Scenario

The year 2018 marked the decade since the recession, after all these years the economic activity has improved due to easing

monetary policies and positive consumer sentiments. The balance sheet of the central banks of the four major economies – the United States, Euro Area, United Kingdom and Japan quadrupled from pre-crisis level. However, high household debt, uncertainty surrounding geo-political events and rising protectionist rhetoric caused roadblocks in the second half of the 2018. The reason behind the deceleration from previous year was the trade tension and tariff implementation by major economies. The advanced economies decelerated by 200 basis point to 2.2%. Despite the slowdown, the US economy expanded at a good pace on the back of tax-cuts and hiked interest rate on the US long-term bonds. Emerging Market and Developing Economies (EDME) showed a growth of 4.5%, majorly moved by Asian countries. Increased urbanisation, growing labour force and rising middle class have contributed towards boosting growth for the emerging economies.

With conflict surrounding middle Eastern region, including Iraq, Syria and Yemen, recovery from the collapse associated with the war is now expected to be slower than previously anticipated. In emerging economies, India remains one of the attractive economies due to number of factors such as stable Government reforms, improvement in ease of doing business, localisation and digital transformation.

In 2018, Brent crude oil reached the highest level in the recent past, climbing above US\$ 80/barrel for the first time in four years before slowing down by the end of the year. Despite the OPEC agreement to curb production for 2018, the global total oil production increased sharply. The United States remained the top producing country, which was followed by Russia and Saudi Arabia. Petrochemicals along with passenger vehicles, heavy commercial vehicles and aviation industry will keep the oil and gas demand on rise. Technologically to

catch up with the transformation pace, more and more oil and gas companies are looking to implement the Artificial Intelligence (AI), analytics, robotics and block chain to increase efficiency, productivity, reliability and predictability of operations.

India is the third largest consumer of oil in the world after China and the US. During the year, it imported 82.59% of crude oil and 45.89% of LNG. India's projected oil demand is going to grow at a rate of 4% during 2016 - 2030 against the world average of 1%. To attract investment and increase domestic output, the Government has decided not to charge any share of profit on hydrocarbons produced from less explored areas. Access to Seismic data has led the Government to offer new acreages and it expects the area under hydrocarbon exploration in the country to enhance to 300,000 sq km by March 2020. Further, to accelerate production, the Government is to provide concessional royalty if production commenced within four years for on land and shallow water blocks, and five years for deep and ultra-deep-water blocks.

### Our Driving Factors

We have projects at multiple geographies with multiple revenue streams from a variety of sources. Integrated oil and gas services provided by us help to offer our clients low cost solution. Our dedicated crew of professionals brings in an experience, knowledgeable viewpoint and the ability to overcome challenges. Our crew successfully acquired seismic data in the border security region of Rajasthan. Also, they bounced back strongly post-monsoon to execute projects in the steep topography and harsh environment of the North-Eastern region and Ganga Basin. The repayment of loans helped us to bring down the net debt to zero and improve our debt to equity ratio.

### Operational Highlights

The Company is continuing to manage projects on tough terrains and under difficult conditions through high level of patience and determination to ensure the best achievable outcome and have positive effects on customer relations. This was very much reflected in the financial year 2018-19, despite facing various challenges, with a mix of projects successfully closed out before expectation. We successfully completed seismic projects in U.P as well as in Rajasthan. Even where the outcome was not in line with expectations, it was managed to its best conclusion. As the challenge reduces, new contracts are coming on streams which were bid and won. One of these include execution of MOPU upgradation in Nigeria and another one we received was a binding letter of Intent from Oilmax Energy for surface facilities for its Charaideo field in Assam. Moreover, the Company has received a contract from ONGC Limited for 2D seismic data acquisition in Himalayan area worth ₹ 24.69 Crores and are on course to start operations

in financial year 2019-20. Furthermore, we are trying to secure newer projects, going ahead.

### Strategy 2019-20

We see a significant scope of opportunities in the domestic as well as international markets. Our focus is not just on the seismic business, but also we aim to bag the EPC projects. Apart from this, we are confident enough in securing projects in MOPU/O&M segments. Our credibility has helped us bag orders which will be rewarded in coming financial years. Through sub-contracting of projects, we continue to improve our operational efficiency and profit metrics by cutting down the fixed and operational costs.

### Management Change

My sincere thanks to long-serving Board members who have contributed in making of the Company. I would also like to welcome the all the new members on the Board. Apart from being the Chief Executive Officer, it is a privilege to take over as the Whole-Time Director of the organisation. Mr. N.M. Borah has been appointed as the new Chairman who has extensive experience in the oil and gas exploration and production industry. Simultaneously, Mr. Mukesh Jain and Mr. Devesh Bhargava were appointed as the new Directors. This defines our depth in the Management. I wish them the very best as they will steer the Company forward into the future.

### Thanking our Stakeholders

A heartfelt thanks to our stakeholders, which comprise the community, clients and sub-contractors around the globe, for collaborating with us. We strongly adhere to the regulatory authorities' systematic framework within the industry in which we operate. We being a responsible organisation, believe strongly in involving locals by nurturing them with the aim of improving their quality of life and employing more than thousands of people for our seismic operations. To our shareholders, thank you for being patient and investing in Asian Oilfield Services Limited. We will strive to provide you with a good long-term return, in the subsequent years to come.

### Closing Thoughts

Lastly, my thanks to the employees of the various companies within the Group for the contribution made by them! I wish to extend my gratitude to everyone at Asian Oilfield Services Limited for their persistent work ethic and commitment to the Company. We look forward with excitement to the challenges and opportunities that lie ahead.

With warm wishes,

**Ashutosh Kumar**

CEO & Whole-Time Director

# The Goal is to Shape the Future

## Core Competence



### Integrated Oilfield Services

We provide end-to-end turn-key and specific services across the entire upstream oil & gas value chain. Our core business previously concluded of seismic business, but further we ventured into EPC, drilling, de-commissioning and O&M to diversify with the aim of de-risking our business revenue stream and generate recurring cash flows.



### Certified to Execute Projects Safely

- ISO certified
- IAGC certified contractor



### Technical Prowess

We provide technical training to our workforce on site as well as the job training. Being the only Indian company to offer 3D wireless seismic technology very well defines our skills in performing the specialised task. In Mizoram and Tripura projects, we used different parameters for data acquisition like crooked line method was used instead of straight line.



### Strong Deals and Projects in 2018-19

#### International

- Signed a project with Amni petroleum worth US\$52 Million for upgradation of Amni's existing production facility under EPCC project
- Awarded with two public orders in the first quarter of 2019-20 for 2D and 3D CDP seismic acquisition in Iraq worth US\$12 Million and US\$25 Million, bringing the total amount to US\$37 Million.

#### Domestic

- Received LOI from Oilmax Energy Pvt Limited for Supply and O&M of Surface Facilities for Charaideo Field worth ₹ 210 Crores
- Completed ONGC Limited Ganga seismic project in U.P despite terrain difficulties and village agitation
- Completed Oil India Limited - Jaisalmer project of data acquisition and processing well before the scheduled date
- Received contract from ONGC for 2D seismic data acquisition in Himalayan area worth ₹ 24.69 Crores
- Completed Mizoram & Tripura projects in the 1st week of June 2019, despite the difficult terrain and technical parameters

## Drivers for Future Growth



### Better Utilisation of Assets

Our efforts over the years have helped us bag orders which will help in the optimum utilisation of assets in the coming financial years and be operationally efficient.



### Subcontracting and Team Partner

Through our stringent process, we are selecting subcontractors to execute our project smoothly and to scale up our operations. This will help us to minimise our labour, overhead costs and investment. Partnering with other overseas oil service companies has helped us overcome any geo-political difficulty. Services offered by our sub contractors and team members consisting of qualified specialists help to add value for our clients.



### Managerial Salary Structure Change

We have strengthened our corporate governance integrity in line with the motive to create value for our stakeholders. Considering this, there has been a change in the organisational reward structure, which has been linked with the Management performance. This alignment will lead to a stronger and more productive work.



### Attractive Bidding Price

We offer discounted bidding price which is reasonable. It has helped us to bag orders of worth more than ₹ 850 Crores. Also, our ability to execute projects in harsh, adverse conditions and taking responsibility for our actions have gained us a good credibility in the industry. We believe that transparency is the key fundamental to the business.



### Exposure to Different Locations

We are operating at different locations in India and across the globe. This has helped us to counter any unforeseen scenario occurring at specific location. Further, we are aiming to expand our project portfolio by looking at international opportunities to win the projects.





# Management Discussion and Analysis

## ECONOMIC REVIEW

### Global

After witnessing a positive momentum in 2017 and early 2018, the global economic activity diluted in the second half of 2018 on account of a convergence of factors affecting major economies. On an annualised basis, the consumer and business spending weakened, resulting in deceleration of advanced economy growth. The Eurozone's growth slipped to a 4-year low in the second half of CY 2018 and has revised the estimate downward to 1.3% in 2019, owing to softening exports and slowing external demand. With a recent uptick in the US economy, the trade war with China is likely to lead to slower growth. The global economy witnessed a GDP growth of 3.6% in 2018.

These conditions eased in 2019 as the US Federal Reserve indicated a more accommodative monetary policy stance. The markets became cautiously optimistic about the US-China trade deal. Also, trade wars had little impact on country reliant on energy commodity. It benefited them due to increase in the prices of crude oil, which rose well above the average level of 2017. (Source: World Economic Prospects Report)

### Outlook

The global growth for 2019 and 2020, projected by the IMF is at 3.3% and 3.6% respectively. The overall outlook remains benign, going forward, with an expectation of a rebound in Argentina, Turkey and other financially-stressed economies. Growth in the advanced economies will continue to slow gradually, and beyond 2020, the growth

will stabilise at around 3.5%. The consequences of factors such as higher prices in China and the U.S., higher input costs, heightened financial market volatility and higher interest rates are likely to spill over from these countries into integrated markets. The key reason for the same will be mainly the growth witnessed by China and India and their increasing weightage in the world income.

### India

As per IMF's World Economic Outlook Report, India's GDP growth projections for 2019 and 2020 are 7.3% and 7.5%, respectively. This would be supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from the fiscal policy.

In 2018-19, the Government had spent 0.42% of GDP on road construction which is likely to give much-needed boost to automobiles sales. India's goods exports picked up in March, boosted by the rupee depreciation, in spite of slowdown in global trade growth. This has helped the country to grasp its trade deficit, despite a surge in oil imports. It has led India's forex reserves increase recently, which has seen a decline on Y-o-Y basis. It stood at US\$ 413.78 Billion in April 2019.

India is also on the path of fetching the tag of hi-tech manufacturing hub, as global giants with the help of 'Make in India' initiative, encourage localisation in the country. (Source: IBEF). Furthermore, the real GDP growth moved to 7.1% in 2018-19 vs 6.7% in 2017-18 (Source: IMF) owing to increase in the GST and indirect tax collection, structural reforms and financial inclusion.

## IMF forecast for India

Subject Descriptor	Units	2018	2019
Gross domestic product, constant prices	Percent of change	7.1	7.3
Total investment	Percent of GDP	31.6	31.7
Gross national savings	Percent of GDP	29.1	29.3
Inflation, average consumer prices	Percent change	3.5	3.9
Volume of imports of goods and services	Percent change	9.6	9.9
Volume of imports of goods and services	Percent of GDP	9.1	8.0
General government revenue	Percent of GDP	20.6	20.4
General government total expenditure	Percent of GDP	27.3	27.2
General government net lending/borrowing	Percent of GDP	-6.7	-6.9
Current account balance	Percent of GDP	-2.5	-2.5

(Source: IMF)

## Outlook

Going forward, over the next five years, India is set to become the 5 trillion-dollar economy from the current figure of 2.7 trillion dollar. This growth will be driven by massive infrastructure development, rising per capita income, easing the credit squeeze and major structural changes in agriculture. The Government's plan to infuse ₹ 70,000 crore for the recapitalisation of bank will give the much-needed boost to financial system, which will impact the economy positively.

The real GDP growth is forecasted to jump at 7.3% in 2019-20, driven by strong investment, improved export performance and robust consumption. Apart from that, rainfall risk which is a concern in India is likely to be normal this year. This will create positive sentiments for sectors such as agriculture, infrastructure, mining and logistics.

## Global energy sector trends

In 2018, the energy demand accelerated to 2.3% globally. This was the fastest growth rate achieved since 2008. It was supported by robust economic growth as well as increasing need for heating and cooling pad in some region. Heating and cooling got wide range of end use application as it is heavily used in residential, commercial and industrial space.

Asia accounted for more than 80% of global growth in oil and 100% of the increase in coal and nuclear energy segment, while wind and solar segment accounted for 60% and half of global growth in natural gas (Source: IEA Report, 2018). Most of the growth arose from the developing

economies, led by India and China. Growth in Emerging Markets and Developing Economies, is projected to mature during the latter part of 2019.

## Glance at the global energy segments

	Growth rate (%)	Segment wise Share (%)	Segment wise Share (%)
	Y-o-Y growth*	2000	2018
<b>Total primary energy demand</b>	<b>2.3%</b>	<b>100%</b>	<b>100%</b>
Coal	0.7%	23%	26%
Oil	1.2%	37%	31%
Gas	4.6%	21%	23%
Nuclear	3.3%	7%	5%
Hydro	3.1%	2%	3%
Biomass and waste	2.5%	10%	10%
Other renewables	14.0%	1%	2%

(Source: IEA)

Notes: \*The Y-o-Y growth rate (%) includes the growth of energy demand from 2017 to 2018

## Reasons for energy growth in 2018

**Oil:** The increasing demand from petrochemicals and transportation sector entities (such as trucks, planes and ships) is keeping the overall oil demand in the upward direction.

**Natural gas:** Natural gas is a very critical source, especially in winter, in providing heat and upholding un-interrupted electricity supply. The household utilisation of Natural gas in urban areas for cooking purpose has also led to increase in its demand, by substituting LPG. The use of natural gas for industrial consumption has led to 45% increase in its consumption across the world.

**Coal:** It is witnessed that there is a steady but sure shift towards renewable sources of energy. With an aim to improve efficiency and reduce environmental harm, a changing flow of usage in energy basket for electricity is seen. This shift towards renewables along with an aim to improve efficiency is leading to slow growth for coal. The overall global consumption looks flat, with decline in China, Europe and North America offset by rise in India and South East Asia.

**Renewables:** Renewables sector in electricity has the fastest growth, in which, hydropower continues to be the largest source of renewable energy, followed by wind, solar and bio-energy. Renewables in transport sector remains the lowest contributor.

## Outlook

It was observed that in 2000, out of the global energy

demand, 40% had been from the Europe and North America, while developing economies in Asia accounted for around 20%. Going forward in 2040, this situation is expected to be completely reversed. Also some fifteen years ago, the European companies were amongst the world's top flagship power companies, measured by installed capacity. Presently, six of the top ten companies are from China.

### Oil

The Brent crude oil prices peaked up the highest level since 2014, reaching up to US\$ 86/b. This was caused by uncertainty in geo-political tension erupted in 2018. However, the prices eased up by the end of the year, reaching annual low of US\$ 50/b (Source: EIA). At a time when crude oil output started to surge, OPEC along with OPEC+, notably Russia, started suppressing supply of crude oil to halt sharp price drop in the second-half of 2018. They planned to cut the production by 1.2 Million barrels per day during the first six month of 2019, to limit the surplus supply.

In 2018, OPEC crude oil production averaged at 31.86 mb/d from 32.01 mb/d in 2017, declining by 148 tb/d.

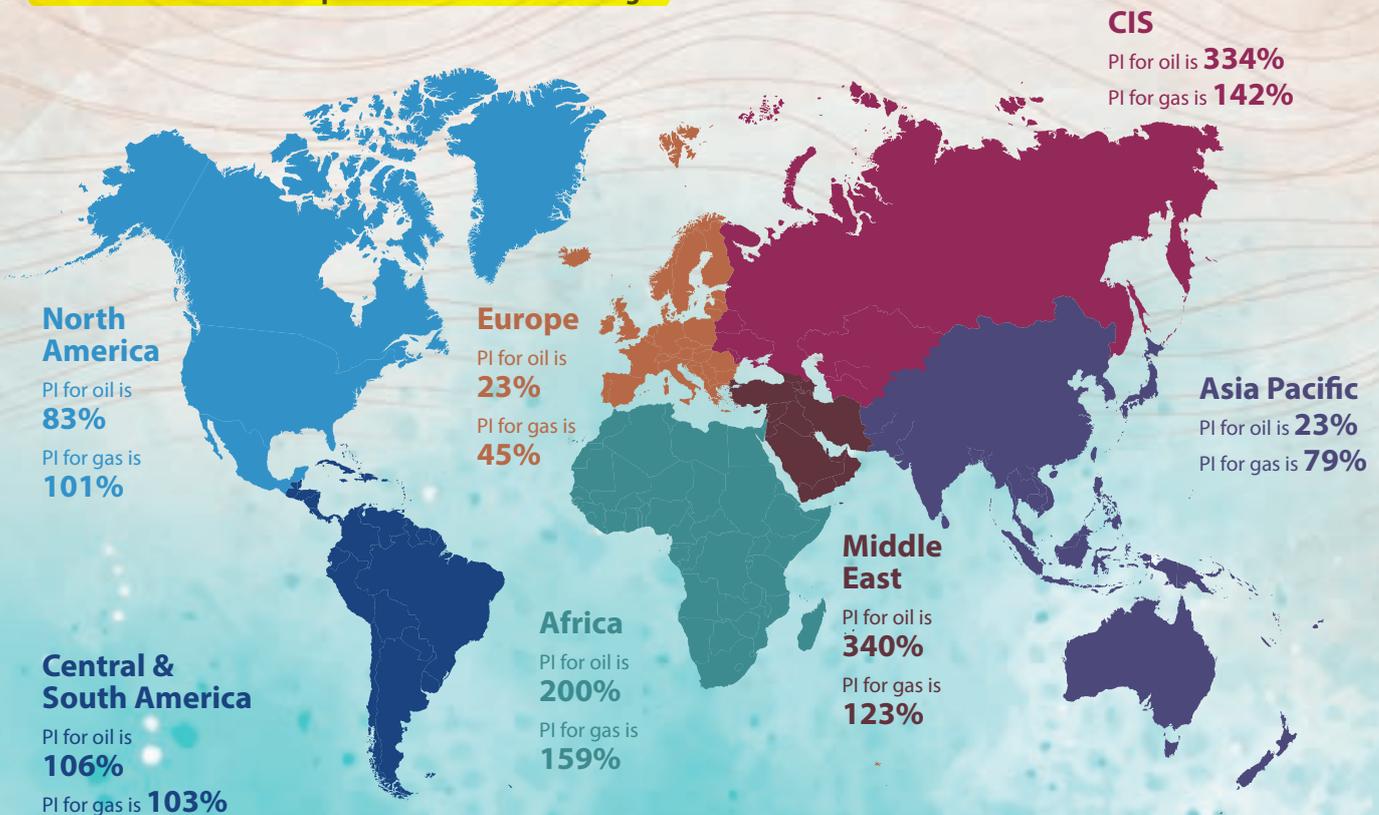
This weakening in production occurred mostly in Iran and Venezuela. The production from Iran declined due to the US' nuclear-related sanctions against the country. In Venezuela, production cut was witnessed on account of lack of knowledgeable managers and workers, missed payment to service companies and drop down in capex of oil industry.

The demand for OPEC crude oil in 2018 was projected at 31.4 mb/d, which was 1.5 mb/d lower than the 2017 level. Non-OPEC production increased from 57.87 mb/d in the previous year to 60.12 mb/d in 2018, mainly due to the US and other OCED countries, creating pressure in the global oil market competition.

### Outlook

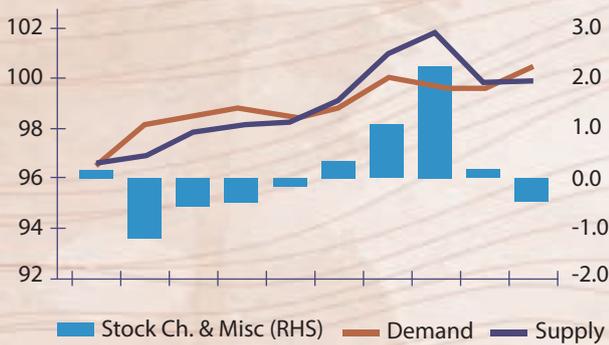
In 2019, demand for OPEC crude is forecasted at 30.3 mb/d which is around 1.1 mb/d lower than the estimated 2018 level. Total non-OPEC supply in 2019 is now forecasted to average 64.54 mb/d, with the US, Brazil, the UK, Australia and Ghana being the major contributors to growth. On the other hand, Mexico, Kazakhstan, Norway, Indonesia and Vietnam are projected to see the largest declines.

### Production indicator map of crude oil and natural gas



(Source: www.IOGP.com)

**Demand/supply balance until 2Q19 (mb/d)**



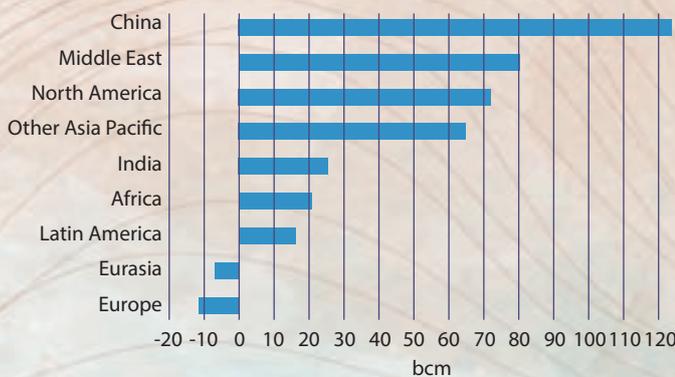
(Source: IEA)

**Natural gas**

Natural gas is expected to witness a demand-supply CAGR of 1.6% from 2017–22, making it the fastest-growing energy source, followed by renewable energy. Out of this, 50% demand growth will be accounted from Asia (Source: McKinsey).

Non-OPEC production grew from 57.2 mb/d to 59.8 mb/d in 2018(OPEC Report), mainly due to increase in the output from the U.S which is responsible for major LNG export, followed by Canada and Russia.

**Natural gas consumption growth 2017-2023**



(Source: IEA)

**Key countries driving the Natural gas consumption**

**China**

The higher consumption in China is driven by the encouraging policy support for usage of gas instead of coal in the industry and buildings sector. This is predominantly to keep a check on air pollution and to improve the air quality. The stricter environmental norms further support the use of Natural gas. Moreover, with the domestic production not meeting up with the demand, it makes the country an importer of the gas.

**Middle East Region**

Iran is the fourth largest consumer of Natural gas in the world next to the US, Russia and China. Growing Natural gas distribution network and development of power for residential, industrial and petrochemical sector is

strengthening the consumption growth in Iran, despite economic slowdown due to sanctions. In Saudi Arabia, demand for Natural gas is in accordance with production, leaving no volume for export. However, UAE is looking forward to shift away from Natural gas and move to another source of energy. Turkey, which is the 4th largest consumer in the Middle East region, is dependent on other countries in the form of import of gas.

**North America**

North America holds almost 900 Trillion cubic feet of gas reserves, which could be enough to cover gas demand for the next 25 or more years (Source: McKinsey). Mexico is the largest buyer from the US. Subsequent to the expansion of gas pipeline network, the export from the US to Mexico will double. LNG is the key driver behind the industry growth.

**India**

Going forward, the Government’s motive is clearly to shift towards gas-based economy to push for consumption of cleaner fuel. This push will turn out to be successful, with the growth in Natural gas production for the first time in last six years ended on March 31, 2018. This was mainly on account of growing offshore production, offsetting weakening in onshore blocks. It is expected to witness a consumption rate of 3.5% CAGR (Source: CRISIL) from 2018 to 2023 on support of heavily subsidised fertiliser sector, regulatory push for city gas distributor, combating environmental issues and growing urbanisation.



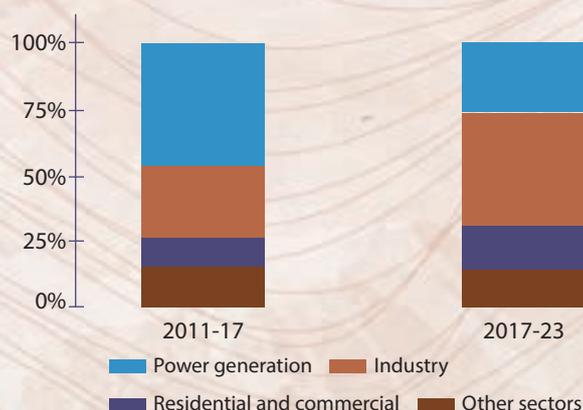
## Projected Natural gas production (BCM)

Fields	2017-18	2018-19	2019-20	2020-2021	2021-2022
ONGC- Nomination	24.21	27.22	28.19	27.41	27.86
OIL - Nomination	2.93	3.20	3.31	3.50	3.70
Private/ JVs-PSC	7.93	8.10	16.31	27.90	40.36
<b>Total</b>	<b>35.07</b>	<b>38.53</b>	<b>47.81</b>	<b>58.82</b>	<b>71.92</b>

(Source: <https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-natural-gas-production-will-double-in-four-years-oil-ministry/65211243>)

## Outlook

### Natural gas consumption growth by sector



(Source: IEA)

Globally, the industry sector will be a key growth driver in usage of Natural gas, largely driven by developing economies. In non-OCED nations, pace of Natural gas growth will depend upon supporting infrastructure.

## Indian power sector

In India, the power sector scenario has substantially improved with availability of electricity, surpassing its requirement. Over the years, there has been a decline in energy shortages. The entire value chain of electricity is dominated by the Central and State authority which contribute a total of 53.9% of 350,162 MW of electricity generated (Source: Ministry of Power).

Geographically, the power generation through natural resources in India is unequally separated and focussed in a few pockets. Hydro resources are popular in Himalayan foothills, North Eastern Region (NER). Coal reserves are substantially available in Jharkhand, Odisha, West Bengal, Chhattisgarh and portions of Madhya Pradesh. Lignite-based power production is seen in Tamil Nadu and Gujarat.

### Energy basket in India as May 31, 2019

Fuel	MW	% of Total
<b>Total Thermal</b>	<b>2,26,324</b>	<b>63.2%</b>
Coal	1,94,490	54.3%
Lignite	6,260	1.7%
Gas	24,937	7.0%
Oil	638	0.2%
<b>Hydro (Renewable)</b>	<b>45,399</b>	<b>12.7%</b>
<b>Nuclear</b>	<b>6,780</b>	<b>1.9%</b>
<b>RES (MNRE)</b>	<b>79,372</b>	<b>22.0%</b>
<b>Total</b>	<b>357,875</b>	<b>100%</b>

(Source: <https://powermin.nic.in/en/content/power-sector-glance-all-india>)

## Outlook

In 2018, the power demand had increased 8% to 177GW. As a positive step, the Government has also delicensed the electrical machinery industry and allowed 100% foreign direct investment (FDI) in the sector. India's rapid growth over the past decade has increased the power demand. To support the growing demand, power purchase agreements (PPAs) will be undertaken by the Government entities and the expansion of the electrification process across the nation will be done through the policy support like Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS). All these measures will tweak smoothness in the operation of the

industry and can give assistance in reviving the power plants that are going through financial stress.

(Source: [//economictimes.indiatimes.com/articleshow/67392419.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/articleshow/67392419.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst))

### Indian oil & gas sector

In India, the annual energy consumption has witnessed a CAGR of 6% over the last 10 years. This demand is mostly being met through the imports, making India a major importer of energy in the world, which is also the third largest consumer. In order to encourage a strong growth in this segment, the Government has permitted 100% FDI through automatic route for gas pipelines, petroleum products, exploration activities of oil and natural gas fields, marketing and retailing. The mutual collaboration between India and Russia will help in strengthening and building strategy to push the oil and gas sector. Also, in the interim budget, the Government has proposed a capital outlay of ₹ 93,639 Crores for oil and gas companies in 2019-20. This will further provide the impetus to the exploration, production and refining of oil in the industry.

(Source: <https://barandbench.com/india-russia-oil-gas-sector/>)

### Outlook

Oil demand in India has been growing and it is estimated to increase from 4 Million barrels/day (mb/d) to 10 Million barrels/day by 2040. For this, India needs to increase its domestic production and import volume of oil.

One of the key socio-economic change for India is the rapid urbanisation, increasing percentage of youth population and growing spending capacities of individuals. India is

witnessing a rapid upliftment of the previously low-income groups and their lifestyle. This translates into an increased demand for energy. To cope with this demand, large investments are currently underway and new investments to the tune of US\$ 80 Billion are planned over the period of next 2 to 3 years. This too, may not be enough to meet the projected energy needs with an expected 165% increase in demand by 2040, when India would consume roughly 11% of energy produced globally.

Currently, India is very much reliant on gulf countries and Nigeria for its oil import, prone to internal and external casualty, armed conflict and terror attack. Hence, going forward, it will be important for India to diversify for other energy sources to hedge against any disruption in supply.

### Global seismic industry

The global seismic services market is expected to witness a CAGR of 5.10% in the next five years, on the back of increasing demand for energy and crude oil. Hence there has been increase in the investment of exploration activities which has led to growth in the seismic industry. By service, the data acquisition is expected to be the largest segment of the seismic survey market, due to higher capital expenditure involved. By technology, the 3D imaging market is expected to be the largest as it offers more clear and continuous images of the sub surface. By region, offshore segment accounts for major share in the seismic service market due to favourable condition, as the data extracted is of higher quality as compared to onshore segment. Amongst all regions, North America dominates the market as it has many untapped resources.

### Seismic Services Market – Growth rate by region, 2019-2024



(Source: Mordor Intelligence)

## Indian seismic industry

The Government has relieved oil exploration regime in India, which allows producers to go beyond their allocated areas if the same reservoir falls outside of the contracted areas. This would aid an operator to undertake seismic studies, recognise the data and develop a discovery more efficiently.

Previously it was estimated that the Government has 28 Million tonnes of oil equivalent (mtoe), which in 2017 was increased to 41.9 mtoe. Out of this, only 28% of the area has been explored (Source: Financial Express). The further exploration will be supported by the Government budget allocation of ₹ 49,057 crore for Exploration and Production (E&P). Out of the total 311 exploration blocks awarded so far, under discovered field, Pre-new exploration and licensing policy (NELP) and NELP rounds, only 178 blocks are operational (Source: Business standard). This shows the enormous opportunity for the industry operating in exploration, seismic survey and drilling operation.

(Source: Business standard)

Indian oil import share		Government's' Dream 2022'
2015 - 2016	77%	Cutting oil import by 10% to 67% till 2022 and by 50% to 37.50% till 2030.
2016 - 2017	81.7%	
2017 - 2018	82.9%	
2018 - 2019	84.7%	



The Government efforts of 'Dream 2022' look unpromising as oil import has been substantially increasing since 2015-2016. In order to curb widening gap of fiscal deficit and increase domestic production, it gets vital to be effective in extraction from existing field and find out hydrocarbon deposit through 2D and 3D seismic data. Also, the efforts from Ministry of Petroleum and Natural Gas (MoPNG) such as reforms in hydrocarbon exploration licensing policy or debottlenecking, measure in new exploration licensing policy will boost the production.

### Opportunities

#### 1. Expanding international presence

Currently, the Company has got the project in the Middle East and African region. This creates a great global opportunity in the untapped oil and gas region such as Venezuela, Canada, Russia, Mexico and South America.

#### 2. Winning more projects

The Company's experience in the industry, multiple service offerings, relationship with partners and sub-contractors can help win more contracts and strengthen its order book which will lead to optimum utilisation of the assets. Moreover, there are very few companies operating in the industry, giving an edge to AOL.

#### 3. Unexplored sedimentary basins

India is yet to inspect much of the potential zone where crude oil reserve can be discovered. Further, the National Seismic Programme will help to carry out assessment of unpraised area across the country for potential oil and gas discovery. The Government efforts to enhance production from the existing field by improved oil recovery process. All these will give much-needed boost to the oil service provider companies.

#### 4. Digital transformation

There exists a huge opportunity for the oil service providers, considering the transformation in operations from traditional to digital. The availability of greater computing power, visualisation technologies and artificial intelligence (AI) lead to overall improvement in the quality of the seismic image, speed of data acquisition and minimise the damage to the environment, while at the other end, all of these help to cut down the operational cost.

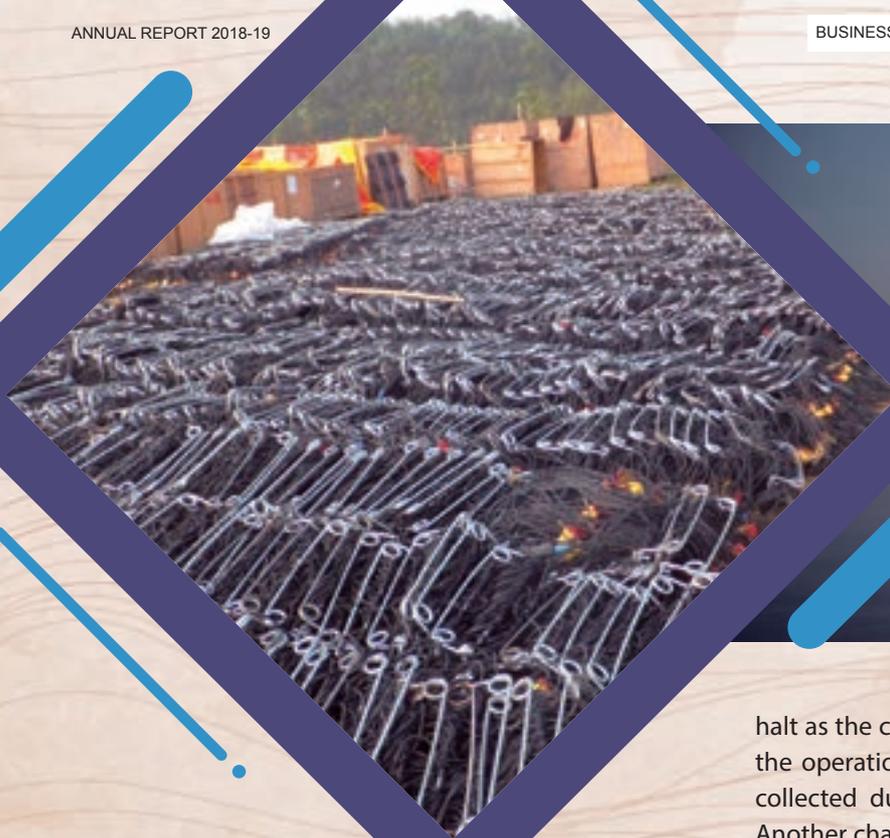
### Threats

#### 1. Operating in sensitive area

Seismic survey in border security, terror-affected and forest region can cause a delay in the project considering the sensitivity, ecological impact and threat surrounding the location.

#### 2. Monsoon season

During rainy season, seismic and drilling project takes a



halt as the condition gets adverse which ultimately affects the operation. Due to monsoon impact, the seismic data collected during the monsoon season could be erratic. Another challenge involved is of logistics, to move the rigs at respective safe places as wet weather deteriorates the lifespan of the equipment.

## RISK AND MITIGATION

	Risk	Mitigation
Discovery risk	A failure in our ability to discover new oil and gas reserve could affect our prospect.	Apart from seismic segment, the Company has well-diversified services for upstream oil and gas companies which include operations and maintenance (O&M), turnkey drilling, production facility EPC and enhanced oil recovery. We use state-of-the-art technology and diverse equipment for greater efficiency in our operation.
Operational risk	Geo-politics and instability of the weather is one of the key risks in the industry in which we operate.  The shift in the trend of the energy usage from oil & gas to renewable is another top risk.	Over the years, the Company has strategically expanded its projects in major oil & gas region, let it be domestic or global. This has helped to counter any problem emerging from specific location.  The Company is optimistic about the business model, considering the build price of the renewable and the rising demand for the oil & gas. Furthermore, crude oil is used in various products such as plastics, medicines, paint, chemicals and asphalt, which acts as a growth driver for us.
Financial risk	Inability to reduce the debt, overhead cost, improve the key ratio and profitability coupled with fluctuating Indian currency leads to financial risk.	Over the years we have improvised our 'expense to sales' ratio and strengthened the Balance Sheet by reducing debt and increasing reserves & surplus. Our overseas business also helps us to hedge against the depreciation of rupee.
Regulatory and legal risk	We operate globally, so the legal framework defers from region to region.	Our legal team identifies any regulatory obligation and responds to the same by meeting it.
Competitor risk	Growing number of seismic providers could affect the Company to win the orders.	There is a high entry barrier as it is a capital-intensive industry and there are very few players operating due to niche nature of the business.  The Company's discount offering, long-term relationship with customers and strong past track record in completing the project will help to win the contracts.

## FINANCIAL REVIEW (STANDALONE BASIS)

### Revenue

Revenue from operations showed a significant growth increasing by 64.11 % from ₹ 9,556.28 Lacs in 2017-18 to ₹ 15,682.44 Lacs in 2018-19.

### Profit after tax (PAT)

Despite various hurdles faced during the year due to Geopolitical and environmental reasons, the Company posted a profit after tax of ₹ 163.29 Lacs in the current year from loss of ₹ 2,067.71 Lacs in the last year.

### EPS

The earnings per share (EPS) for the year is ₹ 0.43 as against ₹ (7.32) in the previous year reflecting the profitable performance of the Company during the financial year.

### Debt

Gross external debt as on March 31, 2019 stands at ₹ 556 Lacs while the net debt stands at zero.

### Net worth

The group got a strong Net worth of ₹ 13677 Lacs as on March 31, 2019.

### Key Ratios of AOSL

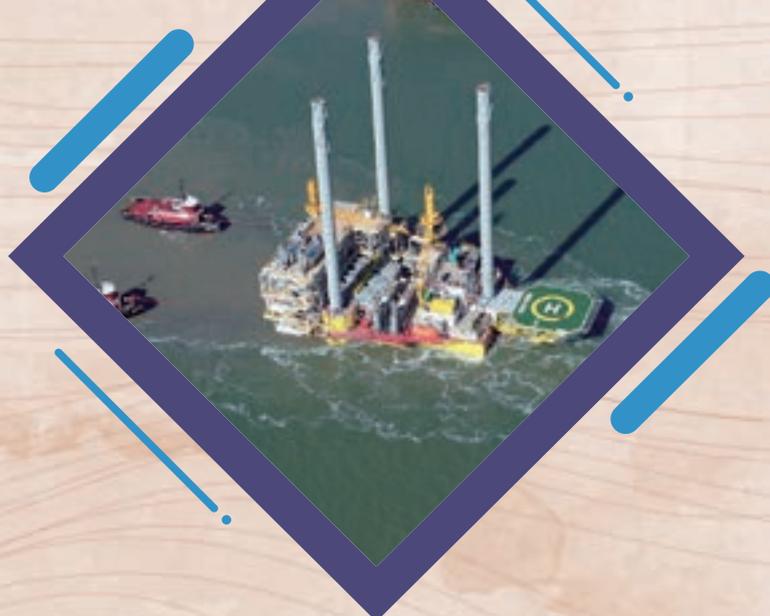
Particulars	2018-2019	2017-2018
Debtors TurnoverRatio	3.41	2.63
Interest Coverage Ratio	1.43	-2.61
Current Ratio	2.26	1.66
Debt Equity Ratio	0.07	0.13
Operating profit Margin Ratio	7%	-15%
Net Profit Margin	1%	-20%

### Explanation for significant change during the financial year

1. The Company's repayment of the loan without any need for additional borrowings in the year has led to reduction in the debt as well as interest. This reduction is reflected in the Debt Equity and Interest Coverage Ratio.
2. Adequate collection from the debtors within the short frame of time has improved the Debtors Turnover Ratio.
3. The Company's ability to reduce the cost and efficiency in improving the productivity from the operations has led to improvement in Operating and Net Profit Margin.

### Human resource management

The Company continuously focuses on quality management which is very much evident from the ISO 9000:2015 certification earned. The success of an organisation rests on procuring the skilful employees, who dedicatedly complete the organisational tasks to attain strategic goals set by the Company. The human resource is one of the critical aspects of our business which looks up to the recruitment, retention



and management of personnel, in compliance with the law.

Permanent workforce	Non-permanent workforce
156	5000

The Company is strictly driven by well-defined policies for end-to-end HR & Administration functions. We have a strong policy framework laid down which covers varied areas such as recruitment, employees' induction, compensation & benefits, training & development, performance management, social security up to exit of employees. Hiring of quality manpower, retention, employees' engagement & satisfaction, skill development and providing social security is our moto.

We believe in teamwork and always try to create and promote the proficient and healthy work culture within the organisation. We always push the best behaviour and practices within the organisation for the best possible development. The Company believes in equality where chances are provided to every employee and applicant, without being biased of individual's religion, caste, creed or sex. At AOSL, we are against all the wrongdoings, let it be discrimination or harassment in synchronisation with the Central and State government laws. It is every employee's responsibility to promise that unlawful discrimination or harassment does not arise at the workplace. AOSL under any condition does not discriminate between male and female employees, especially when it comes to salary and compensation. We expect all the employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct.

**'Perform every task to the very best of your ability and highest quality' and 'Do it right at the very first time' is our HR mantra.**

Training & development of employees is imperative, which is a steady process for AOSL. To enhance their skills, the Company undertakes numerous training programs (Technical Training at Site & On-the-Job Training) as well as programs for social awareness, workplace safety. (Training

on Work Ethic, QHSE, POSH & Time Management) Employee appraisal is based on the potential and performance index during the year.

### INTERNAL CONTROL SYSTEM

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are

based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in Government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



# BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 26th Annual Report and the Company's audited financial statement for the financial year ended March 31, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2019 is summarised below:

(All amounts in Lacs, unless otherwise stated)

Particulars	Consolidated *		Standalone *	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	19,385.52	22,222.29	15,682.44	9,566.28
Other Income	397.72	352.40	573.90	661.48
Total Revenue	19,783.24	22,574.69	16,256.34	10,227.76
Profit / (Loss) before Finance Cost, Depreciation and Tax	3,685.25	4,421.42	1,702.46	239.53
Finance Cost	(572.06)	(634.07)	(544.66)	(573.72)
Depreciation	(1944.27)	(1,702.68)	(909.31)	(748.30)
Exceptional items	(250.77)	(1,034.11)	(85.20)	(985.22)
Profit/(Loss) before tax	918.15	1,050.33	163.29	(2,067.71)
Tax expenses	(8.08)	(20.17)	-	-
Net Profit/(Loss) after tax	910.07	1,030.16	163.29	(2,067.71)

\* As per Ind-AS adopted by the Company during the financial year 2017-18

## DIVIDEND:

In view of inadequate profits for the financial year, the Board regrets its inability to recommend payment of dividend to the shareholders.

## TRANSFER TO RESERVES:

The Company does not propose to transfer any sum to the General Reserve in view of inadequate profit.

## COMPANY'S PERFORMANCE:

On consolidated basis, revenue from operations for the financial year 2018-19 stood at ₹ 19,385.52 Lacs which was lesser by 12.78% over last year (₹ 22,222.29 Lacs in 2017-18). Net Profit for the year stood at ₹ 910.07 Lacs as against net profit of ₹ 1,030.16 Lacs in the previous year.

On standalone basis, revenue from operations for the financial year 2018-19 is ₹ 15,682.44 Lacs which has increased by approx. 64% over last year (₹ 9,566.28 Lacs in 2017-18) whereas net profit for the year is ₹ 163.29 Lacs as against net profit of ₹ 82.12 Lacs, in the previous year.

## CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year under review are in accordance with the Indian Accounting Standard (IND-AS) notified by the Ministry of Corporate Affairs, which are applicable to the group for the accounting periods beginning on or after April 1, 2017.

## SUBSIDIARY COMPANIES:

The Company has 3 (three) subsidiaries, 1 (one) step down subsidiary and 1 (one) joint venture company as on March 31, 2019. During the year under review the Company has

incorporated a wholly owned subsidiary, AOSL Energy Services Limited (WOS). There has been no material change in the nature of business of the subsidiaries and the JV.

The consolidated financial results reflect the operations of all the subsidiaries (including step down subsidiary) viz. Asian Oilfield & Energy Services DMCC, AOSL Petroleum Pte. Limited., AOSL Energy Services Limited and Ivorene Oil Services Nigeria Limited (step down subsidiary) and a Joint Venture Company viz. Optimum Oil & Gas Private Limited.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries and JV in Form AOC-1 is annexed as Annexure A. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries and JV, are also kept at the Registered Office of the Company and are available on the website of the Company.

## PERFORMANCE OF SUBSIDIARIES:

### Asian Oilfield & Energy Services DMCC, Dubai:

The net sales of Asian Oilfield & Energy Services DMCC for the current financial year is ₹ 5087.87 Lacs compared to ₹ 13,545.05 Lacs during the previous year. It generated a net profit of ₹ 994.94 Lacs compared to profit of ₹ 3200.81 Lacs in the previous year.

Asian Oilfield & Energy Services DMCC has been exploring opportunities in select countries in the MEA Region, which would have huge opportunities in the field of oil and gas.

# BOARD'S REPORT (CONTD.)

## AOSL Petroleum Pte. Limited:

During the year AOSL Petroleum Pte. Limited has not registered any income but has incurred a net loss of ₹ 301.42 Lacs in the current year against net loss of ₹ 112.98 Lacs in the previous year.

## AOSL Energy Services Limited:

AOSL Energy Services Limited (AESL) was incorporated during the financial year 2018-19 on September 29, 2018. AESL is a 100% subsidiary of the Company. During the year AESL did not have any income and has incurred a net loss of ₹ 0.80 Lacs in the current year.

## Ivorene Oil Services Nigeria Limited:

Ivorene Oil Services Nigeria Limited (Ivorene) is step down subsidiary of the Company in view of purchase of 99.99% shares in F.Y. 2016-17 by Asian Oilfield & Energy Services DMCC, subsidiary of the Company.

During the year Ivorene registered an income of ₹ 14.23 Lacs as against ₹ 58.43 Lacs during the previous year and has generated a net profit of ₹ 18.74 Lacs in the current year against net profit of ₹ 38.16 Lacs in the previous year.

## PERFORMANCE OF JOINT VENTURE COMPANY:

### Optimum Oil & Gas Private Limited:

During the year Optimum Oil & Gas Private Limited had total revenue (other income) of ₹ 41.99 Lacs and incurred a loss of ₹ 17.02 Lacs against a net loss of ₹ 17.39 Lacs in the previous year.

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

The Company has complied with the provisions of Section 186 of the Act in respect of loans or guarantees given, securities provided and investments made during the year under review. The details of loans and guarantees given and investments made by the Company during the financial year 2018-19 are provided in the notes to the financial statements.

## RELATED PARTY TRANSACTIONS:

All related party transactions that were entered in to during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party during the financial year which could be considered as material as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a policy for related party transactions which is also available on the website of the Company ([www.asianoilfield.com](http://www.asianoilfield.com)).

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit

Committee and the Board on an annual basis for repetitive transactions.

Related party transactions under Accounting Standard – AS18 are disclosed in the notes to the financial statements.

Prescribed 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 is furnished as Annexure B to this report.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- They have selected such accounting policies and applied them consistently and made judgments and estimates 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, 2019 and of the profit of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a 'going concern' basis;
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## COMPLAINTS COMMITTEE:

The Company has constituted a Complaints Committee under the Policy on prevention of sexual harassment at the workplace to consider and resolve all sexual harassment complaints reported. The Complaints Committee consist of a Presiding Officer being a woman employed at a senior level amongst the employees, at least 2 members from employees committed to the cause or having legal knowledge and 1 external member familiar with issues relating to sexual harassment.

At least one half of the total members of the Committee shall be women. A quorum of 3 members is required to be present for the proceedings to take place. The quorum shall include the Chairperson, at least two members, one of whom shall be a lady.

# BOARD'S REPORT (CONTD.)

The Company did not receive any complaints during the financial year 2018-19.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, following changes occurred in the position of Directors/ KMPs of the Company:

### DIRECTORS:

During the year under review Mr. Naresh Chandra Sharma, Chairman and Independent Director ceased to be the Director of the Company from end of business hours on March 31, 2019 due to the applicability of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, pertaining to the appointment/ continuation of Non-executive Director(s) above the age of 75 years. The Board appreciated the valuable guidance and contribution made by Mr. Naresh Chandra Sharma, during his tenure as an Independent Director of the Company and Chairman of the Board.

Mr. Rohit Agarwal resigned from the Company as Whole-time Director with effect from close of business hours on July 31, 2018. The Board appreciated the contribution and guidance provided by Mr. Rohit Agarwal during his tenure as Whole-time Director of the Company.

Mr. Ashutosh Kumar who was associated with the Company as CEO and Director was appointed as the Whole-time Director and CEO of the Company w.e.f. August 1, 2018.

Mr. Nayan Mani Borah was appointed as an Additional (Independent) Director of the Company with effect from March 19, 2019. The Company has received a notice in writing from a member proposing his candidature and being eligible has offered himself to be appointed as an Independent Director not liable to retire by rotation.

Dr. Rabi Narayan Bastia retires by rotation and being eligible offers himself for re-appointment.

Mr. Kadayam Ramanathan Bharat and Ms. Anusha Mehta continue as Directors of the Company.

### KEY MANAGERIAL PERSONNEL:

During the year under report, the following persons were Key Managerial Personnel of the Company:

1. Mr. Rohit Agarwal, Whole-time Director (up to July 31, 2018)
2. Mr. Ashutosh Kumar, Whole-time Director & CEO (w.e.f. August 1, 2018)
3. Mr. Sumit Maheshwari, Chief Financial Officer (w.e.f. August 1, 2018)
5. Ms. Shweta Jain, Company Secretary and Compliance Officer (from February 13, 2018 up to June 20, 2018).
6. Ms. Archana Nadgouda, Company Secretary and Compliance Officer (w.e.f. August 1, 2018)

## Changes in the composition of the Board and Key Managerial Personnel between the end of financial year of the Company to which the financial statements relate and the date of the report:

Mr. Gaurav Gupta (DIN 01189690) Non-executive Director has resigned from the Board of Directors w.e.f. May 1, 2019. The Board appreciated the valuable guidance and contribution provided by Mr. Gaurav Gupta during his tenure as a Director of the Company.

Mr. Devesh Bhargava was appointed as an Additional (Independent) Director of the Company with effect from May 23, 2019. The Company has received a notice in writing from a member proposing his candidature and being eligible has offered himself to be appointed as an Independent Director not liable to retire by rotation.

Mr. Mukesh Jain was appointed as a Director with effect from May 29, 2019 in the casual vacancy created by resignation of Mr. Gaurav Gupta, who shall hold office till the date Mr. Gaurav Gupta would have held office if it had not been vacated, liable to retire by rotation. As per the provisions of Section 161(4) his appointment is subject to confirmation of the shareholders at the ensuing Annual General Meeting of the Company.

There is no change in the key managerial personnel of the Company between the end of the financial year 2018-19 and the date of the report.

### DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 as well as under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances, which may affect their status as Independent Director during the year.

### BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of Board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

# BOARD'S REPORT (CONTD.)

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

## FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation programme are explained in Corporate Governance Report.

The Familiarisation Programme for the Independent Directors is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Board's report.

The Nomination and Remuneration policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## NUMBER OF MEETINGS OF THE BOARD:

5 (five) meetings of the Board were held during the year on May 30 2018, August 1 2018, August 14 2018, November 2 2018 and February 6 2019. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

## AUDIT COMMITTEE:

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

## Material changes and commitments, if any, affecting the financial position of the Company which have occurred

## between the end of financial year of the Company to which the financial statement relate and the date of the report:

There were no material changes and commitments that have affected the financial position of the Company which have occurred between the financial year ended on March 31, 2019 and this report.

## MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Management Discussion and Analysis has been given separately and forms part of this report.

## RISK MANAGEMENT:

The Company has in place a Risk Management Policy pursuant to Section 134 of the Companies Act and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit facilitates the execution of risk management practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this program, each function carried on project sites, addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies. The major risks forming part of risk management process are linked to the audit.

The Audit Committee of the Board of the Company has been entrusted with the task to frame, implement and monitor the risk management plan for the Company and it is responsible for reviewing the risk management plan and ensuring its effectiveness with an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size

# BOARD'S REPORT (CONTD.)

and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has appointed M/s. S.P. Chopra & Co. the firm of Chartered Accountants as an Internal Auditor who carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has already constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. For the Company, social responsibility is a key element of accountability and it will continue to strive in its behaviour and actions to surpass the levels of minimum statutory compliance. The Company believes in the sustainable growth and prosperity of its stakeholders and views its responsibilities not only as business responsibilities but as ethical and social as well.

The CSR policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

However, in view of the inadequate profits for the financial year and losses during previous years, the Company has not pursued any initiative on CSR activities.

## **SAFETY, ENVIRONMENT AND HEALTH:**

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy of 'safety for all', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate on sites.

The Company respects human rights, values its employees and the communities that it interfaces with. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact by investing in technologies and solutions for economic growth.

The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are in place throughout the Company on Safety, Environment and Health and has well identified and widely covered safety management system in place for ensuring, not only the safety of employees but surrounding population of the project sites as well.

## **Policy on prevention, prohibition and redressal of sexual harassment at workplace:**

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women

at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

## **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimisation of persons who use vigil mechanism. The Whistle Blower Policy is posted on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## **DISCLOSURE REQUIREMENTS:**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report with Practicing Company Secretaries Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

## **HUMAN RESOURCES:**

The human resource plays a vital role in the growth and success of an organisation. The Company has maintained cordial and harmonious relations with employees across various locations.

The Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## **DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public, was outstanding or unpaid as on the date of the balance sheet.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are

# BOARD'S REPORT (CONTD.)

- a. Conversation of Energy : Not Applicable  
 b. Technology Absorption : NIL  
 c. Foreign exchange earning & outgo :

Sr. No.	Particulars	2018-19	2017-18
<b>a.</b>	<b>Foreign Exchange earnings</b>		
	Seismic Survey and other related charges	10,75,85,058	36,77,65,564
	Interest on loan to Subsidiary	2,28,33,942	3,33,23,769
<b>b.</b>	<b>Foreign Exchange outgo towards</b>		
	Travelling expenses	21,39,344	15,20,345
	Capital goods	17,91,69,425	13,37,82,690
	Revenue payment	13,54,91,864	7,03,78,751

## PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information 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 in the Annexure C forming part of the Report.

In terms of the second proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Whole-time Director or Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

## AUDITORS AND AUDITORS' REPORT

### (1) Statutory Auditors:

Walker Chandiook & Co. LLP, (WCC), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on September 28, 2015 to hold office from the conclusion of 22nd AGM till the conclusion of 27th AGM to be held in 2020. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. However, in accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no such item has been considered in notice of the ensuing 26th AGM.

### AUDITORS' REPORT:

- a) The auditors in their Report on Standalone Audited Financial Results of the Company for the financial year ended March 31, 2019 have given a qualified opinion in their Report reading as under:

- i) As stated in Note 41 to the standalone financial statements, the Company has non-current investments of ₹ 0.31 Lacs in, and loans including accrued interest (classified under non-current loans and other non-current financial assets, respectively) of ₹ 333.58 Lacs and ₹ 17.74 Lacs respectively, recoverable from a subsidiary company, AOSL Petroleum Pte. Limited (APPL) as at March 31, 2019. The net worth of the subsidiary company has been fully eroded and it has been incurring losses. The accumulated losses in the subsidiary company amounts to ₹ 1,443.39 Lacs as at March 31, 2019, and the auditor of the subsidiary company has determined that a material uncertainty exists, as at March 31, 2019, that may cast significant doubt about the subsidiary company's ability to continue as a going concern. However, based on the factors described in the aforementioned note, management has considered these balances as fully recoverable, which is not in accordance with the requirements of Ind AS 36, Impairment of Assets, and Ind AS 109, Financial Instruments. In the absence of sufficient appropriate audit evidence to support management's assessment as above or any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to carrying values of the aforesaid balances, and the consequential impact, if any, on the standalone financial statements.

### IN RESPONSE THERETO, THE MANAGEMENT IS OF THE VIEW THAT:

Based on the evaluation of the business prospects and plans formulated, management is confident of revival of operations of APPL. Thus, management is of the view that there is no impairment in the carrying value of the non-current investments, non-current loans, other non-current financial assets.

- b) The auditors in their Report on Consolidated Audited Financial Results of the Company for the financial year ended March 31, 2019 have given a qualified opinion in their Report reading as under:

- i) As described in Note 42(a) to the consolidated financial statements, the Group's other current assets as at March 31, 2019 include advances made to suppliers amounting to ₹ 397.38 Lacs (US\$ 574,500) in the books of Asian Oilfield & Energy Service DMCC ("ADMCC"), a subsidiary of the Holding Company, which are considered as fully recoverable by the management. However, such balance is subject to confirmation from the concerned parties and has also not been tested for impairment, as stated in the Basis of Qualified Opinion paragraph in the audit report on the subsidiary's financial

# BOARD'S REPORT (CONTD.)

statements, issued by an independent firm of Chartered Accountants registered in Dubai, vide its report dated 22 May 2019, which is relevant to our opinion on the consolidated financial statements, and reproduced by us as under:

## **"OUR BASIS OF QUALIFIED OPINION IS MENTIONED BELOW:**

Advance to suppliers are subject to confirmation and impairment testing."

## **IN RESPONSE THERETO, THE MANAGEMENT IS OF THE VIEW THAT:**

These advances are on account of upcoming project, which has been executed in May 2019. Such amount shall be realised/recovered in near future on performance of project. Hence the consequential adjustments, if any, arising out of confirmation/impairment assessment are not expected to be material.

The auditors have not reported any frauds under the provisions of Section 143(12) of the Companies Act, 2013 to the Audit Committee of the Company.

## **(2) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Hemanshu Kapadia of Hemanshu Kapadia & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed as Annexure D. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **COST RECORDS AND COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

## **SHARE CAPITAL:**

The paid up equity share capital as on March 31, 2019 was ₹ 38.07 Crores. There was no change in the paid up equity share capital of the Company during the year under review.

The Company has not issued shares with differential voting rights. Although the Company in the Extraordinary General Meeting of its shareholders held on March 27, 2017 has obtained the approval for issuing ESOP to its Employees, but it has not made allotment of equity shares under ESOP scheme during the financial year.

## **EMPLOYEE STOCK OPTION PLAN 2017:**

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, are uploaded on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

During the financial year 2017-18, ESOP Compensation Committee Meeting has granted 1,74,302 stock options to Employees of the Company, its Subsidiaries and Holding Company, under the Asian Oilfield Services Limited – Employee Stock Option Plan 2017 ("AOSL ESOP 2017") at an exercise price of ₹ 165/- and that each of the stock option entitles the holder to apply for one equity share of the Company of ₹ 10/- each. A Certificate from the Statutory Auditors of the Company regarding proper implementation of ESOP Scheme shall be placed before the members at the 26th Annual General Meeting.

## **SHIFTING OF REGISTERED OFFICE FROM STATE OF HARYANA TO THE STATE OF MAHARASHTRA, MUMBAI:**

Pursuant to the special resolution passed by the Company at its 24th Annual General Meeting held on September 8, 2017, during the year under review, the Company had made an application to the Regional Director, Northern Region for shifting of its registered office from State of Haryana to the State of Maharashtra, Mumbai. The Regional Director vide his Order dated September 24, 2018 approved the application and the Registrar of Companies issued a Certificate of Shifting of Registered Office dated December 17, 2018.

## **EXTRACT OF ANNUAL RETURN:**

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure E in the prescribed Form MGT-9, which forms part of this report. The Annual Return is also placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## **ACKNOWLEDGEMENT:**

The Board places on record its deep appreciation for the continued support received from various clients, vendors and suppliers and technical partners, bankers, Government Authorities, employees at all levels and stakeholders, in furthering the interest of the Company.

On behalf of the Board of Directors of  
Asian Oilfield Services Limited

Nayan Mani Borah

Chairman

DIN 00489006

Place: Mumbai

Date: 7 August 2019

# ANNEXURE A TO THE BOARD'S REPORT

## FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures  
[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies  
(Accounts) Rules, 2014]

### PART "A": SUBSIDIARIES

Amount in ₹

Sr. No.	Particulars	Name of the Subsidiary			
		Asian Oilfield & Energy Services DMCC	AOSL Petroleum Pte. Limited	AOSL Energy Services Limited	Ivorene Oil Services Nigeria Limited
1.	Kind of Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary's Subsidiary
2.	The date since when subsidiary was acquired	July 30, 2012	July 23, 2008	September 29, 2018	March 14, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency US\$ Exchange rate US\$ = ₹ 69.1713	Reporting Currency US\$ Exchange rate US\$ = ₹ 69.1713	Reporting Currency ₹	Reporting Currency Naira Exchange rate N = ₹ 0.2261
5.	Share capital	69,171,300	50,841	1,00,000	22,61,000
6.	Reserves & surplus	276,638,855	(144,339,613)	(76,569)	14,031,326
7.	Total assets	733,634,059	273,088	76,399	16,292,326
8.	Total liabilities	733,634,059	273,088	76,399	16,292,326
9.	Investments	NA	NA	NA	NA
10.	Turnover	503,562,983	Nil	Nil	14,23,358
11.	Profit / (Loss) before taxation	98,471,986	(298,832,959)	(79,569)	26,78,213
12.	Provision for taxation	N.A.	Nil	Nil	804,396
13.	Profit / (Loss) after taxation	98,471,986	(298,832,959)	(79,569)	18,73,817
14.	Proposed Dividend	NA	NA	NA	N.A
15.	% of shareholding	100%	100%	100%	99.999%

#### Notes:

1. Reporting period and reporting currency of the above subsidiaries is the same as that of the Company.
2. Investments exclude investments in subsidiaries.
3. There is no subsidiary which has been liquidated or sold during the year.

# ANNEXURE A TO THE BOARD'S REPORT (CONTD.)

## PART B: ASSOCIATES AND JOINT VENTURES

Sl. No.	Name of the Joint Venture	Optimum Oil & Gas Private Limited
1.	Latest audited Balance Sheet Date	March 31, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	November 11, 2017
3.	Shares of Associate or Joint Ventures held by the Company on the year end	
	No. of shares	2,300 equity shares
	Amount of Investment in Associates or Joint Venture	₹ 23,000/-
	Extent of Holding (in percentage)	23.00 %
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest Balance Sheet	(34,69,829)
7.	Profit or Loss for the year	
	i) Considered in Consolidation	NIL
	ii) Not Considered in Consolidation	(17,01,714)

- Names of associates or joint ventures which are yet to commence operations. – N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year. – N.A.

### On behalf of the Board of Directors of Asian Oilfield Services Limited

**Nayan Mani Borah**  
Chairman  
DIN 00489006

**Ashutosh Kumar**  
Whole-time Director and Chief Executive Officer  
DIN 06918508

**Archana Nadgouda**  
Company Secretary  
(ACS – 17140)

Place: Mumbai  
Date: 29 May 2019

# ANNEXURE B TO THE BOARD'S REPORT

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

### Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contract or arrangements or transactions	Date(s) of Approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
None*							

\* During the financial year 2018-19, no contract or arrangement or transaction was entered into by the Company with the related parties which is not at arm's length basis.

### Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
None*					

\*\* During the year under review, no material transactions, contracts or arrangements {as defined under the listing regulations or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014} were entered with the related parties by the Company. For details on related party transactions, members may refer to the notes to the standalone financial statement.

On behalf of the Board of Directors of Asian Oilfield Services Limited

Nayan Mani Borah  
Chairman  
DIN 00489006

Place: Mumbai  
Date: August 7, 2019

# ANNEXURE C TO THE BOARD'S REPORT

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

Name of the Directors	Ratio to median Remuneration
<b>Non-executive Directors*:</b>	
Mr. Naresh Chandra Sharma	--
Dr. Rabi Narayan Bastia	--
Ms. Anusha Mehta	--
Mr. Gaurav Gupta	--
Mr. Kadayam Ramanathan Bharat	--
Mr. Nayan Mani Borah (w.e.f. March 19, 2019)	--
<b>Executive Directors:</b>	
Mr. Rohit Agarwal	5.9:1
Mr. Ashutosh Kumar (WTD & CEO)	19.4:1

\* Only sitting fees is paid to Non-executive Directors and Independent Directors, hence no ratio is worked out.

- b. **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Naresh Chandra Sharma*	--
Dr. Rabi Narayan Bastia*	--
Mr. Rohit Agarwal, Whole time Director (upto July 31, 2018)	@
Ms. Anusha Mehta*	--
Mr. Kadayam Ramnathan Bharat*	--
Mr. Gaurav Gupta *	--
Mr. Ashutosh Kumar, WTD & CEO (w.e.f. August 1, 2018)	0.00
Mr. Nayan Mani Borah (w.e.f. March 19, 2019)	@
Ms. Shweta Jain (up to June 20, 2018)	@
Mr. Sumit Maheshwari, Chief Financial Officer (w.e.f. August 1, 2018)	@
Ms. Archana Nadgouda (w.e.f. August 1, 2018)	@

\* The disclosures with respect to increase in salary and median are not given as there is no increase in the sitting fees for the meetings attended by the Directors.

@ The disclosures with respect to increase in salary and median are not given as the concerned directors/key managerial personnel were only for the part of the year.

- c. **The percentage increase in the median remuneration of employees in the financial year: 0%**
- d. **The number of permanent employees on the rolls of Company: 156**
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** There were no such employees who are not Directors but received remuneration in excess of highest paid Director during 2018-19.
- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms remuneration is as per the remuneration policy of the Company.

# ANNEXURE D TO THE BOARD'S REPORT

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Asian Oilfield Services Limited  
CIN L23200MH1992PLC318353  
3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal, Eastern Express Highway,  
Sion (East), Mumbai 400022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asian Oilfield Services Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("the Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with the client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period).

# ANNEXURE D TO THE BOARD'S REPORT (CONTD.)

(vi) And the following industry specific laws as informed by the Management of the Company:

- a. The Mines Act, 1952 (as applicable to safety & employment conditions);
- b. Oil Mines Regulations, 1984;
- c. Oil Industry Safety Directorate (OISD) guidelines;
- d. Explosive Act, 1884; Explosive Rules, 2008;
- e. Forest Conservation Act, 1980;
- f. Inter-state migrant workmen (Regulation of Employment & Condition of Service) Act 1979 and central rules framed thereof

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were carried through with requisite majority and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit Period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares / debentures/sweat equity;
- (ii) Redemption / buy-back of securities;
- (iii) Merger /amalgamation /reconstruction, etc;
- (iv) Foreign technical collaborations.

For Hemanshu Kapadia & Associates  
Practicing Company Secretaries

Hemanshu Kapadia  
Proprietor

C.P. No.: 2285

Membership No.: F3477

Place: Mumbai

Date: August 1, 2019

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

# ANNEXURE A

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To,  
The Members,  
Asian Oilfield Services Limited  
CIN L23200MH1992PLC318353  
3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal, Eastern Express Highway,  
Sion (East), Mumbai 400022

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test 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 **Hemanshu Kapadia & Associates**  
*Practicing Company Secretaries*

**Hemanshu Kapadia**  
*Proprietor*

C.P. No.: 2285

Membership No.: F3477

Place: Mumbai

Date: August 1, 2019

# ANNEXURE E TO THE BOARD'S REPORT

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L23200MH1992PLC318353
Registration date	09-03-1992
Name of the Company	Asian Oilfield Services Limited
Category / Sub-Category of the Company	Public Company Company having Share Capital
Address of the registered office and contact details	3B, 3rd Floor, Omkar Esquare, Chunabhatti Signal, Eastern Express Highway, Sion (East), Mumbai – 400022 Maharashtra, India Tel. No.: 91 022 42441100 Fax. No.: 91 022 42441120 Email: secretarial@asianoilfield.com Website: www.asianoilfield.com
Whether listed company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel. No.: 91 022 - 4918 6000 Fax. No.: 91 022 - 4918 6060 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Seismic Survey, Data Acquisition, Processing and interpretation Services	7110	100 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary Associate	% of Shares held	Applicable Section
1.	Oilmax Energy Private Limited 3A, 3rd Floor, Omkar Esquare, Chunnabhatti Signal, Eastern Express Highway, Sion (East) Mumbai - 400022	U40101MH2008PTC185357	Holding	59.29	2(46)
2.	AOSL Petroleum Pte. Limited 192, Waterloo Street, # 05-01 -Skyline Building, Singapore- 187966	200814431W	Subsidiary	100.00	2(87)(ii)

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary Associate	% of Shares held	Applicable Section
3.	Asian Oilfield & Energy Services DMCC Unit No. 71, DMCC Business Centre, Level No.8, Jewellery & Gemplex 2, Dubai (UAE)	DMCC3462	Subsidiary	100.00	2(87)(ii)
4.	AOSL Energy Services Limited 3A,3rd Floor,Omkar Esquare, Tatyia Tope Marg, Joglekarwadi, Sion Fish Market, Sion (E) Mumbai 400022	U74999MH2018PLC315018	Subsidiary	100.00	2(87)(ii)
5.	Ivorene Oil Services Nigeria Limited 3b, Tokunbo Omisore Crescent, Off Wole Olateju Street, Lekki Phase-1, Lagos, Nigeria.	RC 881175	Step-down Subsidiary	99.999	2(87)(ii)
6.	Optimum Oil & Gas Private Limited 3-A, Om Esquare, Chunnabhatti Junction, Vasantnao Naik Mahamarg, Sion, Mumbai 400022	U11201MH2008PTC185808	Joint Venture	23.00	2(6)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### (i) Category-wise Shareholding:

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a) Individual/ HUF	--	--	--	--	125000	--	125000	0.33	0.33
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate*	18472600	4100000*	22572600	59.29	22572600	--	22572600	59.29	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub total (A)(1)</b>	<b>18472600</b>	<b>4100000*</b>	<b>22572600</b>	<b>59.29</b>	<b>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>0.33</b>
<b>(2) FOREIGN</b>	--	--	--	--	--	--	--	--	--
a) NRI-individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate*	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>18472600</b>	<b>4100000*</b>	<b>22572600</b>	<b>59.29</b>	<b>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>0.33</b>
<b>B) Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	163930	--	163930	0.43	--	--	--	--	(0.43)
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
e) Venture Cap.Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's / Foreign Portfolio Investors	66613	--	66613	0.18	66613	--	66613	0.18	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub- total (B) (1)</b>	<b>230543</b>	<b>--</b>	<b>230543</b>	<b>0.61</b>	<b>66613</b>	<b>--</b>	<b>66613</b>	<b>0.18</b>	<b>(0.43)</b>
<b>2) Non Institutions</b>									
a) Bodies Corporate	1133263	8400	1141663	3.00	1967532	3400	1970932	5.18	2.18
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 Lacs	3464731	696475	4161206	10.93	3079651	649975	3729626	9.80	(1.13)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs	3228454	--	3228454	8.48	2546586	0	2546586	6.69	(1.79)
c) Others (specify)									
i) Clearing Members	151764	--	151764	0.40	234856	0	234856	0.62	0.22
ii) NRI	1678529	4507400*	6185929	16.25	6365998	6800	6372798	16.74	0.49
iii) HUF	384785	--	384785	1.01	387933	0	387933	1.02	0.01
iv) Director or Director's Relative	17500	--	17500	0.05	67500	0	67500	0.18	0.13
<b>Sub Total (B)(2)</b>	<b>10059026</b>	<b>5202275</b>	<b>15271301</b>	<b>40.11</b>	<b>14650056</b>	<b>660175</b>	<b>15310231</b>	<b>40.21</b>	<b>0.10</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10289569</b>	<b>5212275</b>	<b>15501844</b>	<b>40.71</b>	<b>14716669</b>	<b>660175</b>	<b>15376844</b>	<b>40.39</b>	<b>(0.33)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grand Total (A+B+C)</b>	<b>28762169</b>	<b>9312275</b>	<b>38074444</b>	<b>100</b>	<b>37414269</b>	<b>660175</b>	<b>38074444</b>	<b>100</b>	<b>0</b>

\* The Company has allotted 45,00,000 Equity Shares to NRI Shareholder on 20-03-2018 and 41,00,000 Equity Shares to M/s. Oilmax Energy Private Limited, the Promoter of the Company on 23-03-2018, upon conversion of warrants allotted to them earlier. The Corporate Action for credit of shares in their demat account was under process on April 1, 2018 hence the said shares have been put under physical column at the beginning of the year.

## (ii) Shareholding of Promoters:

Sl. No.	Name of Share Holder	Share Holding at the beginning of the year			Share Holding at the end of the year			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Oilmax Energy Private Limited	22572600	59.29	13.75	22572600	59.29	27.17	0.00
2.	Mrs. Ritu Garg	0	0.00	0.00	125000	0.33	0.00	0.33
	<b>TOTAL</b>	<b>22572600</b>	<b>59.29</b>	<b>13.75</b>	<b>22697600</b>	<b>59.61</b>	<b>27.17</b>	<b>0.33</b>

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

### (iii) Change in Promoter's Shareholding:

Sl. No.	Name of the Promoter	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
1.	Oilmax Energy Private Limited					
	At the beginning of the year	01-04-2018	2,25,72,600	59.29	--	--
	At the end of the year	31-03-2019	--	--	2,25,72,600	59.29
2.	Mrs. Ritu Garg					
	At the beginning of the year	01-04-2018	0	0.00	--	--
	Purchase from open market	24-08-2018 to 29-08-2018	1,25,000	0.33	1,25,000	0.33
	At the end of the year	31-03-2019	--	--	1,25,000	0.33
	<b>Total</b>				<b>2,26,97,600</b>	<b>59.61</b>

### (iv) Shareholding Pattern of top ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
1.	Balram Chainrai					
	At the beginning of the year	01 Apr 2018	4597000	12.07	--	--
	At the end of the year	31 Mar 2019	--	--	4597000	12.07
2.	Vaibhav Hari Kanade					
	At the beginning of the year	01 Apr 2018	1251000	3.28	--	--
	At the end of the year	31 Mar 2019	--	--	1251000	3.28
3.	Sammys Dreamland Co Private Limited					
	At the beginning of the year	01 Apr 2018	282436	0.7418	--	--
	Sale of Shares	06 Apr 2018	-40000	--	242436	0.6367
	Purchase of Shares	11 May 2018	16799	--	259235	0.6809
	Purchase of Shares	18 May 2018	356950	--	616185	1.6184
	Purchase of Shares	25 May 2018	15048	--	631233	1.6579
	Purchase of Shares	08 Jun 2018	7000	--	638233	1.6763
	Purchase of Shares	15 Jun 2018	50892	--	689125	1.8099
	Purchase of Shares	22 Jun 2018	67686	--	756811	1.9877
	Purchase of Shares	30 Jun 2018	39926	--	796737	2.0926
	Purchase of Shares	06 Jul 2018	43500	--	840237	2.2068
	Purchase of Shares	13 Jul 2018	28905	--	869142	2.2827
	Purchase of Shares	20 Jul 2018	40513	--	909655	2.3891
	Purchase of Shares	10 Aug 2018	34372	--	944027	2.4794
	Sale of Shares	31 Aug 2018	-45506	--	898521	2.3599
	Sale of Shares	07 Sep 2018	-3000	--	895521	2.352
	Sale of Shares	21 Sep 2018	-1455	--	894066	2.3482
Purchase of Shares	12 Oct 2018	9322	--	903388	2.3727	
Purchase of Shares	30 Nov 2018	15765	--	919153	2.4141	
Sale of Shares	14 Dec 2018	-8206	--	910947	2.3925	

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

Sl. No.	For each of the top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
	Sale of Shares	28 Dec 2018	-23436	--	887511	2.331
	Sale of Shares	15 Feb 2019	-9245	--	878266	2.3067
	Purchase of Shares	22 Feb 2019	6872	--	885138	2.3248
	Purchase of Shares	08 Mar 2019	31054	--	916192	2.4063
	Sale of Shares	15 Mar 2019	-153156	--	763036	2.0041
	Sale of Shares	22 Mar 2019	-3704	--	759332	1.9943
	Sale of Shares	29 Mar 2019	-12165	--	747167	1.9624
	At the end of the year	31 Mar 2019	--	--	747167	1.9624
4.	SURESH G NANWANI					
	At the beginning of the year	01 Apr 2018	16000	0.042	--	--
	Purchase of Shares	25 May 2018	30210	--	46210	0.1214
	Purchase of Shares	01 Jun 2018	4510	--	50720	0.1332
	Purchase of Shares	08 Jun 2018	16607	--	67327	0.1768
	Purchase of Shares	15 Jun 2018	60006	--	127333	0.3344
	Purchase of Shares	03 Aug 2018	14941	--	142274	0.3737
	Purchase of Shares	10 Aug 2018	5129	--	147403	0.3871
	Purchase of Shares	15 Mar 2019	165000	--	312403	0.8205
	At the end of the year	31 Mar 2019	--	--	312403	0.8205
5.	BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LIMITED					
	At the beginning of the year	01 Apr 2018	0	0	--	--
	Purchase of Shares	02 Nov 2018	300000	--	300000	0.7879
	At the end of the year	31 Mar 2019	--	--	300000	0.7879
6.	Kaushik Deva					
	At the beginning of the year	01 Apr 2018	176500	0.46	--	--
	At the end of the year	31 Mar 2019	--	--	176500	0.46
7.	ARNOLD HOLDINGS LIMITED					
	At the beginning of the year	01 Apr 2018	2000	0.0053	--	--
	Purchase of Shares	25 May 2018	82972	--	84972	0.2232
	Purchase of Shares	01 Jun 2018	29003	--	113975	0.2993
	Purchase of Shares	22 Jun 2018	2000	--	115975	0.3046
	Purchase of Shares	30 Jun 2018	23408	--	139383	0.3661
	Purchase of Shares	06 Jul 2018	58500	--	197883	0.5197
	Purchase of Shares	13 Jul 2018	4117	--	202000	0.5305
	Purchase of Shares	20 Jul 2018	30000	--	232000	0.6093
	Sale of Shares	31 Aug 2018	-10000	--	222000	0.5831
	Purchase of Shares	07 Sep 2018	12899	--	234899	0.6169
	Purchase of Shares	14 Sep 2018	2101	--	237000	0.6225
	Purchase of Shares	12 Oct 2018	5000	--	242000	0.6356
	Purchase of Shares	02 Nov 2018	5500	--	247500	0.65
	Sale of Shares	23 Nov 2018	-10000	--	237500	0.6238
	Sale of Shares	30 Nov 2018	-11000	--	226500	0.5949
	Sale of Shares	07 Dec 2018	-1056	--	225444	0.5921
	Sale of Shares	14 Dec 2018	-49000	--	176444	0.4634

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

Sl. No.	For each of the top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
	Sale of Shares	11 Jan 2019	-2500	--	173944	0.4569
	Sale of Shares	18 Jan 2019	-11500	--	162444	0.4266
	Sale of Shares	25 Jan 2019	-10000	--	152444	0.4004
	Sale of Shares	01 Feb 2019	-6658	--	145786	0.3829
	Purchase of Shares	15 Feb 2019	7795	--	153581	0.4034
	Purchase of Shares	22 Feb 2019	9557	--	163138	0.4285
	Purchase of Shares	01 Mar 2019	5126	--	168264	0.4419
	Purchase of Shares	22 Mar 2019	2960	--	171224	0.4497
	At the end of the year	31 Mar 2019	--	--	171224	0.4497
8.	Renuka Jayan Nair					
	At the beginning of the year	01 Apr 2018	174967	0.46	--	--
	Purchase of Shares	27 Apr 2018	200	--	175167	0.4601
	Purchase of Shares	01 Jun 2018	775	--	175942	0.4621
	Purchase of Shares	15 Jun 2018	500	--	176442	0.4634
	Purchase of Shares	22 Jun 2018	1000	--	177442	0.466
	Purchase of Shares	06 Jul 2018	500	--	177942	0.4674
	Purchase of Shares	03 Aug 2018	10000	--	187942	0.4936
	Sale of Shares	10 Aug 2018	-9200	--	178742	0.4695
	Purchase of Shares	17 Aug 2018	8249	--	186991	0.4911
	Sale of Shares	24 Aug 2018	-9172	--	177819	0.467
	Sale of Shares	29 Sep 2018	-592	--	177227	0.4655
	Sale of Shares	05 Oct 2018	-2000	--	175227	0.4602
	Sale of Shares	12 Oct 2018	-350	--	174877	0.4593
	Purchase of Shares	19 Oct 2018	200	--	175077	0.4598
	Purchase of Shares	09 Nov 2018	100	--	175177	0.4601
	Sale of Shares	16 Nov 2018	-2539	--	172638	0.4534
	Sale of Shares	23 Nov 2018	-6838	--	165800	0.4355
	Sale of Shares	31 Dec 2018	-50	--	165750	0.4353
	Sale of Shares	04 Jan 2019	-11742	--	154008	0.4045
	Purchase of Shares	01 Feb 2019	2001	--	156009	0.4097
	Purchase of Shares	08 Feb 2019	15000	--	171009	0.4491
	Sale of Shares	15 Feb 2019	-4783	--	166226	0.4366
	Purchase of Shares	22 Feb 2019	7000	--	173226	0.455
	Sale of Shares	01 Mar 2019	-7149	--	166077	0.4362
	Purchase of Shares	08 Mar 2019	5496	--	171573	0.4506
	Sale of Shares	15 Mar 2019	-6196	--	165377	0.4344
	Sale of Shares	22 Mar 2019	-7000	--	158377	0.416
	At the end of the year	31 Mar 2019	--	--	158377	0.416
9.	Pradeep Ghisulal Rathod					
	At the beginning of the year	01 Apr 2018	150000	0.394	--	--
	At the end of the year	31 Mar 2019	--	--	150000	0.394
10.	SURYATEJ ADVISORS LLP					
	At the beginning of the year	01 Apr 2018	145000	0.3808	--	--
	At the end of the year	31 Mar 2019			145000	0.3808

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors / KMP	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
1.	Dr. Rabi Narayan Bastia				--	--
	At the beginning of the year	01-04-2018	17500	0.07		
	Purchase of Shares	18-05-2018	36000	0.09	53500	0.14
	Purchase of Shares	25-05-2018	10000	0.03	63500	0.16
	Purchase of Shares	01-06-2018	4000	0.01	67500	0.18
	At the end of the year	31-03-2019	--	--	67500	0.18
2.	Mr. Sumit Maheshwari					
	On appointment	01-08-2018	30100	0.08		
	At the end of the year	31-03-2019	--	--	30100	0.08

\* None of the Directors, other than Dr. Rabi Narayan Bastia, holds any shares in the Company. None of the Key Managerial Personnel other than Mr. Sumit Maheshwari holds any shares in the Company.

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

	Secured Loans Excluding Deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2018)</b>			
i) Principal Amount	17,06,00,000	0	17,06,00,000
ii) Interest Due but not Paid	0	0	0
iii) Interest Accrued but not due	3,24,315	0	3,24,315
<b>Total i + ii + iii</b>	<b>17,09,24,315</b>	<b>0</b>	<b>17,09,24,315</b>
Change in indebtedness during the financial year			
i) Addition	6,944,566	620,503,185	627,447,751
ii) Reduction	122,224,655	560,100,000	682,324,655
<b>Total change in indebtedness during the financial year 2018-19</b>	<b>(115,280,089)</b>	<b>60,403,185</b>	<b>(54,876,904)</b>
<b>Indebtedness at the end of the financial year (31.03.2019)</b>			
i) Principal Amount	55,644,226	44,000,000	99,644,226
ii) Interest Due but Not Paid	-	-	-
iii) Interest Accrued but not due	-	16,403,185	16,403,185
<b>Total i + ii + iii</b>	<b>55,644,226</b>	<b>60,403,185</b>	<b>116,047,411</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sl. No.	Name of Directors / KMP	Mr. Rohit Agarwal, Whole-time Director (up to July 31, 2018)	Mr. Ashutosh Kumar, Whole-time Director & CEO (w.e.f. August 1, 2018)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,12,657	1,30,54,405
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
5	Others, please specify (Performance Linked Bonus)	-	-
	<b>Total (A)</b>	<b>21,12,657</b>	<b>1,30,54,405</b>
	<b>Ceiling as per the Act</b>	As per Schedule V of the Act and the approval of the shareholders.	As per Schedule V of the Act and the approval of the shareholders.

# ANNEXURE E TO THE BOARD'S REPORT (CONTD.)

## B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
<b>1.</b>	<b>Independent Directors</b>				
	Mr. N.C. Sharma	2,40,000	--	--	2,40,000
	Ms. Anusha Mehta	1,40,000	--	--	1,40,000
	Mr. Kadayam Ramanathan Bharat	1,90,000	--	--	1,90,000
	<b>Total (1)</b>	<b>5,70,000</b>			<b>5,70,000</b>
<b>2.</b>	<b>Other Non- Executive Directors</b>				
	Dr. Rabi Narayan Bastia	1,00,000	--	--	1,00,000
	Mr. Gaurav Gupta	50,000	--	--	50,000
	<b>Total (2)</b>	<b>1,50,000</b>			<b>1,50,000</b>
	<b>Total (B)=(1+2)</b>	<b>7,20,000</b>			<b>7,20,000</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>1,58,87,062</b>	--	--	<b>1,58,87,062</b>
	Overall Ceiling as per the Act	As per Schedule V of the Act.			

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Sumit Maheshwari, CFO (w.e.f. August 1, 2018)	Ms. Shweta Jain Company Secretary (up to June 20, 2018)	Ms. Archana Nadgouda, Company Secretary (w.e.f. August 1, 2018)	
1.	Gross Salary				
a.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,57,280	1,84,473	10,44,516	55,86,269
b.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
c.	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit	--	--	--	--
5.	Others, Performance linked Bonus	--	--	--	--
	<b>Total</b>	<b>43,57,280</b>	<b>1,84,473</b>	<b>10,44,516</b>	<b>55,86,269</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2019.

On behalf of the Board of Directors of Asian Oilfield Services Limited

Nayan Mani Borah

Chairman

DIN 00489006

Place: Mumbai

Date: August 7, 2019

# REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), the report containing the details of Corporate Governance systems and processes at Asian Oilfield Services Limited is as under:

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

The Company's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all facets of its operations leading to sharply focused and operationally efficient growth.

The Company emphasises the need for highest level of transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis.

The Management promotes honest and ethical conduct of the business along with complying with applicable laws, rules and regulations.

## 2. BOARD OF DIRECTORS

i. As on March 31, 2019, the Board comprised of seven directors consisting of a non-executive independent chairman, one whole-time director, two non-executive non-independent directors and three independent directors including one women director. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR)

Regulations, 2015 read with Section 149 of the Companies Act, 2013 ("the Act").

- ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Act.
- iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

Name of Directors	Category of Directors	No. of Board Meeting		Attendance at the last AGM (18-09-2018)	No. of Directorship in other public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Naresh Chandra Sharma (Chairman) DIN 00054922*	Non-Executive Independent	5	5	Yes	---	3	2	3
Rohit Agarwal (Whole-time Director) DIN 01780752**	Non-Independent, Executive	1	0	N.A.	---	---	---	---
Rabi Narayan Bastia DIN 05233577	Non-Executive Professional	5	5	Yes	---	---	---	---
Anusha Mehta DIN 07648883	Non-Executive Independent	5	3	Yes	---	---	---	---
Gaurav Gupta DIN 01189690***	Non-Executive Professional	5	1	No	---	---	---	---
Ashutosh Kumar DIN 06918508	Whole-time Director & CEO	5	5	Yes	---	---	---	---

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of Directors	Category of Directors	No. of Board Meeting		Attendance at the last AGM (18-09-2018)	No. of Directorship in other public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Kadayam Ramanathan Bharat DIN00584367	Non-Executive Independent	5	4	No	--	2	---	---
Nayan Mani Borah DIN 00489006****	Non-Executive Independent	0	0	N.A.	--	---	---	---

\* Ceased to be Chairman and Director w.e.f. April 1, 2019

\*\* Ceased to be Whole-time Director w.e.f. August 1, 2018

\*\*\* Ceased to be Director w.e.f. May 1, 2019

\*\*\*\* Appointed as Director w.e.f. March 19, 2019

Other listed companies directorship held by the Directors:

Sl. No.	Name of the Director	Directorship in other listed companies	Category
1.	Mr. Naresh Chandra Sharma	a) Mukand Limited	Independent Director
		b) PSL Limited	Independent Director

None of the Directors are related to any other Directors or Key Managerial Personnel on the Board.

- v. Five board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held:

May 30, 2018, August 1, 2018, August 14, 2018, November 2, 2018 and February 6, 2019.

The necessary quorum was present for all the meetings.

- vi. Skills/ expertise/ competencies of the Board:

The list of core skills/expertise/competencies identified by the Board of Directors required in the context of the Company's business:

- Knowledge on Company's businesses (oil and gas business services), policies and culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Corporate Governance, Administration, Decision Making.
- Financial and Management skills, knowledge of law, Insurance, Project management, human resource management, CSR etc.

- v) Technical / Professional skills and specialised knowledge in relation to Company's business.

- vii. Confirmation regarding Independent Directors:

Based on the annual declaration of independence received from the Independent Directors, all the Independent Directors full fill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

Mr. Naresh Chandra Sharma, Chairman and Independent Director has resigned from the Board of Directors before the end of his tenure due to his exceeding 75 years of age pursuant to applicability of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from April 1, 2019 regarding the appointment/continuation of Non-executive Director(s) above the age of 75 years.

- During the year 2018-19, information as mentioned in Schedule II Part A of the SEBI (LODR) Regulations, 2015 to the extent it is applicable and relevant, has been placed before the Board for its consideration.
- The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

(<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Terms-and-conditions-of-appointment-of-Independent-Directors.pdf>)

# REPORT ON CORPORATE GOVERNANCE

## (CONTD.)

- x. During the year, one meeting of the Independent Directors was held on February 6, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- xi. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
- xii. The Company has conducted familiarisation programmes for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors and updated from time to time. The Independent Directors are also regularly briefed on the nature of the Oilfield industry as a whole, nature and scope of the activities of the Company, competition prevailing therein and the Company's future forward looking plans with briefing on future prospect of the Company. The details of the familiarisation programs held during the year under review have been uploaded in the Investor Relations section on the website of the Company at [www.asianoilfield.com](http://www.asianoilfield.com).
- xiii. As on March 31, 2019 Dr. Rabi Narayan Bastia holds 67,500 (0.17%) equity shares of the Company. No other Director holds any shares in the Company.
- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - The Audit Committee may call for the comments of the auditors about internal

### 3. COMMITTEES OF THE BOARD

#### A. Audit Committee:

- i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015, read with Section 177 of the Act.
- ii. The terms of reference of the Audit Committee are broadly as under:
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    - a. Matters required to be included in the director's responsibility statement to be

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

- control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- The Audit Committee shall review the information required as per SEBI (LODR) Regulations, 2015.
- iii. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. In terms of the Insider Trading Code adopted by the Company, the Committee considers the following matters:
- To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
  - To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
  - To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
  - Ms. Shweta Jain was appointed as the Compliance Officer (up to June 20, 2018) and Ms. Archana Nadgouda has been appointed as Compliance Officer (w.e.f. August 1, 2018) by the Board to ensure compliance and effective implementation of the Insider Trading Code.
  - The previous Annual General Meeting (AGM) of the Company was held on September 18, 2018 and was attended by Mr. Naresh Chandra Sharma, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category of Director	Number of meetings during the year 2018-19	
		Held	Attended
Mr. Naresh Chandra Sharma*	Chairman, Non-Executive Independent	5	5
Ms. Anusha Mehta	Non-Executive Independent	5	3
Mr. Gaurav Gupta**	Non-Executive Non-Independent	5	1
Mr. Ashutosh Kumar***	Non-Executive Non-Independent	4	4
Mr. Kadayam Ramanathan Bharat	Non-Executive Independent	5	4

\* Ceased to be Director w.e.f. April 1, 2019

\*\* Ceased to be Director w.e.f. May 1, 2019

\*\*\* Ceased to be a Member of the Committee w.e.f. November 26, 2018

- vi. Five Audit Committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:  
May 30, 2018, August 1, 2018, August 14, 2018, November 2, 2018 and February 6, 2019.  
The necessary quorum was present for all the meetings.

## B. Nomination and Remuneration Committee

- i. The Company has re-constituted Nomination and Remuneration Committee in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015, read with Section 178 of the Act.
- ii. The broad terms of reference of the Nomination and Remuneration Committee are as under:
- Recommend to the board the set up and composition of the board and its committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
  - Recommend to the Board the appointment or reappointment of directors.
  - Devise a policy on board diversity.
  - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board".
  - Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - Recommend to the Board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
  - Oversee familiarisation programs for directors.
  - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
  - Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
  - Provide guidelines for remuneration of directors on material subsidiaries.
  - Recommend to the Board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
  - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- iii. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2018-19	
		Held	Attended
Mr. Kadayam Ramanathan Bharat	Chairman, Non-Executive Independent	2	1
Mr. Naresh Chandra Sharma*	Non-Executive Independent	2	2
Ms. Anusha Mehta	Non-Executive Independent	2	1
Mr. Gaurav Gupta**	Non-Executive Non - Independent	2	1

\* Ceased to be Director w.e.f. April 1, 2019. Mr. N. M. Borah has been appointed w.e.f. April 1, 2019.

\*\* Ceased to be Director w.e.f. May 1, 2019. Mr. Devesh Bhargava has been appointed w.e.f. May 24, 2019.

During the year, two meeting of the Nomination and Remuneration Committee were held on August 1, 2018 and February 6, 2019.

- iv. During financial year 2017-18 the Company has granted 1,74,302 Stock Options to 60 permanent employees of the Company, its subsidiaries and holding company under the "Asian Oilfield Services Limited Employee Stock Option Plan 2017". There was no change in the status of the grants during the financial year 2018-19 except in case of employees who have left the organisation or due to their cessation.
- v. Performance Evaluation Criteria for Independent Directors:
- The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

- vi. Nomination and Remuneration Policy:

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer focus and requires employee mobility to address project's requirement. The Nomination and Remuneration Policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the Oilfield industry. The Nomination and Remuneration Policy is placed on the Company's website [www.asianoilfield.com](http://www.asianoilfield.com).

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Whole-time Directors and Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company and are effective April 1 each year.

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

During the year 2018-19, the Company paid sitting fees of ₹ 20,000 per meeting to its non-executive directors for attending meetings of the Board and Audit Committee and ₹ 10,000 per meetings of rest of the statutory committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

## vii. Details of sitting fees for the year ended March 31, 2019:

### a. Non-Executive Directors:

Names of Non-Executive Directors	Sitting Fees paid (₹)
Mr. Naresh Chandra Sharma	240,000
Mr. Rabi Narayan Bastia	100,000
Ms. Anusha Mehta	140,000
Mr. Gaurav Gupta	50,000
Mr. Kadayam Ramanathan Bharat	190,000
Mr. Nayan Mani Borah (No meeting was held after his appointment)	Nil

During the financial year under report, the Non-Executive Directors had no pecuniary relationship or transactions with the Company.

### b. Whole-time Director:

Name of director and period of appointment	Salary (₹ in Lacs)	Benefits perquisites and allowances (Rs)	Stock Options
Mr. Rohit Agarwal Whole time Director (up to July 31, 2018)	21.13	Nil	Nil
Mr. Ashutosh Kumar Whole-time Director & CEO (appointed as WTD w.e.f. August 1, 2018 for a period of 3 years)	130.54	Nil	Nil

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Services of the Whole-time Director may be terminated by either party, giving the other party 30 days' notice or the Company paying 30 days salary in lieu thereof. There is no separate provision for payment of severance fees.

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with section 178 of the Act.
- ii. The broad terms of reference of the Stakeholders' Relationship Committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of shares, non-receipt of notice / annual reports / dividend etc. and all other shareholders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
  - Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of services to the investors.
- iii. Two meetings of the Stakeholders' Relationship Committee were held during the year on May 30, 2018 and November 15, 2018.

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

- iv. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2018-19	
		Held	Attended
Mr. Naresh Chandra Sharma*	Chairman, Non-Executive Independent	2	2
Ms. Anusha Mehta	Non-Executive Independent	2	1
Mr. Gaurav Gupta**	Non-Executive Non-Independent	2	0
Mr. Rohit Agarwal (up to July 31, 2018)***	Whole-time Director	1	0
Mr. Kadayam Ramanathan Bharat	Non-Executive Independent	2	2
Mr. Ashutosh Kumar****	Whole-time Director & CEO	1	1

\* Ceased to be Director w.e.f. April 1, 2019. Mr. N. M. Borah has been appointed w.e.f. April 1, 2019.

\*\* Ceased to be Director w.e.f. May 1, 2019.

\*\*\* Resigned as Whole-time Director w.e.f. July 31, 2018.

\*\*\*\* Appointed as a Member w.e.f. August 1, 2018

- v. Name, designation and address of Compliance Officer:

Ms. Archana Nadgouda

Company Secretary

3B, 3rd Floor, Omkar Esquare, Chunabhatti Signal,

Eastern Express Highway, Sion (East),

Mumbai – 400022 Maharashtra, India

Tel. No.: +91-22-42441138 Fax No.: +91-22-4244-1120

Email: secretarial@asianoilfield.com

- vi. Details of investor complaints received and redressed during the year 2018-19 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	02	02	Nil

No request for transfer or dematerialisation of shares were pending as on March 31, 2019

## D. Other Committees

- i. Corporate Social Responsibility (CSR) Committee

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act. During the financial year 2018-19 the CSR Committee comprised of Mr. Naresh Chandra Sharma (Non-Executive Independent) Chairman, Mr. Rabi Bastia (Non-Executive Non-Independent) and Mr. Gaurav Gupta (Non-Executive Non-Independent). Mr. Naresh Chandra Sharma ceased to be Director w.e.f. April 1, 2019 and Mr. Gaurav Gupta ceased to be Director w.e.f. May 1, 2019. Currently the CSR Committee comprises of Mr. N. M. Borah (Chairman), Dr. Rabi Bastia and Mr. Mukesh Jain (Non-Executive Non-Independent).

The broad terms of reference of CSR committee are as follows:

- Formulate and recommend to the board, a Corporate Social Responsibility (CSR) policy;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR policy of the Company from time to time;

No meeting of the CSR Committee was held during the financial year 2018-19.

The CSR policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

- ii. Allotment Committee:

The Board has delegated powers to allot the shares of the Company to the Allotment Committee of Directors. During the financial year the Allotment Committee comprised of Mr. Rabi Narayan Bastia, Chairman, Mr. Rohit Agarwal and Mr. Ashutosh Kumar, Members. Due to resignation of Mr. Rohit Agarwal, Mr. Gaurav Gupta was appointed on the Allotment Committee w.e.f. August 1, 2018. Further after the end of the financial year, due to resignation of Mr. Gaurav Gupta, Mr. Mukesh Jain has been appointed on the Committee w.e.f. May 29, 2019.

No meeting of the Allotment Committee was held during the financial year 2018-19.

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

### iii. Borrowing Committee:

During the financial year, the Board of Directors at their meeting held on November 2, 2018 have formed a Borrowing Committee for the purposes of smooth functioning of the day to day business operations in relation to borrowings and banking operations of the Company up to an aggregate amount of ₹ 200 Crores. During the financial year the Borrowing Committee comprised of Dr. Rabi Bastia, Mr. Gaurav Gupta and Mr. Ashutosh Kumar as Members.

Mr. Gaurav Gupta ceased to be Director w.e.f. May 1, 2019. Currently the Borrowing Committee comprises of Dr. Rabi Bastia, Mr. Ashutosh Kumar and Mr. Mukesh Jain. Three meetings of the Borrowing Committee were held during the year on December 13, 2018, February 7, 2019 and March 27, 2019.

### iv. ESOP Compensation Committee:

The Board has constituted an ESOP Compensation Committee for granting employees stock options to reward and enable the employees to participate in the future growth of the Company. During the financial year the ESOP Compensation Committee comprised of Mr. Naresh Chandra Sharma, Dr. Rabi Narayan Bastia and Ms. Anusha Mehta as members.

Mr. Naresh Chandra Sharma ceased to be Director w.e.f. April 1, 2019. Currently the ESOP Compensation Committee comprises of Ms. Anusha Mehta as Chairman, Dr. Rabi Narayan Bastia and Mr. Nayan Mani Borah.

No meeting of the ESOP Compensation Committee was held during the financial year 2018-19.

## 4. GENERAL BODY MEETINGS

### a) Particulars of AGM / EGM for the last three years:

The details of the last three Annual General Meetings and Extra Ordinary General Meetings are as follows:

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions passed
31-03-2018	Tuesday, 18-09-2018 at 2.00 p.m.	Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurgaon -122018, Haryana.	<ol style="list-style-type: none"> <li>1) To appoint Mr. Ashutosh Kumar (DIN 06918508) as a Whole-time Director and Chief Executive Officer of the Company</li> <li>2) To modify the terms of issue of Employees Stock Option Plan, 2017 to the employees of the Company and its holding and subsidiary companies</li> <li>3) Approval of contract/ arrangement for material related party transactions with related party</li> </ol>
31-03-2017	Friday, 08-09-2017 at 11.00 a.m.	Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurgaon -122018, Haryana.	<ol style="list-style-type: none"> <li>1) To appoint Mr. Ashutosh Kumar as Chief Executive Officer and Director of the Company.</li> <li>2) To consider revision in the payment of remuneration to Mr. Rohit Agarwal (DIN 01780752) as a Whole time Director of the Company.</li> <li>3) To consider enhancement of the Borrowing powers of Board from ₹ 300 Crores to ₹ 800 Crores.</li> <li>4) To consider creation of security on the properties of the Company, both present and future, in favour of lenders.</li> <li>5) To make any loans or investments and to give any guarantee(s) or to provide security(ies).</li> <li>6) To consider Shifting of Registered Office of the Company from Gurugram, the State of Haryana to Mumbai, the State of Maharashtra.</li> </ol>
	Friday, 21-03-2017 at 4.00 p.m. (*)	Boundry Hall, 1st Floor, Mumbai Cricket Association (MCA) Recreation Centre, RG-2, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.	<ol style="list-style-type: none"> <li>1) Allotment of Equity Shares to a Non-Resident Investor on Preferential Basis.</li> <li>2) Approval of Asian Oilfield Services Limited Employee Stock Option Plan 2017 and Grant Of Employee Stock Options to the employees of the Company thereunder.</li> <li>3) Grant of Employee Stock Options to the Employees of the Holding &amp; Subsidiary Company (ies) of the Company under Asian Oilfield Services Limited Employee Stock Option Plan 2017.</li> <li>4) Implementation of AOSL ESOP 2017 through ESOP Trust.</li> </ol>

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions passed
			5) Authorisation to ESOP Trust to subscribe to shares via primary issue or for purchasing shares through secondary acquisition. 6) Provision of money by the company for purchase of its own shares by the trust / trustees for the benefit of employees under Asian Oilfield Services Limited Employee Stock Option Plan 2017.
	Friday, 23-12-2016 at 4.00 p.m. (*)	The Acres Club, Emerald Hall, 411-B, HemuKalaniMarg, Chembur, Mumbai - 400071, Maharashtra.	1) Allotment of Warrants, Convertible into Equity Shares to the Promoters of the Company and a Non-resident Investor (Allottees) on Preferential basis.
31-03-2016	Wednesday, 28-09-2016 at 11.00 a.m.	Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurgaon -122018, Haryana.	1) Appointment of Mr. Rohit Agarwal as the Whole time Director of the Company. 2) Re-classification of Promoters of the Company.

(\*) Extra Ordinary General Meeting

All the resolutions including special resolutions set out in the respective notices calling the AGM / EGM were passed by the shareholders with requisite majority.

## b. Postal Ballot:

No special resolution was passed by the Company last year through Postal Ballot as prescribed under Section 110 of the Act. No special resolution is proposed to be conducted through Postal Ballot as on the date of this report. However approval of the members by way of special resolutions, are being sought through remote e-voting process on the proposals to revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508), to approve Asian Oilfield Services Limited Employees Stock Option Plan 2019 and grant of Employees Stock Options to the employees of the Company, holding and subsidiary(ies) company(ies) thereunder, to implement AOSL ESOP 2019 through ESOP Trust, to authorize ESOP Trust for primary issue or secondary acquisition and to provide for money by the Company for purchase of its own shares by the Trust/ Trustee for the benefit of employees under the AOSL ESOP 2019.

## 5. DISCLOSURES

### i. Related Party transactions :

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link: (<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Related-Party-Transaction-Policy.pdf>).

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

### ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years 2016-17, 2017-18 and 2018-19 respectively:

During the year 2016-17, BSE Limited has imposed penalty of ₹ 80,500/- for late submission of Audited Financial Results for the quarter and year ended March 31, 2016 which were paid by the Company on May 28, 2016.

During the year 2018-19, BSE Limited had imposed a fine of ₹ 217,120/- on the Company for non-compliance in relation to the constitution of the Audit Committee. However on representation by the Company to the stock exchange, the stock exchange has withdrawn the fine imposed vide its letter dated February 20, 2019.

### iii. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link ([https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Whistleblower\\_policy\\_w\\_e\\_f\\_1stApril2019.pdf](https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Whistleblower_policy_w_e_f_1stApril2019.pdf))

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

- iv. The Company is in compliance with all mandatory requirements under the SEBI (LODR) Regulations, 2015.
- v. The Company has also adopted Policy for determining 'material' subsidiaries for Disclosures (<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/poolicy-on-material-subsiary-1st-april-2019.pdf>) and Policy for Preservation of Documents (<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Polciy-for-preservation-of-documents.pdf>)
- vi. The Company has adequate risk assessment and minimisation system in place. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/000000141 dated November 15, 2018.
- vii. Reconciliation of Share Capital Audit:  
A qualified Practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- viii. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable
- ix. 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 Board/ Ministry of Corporate Affairs or any such statutory authority.  
The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- x. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable
- xi. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.  
Details relating to fees paid to the Statutory Auditors are given in Note 27 to the Standalone Financial Statements and Note 28 to the Consolidated Financial Statements.
- xii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.  
The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.
- xiii. There are no shares in demat suspense account/ unclaimed suspense account. Therefore the disclosures with respect to demat suspense account/ unclaimed suspense account is not applicable.
- xiv. Details of adoption of non-mandatory (discretionary) requirements  
The status of compliance with the non-mandatory requirements of the SEBI (LODR) Regulations, 2015 is provided below:  
Reporting of Internal Auditor - In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## The disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/ No/N.A.)
1	Board of Directors	17(1)	Board composition	Yes
		17(2)	Meeting of Board of directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/compensation	N.A.
		17(7)	Minimum Information	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
2	Audit Committee	18(1)	Composition of Audit Committee	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	No, however he had authorised Mr. Naresh Chandra Sharma, member of the NRC to attend the AGM.
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) &(3)	Composition of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) &(8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	No
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	N.A.
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarisation programmes imparted to Independent Directors	Yes

## 6. SUBSIDIARY COMPANIES:

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company has one material non-listed subsidiary company i.e. Asian Oilfield & Energy Services DMCC. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following Link (<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/poolicy-on-material-subsiidiary-1st-april-2019.pdf>)

## 7. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results of the Company are normally published in Financial Express, national daily newspaper in English and Loksatta, regional daily newspaper in Marathi. The financial results are also displayed on the Company's website viz. [www.asianoilfield.com](http://www.asianoilfield.com) and posted on the BSE Corporate Compliance & Listing Centre (the Listing Centre). Official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's website.

## 8. GENERAL SHAREHOLDER INFORMATION

- i. Annual General Meeting date, time and venue:  
Wednesday, September 18, 2019 at 2.00 p.m. at Boundary Hall, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Maharashtra India.  
As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 18, 2019.
- ii. Financial Calendar : April to March
- iii. Date of book closure : Thursday, September 12, 2019 to Wednesday September 18, 2019 (both days inclusive)
- iv. Dividend payment date : Not applicable
- v. Listing on Stock Exchange : BSE Limited  
25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
- vi. Stock Code on BSE Ltd. : 530355  
The Company has paid the listing fees for the year 2018-19.

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

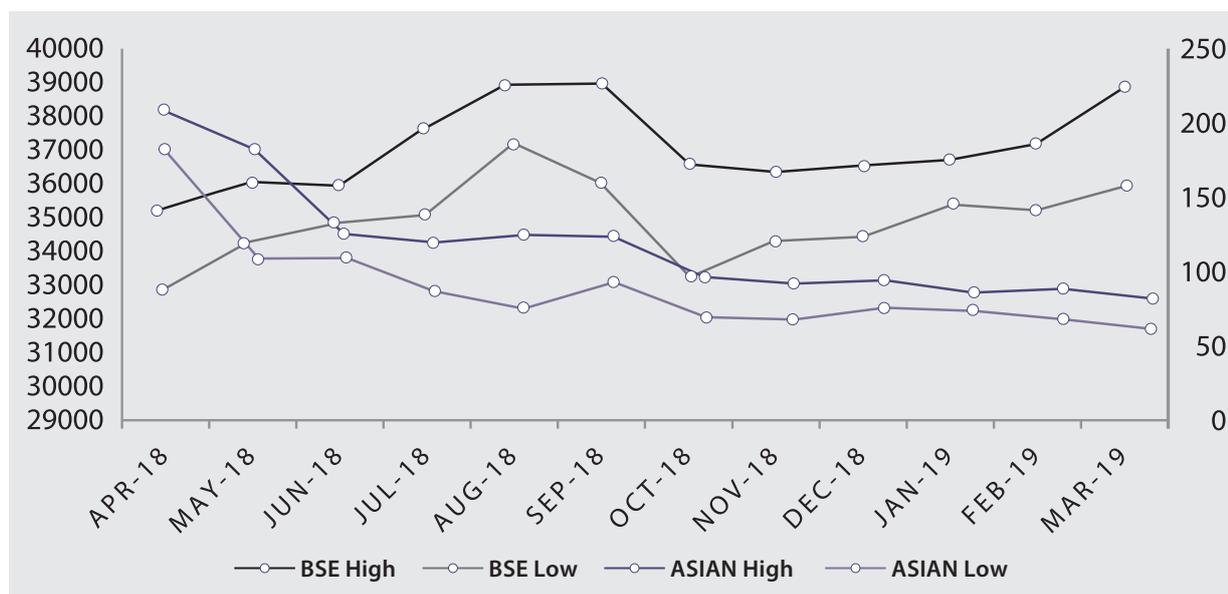
- vii. ISIN Code in NSDL and CDSL for Equity Shares: INE276G01015  
viii. Corporate identity number (CIN) of the Company: L23200MH1992PLC318353

## 9. MARKET PRICE DATA:

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2018-19 on BSE:

Months	High Price (₹)	Low Price (₹)	Total No. of Shares traded
April 2018	209.25	181	574460
May 2018	183.9	110	2082028
June 2018	126	109	618561
July 2018	119	88	479267
August 2018	125	75.25	1125729
September 2018	123.7	91.2	260999
October 2018	97.2	69.95	185254
November 2018	91.7	69	145276
December 2018	94	75.55	266486
January 2019	86.9	74.1	244417
February 2019	88.8	68.85	338669
March 2019	82.4	61.1	849181

## 10. PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX:



## 11. REGISTRAR AND SHARE TRANSFER AGENT:

Link Intime India Private Ltd.  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083, Maharashtra, India  
Phone No. 022 - 4918 6000 Fax No. : 022 - 4918 6060  
E-mail: mumbai@linkintime.co.in Website: www.linkintime.co.in

## 12. SHARE TRANSFER SYSTEM:

As on June 30, 2019, 98.17% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. The shares of the Company can be held in physical form however as per SEBI Notification dated June 8, 2018, with effect from April 1, 2019 the shares can be transferred in demat form only.

# REPORT ON CORPORATE GOVERNANCE (CONTD.)

## 13. SHAREHOLDING AS ON MARCH 31, 2019:

### a. Distribution of equity shareholding as on March 31, 2019:

No. of Shares	No. of Share holders	Percentage to shareholders	Total No. of Shares	Percentage to Capital
Up to – 500	7794	82.3455	1412542	3.7099
501 - 1000	833	8.8008	671086	1.7626
1001 – 2000	343	3.6239	526617	1.3831
2001 – 3000	141	1.4897	364556	0.9575
3001 – 4000	59	0.6233	214841	0.5643
4001 - 5000	66	0.6973	311692	0.8186
5001 - 10000	100	1.0565	754702	1.9822
10001 and above	129	1.3629	33818408	88.8218
<b>Total</b>	<b>9465</b>	<b>100.0000</b>	<b>38074444</b>	<b>100.0000</b>

### b. Categories of equity shareholders as on March 31, 2019:

Category	No. of Shares	% of Total Capital
<b>A. Promoters Holding</b>		
a. Indian Promoters (PAC)	2,26,97,600	59.61
b. Foreign Promoter	--	--
<b>B. Non Promoters Holding</b>		
a. Mutual Funds	--	--
b. Foreign Portfolio Investors	66,613	0.17
c. Bodies Corporate	19,70,932	5.18
d. Indian Public	62,76,212	16.48
e. Clearing Members	234856	0.62
f. Non Residents Indians	63,72,798	16.74
g. Director or Director's Relative	67,500	0.18
h. HUF	3,87,933	1.02
<b>Total</b>	<b>3,80,74,444</b>	<b>100.00</b>

### c. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Percentage of shares held in physical and dematerialised form as on March 31, 2019:

Sl. No.	Electronic / Physical	Mode of Holding %
1.	NSDL	14.98
2.	CDSL	83.29
3.	Physical	1.73
<b>Total</b>		<b>100.00</b>

### d. The Company has not issued any GDRs / ADRs or any convertible instrument.

### e. **Plant locations: The Company has no plant.**

### f. Address for Correspondence

Link Intime India Private Ltd.	Secretarial Dept.
Unit : Asian Oilfield Services Limited	Asian Oilfield Services Limited.
C 101, 247 Park, L.B.S. Marg,	3B, 3rd Floor, Omkar Esquare,
Vikhroli (West), Mumbai – 400083 Maharashtra, India	Chunabhatti Signal, Eastern Express Highway, Sion (East),
Phone No. 022 - 4918 6000 Fax No. 022 - 4918 6060	Mumbai – 400022 Maharashtra, India
E-mail: mumbai@linkintime.co.in	Phone No. +91-22-4244-1100 Fax No. +91-22-4244-1120
	Email: secretarial@asianoilfield.com

### g. There are no credit ratings/ revision in credit ratings obtained by the Company during the financial year 2018-19.

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

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This is to confirm that the Company has adopted a Code of Conduct for its employees including the Whole-time Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Mumbai  
Date: August 7, 2019

**Ashutosh Kumar**  
*Whole-time Director & CEO*  
DIN 06918508

## 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  
Asian Oilfield Services Limited  
3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal, Eastern Express Highway, Sion (East), Mumbai 400022

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ASIAN OILFIELD SERVICES LIMITED having CIN L23200MH1992PLC318353 and having registered office at 3B, 3rd Floor, Omkar Esquare, Chunabhatti Signal, Eastern Express Highway, Sion (East), Mumbai 400022 (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, 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/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 March 31, 2019 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 other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ashutosh Kumar	06918508	01/03/2017
2.	Ms. Anusha Mehta	07648883	03/11/2016
3.	Mr. Naresh Chandra Sharma	00054922	01/11/2010
4.	Mr. Kadayam Ramanathan Bharat	00584367	16/01/2018
5.	Mr. Gaurav Gupta	01189690	22/02/2017
6.	Mr. Nayan Mani Borah	00489006	19/03/2019
7.	Mr. Rabi Narayan Bastia	05233577	04/03/2013

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 Hemanshu Kapadia & Associates  
Practicing Company Secretaries

**Hemanshu Kapadia**  
Proprietor

C.P. No.: 2285

Membership No.: F3477

Place: Mumbai  
Date: August 1, 2019

## CEO/CFO CERTIFICATION

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To,  
The Board of Directors of  
Asian Oilfield Services Limited  
(CIN: L23200MH1992PLC318353)

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief;
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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.
- B. No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) 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 Asian Oilfield Services Limited

**Ashutosh Kumar**  
Whole-time Director&CEO  
(DIN 06918508)

**Sumit Maheshwari**  
CFO

Place: Mumbai  
Date: May 29, 2019

## COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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To  
The Members of  
**ASIAN OILFIELD SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘Listing Regulations’] by ASIAN OILFIELD SERVICES LIMITED (“the Company”) for the financial year ended March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 under the Listing Regulations.

We further state that such compliance 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 **Hemanshu Kapadia & Associates**  
*Practicing Company Secretaries*

**Hemanshu Kapadia**  
*Proprietor*

C.P. No.: 2285

Membership No.: F3477

Place: Mumbai

Date: August 1, 2019

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Asian Oilfield Services Limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Qualified opinion

1. We have audited the accompanying standalone financial statements of Asian Oilfield Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. As stated in Note 41 to the standalone financial statements, the Company has non-current investments of INR 0.31 lakhs in, and loans including accrued interest (classified under non-current loans and other non-current financial assets, respectively) of INR 333.58 lakhs and INR 17.74 lakhs respectively, recoverable from a subsidiary company, AOSL Petroleum Pte. Limited (APPL) as at 31 March 2019. The net worth of the subsidiary company has been fully eroded and it has been incurring losses. The accumulated losses in the subsidiary company amounts to INR 1,443.39 lakhs as at 31 March 2019, and the auditor of the subsidiary company has determined that a material uncertainty exists, as at 31 March 2019, that may

cast significant doubt about the subsidiary company's ability to continue as a going concern. However, based on the factors described in the aforementioned note, management has considered these balances as fully recoverable, which is not in accordance with the requirements of Ind AS 36, Impairment of Assets, and Ind AS 109, Financial Instruments. In the absence of sufficient appropriate audit evidence to support management's assessment as above or any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to carrying values of the aforesaid balances, and the consequential impact, if any, on the standalone financial statements.

4. We conducted our audit in accordance with the Standards on Auditing 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 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matters

5. Key audit matters 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matter to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Revenue for the Company consists primarily of oilfield services recognised as per the accounting policy described in Note 1(d) to the accompanying standalone financial statements. Refer Note 21 and Note 42 for details of revenue recognised during the year.</p> <p>Ind AS 115, Revenue from Contracts with Customers, adopted by the Company with effect from 1 April 2018, requires management to make certain key judgments relating to identifying contracts with customers, performance obligations involved in contracts and revisions thereto, determining transaction price which involves variable consideration elements, allocation of the transaction price to such performance obligations and satisfaction of performance obligations. Basis the evaluation done by the management, the Company recognises revenue over a period of time as well as at a point in time, based on the different performance obligations identified from oilfield service contracts.</p> <p>Considering the significance of management judgement involved, as mentioned above, and the materiality of amounts involved, revenue recognition was identified as a key audit matter for the current year audit.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ol style="list-style-type: none"> <li>1) Understood the revenue and receivable business cycle, and assessed the appropriateness of the accounting policy adopted by the company for revenue recognition.</li> <li>2) Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice approval, determining the amount of variable consideration and recording of receipt.</li> <li>3) Tested operating effectiveness of the above identified key controls over revenue recognition during the year and as at year end.</li> <li>4) Assessed the appropriateness of the accounting policy for revenue recognition from oilfield services in accordance with Ind AS 115, 'Revenue from Contracts with Customers'.</li> <li>5) Selected a sample of continuing and new contracts entered with customers and performed following procedures: <ul style="list-style-type: none"> <li>• Analysed the contracts and identified distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with those identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration.</li> <li>• Tested sample of revenue disaggregated by service offerings with reference to the performance obligations specified in the underlying contracts.</li> </ul> </li> <li>6) Performed test of details on a sample of revenue transactions recorded during the year, including specific periods before and after the year-end. For the samples selected, inspected supporting documents, including contracts and related amendments thereto for revisions to performance obligations or price terms, daily progress reports, and invoices.</li> <li>7) Evaluated the appropriateness of the disclosures made in the financial statements for revenue recorded during the year.</li> </ol>

## Information other than the Financial Statements and Auditor's Report thereon

7. 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 financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# INDEPENDENT AUDITOR'S REPORT (CONTD.)

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is 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.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the 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 on Auditing 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 financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
  14. 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

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

16. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
- we have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - except for the possible effects of the matter described in the Basis for Qualified Opinion section, 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;
  - the standalone financial statements dealt with by this report are in agreement with the books of account;
  - except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - the matter described in paragraph 3 under the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
- on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
  - we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 May 2019 as per Annexure II expressed a qualified opinion; and
  - 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:
    - the Company, as detailed in note 30 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
    - except for the possible effects of the matter described in the Basis for Qualified Opinion section, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
    - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
    - the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

# ANNEXURE I

## Annexure I to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner 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. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to four companies, covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) in relation to a company, the schedule of repayment of principal and payment of interest has been stipulated wherein the principal amounts and interest are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amounts and interest are regular;

in relation to a company, the schedule of repayment of principal and payment of interest has been stipulated and repayments the principal amount (one case) and the receipt of interest (one case) are not regular; and

in relation to two companies, the schedule of repayment of principal and payment of interest has

been stipulated and the principal amount is not due for repayment currently however, the receipts of interest (two cases) are not regular.

(c) in relation to a company, there is no overdue amount in respect of loans granted;

in relation to a company, there is no amount which is overdue for more than 90 days in respect of loans granted;

in relation to two companies, the total amount which is overdue for more than 90 days in respect of loans granted is as follows -

Particulars	Amount (INR in lakhs)	No. of Cases
Principal	Nil	Nil
Interest	61.63	2
<b>Total</b>	<b>61.63</b>	<b>2</b>

there is no amount which is overdue for more than 90 days in respect of the principal amount of the loan granted. In our opinion, reasonable steps have not been taken by the Company for the recovery of the interest amounting to INR 61.63 lakhs, which is overdue for more than 90 days.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

## Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (INR)	Period to which the amount relates	Due Date	Date of Payment
Punjab Labour Fund Act, 1965	Labour welfare fund	4,192	April 2015 to March 2016	Various dates	Not yet paid
Punjab Labour Fund Act, 1965	Labour welfare fund	420	April 2018 to June 2018	15 July 2018	Not yet paid

- (b) There are no dues in respect of sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of any dispute, are as follows:

## Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (INR in lakhs)	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	64.43	-	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)
		28.39	-	Assessment Year 2010-11	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

# ANNEXURE II

## Annexure II to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the standalone financial statements for the year ended 31 March 2019

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Asian Oilfield Services Limited ("the Company") as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 ("the 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 the Company's 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2019:

The Company did not have sufficient appropriate evidence to support supervisory and review controls over process of determining (a) carrying value of the Company's non-current investments in one of its subsidiaries; and (b) recoverability of non-current loans and other non-current financial assets due from such subsidiary. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in subsidiaries and dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Qualified opinion**

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2019, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Amount in INR lakhs except earnings per share)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Total Income	16,256.34	16,256.34
	2.	Total Expenditure (including exceptional items)	16,093.05	Not ascertainable [Refer II (e) (ii) below]
	3.	Net Profit/(Loss) After Tax	163.29	Not ascertainable [Refer II (e) (ii) below]
	4.	Earnings Per Share (in Rs.)	Basic 0.43 Diluted 0.43	Not ascertainable [Refer II (e) (ii) below]
	5.	Total Assets	18,432.57	Not ascertainable [Refer II (e) (ii) below]
	6.	Total Liabilities	4,755.43	4,755.43
	7.	Net Worth	13,677.14	Not ascertainable [Refer II (e) (ii) below]
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a.</b>	<b>Details of Audit Qualification:</b>		
		<p>i) Independent Auditor's report on Financial Results (Standalone):</p> <p>As stated in Note 4 to the standalone financial results, the Company has non-current investments of INR 0.31 lakhs in, and loans including accrued interest (classified under non-current loans and other non-current financial assets, respectively) of INR 333.58 lakhs and INR 17.74 lakhs respectively, recoverable from a subsidiary company, AOSL Petroleum Pte. Limited (APPL) as at 31 March 2019. The net worth of the subsidiary company has been fully eroded and it has been incurring losses. The accumulated losses in the subsidiary company amount to INR 1,443.39 lakhs (USD 2,086,698) as at 31 March 2019, and the auditor of the subsidiary company has determined that a material uncertainty exists, as at 31 March 2019, that may cast significant doubt about the subsidiary company's ability to continue as a going concern. However, based on the factors described in the aforementioned note, management has considered these balances as fully recoverable, which is not in accordance with the requirements of Ind AS 36, Impairment of Assets, and Ind AS 109, Financial Instruments. In the absence of sufficient appropriate audit evidence to support management's assessment as above or any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to carrying values of the aforesaid balances, and the consequential impact, if any, on the standalone financial results.</p> <p>ii) Auditor's Qualification on the Internal Financial Controls over Financial Reporting relating to matter stated in II(a)(i):</p> <p>According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2019:</p> <p>The Company did not have sufficient appropriate evidence to support supervisory and review controls over process of determining (a) carrying value of the Company's non-current investments in one of its subsidiaries; and (b) recoverability of non-current loans and other non-current financial assets due from such subsidiary. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in subsidiaries, dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.</p> <p>A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.</p>		

<b>b.</b>	<b>Type of Audit Qualification :</b> Qualified Opinion
<b>c.</b>	<b>Frequency of qualification:</b> Qualification II(a)(i) and II(a)(ii) have been included for the first time during the year ended 31 March 2019.
<b>d.</b>	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable
<b>e.</b>	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b> Not applicable
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The Company, as at 31 March 2019, has a non-current investment amounting INR 0.31 lakhs, non-current loans amounting INR 333.58 lakhs and other non-current financial assets amounting INR 17.74 lakhs in one of its subsidiaries 'AOSL Petroleum Pte. Limited' (APPL). APPL have accumulated losses amounting to INR 1,443.39 lakhs (USD 2,086,698) and its net-worth has been fully eroded, as at 31 March 2019. Based on the evaluation of the business prospects and plans formulated, management is confident of revival of operations of APPL. Thus, management is of the view that there is no impairment in the carrying value of the non-current investments, non-current loans, other non-current financial assets.
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b> Included in details of auditor's qualification stated above

**III. Signatories:**

- CEO and Whole time Director Mr. Ashutosh Kumar
- Audit Committee Chairman Mr. Nayan Mani Borah
- Chief Financial Officer Mr. Sumit Maheshwari
- Statutory Auditor **For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Place : Mumbai  
Date : 29 May 2019

**Rakesh R. Agarwal**  
Partner  
Membership No. 109632

# BALANCE SHEET

## AS AT MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,180.17	5,846.56
Intangible assets	4	102.45	129.29
Investments in subsidiaries and joint venture	5	653.04	652.04
Financial assets			
Loans	6	334.00	3.37
Other financial assets	7	17.74	868.34
Income tax assets (net)	8	1,389.94	544.60
Other non-current assets	9	0.33	7.58
		<b>7,677.66</b>	8,051.78
<b>Current assets</b>			
Inventories	10	69.39	187.68
Financial assets			
Trade receivables	11	4,184.46	5,023.99
Cash and cash equivalents	12	269.08	263.76
Bank balances other than above	13	2,222.24	1,634.75
Loans	6	1,733.03	4,180.42
Other financial assets	7	283.01	1,834.03
Other current assets	14	1,993.69	1,768.26
		<b>10,754.90</b>	14,892.89
		<b>18,432.57</b>	22,944.67
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,807.44	3,807.44
Other equity		9,869.70	9,639.01
		<b>13,677.14</b>	13,446.45
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	-	537.23
Provisions	17	3.83	2.97
		<b>3.83</b>	540.20
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16	440.00	449.34
Trade payables	18		
- total outstanding dues of micro and small enterprises		0.91	18.63
- total outstanding dues of creditors other than micro and small enterprises		2,613.70	4,883.23
Other financial liabilities	19	1,090.05	2,940.91
Other current liabilities	20	91.37	152.45
Provisions	17	515.57	513.46
		<b>4,751.60</b>	8,958.02
		<b>18,432.57</b>	22,944.67
<b>TOTAL EQUITY AND LIABILITIES</b>			

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Balance Sheet referred to in our audit report of even date

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors**
**Ashutosh Kumar**

Whole Time Director &amp; Chief Executive Officer

(DIN-06918508)

**Archana Nadgouda**

Company Secretary

(ACS-17140)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>INCOME :</b>			
Revenue from operations	21	15,682.44	9,566.28
Other income	22	573.90	661.48
<b>Total income</b>		<b>16,256.34</b>	<b>10,227.76</b>
<b>EXPENSES :</b>			
Oilfield services related expense	23	11,776.25	7,257.34
Employee benefits expense	24	1,641.05	1,676.98
Finance costs	25	544.66	573.72
Depreciation and amortisation expense	26	909.31	748.30
Other expenses	27	1,136.58	1,053.91
<b>Total expenses</b>		<b>16,007.85</b>	<b>11,310.25</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>248.49</b>	<b>(1,082.49)</b>
Exceptional items (loss)	28	(85.20)	(985.22)
<b>Profit/ (loss) before tax</b>		<b>163.29</b>	<b>(2,067.71)</b>
<b>Tax expense</b>	8		
Current Tax		-	-
Deferred Tax		-	-
<b>Profit/ (loss) for the year (A)</b>		<b>163.29</b>	<b>(2,067.71)</b>
<b>Other comprehensive income/ (loss)</b>			
<b>Items no to be re-classified subsequently to profit &amp; loss</b>			
Gain / (loss) on fair value of defined benefit plans		4.11	(3.16)
Income tax effect on above		-	-
<b>Other comprehensive income/ (loss) for the year, net of tax (B)</b>		<b>4.11</b>	<b>(3.16)</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>167.40</b>	<b>(2,070.87)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic	29	0.43	(7.32)
Diluted		0.43	(7.32)

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors****Ashutosh Kumar**

Whole Time Director &amp; Chief Executive Officer

(DIN-06918508)

**Archana Nadgouda**

Company Secretary

(ACS-17140)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		163.29		(2,067.71)
<b>Adjustments for non cash items and items considered separately</b>				
Depreciation and amortisation expense	909.31		748.30	
Interest expense	251.87		449.65	
Interest on income tax refund	-		(2.59)	
Provision for doubtful debts	-		22.17	
Sundry balances written off	13.28		14.47	
Liabilities/ provisions written back	(61.34)		(28.09)	
Profit on sale of property, plant and equipment (net)	(13.62)		-	
Expense disclosed as exceptional items	129.08		985.22	
Net gain on foreign currency transactions	(43.88)		-	
Unwinding of interest on security deposits	-		13.85	
Provision for doubtful advances	105.44		-	
Interest income	(423.50)		(616.64)	
Write down of inventories	19.40		1.52	
Provision for employee stock option expense	63.29	949.33	37.98	1,625.84
<b>Operating profit/(loss) before working capital changes</b>		<b>1,112.62</b>		<b>(441.86)</b>
<b>Adjustments for changes in working capital:</b>				
(Increase)/ Decrease in trade receivables	839.53		(2,525.14)	
(Increase)/ Decrease in other assets	1,937.52		(2,593.10)	
(Increase)/ Decrease in inventories	98.88		(31.81)	
Increase/ (Decrease) in other liabilities	(98.77)		1,535.65	
Increase/ (Decrease) in trade and other payables	(2,225.86)		4,127.74	
Increase/ (Decrease) in provisions	7.08		513.26	
		558.38		1,026.60
<b>Cash generated from operations</b>		<b>1,671.00</b>		<b>584.73</b>
Direct taxes paid (net of refunds received)		(845.34)		183.73
<b>Net cash generated from operating activities</b>		<b>825.66</b>		<b>768.46</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(1,998.00)		(3,366.81)	
Disposal of property plant and equipment	15.18		-	
Purchase of intangible assets	-		(16.24)	
Investment in subsidiary	(1.00)		-	
Investment in joint venture	-		(0.23)	
Maturity/ (increase) in fixed deposits (not considered as cash and cash equivalents)	(587.50)		982.43	
Interest received	483.60		448.87	
Interest on income tax refund	-		2.59	
Loans given to related parties	(118.91)		(631.50)	
Repayment of loans by related parties	2,173.69		967.95	
<b>Net cash (used in) investing activities</b>		<b>(32.94)</b>		<b>(1,612.94)</b>

# CASH FLOW STATEMENT (CONTD.)

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including securities premium)	-	3,600.00
Proceeds from conversion from warrants	-	1,200.00
Inter corporate deposit taken	6,040.00	3,455.00
Inter corporate deposit repaid	(5,600.00)	(7,155.00)
Proceeds from/ (repayments of) long-term borrowings (net)	(690.21)	1,246.65
Proceeds from/ (repayments of) short-term borrowings (net)	(449.34)	(1,100.03)
Interest paid	(87.84)	(783.11)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(787.39)</b>	463.51
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>5.32</b>	(380.97)
Cash and cash equivalents at the beginning of the year	263.76	644.73
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>269.08</b>	263.76

**Notes:-**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions to property, plant and equipment include movements of capital advances and capital creditors during the year.

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Cash Flow Statement referred to in our report of even date.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors****Ashutosh Kumar**Whole Time Director & Chief Executive Officer  
(DIN-06918508)**Archana Nadgouda**Company Secretary  
(ACS-17140)**Nayan Mani Borah**Chairman  
(DIN-00489006)**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2019

### A. EQUITY SHARE CAPITAL

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
<b>ASSETS</b>		
Equity shares as at 1 April 2017	260.74	2,607.44
Add: Warrants converted during the year	120.00	1,200.00
Equity shares as at March 31, 2018	380.74	3,807.44
Add : Movement during the year	-	-
Equity shares as at March 31, 2019	380.74	3,807.44

### B. OTHER EQUITY

(All amounts in Lacs, unless otherwise stated)

Particulars	Money received against share warrants	Reserves and surplus				Total other equity
		Capital reserve	Securities premium	Outstanding employee stock options	Retained earnings	
<b>As at April 1, 2017</b>	<b>4,800.00</b>	<b>445.78</b>	<b>10,394.45</b>	-	<b>(7,568.33)</b>	<b>8,071.91</b>
Loss for the year	-	-	-	-	(2,067.71)	(2,067.71)
Other comprehensive loss for the year	-	-	-	-	(3.16)	(3.16)
Recognition of share based expenses	-	-	-	37.98	-	37.98
Money received against share warrants [refer note 15(f)]	4,800.00	-	-	-	-	4,800.00
Conversion of warrants into equity shares [refer note 15(f)]	(9,600.00)	-	8,400.00	-	-	(1,200.00)
<b>As at March 31, 2018</b>	-	<b>445.78</b>	<b>18,794.45</b>	<b>37.98</b>	<b>(9,639.20)</b>	<b>9,639.01</b>
Profit for the year	-	-	-	-	163.29	163.29
Other comprehensive gain for the year	-	-	-	-	4.11	4.11
Recognition of share based expenses	-	-	-	63.29	-	63.29
<b>As at March 31, 2019</b>	-	<b>445.78</b>	<b>18,794.45</b>	<b>101.27</b>	<b>(9,471.80)</b>	<b>9,869.70</b>

#### Nature and purpose of reserves

- (i) Capital reserve  
The Company recognises profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.
- (ii) Securities premium  
Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) Outstanding employee stock options  
The Company has established equity settled share based payment plan for certain categories of employees of The Company. This reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration.
- (iv) Retained earnings  
Retained earnings represents the accumulated profits / losses made by The Company over the years as reduced by dividends or other distributions paid to the shareholders.
- (v) Money received against share warrants  
Money received against share warrants represents the amount received towards shares warrants issued by The Company as reduced by the warrants converted into equity shares.

# STATEMENT OF CHANGES IN EQUITY (CONTD.)

## FOR THE YEAR ENDED MARCH 31, 2019

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Notes 1 to 42 form an integral part of the standalone financial statements

This is the Statement of changes in equity referred to in our audit report of even date

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

**For and on behalf of the Board of Directors****Ashutosh Kumar**

*Whole Time Director & Chief Executive Officer*

(DIN-06918508)

**Archana Nadgouda**

*Company Secretary*

(ACS-17140)

Place: Mumbai

Date: 29 May 2019

**Nayan Mani Borah**

*Chairman*

(DIN-00489006)

**Sumit Maheshwari**

*Chief Financial Officer*

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

## CORPORATE INFORMATION

Asian Oilfield Services Limited (the “Company” or “AOSL”) is a Public Limited Company domiciled in India. The Company having CIN L23200HR1992PLC052501, is incorporated under the provisions of the Companies Act applicable in India and is listed on the Bombay Stock Exchange (BSE). **The Company is an oilfield service Company and reservoir imaging company, offering a suite of geophysical services specialising in land and well seismic services and operation and maintenance services for oilfields.** The registered office of the Company is located at Unit No. 3-B, 3rd floor, Omkar Esquare, Chunabhathi Signal, Eastern Express Highway, Sion (E), Mumbai – 400022.

## 1) SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and defined benefit obligations measured at fair value. The financial statements are presented in Indian Rupee, which is also the Company’s functional currency. The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The standalone financial statements for the year ended March 31, 2019 were approved by the Board of Directors on May 29, 2019.

### b) Operating cycle and current, non-current classification

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- 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.

### c) Foreign currency transactions and balances

#### Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

#### Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Treatment of Exchange Difference

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

### d) Revenue Recognition

Effective 1 April 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers”. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 ‘Revenue’ and Ind AS 11 ‘Construction Contracts’.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for variable considerations are estimated based on accumulated experience and underlying agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the input method. The Company determines the input method on the basis of direct measurements of the value of the services transferred to the customer till date relative to the remaining services promised under the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenues in excess of invoicing are classified as contract assets (which is also refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is also refer to as unearned income). On account of adoption of Ind AS 115, contract assets (unbilled revenues) as at March 31, 2019, has been considered as a non-financial asset.

Revenue from oilfield services is derived from providing operations & maintenance service on offshore platform and 2D / 3D seismic survey (including data capturing and installing vibrator points) and is recognised upon imparting of service.

Revenue from consultancy service is based on agreements/ arrangements with the customer(s) and is recognised as the service is performed.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the right to receive payment has been established,

provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Other income is recognised as and when due or received, whichever is earlier.

### e) Taxes

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### (i) Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### (ii) Deferred tax:

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### f) **Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### g) **Intangible assets**

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over their estimated useful life of 6 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### h) **Inventories**

Inventories of stores and consumables are stated at cost. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of weighted average method.

### i) **Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand and demand deposits with banks, short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### j) **Borrowing costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

### l) Employee stock option scheme

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

### m) Leases - Company as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum

lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. 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 recognised as an expense in the statement of profit and loss on accrual basis as escalation in lease arrangements are for expected inflationary cost.

### n) Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

#### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

### Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

### Financial assets measured at FVTPL

#### Debt instrument

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

### iii. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### iv. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### v. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### o) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**p) Contingencies**

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognised in the period in which the change occurs.

**q) Employee Benefits**

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

**Defined Contribution Plan**

The Company pays contribution to the provident fund and Employee state insurance corporation which is administered by respective Government authorities. The Company has no further payment obligations once the contributions have been paid. The Contributions are recognised as employee benefit expense in the statement of profit and loss to the year it pertains.

**Defined Benefit Plan**

Gratuity: The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Cost for past services is recognised on a straight line basis over the average period until the amended benefits become vested.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date

on Government bonds where the currency and the terms of Government bonds are consistent with the currency and estimated term of defined benefit obligation.

**r) Earnings Per Share**

Basic earnings 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 earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

**s) Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**t) Key accounting estimates and judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Critical estimates and judgements**

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

## Judgements

### (i) Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Company has also used appendix C of Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

### (ii) Deferred Income Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

## Estimates

### (i) Useful lives of various assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013.

### (ii) Current Income Taxes

The tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

### (iii) Expected Credit Loss

Refer note for Impairment of financial assets mentioned in financial instruments above.

### (iv) Accounting for Defined Benefit Plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

### (v) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

## 2) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

### Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company plans to apply Ind AS 116 initially on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at April 1, 2019, with no restatement of comparative information. Based on preliminary assessment carried out by Management, the effect on adoption of Ind AS 116 is not expected to have a significant impact on the Company's standalone financial statements.

In addition to the above, the following amendments to existing standards have been issued by MCA and are not yet effective:

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Based on preliminary assessment carried out by Management, the effect of above amendments is not expected to have a significant impact on the Company's standalone financial statements.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 3. PROPERTY, PLANT AND EQUIPMENT

(All amounts in Lacs, unless otherwise stated)

Particulars	Freehold Land	Building	Oilfield equipment	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Vessels	Total
<b>Gross carrying value (at deemed cost)</b>									
<b>As at 1 April 2017</b>	<b>7.95</b>	<b>11.49</b>	<b>3,566.98</b>	<b>4.87</b>	<b>11.92</b>	<b>60.93</b>	<b>59.47</b>	<b>2.19</b>	<b>3,725.80</b>
Additions	-	-	3,353.51	-	3.18	10.11	-	-	3,366.80
<b>As at March 31, 2018</b>	<b>7.95</b>	<b>11.49</b>	<b>6,920.49</b>	<b>4.87</b>	<b>15.10</b>	<b>71.04</b>	<b>59.47</b>	<b>2.19</b>	<b>7,092.60</b>
Additions	-	-	214.53	-	0.67	2.44	-	-	217.64
Disposals	-	-	(3.16)	(1.23)	(0.04)	-	(18.49)	-	(22.92)
<b>As at March 31, 2019</b>	<b>7.95</b>	<b>11.49</b>	<b>7,131.86</b>	<b>3.64</b>	<b>15.73</b>	<b>73.48</b>	<b>40.98</b>	<b>2.19</b>	<b>7,287.32</b>
<b>Accumulated depreciation</b>									
<b>As at 1 April 2017</b>	-	<b>0.30</b>	<b>487.40</b>	<b>1.15</b>	<b>3.40</b>	<b>8.99</b>	<b>20.82</b>	<b>0.26</b>	<b>522.32</b>
Additions	-	0.30	680.54	1.10	3.69	21.45	16.38	0.26	723.72
<b>As at March 31, 2018</b>	-	<b>0.60</b>	<b>1,167.94</b>	<b>2.25</b>	<b>7.09</b>	<b>30.44</b>	<b>37.20</b>	<b>0.52</b>	<b>1,246.04</b>
Additions	-	0.30	845.80	0.87	2.39	22.11	10.74	0.26	882.47
Deductions	-	-	(3.16)	(0.88)	(0.04)	-	(17.27)	-	(21.35)
<b>As at March 31, 2019</b>	-	<b>0.90</b>	<b>2,010.58</b>	<b>2.24</b>	<b>9.44</b>	<b>52.55</b>	<b>30.67</b>	<b>0.78</b>	<b>2,107.16</b>
<b>Net carrying value</b>									
<b>As at March 31, 2018</b>	<b>7.95</b>	<b>10.90</b>	<b>5,752.55</b>	<b>2.62</b>	<b>8.01</b>	<b>40.60</b>	<b>22.26</b>	<b>1.68</b>	<b>5,846.56</b>
<b>As at March 31, 2019</b>	<b>7.95</b>	<b>10.59</b>	<b>5,121.28</b>	<b>1.40</b>	<b>6.29</b>	<b>20.93</b>	<b>10.31</b>	<b>1.41</b>	<b>5,180.17</b>

### 4. INTANGIBLE ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	Computer Softwares	Total
<b>Gross carrying value (at deemed cost)</b>		
<b>As at 1 April 2017</b>	<b>141.35</b>	<b>141.35</b>
Additions	16.24	16.24
<b>As at March 31, 2018</b>	<b>157.59</b>	<b>157.59</b>
Additions	-	-
<b>As at March 31, 2019</b>	<b>157.59</b>	<b>157.59</b>
<b>Accumulated Amortisation</b>		
<b>As at 1 April 2017</b>	<b>3.72</b>	<b>3.72</b>
Amortisation	24.58	24.58
<b>As at March 31, 2018</b>	<b>28.30</b>	<b>28.30</b>
Amortisation	26.84	26.84
<b>As at March 31, 2019</b>	<b>55.14</b>	<b>55.14</b>
<b>Net carrying value</b>		
<b>As at March 31, 2018</b>	<b>129.29</b>	<b>129.29</b>
<b>As at March 31, 2019</b>	<b>102.45</b>	<b>102.45</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>5. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE</b>		
<b>Non-current</b>		
<b>Investments in unquoted equity shares, fully paid up (carried at deemed cost)</b>		
<b>i) In subsidiary companies outside India</b>		
1,000 (March 31, 2018: 1,000) : Equity shares of AOSL Petroleum Pte Limited of US \$ 0.735 each	0.31	0.31
3,675 (March 31, 2018: 3,675) : Equity shares of Asian Oilfield & Energy Services DMCC of AED 1,000 each	620.23	620.23
<b>ii) In subsidiary company within India</b>		
10,000 (March 31, 2018: Nil) : Equity shares of AOSL Energy Services Limited of ₹ 10 each (refer note 5.1 below)	1.00	-
<b>iii) In joint venture in India</b>		
2,300 (March 31, 2018: 2,300) : Equity shares of Optimum Oil & Gas Private Limited of ₹ 10 each	0.23	0.23
	621.77	620.77
<b>Investment in subsidiaries, other than in shares</b>		
Corporate guarantee given in favour of Asian Oilfield & Energy Services DMCC	31.27	31.27
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	653.04	652.04
Aggregate amount of impairment allowance in the value of investments	-	-

5.1: On 29 September 2018, The Company has incorporated a wholly owned subsidiary AOSL Energy Services Limited, a India based Company, engaged in the exploring the opportunity as Oil and gas service provider.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>6. LOANS</b>		
<b>Non-current</b>		
Secured, considered good	-	-
Unsecured, considered good		
Security deposits	0.42	3.37
Loans to related party (refer note 36)	333.58	-
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>334.00</b>	3.37
<b>Current</b>		
Secured, considered good	-	-
Unsecured, considered good		
Security deposits	80.30	139.33
Loans to related parties (refer note 36)	1,652.73	4,041.09
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>1,733.03</b>	4,180.42

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7. OTHER FINANCIAL ASSETS</b>		
<b>Non-current</b>		
In fixed deposit accounts - with maturity of more than 12 months*	-	868.34
Interest accrued on loans to related party (refer note 36)	17.74	-
	<b>17.74</b>	868.34
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	-	868.34
<b>Current</b>		
Interest accrued on deposits	183.95	320.71
Interest accrued on loans to related party (refer note 36)	97.97	39.05
Contract assets	-	1,470.37
Employee advances		
Unsecured, considered good	1.09	3.90
	<b>283.01</b>	1,834.03

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>8. INCOME TAX ASSETS (NET)</b>		
Income tax receivable	1,389.94	544.60
	<b>1,389.94</b>	544.60

**Income tax expense recognised in statement of profit and loss**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax	-	-
	-	-

**Movement in income tax asset/(liability) is as follows:**

(All amounts in Lacs, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Net income tax asset at the beginning	544.60	360.87
Income tax paid	845.34	183.73
Income tax expense	-	-
<b>Net current income tax asset at the end</b>	<b>1,389.94</b>	544.60
<b>Effective tax reconciliation</b>		
(Loss)/profit before tax	163.29	(2,067.71)
Enacted tax rate in India	25.75%	25.75%
Expected income tax expense	42.05	(532.44)
Expenses not deductible in determining taxable profit	319.37	234.86
Expenses deductible in determining taxable profit	(241.34)	(9.19)
Effect of tax pertaining to prior years	-	-
Losses carried forward/(adjusted) on which deferred tax is not created	(120.08)	306.77
<b>Tax expense for the year</b>	<b>-</b>	<b>-</b>

The Company has prudently decided not to recognise deferred tax assets on the business losses of ₹ 5,259.95 Lacs and unabsorbed depreciation of ₹ 2,831.43 Lacs as at March 31, 2019. This business losses can be carried forward for 8 years from the respective years whereas unabsorbed depreciation can be carried forward indefinitely and have no expiry dates.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>9. OTHER NON-CURRENT ASSETS</b>		
Prepaid expenses	0.33	7.58
	<b>0.33</b>	7.58

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>10. NOTE 10: INVENTORIES (at lower of cost and net realisable value)</b>		
Stores and spares	69.39	187.68
	<b>69.39</b>	187.68

Write-downs of inventories to net realisable value during the year amounted to ₹ 19.40 Lacs (March 31, 2018: ₹ 1.51 Lacs) and is included in 'Stores and consumables consumed' in statement of profit and loss.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>11. TRADE RECEIVABLES</b>		
Secured, considered good	-	-
Unsecured, considered good		
- Receivable from related party (refer note 36)	624.40	-
- Others	3,560.06	5,023.99
Significant increase in credit risk	-	-
Credit impaired	-	231.18
Less: Loss allowance	-	(231.18)
	<b>4,184.46</b>	5,023.99

Note: There are no trade receivables due from any director or any officer of The Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12. CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
In current accounts	61.88	55.44
In deposit accounts with original maturity of less than 3 months*	200.13	200.13
Cash on hand	7.07	7.14
Investment in highly liquid fund	-	1.05
	<b>269.08</b>	263.76

\*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments  
There are no repartition restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	2,222.24	1,634.75
	<b>2,222.24</b>	1,634.75
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	<b>2,222.24</b>	1,634.75

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>14. OTHER CURRENT ASSETS</b>		
Balance with government authorities	849.36	722.94
Contract assets	822.84	-
Prepaid expenses	13.57	241.94
Advance to suppliers		
Unsecured, considered good	307.92	803.38
Unsecured, considered doubtful	105.44	163.84
Less: Provision for doubtful advance to suppliers	(105.44)	(163.84)
	<b>1,993.69</b>	<b>1,768.26</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>15. EQUITY SHARE CAPITAL</b>		
<b>(a) Authorised :</b>		
Equity shares of ₹ 10 each 50,000,000 (March 31, 2018: 50,000,000) equity shares ₹ 10 each	5,000.00	5,000.00
<b>(b) Issued, subscribed and fully paid-up</b>		
Equity shares of ₹ 10 each 38,074,444 (March 31, 2018: 38,074,444) equity shares ₹ 10 each	3,807.44	3,807.44

**(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

(All amounts in Lacs, unless otherwise stated)

	Number of shares	Amount
Equity shares as at 31 March 2017	260.74	2,607.44
Add: Warrants converted during the year [refer note(f) below]	120.00	1,200.00
Equity shares as at March 31, 2018	380.74	3,807.44
Add: Movement during the year	-	-
Equity shares as at March 31, 2019	380.74	3,807.44

**(d) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of The Company, the holders of equity shares will be entitled to receive remaining assets of The Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**(e) Details of equity shareholders holding more than 5% shares in The Company**

(All amounts in Lacs, unless otherwise stated)

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
Oilmax Energy Private Limited (Holding Company)	225.73	59.29%	225.73	59.29%

The above information is furnished as per the shareholders register as at March 31, 2019 and March 31, 2018 respectively.

**(f)** The Company allotted, on preferential basis, 10,000,000 equity warrants to the promoter and 4,500,000 equity warrants to a non-resident ("allottees") in December 2016, convertible into equity shares of ₹ 10 each at the option of allottees any time within 18 months post allotment, at an issue price of ₹ 80 each. In this regard, The Company received ₹ 5,800 Lacs in the year 2016-17 being 50% of the subscription amount as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, during the year ended March 31, 2018, The Company received ₹ 3,000 Lacs being the balance 50% allotment money from the promoter with respect to 7,500,000 equity warrants and received ₹ 1,800 Lacs from non-resident allottee with respect to 4,500,000 equity warrants. The Company allotted equivalent number of equity shares against the same upon the option of conversion being exercised by the allottees.

**(g)** No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been bought back during the last five years.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>16. BORROWINGS</b>		
<b>Non-current - at amortised cost</b>		
<b>Secured</b>		
Term loan from bank (refer note i below)	556.44	1,246.65
Less: Current maturities of long-term borrowings (refer note 19)	(556.44)	(709.42)
	-	<b>537.23</b>
<b>Current - at amortised cost</b>		
<b>Secured</b>		
Working loan facility from banks (refer note ii below)		
Overdraft facility from bank	-	449.34
<b>Unsecured</b>		
Inter corporate deposits (refer note iii below and note 36)	440.00	-
	<b>440.00</b>	449.34

### Net Debt Reconciliation

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	269.08	263.76
Current borrowings (including interest accrued)	(604.03)	(449.35)
Non-current borrowings (including current maturities)	(556.44)	(1,246.65)
<b>Net debt</b>	<b>(891.39)</b>	<b>(1,432.24)</b>

(All amounts in Lacs, unless otherwise stated)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net Debt as at 31 March 2017</b>	<b>644.73</b>	-	<b>(5,582.82)</b>	<b>(4,938.09)</b>
Cash flow (net)	(380.97)	(1,246.65)	4,800.04	3,172.41
Interest expense	-	(77.79)	(371.87)	(449.66)
Interest paid	-	77.79	705.30	783.10
<b>Net Debt as at March 31, 2018</b>	<b>263.76</b>	<b>(1,246.65)</b>	<b>(449.35)</b>	<b>(1,432.24)</b>
Cash flow (net)	5.32	690.21	9.35	704.88
Interest expense	-	(69.61)	(182.26)	(251.87)
Interest paid	-	69.61	18.23	87.84
<b>Net Debt as at March 31, 2019</b>	<b>269.08</b>	<b>(556.44)</b>	<b>(604.03)</b>	<b>(891.39)</b>

### Terms of Borrowing:

#### (i) Term Loan from bank

Term loan from bank is repayable in ten equal quarterly instalments till December 2019. Interest rate charged is 6 month LIBOR + 1.90%. The loan is secured by 5,234,297 equity shares of the Holding Company and second pari pasu charge over Company's all current assets and moveable fixed assets. Further, Company is required to maintain debt service reserve account of ₹ 200 Lacs.

#### (ii) Working capital loans from banks

Company had availed two overdraft facilities from State Bank of India, both secured by pledged of fixed deposits and was repayable on demand.

- (a) first facility carried an interest rate of 9% p.a
- (b) another facility carried an interest rate of 8% p.a

#### (iii) Inter corporate deposits

As at March 31, 2019, The Company has outstanding inter-corporate deposits from:

- Oilmax Energy Private Limited amounting to ₹ 440 Lacs, repayable on demand and carried rate of interest of 10.00 % per annum.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>17. PROVISIONS</b>		
<b>Non-current</b>		
Gratuity (refer note 35.2.i)	3.83	2.97
	<b>3.83</b>	2.97
<b>Current</b>		
Provision for settlement of litigation (refer note 17.1)	512.98	512.98
Gratuity (refer note 35.2.i)	2.59	0.48
	<b>515.57</b>	513.46

**17.1:** The Company has an ongoing legal case with one of its customer for which the matter was pending before the Jorhat District Court which had directed the matter to the Outside Expert Conciliation Committee. The Company received recommendation dated 7 March 2018 from Outside Expert Conciliation Committee which has been accepted by both the parties and accordingly provision aggregating ₹ 512.98 Lacs was made towards this matter based on the settlement agreement dated 10 May 2019 entered with this customer in relation to above.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>18. TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprises	0.91	18.63
	0.91	18.63
Total outstanding dues of creditors other than micro and small enterprises		
- Payable to related party (Refer note 36)	30.66	573.51
- Others	2,583.04	4,309.72
	2,613.70	4,883.23
<b>Total trade payables</b>	<b>2,614.61</b>	4,901.86

Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information as available with The Company and the details of amount outstanding due to them are as given below:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) The principal amount and the interest due thereon remaining unpaid to any Supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.91	18.63
Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.16
(c) The amount of interest due and payable for the period of delay in making payment (which have 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	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The 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	-	-

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19. OTHER FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Current maturities of long term borrowings (Refer Note 16)	556.44	709.42
Interest accrued but not due on inter corporate deposits (Refer Note 36)	164.03	-
Security deposit	200.00	186.14
Liability for capital goods	60.46	1,840.81
Employee related payables	109.12	204.54
	<b>1,090.05</b>	2,940.91

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>20. OTHER FINANCIAL LIABILITIES</b>		
Statutory dues payable	91.37	139.14
Other liabilities	-	13.31
	<b>91.37</b>	152.45

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>21. REVENUE FROM OPERATIONS</b>		
Revenue from oilfield services	14,833.04	9,566.28
Revenue from consultancy service	849.40	-
	<b>15,682.44</b>	9,566.28

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>22. OTHER INCOME</b>		
Interest income on financial assets measured at amortised cost	423.50	616.64
Interest income on income tax refund	-	2.59
Liabilities/provisions written back	61.34	28.09
Profit on sale of property, plant and equipment (net)	13.62	-
Scrap sale	30.43	-
Miscellaneous income	45.01	14.16
	<b>573.90</b>	661.48

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>23. OILFIELD SERVICES RELATED EXPENSE</b>		
Sub-contracting charges	8,930.82	5,415.69
Stores and consumables consumed	274.17	118.62
Camp establishment and maintenance	189.23	153.72
Machinery hire charges	1,647.09	899.74
Vehicle hire charges	321.41	238.88
Fuel rig expenses	14.06	39.24
Labour charges	117.00	252.28
Freight expenses	52.91	55.00
Power and fuel	17.14	46.60
License expenses	10.24	11.72
Repairs and maintenance		
- plant and machinery	26.99	10.16
Technical consultancy charges	152.02	-
Other operational expenses	23.15	15.69
	<b>11,776.25</b>	7,257.34

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1,496.99	1,558.48
Contribution to provident and other funds (refer note 35.2.ii)	66.32	65.70
Employee stock option expenses (refer note 35.2.iii)	63.29	37.98
Staff welfare	14.46	14.82
	<b>1,641.05</b>	1,676.98

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Interest expense on:		
- borrowings carried at amortised cost	251.87	449.66
- delayed payment of statutory dues	74.09	0.33
Bank charges	218.71	123.73
	<b>544.66</b>	573.72

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>26. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment (refer note 3)	882.47	723.72
Amortisation of intangible assets (refer note 4)	26.84	24.58
	<b>909.31</b>	748.30

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>27. OTHER EXPENSES</b>		
Advertisement and business promotion expenses	13.22	58.93
Rent (refer note 31)	189.74	135.55
Rates and taxes	90.14	28.22
Travelling and conveyance	163.31	229.59
Printing and stationery	12.47	8.53
Membership and subscription charges	0.93	1.36
Telephone and internet expenses	9.04	12.48
Insurance	63.44	55.79
Security expenses	52.03	38.59
Legal and professional charges (Also, refer note below)	310.86	383.72
Directors sitting fees (refer note 36)	7.20	7.10
Repairs and maintenance		
- building	15.44	20.53
- others	44.30	19.31
Provision for doubtful debts	-	22.17
Provision for doubtful advances	105.44	-
Net loss on foreign currency transactions	-	1.46
Sundry balances written off	13.28	14.47
Miscellaneous expenses	45.71	16.11
	<b>1,136.58</b>	1,053.91
<b>Note:</b>		
<b>Details of payments to auditors (excluding indirect taxes)</b>		
As auditor:		
Statutory audit	30.00	22.50
Certification and other matters	-	1.00
Re-imbursment of expenses	1.70	1.95
	<b>31.70</b>	25.45

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>28. EXCEPTIONAL ITEMS (LOSS)</b>		
Foreign exchange gain/ (loss)	43.88	-
Current trade receivables written off	-	(10.02)
Other non-current financial assets written off	-	(89.38)
Provision for doubtful advances (other current assets)	-	(163.84)
Advances (included in other current assets) written off	(129.08)	-
Allowance on trade receivables on account of settlement with a customer	-	(209.00)
Provision for settlement of litigation (Refer note 17.1)	-	(512.98)
	<b>(85.20)</b>	(985.22)

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29. EARNINGS/(LOSS) PER SHARE</b>		
(Loss)/profit attributable to equity holders of The Company for basic and diluted earnings used as numerator - (A)	163.29	(2,067.71)
Weighted average number of equity shares outstanding during the year for Basic EPS (in Lacs) - (B)	380.74	282.33
Add: Effect of potential equity shares which are dilutive	-	-
Weighted average number of equity shares outstanding during the year for Diluted EPS (in Lacs) - (C)	380.74	282.33
Basic earning/(loss) per share (₹) - (A)/(B) (face value ₹ 10 each)	0.43	(7.32)
Diluted earning/(loss) per share (₹) - (A)/(C) (face value ₹ 10 each)	0.43	(7.32)

Note: Effect of shares to be issued under employees stock option is anti-dilutive and hence such shares have been excluded while computing diluted earnings per share.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>30. CONTINGENT LIABILITIES</b>		
(a) Labour law matter	7.78	-
(b) Demand for income tax contested by The Company	121.13	124.69
	<b>128.91</b>	124.69

(c) Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgement to The Company with respect to timing and the components of its compensation structure. In absence of further clarification, The Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

It is not practicable for The Company to estimate the timing of cash outflows, if any, in respect of pending resolution of the respective proceedings, as it is determined only on receipt of judgements/decisions pending with various authorities.

### 31. LEASES

The Company has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable and non cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 27.

The details of non-cancellable operating leases contracted by Company, but not recognised as liabilities in the financial statements are as below:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>MINIMUM LEASE PAYMENT</b>		
Not Later than one year	-	9.95
Later than one year but not later than five years	-	-
Later than five years	-	-
Lease expense recognised in Statement of Profit and Loss	<b>189.74</b>	135.55

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 32. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Table showing carrying amount and fair values of financial assets and liabilities by category.

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Financial instruments by category				
	Notes	FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	4,184.46	4,184.46
Cash and cash equivalents	12	-	-	269.08	269.08
Other bank balance	13	-	-	2,222.24	2,222.24
Loans	6	-	-	2,067.03	2,067.03
Other financial assets	7	-	-	300.75	300.75
<b>Total financial assets</b>		-	-	<b>9,043.56</b>	<b>9,043.56</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16, 19	-	-	996.44	996.44
Trade payables	18	-	-	2,614.61	2,614.61
Other financial liabilities	19	-	-	533.61	533.61
<b>Total financial liabilities</b>		-	-	<b>4,144.66</b>	<b>4,144.66</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	Financial instruments by category				
	Notes	FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	5,023.99	5,023.99
Cash and cash equivalents	12	1.05	-	262.71	263.76
Other bank balance	13	-	-	1,634.75	1,634.75
Loans	6	-	-	4,183.79	4,183.79
Other financial assets	7	-	-	2,702.37	2,702.37
<b>Total financial assets</b>		<b>1.05</b>	-	<b>13,807.61</b>	<b>13,808.66</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	1,695.99	1,695.99
Trade payables	18	-	-	4,901.86	4,901.86
Other financial liabilities	19	-	-	2,231.49	2,231.49
<b>Total financial liabilities</b>		-	-	<b>8,829.34</b>	<b>8,829.34</b>

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2018	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Investment in highly liquid fund	1.05	-	-
<b>Total</b>	<b>1.05</b>	-	-

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

## Valuation technique used to determine fair value

Quoted prices (unadjusted) in active markets for financial instruments.

## Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, employee advances, contract assets, loans, current security deposit, working capital loan, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposit has been calculated based on the cash flows discounted using the current lending rate.

The fixed deposit and non-current borrowing are placed with highly rated banks at fair interest rate, and their carrying values approximates fair value.

## 33. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Companies risk management is done in close co-ordination with the board of directors and focuses on actively securing The Company's short, medium and long-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which The Company is exposed are described below:

### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits.

The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly.

The Company trades with recognised and credit worthy third parties. It is the Companies policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an on-going basis with the result that The Company's exposure to bad debts is not significant. An impairment analysis is performed at each reporting date on an individual basis for major clients. Also The Company does not enter into sales transaction with customers having credit loss history.

There are no significant credit risks with related parties of The Company. Adequate expected credit losses are recognised as per the assessments.

Ageing of trade receivable	Days past dues			
	0-180	180-365	Above 365	Total
As at March 31, 2019	3,801.87	-	382.59	4,184.46
As at March 31, 2018	4,835.06	-	188.93	5,023.99

### Moment in the allowances for financial and other assets is as under:

#### (i) Reconciliation of loss allowance provision for loans, other financial assets and other assets

	Amount
Reconciliation of loss allowance	
Loss allowance as at 31 March 2017	805.42
Add: Additional provision during the year	141.19
Less: Write - offs	(782.77)
Loss allowance as at March 31, 2018	163.84
Add: Additional provision during the year	105.44
Less: Write - offs	(163.84)
<b>Loss allowance as at March 31, 2019</b>	<b>105.44</b>
(ii) Reconciliation of loss allowance for trade receivable	
Loss allowance as at 31 March 2017	673.33
Add: Additional provision during the year	22.17
Less: Write - offs	(464.32)
Loss allowance as at March 31, 2018	231.18
Add: Additional provision during the year	-
Less: Write - offs	(231.18)
<b>Loss allowance as at March 31, 2019</b>	<b>-</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Liquidity risk

Liquidity risk is defined as the risk that The Company will not be able to settle or meet its obligations on time or at a reasonable price. For The Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

### Maturities of financial liabilities:

The tables below analyse The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	on demand	< 3 months	3-6 Months	6-12 months	1-2 years	Total
Borrowings	440.00	-	556.44	-	-	996.44
Trade payables	-	2,614.61	-	-	-	2,614.61
Other financial liabilities	164.03	309.12	60.46	-	-	533.61
	<b>604.03</b>	<b>2,923.72</b>	<b>616.90</b>	-	-	<b>4,144.66</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	on demand	< 3 months	3-6 Months	6-12 months	1-2 years	Total
Borrowings	-	445.96	357.09	352.94	540.00	1,695.99
Trade payables	-	4,901.86	-	-	-	4,901.86
Other financial liabilities	-	1,408.91	636.44	186.14	-	2,231.49
	-	<b>6,756.73</b>	<b>993.53</b>	<b>539.08</b>	<b>540.00</b>	<b>8,829.34</b>

### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect The Company's income or the value of its holdings of financial instruments.

### Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Companies functional currency. The Companies operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of The Company.

### The Companies exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

(All amounts in Lacs, unless otherwise stated)

Financial assets	Currency unit	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	₹	Foreign Currency	₹
Loans	USD	28.72	1,986.31	52.44	3,409.59
Trade receivables	USD	9.03	624.40	41.29	2,684.63
Cash and cash equivalents	USD	0.02	1.49	0.02	1.28
	Erbil Iraqi Dinar	-	-	0.02	0.11
	Naira	0.23	0.05	-	-
	Arab Emirates Dirham	0.01	0.14	-	-
Other financial assets	USD	0.26	17.74	0.43	27.80
<b>Financial liabilities</b>			<b>2,630.13</b>		<b>6,123.41</b>
Trade payables	USD	0.44	30.66	8.82	573.52
Other financial liabilities	USD	0.87	60.46	28.24	1,837.12
			91.12		2,410.64
<b>Net exposure</b>			<b>2,539.01</b>		<b>3,712.77</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from financial instruments denominated in USD:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*
USD	6.26%	158.94	158.94	4.16%	154.45	154.45

\*Holding all other variables constant

An equal and opposite impact would be experienced in the event of decrease by a similar %age.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Companies exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates.

The Companies investments in fixed deposits are at fixed interest rates.

### The exposure of the Companies borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing	556.44	1,246.65
Fixed rate borrowing	440.00	449.34
	<b>996.44</b>	1,695.99

(All amounts in Lacs, unless otherwise stated)

Sensitivity	Movement in Rate	Year ended March 31, 2019	Year ended March 31, 2018
Below is the sensitivity of profit after tax and other equity to decrease in interest rates:			
Positive impact in statement of profit and loss (prior to tax)	0.50%	2.78	6.23

An equal and opposite impact would be experienced in the event of an increase in interest rate by a similar %age.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

### Price risk:

The Companies exposure to price risk arises from investments in debt fund held by The Company and classified in the balance sheet as fair value through profit and loss except investments in subsidiaries. However, Company has no investment in debt funds, as at March 31, 2019 and hence the exposure to change in price risk is not present.

## 34. CAPITAL MANAGEMENT

The Company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, The Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Total borrowings	996.44	1,695.99
Total equity	13,677.14	13,446.45
<b>Net debt to equity ratio</b>	<b>0.07</b>	0.13

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Loan Covenants

Under the terms of the major borrowing facilities, The Company is required to comply with the following financial covenants:

- 1) Total Debt to EBIDTA ratio shall not exceed 1.5x (applicable on the consolidated financial statements of The Company).
- 2) Funded facilities (both working capital and term loan) not to exceed ₹ 5,000 Lacs excluding the RBL term loan facility of ₹ 1,800 Lacs and Non-funded credit facilities not to exceed ₹ 5,000 Lacs (applicable on the consolidated financial statements of The Company).
- 3) Total outside liabilities to tangible net worth ratio shall not exceed 1.1x (applicable on the standalone financial statements of The Company).

### 35. EMPLOYEE BENEFITS

#### 1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, incentives and allowances, short terms compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the year in which the employee renders the related service.

#### 2. Long term employee benefits

##### (i) Defined benefit plan

Gratuity :

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

##### A. Obligations and assets

Movement in the present value of projected benefit obligation for gratuity

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
At the beginning of the year	27.95	16.61
Interest cost	2.15	1.25
Current service cost	6.82	11.95
(Benefit paid directly by the employer)	(11.63)	(4.49)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.35	(0.63)
Actuarial (gains)/losses on obligations - due to experience	(3.17)	3.26
Actuarial (gains)/losses on obligations - due to demographic assumption	(4.60)	-
<b>At the end of the year</b>	<b>20.86</b>	27.95
<b>Movement in the fair value plan assets :</b>		
Opening fair value of plan assets	24.50	27.45
Expected return on plan assets	1.89	2.07
Contributions by employer	-	-
Benefits paid	(11.63)	(4.49)
Actuarial gains / (losses)	(0.32)	(0.53)
<b>Closing fair value of plan assets</b>	<b>14.44</b>	24.50
Actual return on plan assets:		
Expected return on plan assets	1.89	2.07
Actuarial [losses]/ gains on plan assets	(0.32)	(0.53)

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
<b>Actual return on plan assets</b>	<b>1.57</b>	1.54
<b>B. Amount recognised in the statement of profit and loss</b>		
Interest cost (net of actual return on plan assets)	0.26	(0.82)
Current service cost	6.82	11.95
<b>Net impact as employee benefit expenses in profit and loss</b>	<b>7.08</b>	11.13
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.35	(0.63)
Actuarial (gains)/losses on obligations - due to experience	(3.17)	3.26
Actuarial (gains)/losses on obligations - due to demographic assumption	(4.60)	-
Actuarial (gains)/ losses on plan assets	0.32	0.53
<b>Net impact as other comprehensive (income)/ loss before tax</b>	<b>(4.11)</b>	3.16
<b>C. Amount recognised in the balance sheet</b>		
Present value of obligations as at year end	20.86	27.95
Fair value of plan assets as at year end	14.44	24.50
<b>Net Asset/(Liability) recognised</b>	<b>(6.42)</b>	(3.45)
Current asset/(liability)	(2.59)	(0.48)
Non Current asset/(liability)	(3.83)	(2.97)
<b>Asset information</b>		
Group Scheme of LIC	100%	100%
Expected Employer's Contribution for the next year	8.53	17.43
Number of active members are 151 (March 31, 2018 : 316).		
Weighted average duration of the projected benefit obligation for gratuity is 3.39 years (March 31, 2018 : 16.78 years).		

#### D. The defined benefit obligations shall mature after year end as follows:

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
1st following year	0.16	0.48
2nd following year	0.43	0.75
3rd following year	0.21	0.63
4th following year	1.93	0.65
5th following year	1.16	0.84
sum of years 6 to 10	14.38	24.60

#### E. Assumptions

The actuarial calculations used to estimate commitments and expenses in respect of gratuity is based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Rate of discounting - Indicative Government security referenced rate of interest	6.65	7.71
Rate of salary increase	5.00	5.00
Rate of employee turnover	25.00	2.00
Mortality rate during employment - Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate table.	100.00	100.00

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### F. Sensitivity

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

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate (0.5% Movement Increase)	(0.43)	(1.16)
Discount Rate (0.5% Movement Decrease)	0.44	1.28
Future Salary Growth (0.5% Movement Increase)	0.45	1.30
Future Salary Growth (0.5% Movement Decrease)	(0.04)	(1.19)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

### (ii) Defined contribution plan

#### Provident fund and employee's state insurance corporation

The Company pays fixed contribution to the provident fund and employee's state insurance corporation entities in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities, and The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year that related employee services are received.

Contribution to defined contribution plan recognised as employee benefit expenses is as below:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution towards Provident Fund (PF)	53.10	48.11
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	13.22	17.59
	<b>66.32</b>	65.70

### (iii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 23 August 2017. Under the scheme, Company granted 174,302 stock option with exercise price of ₹ 165 per share on 24 August 2017. The options scheme would vest in two years from the grant date and exercise of such vested options would be done subsequently in maximum of three tranches.

The details of activity under the ESOP scheme are summarised below:

The expense recognised for employee services received during the year is shown in the following table:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share-based payment transactions	63.29	37.98
	<b>63.29</b>	37.98

#### Movements during the year

The following table illustrates the number and exercise price of, and movements in, share options during the year:

	Number	Exercise price
Outstanding at March 31, 2018	1.74	165.00
Option granted during the year	-	-
Outstanding at March 31, 2019	<b>1.74</b>	<b>165.00</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

The following tables list the inputs to the models used for the employees' stock option plan

Exercise price	165.00
Grant date	24-Aug-17
Vesting date	24-Aug-19
Expiry date	24-Aug-19
Dividend yield (%)	-
Expected price volatility (%)	58.51%
Risk-free interest rate (%)	6.35%
Expected life of share options (years)	2.00
Share price at grant date (₹)	181.80
Model used	Black Scholes

### 36. RELATED PARTY DISCLOSURES

#### Name of related parties

<b>a) Holding Company</b>	Oilmax Energy Private Limited
<b>b) Subsidiary Company</b>	AOSL Petroleum Pte Limited Asian Oilfield & Energy Services DMCC AOSL Energy Services Limited (w.e.f. 29th September, 2018)
<b>c) Step down subsidiary Company</b>	Ivorene Oil Services Nigeria Limited (w.e.f. 8 February 2017)
<b>d) Joint venture</b>	Optimum Oil & Gas Private Limited (w.e.f. 10 November 2017)
<b>e) Individuals having significant influence over The Company by virtue of owning indirect interest in the voting power</b>	Mr. Kapil Garg - Director of Holding Company Ms. Ritu Garg - Director of Holding Company
<b>f) Key Management Personnel</b>	Mr. Rohit Agarwal - Whole Time Director (upto 31 July 2018) Mr. Ashutosh Kumar - Chief Executive Officer and Whole time director (w.e.f. 1 August 2018) Mr. Sumit Maheshwari - Chief Financial Officer (w.e.f. 1 August 2018) Mr. Gaurav Gupta - Director Mr. Rabi Narayan Bastia - Director Mr. Naresh Chandra Sharma - Independent Director (upto March 31, 2019) Mr. Kadayam Ramanathan Bharat - Independent Director Ms. Anusha Mehta - Independent Director Ms. Shweta Vaibhav Jain - Company Secretary (upto 20 June 2018) Ms. Archana Nadgouda - Company Secretary (w.e.f. 1 August 2018) Mr. Rahul Jain - Chief Financial Officer (upto 16 February 2018)

Company did not had a Company Secretary from 21 June 2018 to 31 July 2018

The Company did not had any Chief Financial Officer from 17 February 2018 till 31 July 2018.

### B. Transactions with related parties :

(All amounts in Lacs, unless otherwise stated)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1</b>	<b>Holding Company</b>		
	Allotment of equity shares (in numbers)	-	75,00,000
	Loan taken during the year	6,040.00	3,455.00
	Repayment of loan	5,600.00	7,155.00
	Interest on loan taken	164.03	294.35
	Subscription received towards equity warrants	-	3,000.00
	<b>Subsidiaries</b>		
<b>1.</b>	<b>AOSL Petroleum Pte Limited</b>		
	Repayment of loan	-	29.89
	Interest on loan advanced	17.74	31.70

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>2.</b>	<b>Asian Oilfield &amp; Energy Services DMCC</b>		
	Loan advanced	118.61	-
	Repayment of loan	1,724.90	968.44
	Advances given	-	555.24
	Rental expense	760.93	-
	Advance repaid	1,354.92	648.94
	Interest on loan advanced	213.28	302.17
	Consultancy charges paid	624.40	-
<b>3.</b>	<b>AOSL Energy Service Limited</b>		
	Investment in shares	1.00	-
	Loan advanced	0.30	-
	Interest on loan advanced	0.01	-
<b>3</b>	<b>Joint venture</b>		
	Investment in shares	-	0.23
	Loan advanced	-	631.50
	Repayment of loan	631.50	-
	Interest on loan advanced	48.07	11.25
<b>4</b>	<b>Key Managerial Personnel</b>		
	Remuneration#	214.42	269.94
	Sitting Fees	7.20	7.10
	Reimbursement of expenses	21.44	13.95
	# Exclusive of gratuity expense.		
<b>5</b>	<b>Individuals having significant influence</b>		
	Rent expense	144.00	100.00

### C. Balances with related parties

(All amounts in Lacs, unless otherwise stated)

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1</b>	<b>Holding Company - Oilmax Energy Private Limited</b>		
	Inter corporate deposit taken	440.00	-
	Accrued interest on above	164.03	-
<b>2</b>	<b>Subsidiary - AOSL Petroleum Pte Limited</b>		
	Investment in equity shares	0.31	0.31
	Unsecured loan given	333.58	313.55
	Interest receivable	17.74	2.53
<b>3</b>	<b>Subsidiary - Asian Oilfield &amp; Energy Services DMCC</b>		
	Investment in equity shares	620.23	620.23
	Unsecured loan given	1,652.43	3,096.04
	Trade payable	30.66	573.51
	Trade receivable	624.40	-
	Interest receivable	52.95	25.27
	Investment through corporate guarantee given	31.27	31.27
<b>4</b>	<b>Subsidiary - AOSL Energy Services Limited</b>		
	Investment in equity shares	1.00	-
	Unsecured loan given	0.30	-
	Interest receivable	0.01	-
<b>5</b>	<b>Joint venture - Optimum Oil &amp; Gas Private Limited</b>		
	Investment	0.23	0.23
	Unsecured loan given	-	631.50
	Interest receivable	45.01	11.25
<b>6</b>	<b>Key Managerial Personnel</b>		
	Payable	12.93	5.77
<b>7</b>	<b>Individuals having significant influence</b>		
	Payable	25.92	4.32

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### D. Remuneration paid to KMP

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Rohit Agarwal	21.13	69.48
Ashutosh Kumar	135.41	152.80
Rahul Jain	-	34.65
Sumit Kumar Maheshwari	45.20	-
Kanika Bhutani	-	11.98
Shweta Vaibhav Jain	1.84	1.03
Archana Nadgouda	10.84	-
<b>Total remuneration</b>	<b>214.42</b>	<b>269.94</b>

### 37. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(All amounts in Lacs, unless otherwise stated)

Assets	Currency unit	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	₹	Foreign Currency	₹
Loans	USD	28.72	1,986.31	52.44	3,409.59
Trade receivables	USD	9.03	624.40	41.29	2,684.63
Cash and cash equivalents	USD	0.02	1.49	0.02	1.28
	Erbil Iraqi Dinar	-	-	0.02	0.11
	Naira	0.23	0.05	-	-
	Arab Emirates Dirham	0.01	0.14	-	-
Other financial assets	USD	0.26	17.74	0.43	27.80
			2,630.13		6,123.41
<b>Liabilities</b>					
Trade payables	USD	0.44	30.66	8.82	573.52
Other financial liabilities	USD	0.87	60.46	28.24	1,837.12
			91.12		2,410.64
<b>Net assets</b>			<b>2,539.01</b>		<b>3,712.77</b>

### 38. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of inadequate profits, Company is not liable to make any CSR expenditure for the year.

### 39. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between March 31, 2019 and the date of authorisation of these standalone financial statements.

### 40. SEGMENT INFORMATION

- (a) The Company is principally engaged in a single business segment, vis. "Oilfield services".  
 (b) Revenue from external customers:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
India	15,058.04	5,910.62
Outside India	624.40	3,655.66
<b>Total revenue from operations (Refer note 21)</b>	<b>15,682.44</b>	<b>9,566.28</b>

- (c) Revenue derived from the major customers is as follows:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from top customer	5,677.20	3,655.66
Revenue from top three customers	11,901.22	9,566.28

For the year ended March 31, 2019, two (March 31, 2018 : three) customers, individually accounted for more than 10% of the revenue.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

41. The Company, as at March 31, 2019, has a non-current investment amounting ₹ 0.31 Lacs, non-current loans amounting ₹ 333.58 Lacs and other non-current financial assets amounting ₹ 17.74 Lacs in one of its subsidiaries 'AOSL Petroleum Pte. Limited' (APPL). APPL have accumulated losses amounting to ₹ 1,443.39 Lacs and its net-worth has been fully eroded, as at March 31, 2019. Based on the evaluation of the business prospects and plans formulated, management is confident of revival of operations of APPL. Thus, management is of the view that there is no impairment in the carrying value of the non-current investments, non-current loans, other non-current financial assets.

### 42. DISCLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

a) Effective 1 April 2018, The Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted.

#### b) Reconciliation of revenue from sale of services with the contract price

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Contracted Price	15,948.65	9,566.28
Less: variable considerations	266.21	-
<b>Sale of Services</b>	<b>15,682.44</b>	<b>9,566.28</b>

#### c) Sale by performance obligations

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
As services are rendered (over the period of time)	15,185.04	7,647.94
Upon completion of services (at a point in time)	497.40	1,918.34
	<b>15,682.44</b>	<b>9,566.28</b>

#### d) Contract balances

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Trade receivables	4,184.46	5,023.99
Contract assets	822.84	1,470.37

During the year ended March 31, 2019, The Company has recognised revenue of ₹. 1,290.28 Lacs (March 31, 2018 ₹. 1,446.61 Lacs) arising from the opening balance of contract assets.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

#### Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

#### For and on behalf of the Board of Directors

#### Ashutosh Kumar

Whole Time Director & Chief Executive Officer

(DIN-06918508)

#### Archana Nadgouda

Company Secretary

(ACS-17140)

Place: Mumbai

Date: 29 May 2019

#### Nayan Mani Borah

Chairman

(DIN-00489006)

#### Sumit Maheshwari

Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Asian Oilfield Services Limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Asian Oilfield Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date

#### Basis for Qualified Opinion

3. As described in Note 42(a) to the consolidated financial statements, the Group's other current assets as at 31 March 2019 include advances made to suppliers amounting to INR 397.38 lakhs (USD 574,500) in the books of Asian Oilfield & Energy Service DMCC ("ADMCC"), a subsidiary of the Holding Company, which are considered as fully recoverable by the management. However, such balance is subject to confirmation from the concerned parties and has also not been tested for impairment, as stated in the Basis of Qualified Opinion paragraph in the audit report on the subsidiary's financial statements, issued by an independent firm of Chartered Accountants registered in Dubai, vide its report dated 22 May 2019, which is relevant to our opinion on the consolidated financial statements, and reproduced by us as under:

"Our basis of qualified opinion is mentioned below:

Advance to suppliers are subject to confirmation and impairment testing."

4. We conducted our audit in accordance with the Standards on Auditing 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matters

5. We draw attention to Note 42(b) and Note 42(c) to the consolidated financial statements and the following emphasis of matter paragraphs included in the aforesaid audit report on the financial statements of ADMCC, referred to in paragraph 3 above, which are relevant to our opinion on the accompanying consolidated financial results, and reproduced by us as under:

"We have relied on certificate of physical verification of assets received from an independent audit firm which has conducted physical verification of the property, plant & equipment lying at various project locations in India and who has also certified carrying amount."

"The company had entered into a settlement agreement with one of its customer and the amount therein agreed is overdue & disputed by the customer. The company has filed for arbitration in 'The London Court of International Arbitration' on 22nd February 2019."

Our opinion on the consolidated financial statements is not modified in respect of these matters.

#### Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, 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.
7. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matter to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Revenue for the Group consists primarily of oilfield services recognised as per the accounting policy described in Note 1(e) to the accompanying consolidated financial statements. Refer Note 22 and Note 44 for details of revenue recognised during the year.</p> <p>Ind AS 115, Revenue from Contracts with Customers, adopted by the Group with effect from 1 April 2018, requires management to make certain key judgments relating to identifying contracts with customers, performance obligations involved in contracts and revisions thereto, determining transaction price which involves variable consideration elements, allocation of the transaction price to such performance obligations and satisfaction of performance obligations. Basis the evaluation done by the management, the Group recognises revenue over a period of time as well as at a point in time, based on the different performance obligations identified from oilfield service contracts.</p> <p>Considering the significance of management judgement involved, as mentioned above, and the materiality of amounts involved, revenue recognition was identified as a key audit matter for the current year audit.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ol style="list-style-type: none"> <li>1) Understood the revenue and receivable business cycle, and assessed the appropriateness of the accounting policy adopted by the Group for revenue recognition.</li> <li>2) Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice approval, determining the amount of variable consideration and recording of receipt.</li> <li>3) Tested operating effectiveness of the above identified key controls over revenue recognition during the year and as at year end.</li> <li>4) Assessed the appropriateness of the accounting policy for revenue recognition from oilfield services in accordance with Ind AS 115, 'Revenue from Contracts with Customers'.</li> <li>5) Selected a sample of continuing and new contracts entered with customers and performed following procedures:             <ul style="list-style-type: none"> <li>• Analysed the contracts and identified distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with those identified and recorded by the Group.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration.</li> <li>• Tested sample of revenue disaggregated by service offerings with reference to the performance obligations specified in the underlying contracts.</li> </ul> </li> <li>6) Performed test of details on a sample of revenue transactions recorded during the year, including specific periods before and after the year-end. For the samples selected, inspected supporting documents, including contracts and related amendments thereto for revisions to performance obligations or price terms, daily progress reports, and invoices.</li> <li>7) Evaluated the appropriateness of the disclosures made in the consolidated financial statements for revenue recorded during the year.</li> </ol>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# INDEPENDENT AUDITOR'S REPORT (CONTD.)

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a

whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 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 ability of the Group and its associates and joint ventures 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

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

conditions may cause the Group and its associates and joint ventures 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.
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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

17. We did not audit the financial statements of three subsidiaries, whose financial statements (before eliminating inter-company balances) reflect total assets of INR 9,185.15 lakhs and net assets of INR 2,178.14 lakhs as at 31 March 2019, total revenues (before eliminating inter-company transactions) of INR 5,349.27 lakhs and net cash outflows amounting to INR 567.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Nil for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in

respect of these subsidiaries and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture, is based solely on the reports of the other auditors.

Further, of these subsidiaries and joint venture, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by, and the reports of the, other auditors.

### Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act, has not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to three subsidiary companies and a joint venture company since none of such companies is a public company as defined under section 2(71) of the Act.
19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, that:
  - a) we have sought and except for the effects of the matter described in the Basis for Qualified Opinion section, obtained all the information and

## INDEPENDENT **AUDITOR'S REPORT** (CONTD.)

- explanations which to the best of our knowledge and belief were necessary for the purpose 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 auditors, except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of Asian Oilfield and Energy Services DMCC, a subsidiary of the Holding Company;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matter described in paragraph 3 of Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning, Asian Oilfield and Energy Services DMCC, a subsidiary of the Holding Company;
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its joint venture company covered under the Act, none of the directors of the Group companies and joint venture company covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to, Asian Oilfield and Energy Services DMCC, a subsidiary of the Holding Company;
- h) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
- i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and a joint venture:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 31 to the consolidated financial statements;
  - ii. except for the effects of the matter described in the Basis for Qualified Opinion section, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2019; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specific bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**  
Partner  
Membership No.: 109632

Place: Mumbai  
Date: 29 May 2019

# ANNEXURE I

## Annexure I to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the consolidated financial statements for the year ended 31 March 2019

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Asian Oilfield Services Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its one subsidiary company, which are the companies covered under the Act, as at that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its one subsidiary company, which are the Companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ("the 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 the company's business, including adherence to the company's policies, the safeguarding of the company's 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its one subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its one subsidiary company, as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 one subsidiary company, which are the companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the respective companies and considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)**

**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

				(Amount in INR lakhs except earnings per share)	
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	
	1.	Total Income	19,783.24	19,783.24	
	2.	Total Expenditure (including exceptional items)	18,873.17	19,270.55 (Refer II(d) below)	
	3.	Net Profit/ (Loss) After Tax	910.07	512.69 (Refer II(d) below)	
	4.	Earnings Per Share (in Rs.)	Basic 2.39 Diluted 2.39	Basic 1.35 Diluted 1.35	(Refer II(d) below)
	5.	Total Assets	21,845.32	21,447.94 (Refer II(d) below)	
	6.	Total Liabilities	6,645.18	6,645.18	
	7.	Net Worth	15,200.14	14,802.76 (Refer II(d) below)	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-	
<b>II. Audit Qualification (each audit qualification separately):</b>					
<b>a. Details of Audit Qualification:</b>					
As described in Note 6(a) to the consolidated financial results, the Group's other current assets as at 31 March 2019 include advances made to suppliers amounting to INR 397.38 lakhs (USD 574,500) in the books of Asian Oilfield & Energy Service DMCC ("ADMCC"), a subsidiary of the Holding Company, which are considered as fully recoverable by the management. However, such balance is subject to confirmation from the concerned parties and has also not been tested for impairment, as stated in the Basis of Qualified Opinion paragraph in the audit report on the subsidiary's financial statements, issued by an independent firm of Chartered Accountants registered in Dubai, vide its report dated 22 May 2019, which is relevant to our opinion on the consolidated financial results, and reproduced by us as under: "Our basis of qualified opinion is mentioned below: Advance to suppliers are subject to confirmation and impairment testing."					
<b>b. Type of Audit Qualification :</b> Qualified Opinion					
<b>c. Frequency of qualification:</b> Qualification have been included for the first time during the year ended 31 March 2019.					
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Other current assets of Asian Oilfield & Energy Service DMCC ("ADMCC"), a subsidiary company, as at 31 March 2019 include amount of INR 397.38 lakhs (USD 574,500) towards advances given to the suppliers. In the opinion of ADMCC's management, such amount shall be realised in near future and the consequential adjustments, if any, arising out of confirmation/impairment assessment are not expected to be material.					
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>					
<b>(i) Management's estimation on the impact of audit qualification:</b> Not applicable					
<b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Not applicable					
<b>(iii) Auditors' Comments on (i) or (ii) above:</b> Not applicable					

**III. Signatories:**

• CEO and Whole time Director	Mr. Ashutosh Kumar
• Audit Committee Chairman	Mr. Nayan Mani Borah
• Chief Financial Officer	Mr. Sumit Maheshwari
• Statutory Auditor	<b>For Walker Chandiok &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013

**Rakesh R. Agarwal**

Partner

Membership No. 109632

Place : Mumbai

Date : 29 May 2019

# BALANCE SHEET

## AS AT MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,391.98	9,681.54
Intangible assets	4	259.22	328.17
Investment in joint venture	5	-	-
<b>Financial assets</b>			
Loans	6	0.42	4.43
Other financial assets	7	-	868.34
Income tax assets (net)	8	1,389.94	544.60
Other non-current assets	9	0.33	7.58
		<b>10,041.89</b>	<b>11,434.66</b>
<b>Current assets</b>			
Inventories	10	69.39	187.68
<b>Financial assets</b>			
Trade receivables	11	5,939.80	6,161.37
Cash and cash equivalents	12	297.13	822.66
Bank balances other than above	13	2,222.24	1,634.75
Loans	6	83.36	773.17
Other financial assets	7	229.03	2,049.39
Other current assets	14	2,962.48	2,185.86
		<b>11,803.43</b>	<b>13,814.88</b>
		<b>21,845.32</b>	<b>25,249.54</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,807.44	3,807.44
Other equity		11,392.70	10,245.68
		<b>15,200.14</b>	<b>14,053.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	-	1,431.58
Other financial liabilities	19	3.98	-
Provisions	17	3.83	2.98
		<b>7.81</b>	<b>1,434.56</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	440.00	449.34
Trade payables	18		
- total outstanding dues of micro and small enterprises		0.91	18.63
- total outstanding dues of creditors other than micro and small enterprises		4,465.40	5,443.31
Other financial liabilities	19	1,095.34	3,149.38
Other current liabilities	20	112.07	152.45
Provisions	17	515.57	513.46
Current tax liabilities	21	8.08	35.30
		<b>6,637.37</b>	<b>9,761.87</b>
		<b>21,845.32</b>	<b>25,249.54</b>
<b>Total equity and liabilities</b>			

Notes 1 to 45 form an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet referred to in our audit report of even date

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors**

**Ashutosh Kumar**

Whole Time Director & Chief Executive Officer

(DIN-06918508)

**Archana Nadgouda**

Company Secretary

(ACS-17140)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>INCOME :</b>			
Revenue from operations	22	19,385.52	22,222.29
Other income	23	397.72	352.40
<b>Total income</b>		<b>19,783.24</b>	22,574.69
<b>EXPENSES :</b>			
Oilfield services related expense	24	12,771.39	12,421.53
Employee benefits expense	25	2,067.00	3,692.53
Finance costs	26	572.06	634.07
Depreciation and amortisation expense	27	1,944.27	1,702.68
Other expenses	28	1,259.60	2,039.21
<b>Total expenses</b>		<b>18,614.32</b>	20,490.02
<b>Profit before exceptional items and tax</b>		1,168.92	2,084.67
Exceptional items (loss)	29	(250.77)	(1,034.11)
<b>Profit before share of loss of joint venture and tax</b>		918.15	1,050.56
Share of loss of joint venture		-	(0.23)
<b>Profit before tax</b>		918.15	1,050.33
<b>Tax expense</b>	8		
Current tax		8.08	20.17
Deferred tax		-	-
<b>Profit for the year (A)</b>		<b>910.07</b>	1,030.16
<b>Other comprehensive income/ (loss)</b>			
(a) Items not to be re-classified subsequently to profit & loss (net of tax)			
- Gain/ (loss) on fair value of defined benefit plans		4.11	(3.16)
(b) Items to be re-classified subsequently to profit and loss (net of tax)			
- Foreign currency translation reserve		169.56	8.94
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>173.67</b>	5.78
<b>Total comprehensive income for the year, net of tax (A+B)</b>		<b>1,083.74</b>	1,035.94
<b>Earnings per equity share of face value of INR 10 each</b>			
Basic	30	2.39	3.65
Diluted		2.39	3.65

Notes 1 to 45 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors****Ashutosh Kumar**

Whole Time Director &amp; Chief Executive Officer

(DIN-06918508)

**Archana Nadgouda**

Company Secretary

(ACS-17140)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		918.15		1,050.33
<b>Adjustments for non cash items and items considered separately</b>				
Depreciation and amortisation expense	1,944.27		1,702.68	
Interest expense	271.73		490.78	
Interest income	(195.16)		(283.40)	
Liabilities/provision written back	(113.49)		(33.86)	
Provision for doubtful debts	-		22.17	
Profit on sale of property, plant and equipment (net)	(13.62)		-	
Net gain on foreign currency transactions	(54.18)		(39.37)	
Sundry balances written off	13.28		14.47	
Current trade receivables written off	175.87		10.02	
Other non-current financial assets written off	-		89.38	
Impairment of other current financial assets	-		998.12	
Allowance on trade receivables on account of settlement with a customer	-		209.00	
Provision for settlement of litigation	-		512.98	
Advances (included in other current assets) written off	129.08		-	
Trade payables and inter corporate deposits written back	-		(949.23)	
Provision for doubtful advances	105.44		163.84	
Write down of inventories	19.40		1.52	
Provision for employee stock option	63.29	2,345.90	37.97	2,947.07
<b>Operating profit before working capital changes</b>		<b>3,264.05</b>		3,997.40
<b>Adjustments for changes in working capital:</b>				
(Increase)/decrease in trade receivables	45.70		(3,651.36)	
(Increase)/decrease in inventories	98.88		(31.81)	
(Increase) in other assets	2,315.41		(411.69)	
Decrease in trade payable	(882.14)		2,868.33	
Decrease in provisions	7.08		383.30	
Increase/(decrease) in other liabilities	(487.29)	1,097.63	(239.18)	-1,082.41
<b>Cash generated from / (used in) operations</b>		<b>4,361.68</b>		2,914.99
Direct taxes paid (net of refunds received)		(880.64)		(181.52)
<b>Net cash generated from/(used in) operating activities</b>		<b>3,481.04</b>		2,733.47
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital creditors)	(2,354.48)		(1,623.43)	
Receipt from disposal of property plant and equipment	15.18		-	
Addition to intangible assets under development	-		(16.24)	
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(587.50)		(1,429.71)	
Interest income received	299.28		139.09	
<b>Net cash (used in) investing activities</b>		<b>(2,627.52)</b>		(2,930.29)

# CASH FLOW STATEMENT (CONTD.)

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	(1,431.58)	520.03
Repayment of short-term borrowings	(449.34)	(2,494.55)
Inter corporate deposit taken	6,040.00	3,455.00
Inter corporate deposit repaid	(5,600.00)	(7,155.00)
Proceeds from issue of equity share capital (including securities premium)	-	3,600.00
Proceeds from conversion of warrants	-	1,200.00
Interest paid	(107.69)	(824.22)
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(695.09)</b>	<b>(1,895.56)</b>
Cash and cash equivalents at the beginning of the year	822.66	2,709.28
Effect of foreign exchange differences	169.56	8.94
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>297.13</b>	<b>822.66</b>

**Notes:-**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions to property, plant and equipment include movements of capital advances and capital creditors during the year.

Notes 1 to 45 form an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our audit report of even date

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

**For and on behalf of the Board of Directors****Ashutosh Kumar**

Whole Time Director &amp; Chief Executive Officer

(DIN-06918508)

**Archana Nadgouda**

Company Secretary

(ACS-17140)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2019

### A. EQUITY SHARE CAPITAL

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
<b>ASSETS</b>		
Equity shares as at April 1, 2017	260.74	2,607.44
Add: Warrants converted during the year [Refer note 15(f)]	120.00	1,200.00
Equity shares as at March 31, 2018	380.74	3,807.44
Add : Movement during the year	-	-
Equity shares as at March 31, 2019	380.74	3,807.44

### B. OTHER EQUITY

(All amounts in Lacs, unless otherwise stated)

Particulars	Money received against share warrants	Reserves and surplus					Total other equity
		Capital reserve	Securities premium	Outstanding employee stock options	Retained earnings	Foreign Currency translation reserve	
<b>As at April 1, 2017</b>	4,800.00	551.00	10,394.45	-	(10,218.81)	45.11	5,571.75
Profit for the year	-	-	-	-	1,030.16	-	1,030.16
Other comprehensive loss for the year	-	-	-	-	(3.16)	-	(3.16)
Recognition of share based expenses	-	-	-	37.98	-	-	37.98
Exchange difference on foreign currency translation	-	-	-	-	-	8.94	8.94
Money received against share warrants [refer note 15(f)]	4,800.00	-	-	-	-	-	4,800.00
Conversion of warrants into equity shares [refer note 15(f)]	(9,600.00)	-	8,400.00	-	-	-	(1,200.00)
<b>As at March 31, 2018</b>	-	551.00	18,794.45	37.98	(9,191.81)	54.06	10,245.68
Profit for the year	-	-	-	-	910.07	-	910.07
Other comprehensive income for the year	-	-	-	-	4.11	-	4.11
Exchange difference on foreign currency translation	-	-	-	-	-	169.56	169.56
Recognition of share based expenses	-	-	-	63.29	-	-	63.29
<b>As at March 31, 2019</b>	-	551.00	18,794.45	101.27	(8,277.63)	223.62	11,392.70

#### Nature and purpose of reserves

(i) Capital reserve

The Group recognises profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve. It further includes gain from business acquisitions.

(ii) Securities premium

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Outstanding employee stock options

The Company has established equity settled share based payment plan for certain categories of employees of the Company. This reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration.

(iv) Retained earnings

Retained earnings represents the accumulated profits/ losses made by the Company over the years as reduced by dividends or other distributions paid to the shareholders.

# STATEMENT OF CHANGES IN EQUITY (CONTD.)

## FOR THE YEAR ENDED MARCH 31, 2019

(v) Foreign currency translation reserve

Foreign currency translation reserve represents the unrealised gains and losses on account of translation of foreign subsidiaries into the presentation currency of the parent entity.

(vi) Money received against share warrants

Money received against share warrants represents the amount received towards shares warrants issued by the Company as reduced by the warrants converted into equity shares.

Notes 1 to 45 form an integral part of the consolidated financial statements.

This is the Statement of changes in equity referred to in our audit report of even date

This is the Consolidated Statement of changes in equity referred to in our audit report of even date

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

**For and on behalf of the Board of Directors**

**Ashutosh Kumar**

*Whole Time Director & Chief Executive Officer*

(DIN-06918508)

**Archana Nadgouda**

*Company Secretary*

(ACS-17140)

**Nayan Mani Borah**

*Chairman*

(DIN-00489006)

**Sumit Maheshwari**

*Chief Financial Officer*

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

## CORPORATE INFORMATION

Asian Oilfield Services Limited (the “Company” or the “Parent Company” or “AOSL”) is a Public Limited Company domiciled in India. The Company having CIN L23200HR1992PLC052501, is incorporated under the provisions of the Companies Act applicable in India and is listed on the Bombay Stock Exchange (BSE). The Company, together with its subsidiaries (hereafter, the “Group”) is an oilfield service and reservoir imaging company, offering a suite of geophysical services specialising in land and well seismic services and operation and maintenance services for oilfields. The registered office of the Company is located at Unit No. 3-B, 3rd floor, Omkar Esquare, Chunabhatti Signal, Eastern Express Highway, Sion (E), Mumbai – 400022.

## 1) SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and defined benefit obligations measured at fair value. The financial statements are presented in Indian Rupee, which is also the Company’s functional currency. The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The Group’s financial statements for the year ended March 31, 2019 were approved by the Board of Directors on May 29, 2019.

### b) Principles of consolidation

The financial statements have been prepared on the following basis:

#### Subsidiaries

Subsidiaries are all 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 acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intergroup 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 and practicable to ensure consistency with the policies adopted by the Group.

#### Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

#### Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the Group’s share of other comprehensive income of the investee in other comprehensive income (“OCI”). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group’s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities. If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

### c) **Operating cycle and current, non-current classification**

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.

- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- 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.

### d) **Foreign currency transactions and balances**

#### **Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

#### **Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **Treatment of Exchange Difference**

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

#### **Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the date of the balance sheet
2. income, expenses and cash flow items are translated at average exchange rates for the respective periods; and
3. All resulting exchange differences are recognised in OCI.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

When a subsidiary is disposed off, in full, the relevant amount is transferred to the Statement of Profit and Loss. However, when change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instrument designated as hedges of such investment, are recognised in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

### e) Revenue Recognition

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers". Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for variable considerations are estimated based on accumulated experience and underlying agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the input method. The Group determines the input method on the basis of direct measurements of the value of the services transferred to the customer till date relative to the remaining services promised under the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenues in excess of invoicing are classified as contract assets (which is also refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract

liabilities (which is also refer to as unearned income). On account of adoption of Ind AS 115, contract assets (unbilled revenues) as at March 31, 2019, has been considered as a non-financial asset.

Revenue from oilfield services is derived from providing operations & maintenance service on offshore platform and 2D / 3D seismic survey (including data capturing and installing vibrator points) and is recognised upon imparting of service.

Revenue from consultancy service is based on agreements/ arrangements with the customer(s) and is recognised as the service is performed.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Other income is recognised as and when due or received, whichever is earlier.

### f) Taxes

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### (i) Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act/ Rules of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### (ii) Deferred tax:

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences,

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

### g) **Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing

part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain categories of plant and machinery in respect which life has been assessed, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

<b>Tangible Assets</b>	<b>Useful life</b>
Buildings – Non factory	60 years
Buildings – Temporary structure	3 years
Vessels	13 years
Oilfield equipment	1 to 10 years
Vehicles	8 or 10 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer equipment	3 or 10 years

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### h) **Intangible assets**

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over their estimated useful life of 6 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### i) Inventories

Inventories of stores and consumables are stated at cost. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of weighted average method.

### j) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits with banks, short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### k) Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

### l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

### m) Employee stock option scheme

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

### n) Leases - Group as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. 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 over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis as escalation in lease arrangements are for expected inflationary cost.

### o) Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Group becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Group does not have any assets classified as FVTOCI.

#### Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

#### Financial assets measured at FVTPL

##### Debt instrument

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or

as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial

liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

### iii. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### iv. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### v. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### p) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### q) Contingencies

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognised in the period in which the change occurs.

### r) Employee Benefits

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

#### Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

#### Defined Benefit Plan

Gratuity: The Group's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Cost for past services is recognised on a straight line basis over the average period until the amended benefits become vested.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and the terms of Government bonds are consistent with the currency and estimated term of defined benefit obligation.

### s) Earnings Per Share

Basic earnings 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 earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

### t) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### u) Key accounting estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### v) Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Judgements

#### (i) Leases

The Group has evaluated each lease agreement for its classification between finance lease and operating lease. The Group has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Group has also used appendix C of Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

#### (ii) Deferred Income Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the Group's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

### Estimates

#### (i) Useful lives of various assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period.

#### (ii) Current Income Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

#### (iii) Expected Credit Loss

Refer note for Impairment of financial assets mentioned in financial instruments above.

#### (iv) Accounting for Defined Benefit Plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

#### (v) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

### 2) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019:

#### Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

The Group plans to apply Ind AS 116 initially on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at April 1, 2019, with no restatement of comparative information. Based on preliminary assessment carried out by Management, the effect on adoption of Ind AS 116 is not expected to have a significant impact on the consolidated financial statements.

In addition to the above, the following amendments to existing standards have been issued by MCA and are not yet effective:

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable

profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Based on preliminary assessment carried out by Management, the effect of above amendments is not expected to have a significant impact on the consolidated financial statements.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 3. PROPERTY, PLANT AND EQUIPMENT

(All amounts in Lacs, unless otherwise stated)

Particulars	Freehold Land	Building	Oilfield equipment	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Vessels	Total
<b>Gross carrying value (at deemed cost)</b>									
<b>As at April 1, 2017</b>	<b>7.95</b>	<b>11.49</b>	<b>8,689.41</b>	<b>23.27</b>	<b>40.90</b>	<b>140.86</b>	<b>153.03</b>	<b>2.22</b>	<b>9,069.09</b>
Addition	-	-	3,353.49	0.54	4.43	10.52	-	-	3,368.98
Adjustments (foreign exchange difference)	-	-	(104.78)	0.01	2.32	3.86	21.71	-	(76.88)
<b>As at March 31, 2018</b>	<b>7.95</b>	<b>11.49</b>	<b>11,938.12</b>	<b>23.82</b>	<b>47.65</b>	<b>155.24</b>	<b>174.73</b>	<b>2.22</b>	<b>12,361.22</b>
Addition	-	-	214.53	-	1.09	2.44	-	-	218.06
Disposals	-	-	(3.17)	(1.23)	(0.04)	-	(18.49)	-	(22.93)
Adjustments (foreign exchange difference)	-	-	354.29	0.24	0.07	1.70	-	-	356.29
<b>As at March 31, 2019</b>	<b>7.95</b>	<b>11.49</b>	<b>12,503.77</b>	<b>22.83</b>	<b>48.77</b>	<b>159.37</b>	<b>156.25</b>	<b>2.22</b>	<b>12,912.65</b>
<b>Accumulated depreciation</b>									
<b>As at 31 March 2017</b>	-	<b>0.30</b>	<b>913.11</b>	<b>19.55</b>	<b>32.38</b>	<b>38.88</b>	<b>111.73</b>	<b>0.26</b>	<b>1,116.19</b>
Addition	-	0.30	1,563.86	1.10	3.69	41.50	16.38	0.26	1,627.09
Adjustments (foreign exchange difference)	-	-	(98.05)	0.10	2.51	7.45	24.39	-	(63.60)
<b>As at March 31, 2018</b>	-	<b>0.60</b>	<b>2,378.91</b>	<b>20.75</b>	<b>38.58</b>	<b>87.83</b>	<b>152.50</b>	<b>0.52</b>	<b>2,679.68</b>
Addition	-	0.30	1,803.70	0.89	2.38	43.84	10.76	0.26	1,862.13
Deductions	-	-	(3.17)	(0.88)	(0.04)	-	(17.27)	-	(21.36)
Adjustments (foreign exchange difference)	-	-	-	-	-	-	-	0.21	0.21
<b>As at March 31, 2019</b>	-	<b>0.90</b>	<b>4,179.44</b>	<b>20.76</b>	<b>40.93</b>	<b>131.67</b>	<b>145.99</b>	<b>0.99</b>	<b>4,520.66</b>
<b>Net carrying value</b>									
<b>As at March 31, 2018</b>	<b>7.95</b>	<b>10.90</b>	<b>9,559.21</b>	<b>3.07</b>	<b>9.06</b>	<b>67.41</b>	<b>22.24</b>	<b>1.70</b>	<b>9,681.54</b>
<b>As at March 31, 2019</b>	<b>7.95</b>	<b>10.60</b>	<b>8,324.33</b>	<b>2.07</b>	<b>7.84</b>	<b>27.70</b>	<b>10.26</b>	<b>1.23</b>	<b>8,391.98</b>

### 4. INTANGIBLE ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	Computer Softwares	Total
<b>Gross carrying value (at deemed cost)</b>		
<b>As at April 1, 2017</b>	<b>411.98</b>	<b>411.98</b>
Additions	16.24	16.24
Adjustments (foreign exchange difference)	1.00	1.00
<b>As at March 31, 2018</b>	<b>429.22</b>	<b>429.22</b>
Additions	-	-
Adjustments (foreign exchange difference)	17.87	17.87
<b>As at March 31, 2019</b>	<b>447.09</b>	<b>447.09</b>
<b>Accumulated amortisation</b>		
<b>As at April 1, 2017</b>	<b>24.78</b>	<b>24.78</b>
Amortisation	75.59	75.59
Adjustments (foreign exchange difference)	0.68	0.68
<b>As at March 31, 2018</b>	<b>101.05</b>	<b>101.05</b>
Amortisation	82.14	82.14
Adjustments (foreign exchange difference)	4.68	4.68
<b>As at March 31, 2019</b>	<b>187.87</b>	<b>187.87</b>
<b>Net carrying value</b>		
<b>As at March 31, 2018</b>	<b>328.17</b>	<b>328.17</b>
<b>As at March 31, 2019</b>	<b>259.22</b>	<b>259.22</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>5. INVESTMENT IN JOINT VENTURE</b>		
<b>Non-current</b>		
Investment valued at deemed cost, fully paid up		
<b>In subsidiary companies outside India</b>		
In joint venture in india	0.23	0.23
Less: Share of loss for the year	(0.23)	(0.23)
	-	-
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment allowance in the value of investments	-	-

**The Group has investments in joint venture as below: (Refer note 5.1 below)**

Name of the joint venture - Optimum Oil &amp; Gas Private Limited

Country of incorporation and principal place of business - India

Principal activity - Oil and gas service provider

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Proportion of ownership interests held by the Group	23%	23%

**5.1.** The investment in above mentioned joint venture is accounted for using the equity method in accordance with Ind AS 28, Investments in Associates and Joint Ventures

**Summarised financial information for joint venture are set out below:**

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current assets</b>	1.59	0.85
Current assets	9.87	627.85
<b>Total assets</b>	<b>11.46</b>	<b>628.70</b>
Non-current liabilities	-	0.06
Current liabilities	46.16	644.52
<b>Total liabilities</b>	<b>46.16</b>	<b>644.58</b>
<b>Net assets</b>	<b>(34.70)</b>	<b>(15.88)</b>
Equity share capital	1.00	1.00
Other equity	(35.70)	(16.88)
<b>Net equity</b>	<b>(34.70)</b>	<b>(15.88)</b>

Group has provided for its share of losses of Optimum Oil & Gas Private Limited to the extent of its investment in the joint venture. No liability is recognised for additional losses, as the Group has not incurred any legal or constructive obligations on behalf of the Optimum Oil & Gas Private Limited.

**Statement of Profit and Loss of joint venture for the year/period ended March 31, 2019 and March 31, 2018**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	From 15 Dec 2017 to 31 Mar 2018
Revenue	41.99	7.50
Employee benefit expense	1.80	0.60
Interest expenses	49.47	11.25
Other administrative expenses	7.21	11.13
Depreciation and amortisation	0.53	0.11
Tax expense	-	-
Total comprehensive loss for the year/period	<b>(17.02)</b>	<b>(15.59)</b>

**Notes:**

No dividends were received from joint venture during the year ended March 31, 2019 and period ended March 31, 2018.

The Group had no contingent liabilities or capital commitments relating to its interest in joint venture.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>6. LOANS</b>		
<b>Non-current</b>		
Secured, considered good	-	-
Unsecured, considered good		
Security deposits	0.42	4.43
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>0.42</b>	4.43
<b>Current</b>		
Secured, considered good	-	-
Unsecured, considered good		
Security deposits	83.36	141.67
Loans to related parties (refer note 38)	-	631.50
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>83.36</b>	773.17

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7. OTHER FINANCIAL ASSETS</b>		
<b>Non-current</b>		
In fixed deposit accounts - with maturity of more than 12 months*	-	868.34
	-	868.34
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	-	868.34
<b>Current</b>		
Interest accrued on deposits	183.95	320.70
Interest accrued on loans (refer note 38)	43.89	11.25
Contract assets	-	1,713.31
Employee advances		
Unsecured, considered good	1.19	4.13
	<b>229.03</b>	2,049.39

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>8. INCOME TAX ASSETS (NET)</b>		
Income tax receivable	1,389.94	544.60
	<b>1,389.94</b>	544.60

The following table provides the details of income tax assets and liabilities as at March 31, 2019 and March 31, 2018:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income tax receivable	1,389.94	544.60
Current tax payable (Refer note 21)	8.08	35.30
<b>Net balance</b>	<b>1,381.86</b>	509.30

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

**Gross movement in current tax asset/(liability) for the year ended March 31, 2019 and March 31, 2018 is as follows:**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Net income tax asset at the beginning</b>	509.30	347.95
Income tax paid	880.64	181.52
Current income tax expense	(8.08)	(20.17)
<b>Net current income tax asset at the end</b>	<b>1,381.86</b>	509.30

**Income tax expense in the Statement of Profit and loss comprises:**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax	8.08	20.17
Deferred tax	-	-
	<b>8.08</b>	20.17
<b>Effective tax reconciliation</b>		
Profit before tax	918.15	1,050.33
Enacted tax rate in India	25.75%	25.75%
Expected income tax expense	236.42	270.46
Expenses not deductible in determining taxable profit	85.22	264.85
Expenses deductible in determining taxable profit	(7.66)	(9.90)
Effect of difference tax rate in countries in which group operates	(234.08)	(672.86)
Losses (adjusted)/ carried forward on which deferred tax is not created	(71.82)	167.62
<b>Tax expense for the year</b>	<b>8.08</b>	20.17

The Group has not recognised deferred tax asset as it is not probable to have future taxable profits in the countries which are not in tax free zones.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>9. OTHER NON-CURRENT ASSETS</b>		
Prepaid expenses	0.33	7.58
	<b>0.33</b>	7.58

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>10. NOTE 10: INVENTORIES (at lower of cost and net realisable value)</b>		
Stores and spares	69.39	187.68
	<b>69.39</b>	187.68

Write-downs of inventories to net realisable value during the year amounted to INR 19.40 Lacs (March 31, 2018: INR 1.51 Lacs) and is included in 'Stores and consumables consumed' in consolidated statement of profit and loss.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>11. TRADE RECEIVABLES</b>		
Secured, considered good	-	-
Unsecured, considered good	5,939.80	6,161.37
Significant increase in credit risk	-	-
Credit impaired	-	231.18
Less: loss allowance	-	(231.18)
	<b>5,939.80</b>	6,161.37

Note: There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12. CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
In current accounts	88.42	612.86
In deposit accounts with original maturity of less than 3 months*	200.13	200.13
Cash on hand	8.58	8.62
Investment in highly liquid fund	-	1.05
	<b>297.13</b>	822.66
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	<b>200.13</b>	200.13

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	2,222.24	1,634.75
	<b>2,222.24</b>	1,634.75
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	<b>2,222.24</b>	1,634.75

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>14. OTHER CURRENT ASSETS</b>		
Balance with government authorities	850.90	722.95
Contract assets	822.84	-
Prepaid expenses	18.37	264.60
Advance to suppliers		
Unsecured, considered good [refer note 42(a)]	1,270.37	1,198.31
Unsecured, considered doubtful	105.44	163.84
Less: Provision for doubtful advance to suppliers	(105.44)	(163.84)
	<b>2,962.48</b>	2,185.86

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>15. EQUITY SHARE CAPITAL</b>		
<b>(a) Authorised :</b>		
Equity shares of INR 10 each 50,000,000 (March 31, 2018: 50,000,000) equity shares INR 10 each	5,000.00	5,000.00
<b>(b) Issued, subscribed and fully paid-up</b>		
Equity shares of INR 10 each 38,074,444 (March 31, 2018: 38,074,444) equity shares INR 10 each	3,807.44	3,807.44

**(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

(All amounts in Lacs, unless otherwise stated)

	Number of shares	Amount
Equity shares as at 31 March 2017	260.74	2,607.44
Add: Warrants converted during the year (refer note (f) below)	120.00	1,200.00
Equity shares as at March 31, 2018	380.74	3,807.44
Add: Movement during the year	-	-
Equity shares as at March 31, 2019	380.74	3,807.44

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### (d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

### (e) Details of equity shareholders holding more than 5% shares in The Company

(All amounts in Lacs, unless otherwise stated)

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
Oilmax Energy Private Limited (Holding Company)	225.73	59.29%	225.73	59.29%

The above information is furnished as per the shareholders register as at March 31, 2019 and March 31, 2018 respectively.

(f) The Company allotted, on preferential basis, 10,000,000 equity warrants to the promoter and 4,500,000 equity warrants to a non-resident ("allottees") in December 2016, convertible into equity shares of INR 10 each at the option of allottees any time within 18 months post allotment, at an issue price of INR 80 each. In this regard, the Company received INR 5,800 Lacs in the year 2016-17 being 50% of the subscription amount as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, during the year ended March 31, 2018, the Company received INR 3,000 Lacs being the balance 50% allotment money from the promoter with respect to 7,500,000 equity warrants and received INR 1,800 Lacs from non-resident allottee with respect to 4,500,000 equity warrants. The Company allotted equivalent number of equity shares against the same upon the option of conversion being exercised by the allottees.

(g) No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been bought back during the last five years.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>16. BORROWINGS</b>		
<b>Non-current - at amortised cost</b>		
<b>Secured</b>		
Term loan from bank [refer note a(i) below]	556.44	1,246.64
<b>Unsecured</b>		
Term loan from bank [refer note a(ii) below]	-	894.36
	<b>556.44</b>	2,141.00
Less: Current maturities of long-term borrowings (refer note 19)	(556.44)	(709.42)
	-	1,431.58
<b>Current</b>		
<b>Secured</b>		
Working loan facility from banks [refer note (b) below]		
Overdraft facility from bank	-	449.34
<b>Unsecured</b>		
Inter corporate deposits [refer note (c) below and note 38]	440.00	-
	<b>440.00</b>	449.34

### Net Debt Reconciliation

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	297.13	822.66
Current borrowings (including interest accrued)	(604.03)	(449.34)
Non-current borrowings (including current maturities)	(556.44)	(2,141.00)
<b>Net debt</b>	<b>(863.34)</b>	<b>(1,767.68)</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net Debt as at 31 March 2017</b>	<b>2,709.28</b>	<b>(1,620.97)</b>	<b>(6,977.33)</b>	<b>(5,889.02)</b>
Cash Flow (net)	(1,895.56)	(520.03)	6,194.55	3,778.96
Interest expense	-	(77.79)	(412.99)	(490.78)
Interest paid	-	77.79	746.43	824.22
Effect of foreign exchange difference	8.94	-	-	8.94
<b>Net Debt as at March 31, 2018</b>	<b>822.66</b>	<b>(2,141.00)</b>	<b>(449.34)</b>	<b>(1,767.68)</b>
Cash Flow (net)	(695.09)	1,584.56	9.35	898.82
Interest expense	-	(69.61)	(202.12)	(271.73)
Interest paid	-	69.61	38.09	107.70
Effect of foreign exchange difference	169.56	-	-	169.56
<b>Net Debt as at March 31, 2019</b>	<b>297.13</b>	<b>(556.44)</b>	<b>(604.03)</b>	<b>(863.34)</b>

### Terms of Borrowing:

#### (a) Term Loan from bank

- (i) Term loan from bank is repayable in ten equal quarterly instalments till December 2019. Interest rate charged is 6 month LIBOR + 1.90%. The loan is secured by 5,234,297 equity shares of the Holding Company and second pari pasu charge over Holding Company's all current assets and moveable fixed assets. Further, Holding Company is required to maintain debt service reserve account of INR 200 Lacs.
- (ii) Unsecured loan, March 31, 2019: Nil (March 31, 2018: INR 894.36 Lacs), from Export-Import bank of United States was repayable in twelve monthly installments (March 2019) and carried rate of interest of 4% per annum.

#### (b) Working capital loans from banks

The Group had availed two overdraft facilities from State Bank of India, both secured by pledged of fixed deposits and was repayable on demand.

- (a) first facility carried an interest rate of 9% p.a
- (b) another facility carried an interest rate of 8% p.a

#### (c) Inter corporate deposits

As at March 31, 2019, the Group has outstanding inter-corporate deposits from:

- Oilmax Energy Private Limited amounting to INR 440 Lacs, repayable on demand and carried rate of interest of 10.00 % per annum

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>17. PROVISIONS</b>		
<b>Non-current</b>		
Gratuity (Refer note 36.i)	3.83	2.98
	<b>3.83</b>	2.98
<b>Current</b>		
Provision for settlement of litigation (refer note 17.1)	512.98	512.98
Gratuity (Refer note 36.i)	2.59	0.48
	<b>515.57</b>	513.46

**Note 17.1:** The Holding Company has an ongoing legal case with one of its customer for which the matter was pending before the Jorhat District Court which had directed the matter to the Outside Expert Conciliation Committee. The Company received recommendation dated 7 March 2018 from Outside Expert Conciliation Committee which has been accepted by both the parties and accordingly provision aggregating INR 512.98 Lacs was made towards this matter based on the settlement agreement dated 10 May 2019 entered with this customer in relation to above.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>18. TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprises	0.91	18.63
	0.91	18.63
Total outstanding dues of creditors other than micro and small enterprises	4,465.40	5,443.31
	4,465.40	5,443.31
<b>Total trade payables</b>	<b>4,466.31</b>	<b>5,461.94</b>

Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information as available with the Group and the details of amount outstanding due to them are as given below:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) The principal amount and the interest due thereon remaining unpaid to any Supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.91	18.63
Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.16
(c) The amount of interest due and payable for the period of delay in making payment (which have 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	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The 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	-	-

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19. OTHER FINANCIAL LIABILITIES</b>		
<b>Non-current</b>		
Employee related payables	3.98	-
	<b>3.98</b>	-
<b>Current</b>		
Current maturities of long term borrowings (refer note 16)	556.44	709.42
Interest accrued but not due on inter corporate deposits (refer note 38)	164.03	-
Security deposits	200.01	186.14
Liability for capital goods	60.46	1,840.81
Employee related payables	114.40	413.00
	<b>1,095.34</b>	<b>3,149.38</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>20. OTHER FINANCIAL LIABILITIES</b>		
Statutory dues payable	112.07	139.14
Other liabilities	-	13.31
	<b>112.07</b>	152.45

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>21. CURRENT TAX LIABILITIES</b>		
Current tax payable	8.08	35.30
	<b>8.08</b>	35.30

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>22. REVENUE FROM OPERATIONS</b>		
Revenue from oilfield services	19,160.52	22,222.29
Revenue from consultancy service	225.00	-
	<b>19,385.52</b>	22,222.29

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>23. OTHER INCOME</b>		
Interest income on financial assets measured at amortised cost	195.16	283.40
Interest income on income tax refund	-	2.59
Liabilities/provisions written back	113.49	33.86
Profit on sale of property, plant and equipment (net)	13.62	-
Sale of scrap	30.44	-
Miscellaneous income	45.01	32.55
	<b>397.72</b>	352.40

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>24. OILFIELD SERVICES RELATED EXPENSE</b>		
Sub-contracting charges	9,052.27	5,453.85
Stores and consumables consumed	274.17	1,205.16
Camp establishment and maintenance	189.23	153.72
Machinery hire charges	886.16	133.54
Vehicle hire charges	321.41	238.88
Fuel rig expenses	14.06	39.24
Labour charges	117.00	252.28
Freight expenses	73.52	55.00
Power and fuel	17.14	46.60
License expenses	14.10	16.84
Repairs and maintenance		
- plant and machinery	29.19	14.69
Technical consultancy charges	723.44	-
Service charges	1,036.54	4,796.04
Other operational expenses	23.16	15.69
	<b>12,771.39</b>	12,421.53

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1,922.93	3,574.03
Contribution to provident and other funds (refer note 36.ii)	66.32	65.70
Employee stock option expenses (refer note 36.iii)	63.29	37.98
Staff welfare	14.46	14.82
	<b>2,067.00</b>	3,692.53

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>26. FINANCE COSTS</b>		
Interest expense on:		
- borrowings carried at amortised cost	251.88	490.78
- delayed payment of statutory dues	74.04	0.33
- others	19.85	-
Bank charges	226.29	142.96
	<b>572.06</b>	634.07

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>27. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment (refer note 3)	1,862.13	1,627.09
Amortisation of intangible assets (refer note 4)	82.14	75.59
	<b>1,944.27</b>	1,702.68

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>28. OTHER EXPENSES</b>		
Advertisement and business promotion expenses	13.22	58.93
Rent (refer note 32)	192.99	138.17
Rates and taxes	90.14	28.22
Travelling and conveyance	227.04	554.78
Printing and stationery	12.70	9.75
Membership and subscription charges	0.93	1.36
Telephone and internet expenses	33.13	96.22
Insurance	74.75	69.70
Security expenses	52.03	38.59
Legal and professional charges (refer note below)	328.46	895.31
Directors sitting fees (refer note 38)	7.20	7.10
Repairs and maintenance		
- building	15.44	20.53
- others	45.67	22.05
Provision for doubtful debts	-	22.17
Provision for doubtful advances	105.44	-
Net loss on foreign currency transactions	-	3.00
Sundry balances written off	13.28	14.47
Miscellaneous expenses	47.18	58.86
	<b>1,259.60</b>	2,039.21
<b>Note:</b>		
<b>Details of payments to auditors (excluding indirect taxes)</b>		
As auditor:		
Statutory audit	31.00	22.50
Certification and other matters	-	1.00
Re-imburement of expenses	1.70	1.95
	<b>32.70</b>	25.45

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29. EXCEPTIONAL ITEMS (LOSS)</b>		
Foreign exchange gain/(loss)	54.18	-
Current trade receivables written off	(175.87)	(10.02)
Other non-current financial assets written off	-	(89.38)
Impairment of other current financial assets	-	(998.12)
Allowance on trade receivables on account of settlement with a customer	-	(209.00)
Advances (included in other current assets) written off	(129.08)	-
Provision for settlement of litigation (Refer note 17.1)	-	(512.98)
Provision for doubtful advances (other current assets)	-	(163.84)
Trade payables and inter corporate deposits written back	-	949.23
	<b>(250.77)</b>	<b>(1,034.11)</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>30. EARNINGS/(LOSS) PER SHARE</b>		
Profit attributable to equity holders of the Company for basic and diluted earnings used as numerator - (A)	910.07	1,030.16
Weighted average number of equity shares outstanding during the year for Basic EPS (in Lacs) - (B)	380.74	282.33
Add: Effect of equity warrants which are dilutive	-	-
Weighted average number of equity shares outstanding during the year for Diluted EPS (in Lacs) - (C)	380.74	282.33
Basic earning per share (INR) - (A)/(B) (face value INR 10 each)	2.39	3.65
Diluted earning per share (INR) - (A)/(C) (face value INR 10 each)	2.39	3.65

Note: Effect of shares to be issued under employees stock option is anti-dilutive and hence such shares have been excluded while computing diluted earnings per share.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>30. CONTINGENT LIABILITIES</b>		
(a) Labour law matter	7.07	-
(b) Employee visa guarantee	0.57	1.06
(b) Demand for income tax contested by the Group	121.13	124.69
	<b>128.77</b>	<b>125.75</b>

(d) Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of pending resolution of the respective proceedings, as it is determined only on receipt of judgements/decisions pending with various authorities.

### 32. LEASES

The Group has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable and non cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 28.

The details of non-cancellable operating leases contracted by Group, but not recognised as liabilities in the financial statements are as below:

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>MINIMUM LEASE PAYMENT</b>		
Not Later than one year	-	9.95
Later than one year but not later than five years	-	-
Later than five years	-	-
Lease expense recognised in Statement of Profit and Loss	<b>192.99</b>	<b>138.17</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 32. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Table showing carrying amount and fair values of financial assets and liabilities by category

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Financial instruments by category				
	Notes	FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	5,939.80	5,939.80
Cash and cash equivalents	12	-	-	297.13	297.13
Bank balances other than above	13	-	-	2,222.24	2,222.24
Loans	6	-	-	83.78	83.78
Other financial assets	7	-	-	229.03	229.03
<b>Total financial assets</b>		-	-	<b>8,771.98</b>	<b>8,771.98</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	996.44	996.44
Trade payables	18	-	-	4,466.31	4,466.31
Other financial liabilities	19	-	-	542.88	542.88
<b>Total financial liabilities</b>		-	-	<b>6,005.63</b>	<b>6,005.63</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	Financial instruments by category				
	Notes	FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	6,161.37	6,161.37
Cash and cash equivalents	12	1.05	-	821.61	822.66
Bank balances other than above	13	-	-	1,634.75	1,634.75
Loans	6	-	-	777.60	777.60
Other financial assets	7	-	-	2,917.73	2,917.73
<b>Total financial assets</b>		<b>1.05</b>	-	<b>12,313.07</b>	<b>12,314.11</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	2,590.34	2,590.34
Trade payables	18	-	-	5,461.94	5,461.94
Other financial liabilities	19	-	-	2,439.96	2,439.96
<b>Total financial liabilities</b>		-	-	<b>10,492.24</b>	<b>10,492.24</b>

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2019	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Investment in highly liquid fund	-	-	-
	-	-	-
<b>At March 31, 2018</b>			
<b>Financial assets</b>			
Investment in highly liquid fund	1.05	-	-
<b>Total</b>	<b>1.05</b>	-	-

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Valuation technique used to determine fair value

Quoted prices (unadjusted) in active markets for financial instruments.

### Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, employee advances, loans, current security deposit, working capital loan, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposit has been calculated based on the cash flows discounted using the current lending rate.

The fixed deposit and non-current borrowing are placed with highly rated banks at fair interest rate, and their carrying values approximates fair value.

### 34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the group is exposed to and how the group manages the risk and the related impact in the financial statements. The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from trade receivables, bank deposits and other financial assets.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits.

The Group periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly.

The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. Also, the Group does not enter into sales transaction with customers having credit loss history.

There are no significant credit risks with related parties of the Group. Adequate expected credit losses are recognized as per the assessments.

Ageing of trade receivable	Days past dues			Total
	0-180	180-365	Above 365	
As at March 31, 2019	4,173.79	1,383.42	382.59	5,939.80
As at March 31, 2018	5,763.43	10.28	618.84	6,392.55

### Reconciliation of loss allowance provision for loans, other financial assets and other assets

	Amount
Loss allowance as at 31 March 2017	805.42
Add: Additional provision during the year	141.19
Less: Write - offs during the year	(782.77)
Loss allowance as at March 31, 2018	163.84
Add: Additional provision during the year	105.44
Less: Write - offs during the year	(163.84)
<b>Loss allowance as at March 31, 2019</b>	<b>105.44</b>
<b>Reconciliation of provision for trade receivable</b>	
Loss allowance as at 31 March 2017	673.33
Add: Additional provision during the year	22.17
Less: Write - offs during the year	(464.32)
Loss allowance as at March 31, 2018	231.18
Add: Additional provision during the year	-
Less: Write - offs during the year	(231.18)
<b>Loss allowance as at March 31, 2019</b>	<b>-</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Group closely monitors its liquidity position and maintains adequate source of funding.

### Maturities of financial liabilities:

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Repayable on demand	Less than 1 Year	1-2 years	>2 years	Total
Borrowings	440.00	556.44	-	-	996.44
Trade payables	-	4,466.31	-	-	4,466.31
Other financial liabilities	278.44	260.46	3.98	-	542.88
	<b>718.44</b>	<b>5,283.21</b>	<b>3.98</b>	-	<b>6,005.63</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	Repayable on demand	Less than 1 Year	1-2 years	>2 years	Total
Borrowings	449.34	706.65	1,434.34	-	2,590.34
Trade payables	-	5,461.94	-	-	5,461.94
Other financial liabilities	-	2,439.96	-	-	2,439.96
	<b>449.34</b>	<b>8,608.55</b>	<b>1,434.34</b>	-	<b>10,492.23</b>

### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and debt prices will affect the Group's income or the value of its holdings of financial instruments.

### Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Groups functional currency. The Group operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Group.

**The Group's significant exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows**

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Amount in US\$	Amount in INR	Amount in Naira	Amount in INR	Total (in INR)
<b>Financial assets</b>					
Trade receivables	34.40	2,379.74	-	-	2,379.74
Cash and cash equivalents	0.35	23.87	16.55	3.74	27.61
Loans	0.04	3.06	-	-	3.06
Other financial assets	0.00	0.10	-	-	0.10
	<b>34.79</b>	<b>2,406.77</b>	<b>16.55</b>	<b>3.74</b>	<b>2,410.51</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	-	-	-	-	-
Trade payables	0.28	227.68	7,317.18	1,654.41	1,882.09
Other financial liabilities	1.01	69.73	-	-	69.73
	<b>1.29</b>	<b>297.41</b>	<b>7,317.18</b>	<b>1,654.41</b>	<b>1,951.82</b>
<b>Net exposure</b>	<b>33.50</b>	<b>2,109.36</b>	<b>(7,300.63)</b>	<b>(1,650.67)</b>	<b>458.69</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	Amount in US\$	Amount in INR	Amount in Naira	Amount in INR	Total (in INR)
<b>Financial assets</b>					
Trade receivables	17.49	1,137.37	-	-	1,137.37
Cash and cash equivalents	4.38	284.80	1,311.75	275.39	560.19
Loans	0.05	3.41	-	-	3.41
Other financial assets	3.74	243.16	-	-	243.16
	<b>25.66</b>	<b>1,668.74</b>	<b>1,311.75</b>	<b>275.39</b>	<b>1,944.13</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	13.75	894.36	-	-	894.36
Trade payables	6.33	411.77	7,358.88	1,545.36	1,957.13
Other financial liabilities	31.45	2,045.59	-	-	2,045.59
	<b>51.53</b>	<b>3,351.71</b>	<b>7,358.88</b>	<b>1,545.36</b>	<b>4,897.07</b>
<b>Net exposure</b>	<b>(25.87)</b>	<b>(1,682.97)</b>	<b>(6,047.13)</b>	<b>(1,269.97)</b>	<b>(2,952.94)</b>

### Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*
US\$	6.26%	132.05	132.05	4.16%	(70.01)	(70.01)
Others	7.03%	(116.04)	(116.04)	4.16%	(52.83)	(52.83)

\*Holding all other variables constant

An equal and opposite impact would be experienced in the event of decrease by a similar percentage.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Groups exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates.

The Groups investments in fixed deposits are at fixed interest rates.

**The exposure of the Groups borrowing to interest rate changes at the end of the reporting period are as follows:**

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing	556.44	1,246.64
Fixed rate borrowing	440.00	1,343.70
	<b>996.44</b>	<b>2,590.34</b>

(All amounts in Lacs, unless otherwise stated)

Sensitivity	Movement in Rate	Year ended March 31, 2019	Year ended March 31, 2018
Below is the sensitivity of profit or loss and equity to decrease in interest rates:			
Positive impact in statement of profit and loss (prior to tax)	0.50%	2.78	6.23

An equal and opposite impact would be experienced in the event of an increase in interest rates by a similar percentage.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

### Price risk:

The Companies exposure to price risk arises from investments in debt fund held by The Company and classified in the balance sheet as fair value through profit and loss except investments in subsidiaries. However, Company has no investment in debt funds, as at March 31, 2019 and hence the exposure to change in price risk is not present.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 35. CAPITAL MANAGEMENT

The Group objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Total 'equity' as shown in the balance sheet, including non-controlling interest

(All amounts in Lacs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Total borrowings	996.44	2,590.34
Total equity	15,200.14	14,053.12
<b>Net debt to equity ratio</b>	<b>0.07</b>	0.18

#### Loan covenants:

Under the terms of the major borrowing facilities outstanding as at March 31, 2019, the Group is required to comply with the following financial covenants:

- 1) Total Debt to EBITDA ratio shall not exceed 1.5x (applicable on the Consolidated financial statements of the Group)
- 2) Funded facilities (both working capital and term loan) not to exceed INR 5,000 Lacs excluding the RBL term loan facility of INR 1,800 Lacs and Non-funded credit facilities not to exceed INR 5,000 Lacs (applicable on the Consolidated financial statements of the Group)
- 3) Total outside liabilities to tangible net worth ratio shall not exceed 1.1x (applicable on the standalone financial statements of the Holding Company)

### 36. EMPLOYEE BENEFITS

#### (i) Defined benefit plan

Gratuity :

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

#### A. Obligations and assets

##### Movement in the present value of projected benefit obligation for gratuity

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
At the beginning of the year	27.95	16.61
Interest cost	2.15	1.25
Current service cost	6.82	11.95
(Benefit paid directly by the employer)	(11.63)	(4.49)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.35	(0.63)
Actuarial (gains)/losses on obligations - due to experience	(3.17)	3.26
Actuarial (gains)/losses on obligations - due to demographic assumption	(4.60)	-
<b>At the end of the year</b>	<b>20.86</b>	27.95
<b>Movement in the fair value plan assets :</b>		
Opening fair value of plan assets	24.50	27.45
Expected return on plan assets	1.89	2.07
Contributions by employer	-	-
Benefits paid	(11.63)	(4.49)
Actuarial gains / (losses)	(0.32)	(0.53)
<b>Closing fair value of plan assets</b>	<b>14.44</b>	24.50

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
Actual return on plan assets:		
Expected return on plan assets	1.89	2.07
Actuarial [losses]/ gains on plan assets	(0.32)	(0.53)
<b>Actual return on plan assets</b>	<b>1.57</b>	1.54
<b>B. Amount recognised in the statement of profit and loss</b>		
Interest cost (net of actual return on plan assets)	0.26	(0.82)
Current service cost	6.82	11.95
<b>Net impact as employee benefit expenses in profit and loss</b>	<b>7.08</b>	11.13
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.35	(0.63)
Actuarial (gains)/losses on obligations - due to experience	(3.17)	3.26
Actuarial (gains)/losses on obligations - due to demographic assumption	(4.60)	-
Actuarial (gains)/ losses on plan assets	0.32	0.53
<b>Net impact as other comprehensive (income)/ loss before tax</b>	<b>(4.11)</b>	3.16
<b>C. Amount recognised in the balance sheet</b>		
Present value of obligations as at year end	20.86	27.95
Fair value of plan assets as at year end	14.44	24.50
<b>Net Asset/(Liability) recognised</b>	<b>(6.42)</b>	(3.45)
Current asset/(liability)	(2.59)	(0.48)
Non Current asset/(liability)	(3.83)	(2.98)
<b>Asset information</b>		
Group Scheme of LIC	100%	100%
Expected Employer's Contribution for the next year	8.53	17.43
Number of active members are 151 (March 31, 2018 : 316).		
Weighted average duration of the projected benefit obligation for gratuity is 3.39 years (March 31, 2018 : 16.78 years).		

**D. The defined benefit obligations shall mature after year end as follows:**

(All amounts in Lacs, unless otherwise stated)

	March 31, 2019	March 31, 2018
1st following year	0.16	0.48
2nd following year	0.43	0.75
3rd following year	0.21	0.63
4th following year	1.93	0.65
5th following year	1.16	0.84
sum of years 6 to 10	14.38	24.60

**E. Assumptions**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity is based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Rate of discounting - Indicative Government security referenced rate of interest	6.65	7.71
Rate of salary increase	5.00	5.00
Rate of employee turnover	25.00	2.00
Mortality rate during employment - Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate table.	100.00	100.00

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### F. Sensitivity

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

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate (0.5% Movement Increase)	(0.43)	(1.16)
Discount Rate (0.5% Movement Decrease)	0.44	1.28
Future Salary Growth (0.5% Movement Increase)	0.45	1.30
Future Salary Growth (0.5% Movement Decrease)	(0.04)	(1.19)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

### (ii) Provident fund and employee's state insurance corporation

The Group pays fixed contribution to the provident fund and employee's state insurance corporation entities in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities, and the Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year that related employee services are received.

Contribution to defined contribution plan recognised as employee benefit expenses:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution towards Provident Fund (PF)	53.10	48.11
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	13.22	17.59
	<b>66.32</b>	65.70

### (iii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 23 August 2017. Under the scheme, Company granted 174,302 stock option with exercise price of INR 165 per share on 24 August 2017. The options scheme would vest in two years from the grant date and exercise of such vested options would be done subsequently in maximum of three tranches.

The details of activity under the ESOP scheme are summarized below:

The expense recognised for employee services received during the year is as under:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share-based payment transactions	63.29	37.98
	<b>63.29</b>	37.98

### Movements during the year

The following table illustrates the number and exercise price of, and movements in, share options during the year:

	Number	Exercise price
Outstanding at March 31, 2018	1.74	165.00
Granted during the year	-	-
Outstanding at March 31, 2019	<b>1.74</b>	<b>165.00</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

The following are the inputs to the models used for the employees' stock option plan:

Exercise price (INR)	165
Grant date	24-Aug-17
Vesting date	24-Aug-19
Expiry date	24-Aug-19
Dividend yield (%)	-
Expected price volatility (%)	58.51%
Risk-free interest rate (%)	6.35%
Expected life of share options (years)	2
Share price at grant date (INR )	181.8
Model used	Black Scholes

### 37. THE SUBSIDIARIES AND JOINT VENTURE CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

(All amounts in Lacs, unless otherwise stated)

Assets	Principal activities	Country of Incorporation	With effect from	As at March 31, 2019	As at March 31, 2018
Asian Oilfield & Energy Services DMCC	Oil & Gas Services	Dubai	November 16, 2016	100.00	100.00
AOSL Petroleum Pte Limited	Oil & Gas Services	Singapore	November 16, 2016	100.00	100.00
Ivorene Oil Services Nigeria Limited	Oil & Gas Services	Nigeria	08 February 2017	99.99	99.99
AOSL Energy Services Limited	Oil & Gas Services	India	29 September 2018	100.00	-

#### Joint venture

Optimum Oil and Gas Private Limited (refer note 5)

### 38. RELATED PARTY DISCLOSURES

#### A. Name of the related party and nature of the related party relationship :

<b>a)</b>	<b>Holding Company</b> Oilmax Energy Private Limited
<b>b)</b>	<b>Joint Venture</b> Optimum Oil & Gas Private Limited (w.e.f. 10 November 2017)
<b>c)</b>	<b>Individuals having control or significant influence over the Company by virtue of owning indirect interest in the voting power</b> Mr. Kapil Garg - Director of Holding Company Ms. Ritu Garg - Director of Holding Company
<b>d)</b>	<b>Key Management Personnel</b> Mr. Rohit Agarwal - Whole Time Director (upto 31 July 2018) Mr. Ashutosh Kumar - Chief Executive Officer and Whole time director (w.e.f. 1 August 2018) Mr. Sumit Maheshwari - Chief Financial Officer (w.e.f. 1 August 2018) Mr. Gaurav Gupta - Director Mr. Rabi Narayan Bastia - Director Mr. Naresh Chandra Sharma - Independent Director (upto March 31, 2019) Mr. Kadayam Ramanathan Bharat - Independent Director Ms. Anusha Mehta - Independent Director Ms. Shweta Vaibhav Jain - Company Secretary (upto 20 June 2018) Ms. Archana Nadgouda - Company Secretary (w.e.f. 1 August 2018) Mr. Rahul Jain - Chief Financial Officer (upto 16 February 2018) The Company did not had a Compnay Secretary from 21 June 2018 to 31 July 2018. The Company did not had a Chief Financial Officer from 17 February 2018 till 31 July 2018.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### B. Transactions with related parties :

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Holding Company</b>		
Allotment of equity shares (in numbers)	-	75,00,000
Loan taken during the year	6,040.00	3,455.00
Repayment of loan	5,600.00	7,155.00
Interest on loan taken	182.25	294.35
Subscription received towards equity warrants	-	3,000.00
<b>Joint Venture</b>		
Investment in equity shares	-	0.23
Loan advanced	-	631.50
Repayment of loan	631.50	-
Interest on loan given	48.07	11.25
<b>Key Managerial Personnel</b>		
Remuneration#	214.42	269.94
Sitting fees	7.20	7.10
Reimbursement of expenses	21.44	13.95
# Exclusive of gratuity expense.		
<b>Individuals having significant influence</b>		
Rent expense	144.00	100.00

### C. Balances with related parties

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Holding Company</b>		
Inter corporate deposits taken	440.00	-
Accrued interest on above	164.03	-
<b>Joint Venture</b>		
Investment in equity shares	0.23	0.23
Unsecured loan given	-	631.50
Interest receivable	43.89	11.25
<b>Key Managerial Personnel</b>		
Payable	12.93	5.77
<b>Individuals having significant influence</b>		
Payable	25.92	4.32

### D. Remuneration paid to KMP

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rohit Agarwal	21.13	69.48
Ashutosh Kumar	135.41	152.80
Rahul Jain	-	34.65
Sumit Kumar Maheshwari	45.20	-
Kanika Bhutani	-	11.98
Shweta Vaibhav Jain	1.84	1.03
Archana Nadgouda	10.84	-
<b>Total remuneration</b>	<b>214.42</b>	269.94

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### 39. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

The year-end foreign currency exposures that have not been hedged by a derivative instruments or otherwise are given below:

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Amount in US\$	Amount in INR	Amount in Naira	Amount in INR	Amount in Other currency	Amount in INR
<b>Financial assets</b>						
Trade receivables	34.40	2,379.74	-	-	-	-
Cash and cash equivalents	0.35	23.87	16.55	3.74	0.01	0.14
Loans	0.04	3.06	-	-	-	-
Other financial assets	0.00	0.10	-	-	-	-
	<b>34.79</b>	<b>2,406.77</b>	<b>16.55</b>	<b>3.74</b>	<b>0.01</b>	<b>0.14</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of long term borrowings)	-	-	-	-	-	-
Trade payables	0.28	227.68	7,317.18	1,654.41	-	-
Other financial liabilities	1.01	69.73	-	-	-	-
	<b>1.29</b>	<b>297.41</b>	<b>7,317.18</b>	<b>1,654.41</b>	-	-
<b>Net exposure</b>	<b>33.50</b>	<b>2,109.36</b>	<b>(7,300.63)</b>	<b>(1,650.67)</b>	<b>0.01</b>	<b>0.14</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2018	Amount in US\$	Amount in INR	Amount in Naira	Amount in INR	Amount in Other currency	Amount in INR
<b>Financial assets</b>						
Trade receivables	17.49	1,137.37	-	-	-	-
Cash and cash equivalents	4.38	284.80	1,311.75	275.39	0.20	0.11
Loans	0.05	3.41	-	-	-	-
Other financial assets	3.74	243.16	-	-	-	-
	<b>25.66</b>	<b>1,668.74</b>	<b>1,311.75</b>	<b>275.39</b>	<b>0.20</b>	<b>0.11</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of long term borrowings)	13.75	894.36	-	-	-	-
Trade payables	6.33	411.77	7,358.88	1,545.36	-	-
Other financial liabilities	31.45	2,045.59	-	-	-	-
	<b>51.53</b>	<b>3,351.71</b>	<b>7,358.88</b>	<b>1,545.36</b>	-	-
<b>Net exposure</b>	<b>(25.87)</b>	<b>(1,682.97)</b>	<b>(6,047.13)</b>	<b>(1,269.97)</b>	<b>0.20</b>	<b>0.11</b>

### 40. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of inadequate profits, the Group is not liable to make any CSR expenditure for the year.

### 41. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between March 31, 2019 and the date of authorisation of these consolidated financial statements.

### 42.

- a) Other current assets of Asian Oilfield & Energy Service DMCC ("ADMCC"), a subsidiary company, as at March 31, 2019 include amount of INR 397.38 Lacs (US\$ 574,500) towards advances given to the suppliers. In the opinion of ADMCC's management, such amount shall be realised in near future and the consequential adjustments, if any, arising out of confirmation/ impairment assessment are not expected to be material.
- b) ADMCC's management had appointed an independent audit firm for carrying out the physical verification of its property, plant and equipment lying at various project sites in India and also for certifying the carrying value. In the opinion of ADMCC's management, no events or circumstances have occurred that indicate the carrying amounts of property, plant and equipment may not be recoverable.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

- c) ADMCC had filed for arbitration in 'The London Court of International Arbitration' on 19 June 2018 against early termination of 'Service Contract for Operations and Maintenance of Floating Production Unit' by its customer. The termination notice was received on 7 May 2018, with company given 14 days (from 7 May 2018) to provide the Floating Production Unit operations back to the customer. Both the parties had signed a settlement deed dated 3 December 2018. However, as per the arbitration dated 22 February 2019, the dispute arose between the parties in relation to the above settlement deed dated 3 December 2018. On 5 February 2019, ADMCC had demanded payment of second installment of US\$ 1,759,564 (INR 1,217.11 Lacs) where the last day expired on 19 February 2019 and the customer did not settle the payment. ADMCC's management has re-initiated arbitration proceedings against the customer and believes such amount shall be realised in near future.

### 43. SEGMENT INFORMATION

- (a) The Group is principally engaged in a single business segment, viz. "Oilfield services".
- (b) Revenue from external customers:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
India	14,604.50	9,566.28
Outside India	4,781.02	12,656.01
<b>Total revenue from operations (Refer note 22)</b>	<b>19,385.52</b>	22,222.29

- (c) Revenue derived from the major customers is as follows:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from top customer	9,954.68	12,656.00
Revenue from top three customers	16,994.82	19,837.01

For the year ended March 31, 2019, three (March 31, 2018 : four) customers, individually accounted for more than 10% of the revenue.

### 44. DISCLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

- a) Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted.
- b) Reconciliation of revenue from sale of services with the contract price

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Contracted Price	18,484.74	22,222.29
Less: variable considerations	266.21	-
Add: compensation on termination of contract	634.57	-
<b>Sale of Services</b>	<b>19,385.52</b>	22,222.29

- c) Sale by performance obligations

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
As services are rendered (over the period of time)	18,253.56	20,303.95
Upon completion of services (at a point in time)	1,131.96	1,918.34
	<b>19,385.52</b>	22,222.29

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### d) Contract balances

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Trade receivables	5,939.80	6,161.37
Contract assets	822.84	1,713.31

During the year ended March 31, 2019, the Group has recognised revenue of INR 1,533.22 Lacs (March 31, 2018 INR 1,446.61 Lacs) arising from the opening balance of contract assets.

### 45. Additional information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/ Associates

#### a) As at and for the year ended March 31, 2019

(All amounts in Lacs, unless otherwise stated)

Name of entity consolidated	Net assets i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in other Comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / [Loss]	Amount	As % of Consolidated OCI	Amount
<b>Parent Company</b>						
Asian Oilfield Services Limited	89.98%	13,677.14	17.94%	163.29	2.37%	4.11
<b>Subsidiaries - Foreign</b>						
AOSL Petroleum Pte Limited	(9.49%)	(1,442.89)	(33.12%)	(301.42)	-	-
Asian Oilfield & Energy Services DMCC	22.75%	3,458.10	109.33%	994.94	-	-
Ivorene Oil Services Nigeria Limited	1.07%	162.92	2.06%	18.74	-	-
<b>Subsidiary - Indian</b>						
AOSL Energy Services Limited	0.00% *	0.20	(0.09%)	(0.80)	-	-
<b>Subtotal</b>	<b>104.31%</b>	<b>15,855.47</b>	<b>96.12%</b>	<b>874.75</b>	<b>2.37%</b>	<b>4.11</b>
Inter company elimination and consolidation adjustment including foreign exchange difference on translation	(4.31%)	(655.13)	3.88%	35.32	97.63%	169.56
<b>Grand total</b>	<b>100.00%</b>	<b>15,200.14</b>	<b>100.00%</b>	<b>910.07</b>	<b>100.00%</b>	<b>173.67</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

### b) As at and for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Name of entity consolidated	Net assets i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in other Comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / [Loss]	Amount	As % of Consolidated OCI	Amount
<b>Parent Company</b>						
Asian Oilfield Services Limited	95.68%	13,446.45	(200.7%)	(2,067.72)	(54.67%)	(3.16)
<b>Subsidiaries - Foreign</b>						
AOSL Petroleum Pte Limited	(7.7%)	(1,076.04)	(10.8%)	(111.72)	-	-
Asian Oilfield & Energy Services DMCC	16.55%	2,325.81	307.88%	3,171.62		-
Ivorene Oil Services Nigeria Limited	0.96%	134.90	3.72%	38.31	-	-
<b>Subtotal</b>	<b>105.54%</b>	<b>14,831.12</b>	<b>100.03%</b>	<b>1,030.48</b>	<b>(54.67%)</b>	<b>(3.16)</b>
Inter company elimination and consolidation adjustment including foreign exchange difference on translation	(5.53%)	(777.79)	0.01%	0.13	154.67%	8.94
<b>Joint venture (Indian)</b>						
(Investment as per equity method)						
Optimum Oil & Gas Private Limited	0.00% *	(0.23)	(0.02%)	(0.23)	-	-
<b>Grand total</b>	<b>100.00%</b>	<b>14,053.11</b>	<b>100.00%</b>	<b>1,030.16</b>	<b>100.00%</b>	<b>5.78</b>

\* less than 0.01%

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

#### Rakesh R. Agarwal

Partner

Membership No.: 109632

#### For and on behalf of the Board of Directors

#### Ashutosh Kumar

Whole Time Director & Chief Executive Officer

(DIN-06918508)

#### Archana Nadgouda

Company Secretary

(ACS-17140)

#### Nayan Mani Borah

Chairman

(DIN-00489006)

#### Sumit Maheshwari

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

# NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **Asian Oilfield Services Limited** will be held on Wednesday, September 18, 2019 at 2.00 p.m. at Boundary Hall, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 to transact the following businesses:

## Ordinary Business:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Dr. Rabi Narayan Bastia (DIN 05233577), who retires by rotation and, being eligible, offers himself for re-appointment.

## Special Business:

### 3. To appoint Mr. Nayan Mani Borah (DIN: 00489006) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and any other rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Nayan Mani Borah (DIN: 00489006), who was appointed as an Additional and Independent Director of the Company by the Board of Directors with effect from March 19, 2019 and who holds office up to the date of this 26th Annual General Meeting under Section 161(1) of the Act and Article 74 of the Articles of Association of the Company, and who is eligible for appointment under Section 160(1) of the Act as recommended by the Nomination and Remuneration Committee and who has submitted a declaration that he meets the criteria for independence as required under Section 149(6) of the Act along with rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has

received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years with effect from March 19, 2019 up to March 18, 2024.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental for giving effect to the above resolution.”

### 4. To appoint Mr. Devesh Bhargava (DIN: 02001318) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and any other rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Devesh Bhargava (DIN: 02001318), who was appointed as an Additional and Independent Director of the Company by the Board of Directors with effect from May 23, 2019 and who holds office up to the date of this 26th Annual General Meeting under Section 161(1) of the Act and Article 74 of the Articles of Association of the Company, and who is eligible for appointment under Section 160(1) of the Act as recommended by the Nomination and Remuneration Committee and who has submitted a declaration that he meets the criteria for independence as required under Section 149(6) of the Act along with rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years with effect from May 23, 2019 up to May 22, 2024.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental for giving effect to the above resolution.”

# NOTICE (CONTD.)

**5. To appoint Mr. Mukesh Jain (DIN: 01316027) as a Director of the Company in the casual vacancy created by resignation of Mr. Gaurav Gupta:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 161(4) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules framed thereunder including any statutory modifications or re-enactment(s) thereof, for the time being in force, Mr. Mukesh Jain (DIN 01316027), who was appointed as Director of the Company in the casual vacancy created by resignation of Mr. Gaurav Gupta, by the Board of Directors with effect from May 29, 2019 and who is eligible for appointment under Section 160(1) of the Act as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing along with deposit from a member, be and is hereby appointed as a Director to fill in the casual vacancy caused by the resignation of Mr. Gaurav Gupta, who shall hold office till the date Mr. Gaurav Gupta would have held office if it had not been vacated, liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental for giving effect to the above resolution.”

**6. To revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508):**

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT in partial modification of the resolution passed by the members at the 25th Annual General Meeting of the Company held on September 18, 2018 and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in the remuneration structure of Mr. Ashutosh Kumar (DIN 06918508), Whole-time Director & CEO effective April 1, 2019 till the remaining period of his

tenure, as stated in the Explanatory Statement annexed to the Notice.

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to alter, revise and amend the terms and conditions of appointment and remuneration payable to Mr. Ashutosh Kumar, Whole-time Director & CEO, subject to the overall limits as specified in this resolution and in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V thereto and/or any guidelines prescribed by the Government from time to time.”

“RESOLVED FURTHER THAT except for the revision in the remuneration to Mr. Ashutosh Kumar, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company to give effect to the above resolution.”

**7. To approve Asian Oilfield Services Limited Employees Stock Option Plan 2019 and grant of Employees Stock Options to the employees of the Company thereunder:**

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the (i) provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (the “Act”);(ii) provisions contained in the Memorandum of Association and the Articles of Association of the Company; (iii) in accordance with regulations contained in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force); (v) in accordance with regulations contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

## NOTICE (CONTD.)

Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"), as amended from time to time; (vi) as per the provisions of the Foreign Exchange Management Act, 1999 (the "**FEMA**") and (vii) such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India ("**SEBI**"), and the Reserve Bank of India ("**RBI**"), and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any Committee thereof, including the ESOP Compensation Committee ("**ECC**") constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to introduce and implement Asian Oilfield Services Limited Employee Stock Option Plan 2019 (hereinafter referred to as the "**AOSL ESOP 2019**") / "**Plan**") to create, offer and grant from time to time up to 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Employee Stock Options being 1 % of the paid-up Equity Share Capital of the Company as on March 31, 2019, to the present and/or future permanent employees of the Company and its existing and future holding & subsidiary company(ies) including directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as may be decided solely by the Board under the Plan, exercisable into not more than 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) fully paid-up Equity Shares in the Company in aggregate of face value of ₹ 10 each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified."

"RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of Employee Stock Option Plans ("**ESOPs**") from time to time in accordance with the AOSL ESOP 2019 and such Equity

shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the number of Employee Stock Options that may be granted to any employee including any Director of the Company, in any financial year and in aggregate under the AOSL ESOP 2019 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company and a separate special resolution shall be passed to this effect."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Stock Options and Equity Shares respectively shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT the total number of new shares to be granted shall not exceed 1 % of the total paid up equity capital as on March 31, 2019."

"RESOLVED FURTHER THAT the Board or its Committee thereof be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the AOSL ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the AOSL ESOP 2019 and do all other things incidental and ancillary thereof."

## NOTICE (CONTD.)

“RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the AOSL ESOP 2019.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the AOSL ESOP 2019 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing its committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of AOSL ESOP 2019 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI / Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

### 8. To grant Employees Stock Options to the employees of the holding and subsidiary(ies) company(ies) of the Company under the Asian Oilfield Services Limited Employees Stock Option Plan 2019:

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the (i) provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (the “Act”);(ii) provisions contained in the Memorandum of Association and the Articles of Association of the Company; , (iii) in accordance with regulations contained in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force); (v) in accordance with regulations contained in Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”), as amended from time to time; (vi) as per the provisions of the Foreign Exchange Management Act, 1999 (the “FEMA”) and (vii) such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India (“SEBI”), and the Reserve Bank of India (“RBI”), and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, including the ESOP Compensation Committee (“ECC”) constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to introduce and implement Asian Oilfield Services Limited Employee Stock Option Plan 2019 (hereinafter referred to as the “AOSL ESOP 2019”/ “Plan”) to create, offer and grant from time to time up to 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Employee Stock Options, within the overall ceiling of 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Equity Shares as specified in Resolution 1 above, being 1% of the paid-up Equity Share Capital of the Company as on March 31, 2019, to the present and/or future permanent employee(s) including the Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) whether whole-time or otherwise, whether working in India or out of India of any existing and future holding & subsidiary company(ies) of the Company whether in or outside India, as may be decided solely by the Board under the AOSL ESOP 2019”/ “Plan”), exercisable into not more than 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) fully paid-up Equity Shares in the Company in aggregate of face value of ₹ 10 each, through Asian Oilfield Services Limited Employees Welfare Trust (“ESOP Trust”) , at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

## NOTICE (CONTD.)

“RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of ESOPs from time to time in accordance with the AOSL ESOP 2019 and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the number of Employee Stock Options that may be granted to any employee including any Director of the holding or subsidiary Company(ies), in any financial year and in aggregate under the AOSL ESOP 2019 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company and a separate special resolution shall be passed to this effect.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Employee Stock Options and Equity Shares respectively shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.”

“RESOLVED FURTHER THAT the total number of new shares to be granted shall not exceed 1 % of the total paid up equity capital as on March 31, 2019.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the AOSL ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment,

suspension or termination of the AOSL ESOP 2019 and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the AOSL ESOP 2019.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the AOSL ESOP 2019 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of AOSL ESOP 2019 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

### 9. To implement AOSL ESOP 2019 through ESOP Trust:

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the applicable laws, approval of the members of the Company be and is hereby accorded to the Board to implement the AOSL ESOP 2019 through the Asian Oilfield Services Limited Employees Welfare Trust (“ESOP Trust”) created on May 23, 2017 and takes note of the appointment of Vistra ITCL (India) Limited as a Trustee by the execution of the Indenture of Trust dated May 23, 2017.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorised by the Board in this regard be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

## NOTICE (CONTD.)

### 10. To authorize Asian Oilfield Services Limited Employees Welfare Trust for primary issue or secondary acquisition:

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the applicable laws, approval of the members of the Company be and is hereby accorded for issue of new equity shares or acquisition of up to 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) equity shares of the Company representing 1% of the paid up share capital, in one or more tranches, through primary issue or from the secondary market, by **Asian Oilfield Services Limited Employees Welfare Trust (“ESOP Trust”)** for the purpose of implementation of AOSL ESOP 2019 from time to time”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of the Directors of the Company to issue and allot as and when decided, the equity shares to the ESOP Trust at such price or prices as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company, the number of shares of the Company to be acquired from the secondary market by the ESOP Trust shall be appropriately adjusted.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorised by the Board in this regard be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

### 11. To provide for money by the Company for purchase of its own shares by the Trust/ Trustee for the benefit of employees under the Asian Oilfield Services Limited Employee Stock Option Plan 2019:

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the (i) provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (the

“Act”); (ii) provisions contained in the Memorandum of Association and the Articles of Association of the Company; , (iii) in accordance with regulations contained in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “**SEBI SBEB Regulations**”) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force); (v) in accordance with regulations contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”), as amended from time to time; (vi) as per the provisions of the Foreign Exchange Management Act, 1999 (the “**FEMA**”) and (vii) such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India (“**SEBI**”), and the Reserve Bank of India (“**RBI**”), and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee thereof, including the ESOP Compensation Committee (“**ECC**”) constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to introduce and implement Asian Oilfield Services Limited Employee Stock Option Plan 2019” (hereinafter referred to as the “**AOSL ESOP 2019**”/ “**Plan**”) to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to, the Asian Oilfield Services Limited Employees Welfare Trust (“**ESOP Trust**”) set-up by the Company vide Indenture of Trust dated May 23, 2017 in one or more tranches for the purpose of subscription and / or purchase of equity shares of the Company by the Trust / Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under AOSL ESOP 2019 or any other employee / plan or share based.”

By order of the Board,  
For Asian Oilfield Services Limited

Archana Nadgouda  
Company Secretary

Place: Mumbai  
Date: August 14, 2019

# NOTICE (CONTD.)

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or members.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 11 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director is also annexed to the notice.
3. Members of the Company had approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N/N500013), as the Statutory Auditors at the 22nd Annual General Meeting of the Company held on September 28, 2015 which is valid till 27th Annual General Meeting. In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
4. The Register of Members and Share Transfer Books of the Company will be closed on Thursday, September 12, 2019 and Wednesday, September 18, 2019 (both days inclusive).
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section

113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
8. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received 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 holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") for assistance in this regard. Members may also refer to information on dematerialisation of shares on Company's website <https://www.asianoilfield.com/pdf/Investor-Relations/investor-center/Note-on-Dematerialization-of-Shares.pdf>.
10. SEBI has mandated the registration of Permanent Account Number (PAN) of all securities holders. Members holding shares in physical form are requested to submit a self-attested copy of PAN Card to Link Intime, the Registrar and Share Transfer Agent (RTA). Members holding shares in electronic form are requested to submit the aforesaid information to their Depository Participants with whom they are maintaining their demat accounts.
11. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
12. The Notice of the AGM along with the Annual Report 2018-19 is being sent to all those persons who are members of the Company as on August 9, 2019. The Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members

# NOTICE (CONTD.)

may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.asianoilfield.com](http://www.asianoilfield.com).

13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, other statutory registers and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection at the AGM.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / RTA.
15. The route map showing directions to reach the venue of the 26th AGM is annexed.

## 16. Voting through electronic means:

- I. In compliance with provisions of Sections 108 & 110 of the Companies Act, 2013 read with Rules 22 and Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligation and Disclosure requirements) Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the 26th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, September 15, 2019 (9:00 am) and ends on Tuesday, September 17, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on

the cut-off date of September 11, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

## VI. The process and manner for remote e-voting are as under:

- A. Member whose email IDs are registered with the Company/Depository Participant(s) will receive an email from NSDL informing them of their User ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:
  - i) Open the email and also open the PDF file 'AOSL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.  
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "AOSL e-voting.pdf".
  - ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
  - iii) Click on Shareholder - Login.
  - iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
  - v) Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
  - vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
  - vii) Select 'EVEN' of Asian Oilfield Services Limited.
  - viii) Now you are ready for e-voting as 'Cast Vote' page opens.
  - ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
  - x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

## NOTICE (CONTD.)

- xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by an e-mail at hemanshu@hkacs.com with a copy marked to evoting@nsdl.co.in.
- B.** In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):
- Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
  - Please follow all steps from Sl. No. A (ii) to (xii) above, to cast vote.
- VII.** In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://evoting.nsdl.com> or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Limited at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone nos. +91 22 2499 4600/ +91 22 2499 4360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: secretarial@asianoilfield.com or contact at telephone no. 022-42441100.
- VIII.** Login to the e voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- IX.** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X.** The voting rights of members shall be as per the number of equity shares held by the Member(s) as on Wednesday, September 11, 2019, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- XI.** Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or secretarial@asianoilfield.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
- XII.** A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII.** Mr. Hemanshu Kapadia of Hemanshu Kapadia & Associates, Practicing Company Secretary or failing him Mrs. Pooja Jain of VPP and Associates, Practicing Company Secretary has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- XIV.** The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV.** The Scrutiniser shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI.** The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By order of the Board,  
For Asian Oilfield Services Limited

Archana Nadgouda  
Company Secretary

Place: Mumbai  
Date: August 14, 2019

# NOTICE (CONTD.)

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

#### To appoint Mr. Nayan Mani Borah (DIN: 00489006) as an Independent Director of the Company:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Nayan Mani Borah (DIN 00489006) as an Additional Director and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from March 19, 2019 to March 18, 2024, subject to approval of the Members. Pursuant to Section 161 of the Act and Article 74 of the Articles of Association of the Company he holds office as Additional Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Nomination and Remuneration Committee has recommended the appointment and notice under Section 160(1) of the Act has been received from a member indicating the intention to propose Mr. Nayan Mani Borah for the office of Director of the Company.

#### Brief profile of Mr. Nayan Mani Borah:

Mr. N. M. Borah is a petroleum engineering graduate from the Indian School of Mines, Dhanbad with Post Graduate specialisation in Petroleum Prospecting and Reservoir Evaluation from the Norwegian Institute of Technology, Trondheim, Norway.

Mr. Borah retired in April, 2012 as Chairman & Managing Director of Oil India Limited (OIL), Mr. Borah was engaged actively in strategic and business development of OIL including E&P activities overseas. During his stint as OIL's CMD, the company's oil and gas production sustained unprecedented growth and registered the highest ever annual crude oil production in the history of the company till date. During that period, the operational acreage portfolio saw significant expansion both within India and overseas. He was also a Director in the Board of Numaligarh Refinery Limited. He has travelled widely to different parts of the world representing his company and the Government of India in various technical seminars, conferences and business meetings. He is credited with a number of papers presented in national and international conferences. After superannuation from OIL, Mr. Borah served the Appellate Tribunal for Electricity (APTEL) as a Technical Member (Petroleum & Natural Gas).

Mr. Borah played a key role in accelerating hydrocarbon exploration in the geological frontier areas in the North-east India. Among his interests, expediting gas monetisation, revitalisation of old depleting oilfields, and international Business Development through overseas asset acquisition are of special significance.

Mr. Borah is a distinguished Member of Society of Petroleum Engineers (SPE), USA and Society of Petroleum Geophysics

(SPG), India. He is a past Chairman, SPE, New Delhi Chapter and also a former President of Indian Geological Congress. He is also a former Chairman, Board of Governors of a National Institute of Technology in India. He is a founding member of the prestigious Delhi and the NCR Chapter of the Project Management Associates. Mr. Borah was the President of Petroleum Sports Promotion Board (PSPB) in India during 2011-12. Amongst other recognitions, Mr. Borah was conferred with the distinguished SCOPE award for Excellence and Outstanding Contribution in Public Sector Management (2009-10) by the Hon'ble Prime Minister of India and the Business Leadership award (2010-11) by New Delhi Television (NDTV), one of the most prominent news and current affairs TV channels in India. He also has the distinction of being honoured as a Most Distinguished Alumnus of the Indian School of Mines, Dhanbad.

Mr. Borah continues to hold office as Independent Director of the Company for a term of five years with effect from March 19, 2019 not liable to retire by rotation. Mr. Borah meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Nayan Mani Borah has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Nayan Mani Borah fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as Independent Director for a term of five years from March 19, 2019 to March 18, 2023.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Nayan Mani Borah as Director and an Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Mr. Nayan Mani Borah, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Other than Mr. Nayan Mani Borah himself, no other Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

# NOTICE (CONTD.)

The Board of Directors commend the Resolution at Item No. 3 of the accompanying Notice for the approval of the members of the Company as an ordinary resolution.

## Item No. 4

### **To appoint Mr. Devesh Bhargava (DIN: 02001318) as an Independent Director of the Company:**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Devesh Bhargava (DIN: 02001318) as an Additional Director and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from May 23, 2019 to May 22, 2024, subject to approval of the Members. Pursuant to Section 161 of the Act and Article 74 of the Articles of Association of the Company he holds office as Additional Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Nomination and Remuneration Committee has recommended the appointment and notice under Section 160(1) of the Act has been received from a member indicating the intention to propose Mr. Devesh Bhargava for the office of Director of the Company.

#### *Brief profile of Mr. Devesh Bhargava:*

Mr. Devesh Bhargava is a mechanical engineering graduate from Indian Institute of Technology, Roorkee with Masters in Business Administration (International Finance) from Indian Institute of Management, Bangalore.

Mr. Bhargava is managing DBR Credit Capital - independent corporate restructuring, turnaround management, special situation advisory and its investment arm. For restructuring, his focus is on energy, infrastructure, real estate, metal & mining sectors whereas under advisory capacity he has successfully completed multiple workouts and exits for Global Hedge Funds, Real Estate and Private Equity Funds.

Mr. Bhargava led Lehman Brothers in India in 2005-06 and was Managing Director & Head, Fixed Income/SSG India. He managed multiple investment deals in real estate and infrastructure of over US\$ 2 Billion and also acted as Principal for investments in equity, special situations and structured products. He was also responsible for workouts and exits for Lehman Asian portfolio post-bankruptcy, closely working with Alvarez & Marsal.

Mr. Bhargava was responsible for incubating GE Real Estate and Corporate Finance/Distressed vertical in India; and in ING as Head, Corporate Finance Services. He was instrumental in acquisition of Vysya Bank and its restructuring/integration with the ING Group. He worked with Bank of America, India as VP – Investment Banking & Global Market Group, Asia from 1992-2001.

Mr. Bhargava continues to hold office as Independent Director of the Company for a term of five years with effect from May 23, 2019 not liable to retire by rotation. Mr. Borah meets the

criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Devesh Bhargava has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Devesh Bhargava fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as Independent Director for a term of five years from May 23, 2019 to May 22, 2024.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Devesh Bhargava as Director and an Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Mr. Devesh Bhargava, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Other than Mr. Devesh Bhargava himself, no other Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors commend the Resolution at Item No. 4 of the accompanying Notice for the approval of the members of the Company as an ordinary resolution.

## Item No. 5

### **To appoint Mr. Mukesh Jain (DIN: 01316027) as a Director of the Company in the casual vacancy created by resignation of Mr. Gaurav Gupta:**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Mukesh Jain (DIN 01316027) on May 29, 2019 as a Director in the casual vacancy created by resignation of Mr. Gaurav Gupta, who shall hold office till the date Mr. Gaurav Gupta would have held office if it had not been vacated, liable to retire by rotation and subject to approval of the Members.

The Nomination and Remuneration Committee has recommended the appointment and notice under Section 160(1) of the Act has been received from a member along with

# NOTICE (CONTD.)

the deposit indicating the intention to propose Mr. Mukesh Jain for the office of Director of the Company.

*Brief profile of Mr. Mukesh Jain:*

Mr. Mukesh Jain is alma mater of Shri Ram College of Commerce and Delhi School of Economics, New Delhi and is a law graduate from K. C. College, Mumbai.

Mr. Jain practices banking and real estate law with focus on transaction structuring and regulatory framework. Besides he has devised customised products for anchor HNI clients. He graduated in 1976 and started his career as a probationary officer with Oriental Bank of Commerce in 1977. During his tenure at OBC he authored the first draft of documentation manual for the Bank in the year 1985. After his tenure at the bank, he rendered banking advisory to his clients from 1989 to 2007.

He started his law practice in the year 1997 and synergised it with my understanding of banking and finance to build a niche practice. As the legal practice took roots, he discontinued financial advisory. Initially the legal practice comprised both litigation and non-litigation practice. However, gradually the focus was shifted to non-litigation practice.

Mr. Jain shall continue to hold office as a Director in a casual vacancy, liable to retire by rotation.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as a Director on the Board of Directors of the Company.

Other than Mr. Mukesh Jain himself, no other Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors commend the Resolution at Item No. 5 of the accompanying Notice for the approval of the members of the Company as an ordinary resolution.

**Item No. 6**

**To revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508):**

As the members are aware, at the 25th Annual General Meeting of the Company held on September 18, 2018, the appointment of Mr. Ashutosh Kumar as Whole-time Director & Chief Executive Officer (“WTD & CEO”) was approved by the shareholders by passing Special Resolution, effective from August 1, 2018.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 7, 2019 have approved the revision in the terms of payment of remuneration to Mr. Ashutosh Kumar in terms of provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, subject to the approval of the shareholders and other authorities, if any, as may be required.

The revised terms for payment of remuneration are as under:

The total remuneration is split into fixed and variable component. The fixed component is payable by way of monthly salary and other applicable statutory benefits. The variable compensation is linked to Company’s annual financial target achievement.

Sr. No.	Name	Designation	Previous CTC p.a. (in ₹)	Revised CTC p.a. (in ₹)		
				Fixed component	Variable component	Total
1.	Mr. Ashutosh Kumar	Whole-time Director & CEO	14,000,000	7,000,000	7,000,000	14,000,000

Mr. Ashutosh Kumar shall also be entitled to performance incentive of ₹ 28,00,000/- if and when declared by the Board. Performance incentive is based on achievement with reference to annual financial targets and individual and team contribution towards Company targets.

The aforesaid information may be treated as an abstract of terms under the provisions of the Companies Act, 2013. The specified information while seeking approval/consent of the shareholders as required under Schedule V is listed out herein below:

**I. General Information:**

1.	Nature of Industry:	Oilfield Services
2.	Date of commencement of commercial operations:	March 10, 1992
3.	Mr. A In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: shutosh Kumar	Not Applicable

## NOTICE (CONTD.)

4. Financial performance based on given indicators.

Particulars	F. Y. 2018-19	F.Y. 2017-18
Gross Income- Turnover	16,256.34	10,227.76
Operating Profit / (Loss) before Interest & Depreciation, Tax and Exceptional items	1,702.46	239.53
Net Profit / (Loss) after Tax	163.29	(2,067.71)
Equity Capital (face value of ₹ 10/-)	3,807.44	3,807.44
<b>Net Worth</b>	<b>13,677.14</b>	<b>13,446.45</b>

5.	Foreign Investments or collaborations if any:	The Company has two wholly owned subsidiary (WOS) in Singapore with a capital of SGD1000 only and Asian Oilfield & Energy Services DMCC, Dubai with a capital of AED 3675000 and one step down subsidiary Ivorene Oil Services Nigeria Ltd (subsidiary of Asian Oilfield & Energy Services DMCC) with a capital of 10,000,000 fully paid up equity shares of (Nigerian naira) NGN 1/- each, equivalent to US\$ 32,258/-.
<b>II. Information about the Appointee:</b>		
1.	Background details:	Mr. Ashutosh Kumar who is a qualified Electronics Engineer from Ranchi University and has around 3 decades of professional experience. He started his career in the year 1990 with ONGC. After successfully contributing towards the organisation's growth & Development he then moved to join BG group as Assistant Manager Maintenance. He rose to the position of Project Director at BG. His last assignment at BG was implementation of fit for future processes in the 3 business units of BG in India i.e. BG E&P India Ltd., Gujarat Gas and Mahanagar Gas Ltd. He is young, motivated, enthusiastic, creative and dynamic personality. He possesses good entrepreneur skills of managing business operation.
2.	Past remuneration drawn:	Remuneration paid to Mr. Ashutosh Kumar as Director and CEO of the Company for the last financial year 2018-19 was ₹ 13,054,405/-.
3.	Recognition or awards:	None
4.	Job profile and his suitability:	Overall management of operations of the Company at head quarters and on various project sites with responsibility of business development, subject to superintendence, direction and control of the Board of Directors of the Company.  Considering his vast experience in the field of Oil and Natural Gas Sector E & P Companies and possession of required competencies, Mr. Ashutosh Kumar is considered to be most suitable person for the job.
5.	Remuneration proposed:	₹ 7,000,000/- p.a. as fixed component and ₹ 7,000,000/- p.a. as variable component as stated in the explanatory statement herein above.
6.	Comparative remuneration profile with respect to industry size of the Company, profile of the position and person:	Taking into consideration of remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to the appointee is purely on the basis of merit keeping in view the profile of the appointee, responsibilities assigned to him and being shouldered by him, remuneration being paid by other comparable companies in the industry, industry remuneration benchmarks, Company's remuneration policy as finalised by Nomination and Remuneration Committee constituted by the Board.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any:	Except the remuneration proposed, Mr. Ashutosh Kumar does not have any pecuniary relationship with the Company. There are no managerial personnel related to him.

# NOTICE (CONTD.)

III.	Other information:	
1.	Reasons of loss or inadequate:	On account of increase in the interest burden, operating cost due to difficult terrain conditions and external factors such as demand recession, due to general economic slowdown inter alia volatile market conditions of oil and gas in international market condition depressing the sentiment and demand resultantly lowering/reducing the oil exploration activities in India and abroad, adversely affecting the Company's performance as a service provider to oil and natural gas industries.
2.	Steps taken or proposed to be taken for improvement:	Widening the sphere of activities, move into diverse geography, cost control, improving efficiency at project sites and undertaking the newer projects for providing reasonable margins, are few steps already undertaken.  The Company, being a growth oriented and steady performer, the productivity and margins could sizably increase with all possible efforts of the Company.
3.	Expected increase in productivity and profits in measurable terms:	With heavy thrust of Government on Oil & Gas Industry, expected improvement in sentiment and demand of Oil and Gas domestically and globally, consequently improving the demand and revenues of Service providers in Oil & Gas Sectors, the Company foresees better future in coming years. However it is extremely difficult to predict profits in measurable terms.

#### IV. Disclosures:

- The remuneration package proposed to be given to Mr. Ashutosh Kumar is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel. The tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the shareholders in general meeting with a notice period of one month by either side.
- Mr. Ashutosh Kumar is not holding securities of the Company. Further he was not related to any Director or Promoter of the Company at any time during the period of two years prior to his appointment as a WTD & CEO. The terms of appointment between the Company and Mr. Ashutosh Kumar is available for inspection by the members of the Company at its Registered Office between 3.00 p.m. and 5.00 p.m. on any working day of the Company.

Except the aforesaid revision, all other terms and conditions of his appointment as Whole-time Director & CEO as approved by the members shall remain unaltered.

#### Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay to Mr. Ashutosh Kumar remuneration by way of salary, allowances, perquisites as minimum remuneration, as agreed to by the Board of Directors and Mr. Ashutosh Kumar.

Except Mr. Ashutosh Kumar, being the appointee, none of the other Directors / Key Managerial Personnel / their relatives is in any way, concerned or interested, financially or otherwise in the Resolution set out at Item Nos. 6 of the Notice.

The Board recommends the resolution at item no. 6 of the accompanying Notice for approval of members of the Company as a special resolution.

#### Item No. 7 and 8

#### To approve Asian Oilfield Services Limited Employees Stock Option Plan 2019 and grant of Employees Stock Options to the employees of the Company and holding and subsidiary(ies) company(ies) thereunder:

Equity based compensation is an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/ plan. Considering that the employees are the most critical assets and stakeholders of the company and company's success depends, to a great extent, their level of engagement, commitment and delivery, it's important that their compensation and rewards are structured in a way which not only strengthens their engagement but also encourages them to look at a long term commitment to the company and be a part of company's operational and financial success. The Company believes in rewarding its employees including Directors of the Company as well as that of the holding and subsidiary company(ies) for their continuous hard work, dedication and support, which has led the Company and the Holding & Subsidiary Company(ies) on the growth path. The Company intends to implement Asian Oilfield Services Limited Employee Stock Option Plan 2019 ("**AOSL ESOP 2019**")/ ("**Plan**") with a view to attract and retain business

# NOTICE (CONTD.)

critical and high potential employees of the Company and its holding and subsidiary company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks members' approval in respect of AOSL ESOP 2019 and grant of Stock Options to the eligible employees/ Directors of the Company that of its holding and subsidiary company(ies) as decided by the ESOP Compensation Committee from time to time in due compliance of the SEBI SBEB Regulations.

The main features of the AOSL ESOP 2019 are as under:

**1. Total number of Options to be granted:**

3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) would be available for grant to the eligible employees of the Company under AOSL ESOP 2019, in one or more tranches exercisable into not exceeding 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) Equity Shares in aggregate in the Company of face value of Rs. 10/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of AOSL ESOP 2019.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Options or Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.

**2. Identification of classes of employees entitled to participate in AOSL ESOP 2019:**

Following classes of employees are entitled to participate in AOSL ESOP 2019:

- a) Permanent employees of the Company working in India or out of India;
- b) Directors of the Company; and
- c) Permanent employees and Directors of the holding and subsidiary company(ies).

Following persons are not eligible:

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through anybody corporate, directly or

indirectly holds more than 10% of the outstanding Equity Shares of the Company; and

- c) an Independent Director within the meaning of the Companies Act, 2013.

The ESOP Compensation Committee shall identify the entitlement of each employee.

**3. Transferability of Employee Stock Options:**

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees.

**4. Requirements of vesting and period of vesting:**

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the holding or subsidiary company(ies) as the case may be. The ESOP Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of one year.

**5. Maximum period within which the Options shall be vested:**

Options granted under AOSL ESOP 2019 would vest subject to maximum period of 1 (one) year from the date of grant of such Options to Employees.

**6. Exercise price or pricing formula:**

The exercise price per Option shall not be less than face value of equity shares and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee. Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations.

**7. Exercise period and the process of Exercise:**

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised before the date of resignation or retirement (whichever is earlier) from the Company, its holding or subsidiary company(ies).

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Compensation Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

# NOTICE (CONTD.)

**8. Appraisal process for determining the eligibility of employees under AOSL ESOP 2019:**

The appraisal process for determining the eligibility of the employees will be decided by the ESOP Compensation Committee from time to time.

The employees would be granted Options under the AOSL ESOP 2019 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the ESOP Compensation Committee from time to time.

**9. Maximum number of Options to be issued per employee and in aggregate:**

The number of Options that may be granted to any specific employee of the Company or its holding or subsidiary(ies) company under the Plan, in any financial year and in aggregate under the AOSL ESOP 2019 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company, a separate special resolution shall be passed to this effect.

**10. Maximum quantum of benefits to be provided per employee under the scheme:**

The ESOP Compensation Committee shall identify the benefits to be provided per employee as per the AOSL ESOP 2019. The number of Options that may be granted to any specific employee of the Company or its holding or subsidiary(ies) company under the Plan, in any financial year and in aggregate under the AOSL ESOP 2019 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company, a separate special resolution shall be passed to this effect.

**11. Implementation and administration of the Scheme:**

The Scheme shall be administered and implemented by the Asian Oilfield Services Limited Employees Welfare Trust ("ESOP Trust") in accordance with the Plan.

**12. Primary / Secondary Route:**

The Board shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time. The secondary acquisition shall not be more than 3,80,744 equity shares of the Company ((1% of the paid up equity capital of the Company as on March 31, 2019).

**13. Amount of loan to be provided for implementation of the scheme to the trust:**

Maximum Amount of Loan that will be given to Trust	INR 3,04,59,520/- (Rupees Three Crores Four Lakhs Fifty Nine Thousand Five Hundred Twenty only) or such amount as may be decided by the Board or the ESOP Compensation Committee
Rate of Interest	Interest Free Loan
Purpose of Loan	To be utilized for achieving the objects of the Trust
Repayment terms	The Trust shall repay the loan amount to the Company as and when the exercise price recovered from the employees from time to time upon exercise of the options.

**14. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme:**

The secondary acquisition under the AOSL ESOP 2019 shall not exceed 3,80,744 equity shares of the Company (1% of the paid up equity capital of the Company as on March 31, 2019).

**15. Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

**16. Method of Option Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, under the Plan.

The Board recommends the resolution at item no. 7 & 8 of the accompanying Notice for approval of members of the Company as a special resolution.

# NOTICE (CONTD.)

## Item No. 9 and 10

### To implement AOSL ESOP 2019 through ESOP Trust and authorize ESOP Trust for primary issue or secondary acquisition:

The Company intends to implement AOSL ESOP 2019 with a view to attract and retain business critical and high potential employees of the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company contemplates implementation of the Plan through Asian Oilfield Services Limited Employees Welfare Trust (“**ESOP Trust**”) with a view to efficiently manage the Plan. The Company HAS already appointed Vistra ITCL (India) Limited as the Independent Trustee to manage the Trust.

For the purposes of administration and implementation of the AOSL ESOP 2019 it is proposed to authorise the ESOP Trust to acquire 3,80,744 (Three Lakhs Eighty Thousand Seven Hundred and Forty Four) equity shares from the Company through primary issue or from the secondary market. The Board of Directors of the Company have approved AOSL ESOP 2019, envisaging aforesaid number of equity shares.

In term of the provisions of relevant regulation of the SEBI SBEB Regulations, the consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 9 & 10 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution, except to the extent of their entitlements, if any.

The Board recommends the resolution at item no. 9 & 10 of the accompanying Notice for approval of members of the Company as a special resolution.

## Item No. 11

### To provide for money by the Company for purchase of its own shares by the Trust/ Trustee for the benefit of employees under the Asian Oilfield Services Limited Employee Stock Option Plan 2019:

The Company intends to implement Asian Oilfield Services Limited Employee Stock Option Plan 2019 (“**AOSL ESOP 2019**”/ “Plan”) with a view to attract and retain key talents working with the Company and its Holding & Subsidiary company(ies), if any, by primary issue of shares and through Trust route for its implementation. The SEBI SBEB Regulations govern share-based employee benefit schemes / plans being implemented by a Company. These Regulations permits Trust route in Plan implementation.

The Company has set up the Asian Oilfield Services Limited Employee Welfare Trust (“**ESOP Trust**”) and it is proposed to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to the Asian Oilfield Services

Limited Employees Welfare Trust within the statutory limit as prescribed under SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 (“Companies Rules”).

### Particulars in respect of the Trust:

#### a. The particulars of the Trustee or employees in whose favour such shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and hold the shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable provisions. The Trustees shall transfer the shares in favour of the employees on exercise of the Employee Stock Options after realisation of exercise price and applicable income tax.

#### b. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

An Irrevocable Trust an Employee Welfare Trust has been set-up with the name Asian Oilfield Services Limited Welfare Trust having its registered office at 3-A, Omkar Esquare, Chunabhatti Signal, Eastern Express Highway, Sion East, Mumbai - 400022.

#### Particulars of the Trustees being appointed:

Vistra ITCL (India) Limited, Trustee(s) has been appointed by the Board duly authorised by the shareholders thereof and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

A person shall not be appointed as a trustee to hold such shares, if he (a) is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

#### c. Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters are not eligible to be covered under the Plan. However, key managerial personnel, directors may be covered or interested under the Plan but only to the extent of stock options as may granted to them, if any, under the Scheme / Trust and in due compliance with the SEBI SBEB Regulations.

#### d. The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The eligible employees shall be granted Employee Stock Options under the Plan which would vest subject to vesting conditions prescribed by the Committee or

## NOTICE (CONTD.)

Board. After vesting and on exercise of the Options, the Trust / Trustees shall transfer corresponding number of Equity Shares to the employees. The employees may deal in the shares by way of selling /holding or otherwise deal in their absolute discretion subject to applicable laws and regulations immediately after exercise or may hold and sell after a definite period at his/ her discretion. The employees would get the benefit on sell of shares depending on sale price of such Shares. In case of cashless system of exercise of vested Options, the Committee shall be entitled to specify such procedures and/or mechanisms for the equity shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

e. **The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:**

As per SEBI SBEB Regulations, the Trustees shall not vote in respect of equity shares held in the Trust. In these circumstances, the voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of Options

In term of the provisions of relevant regulation of the SEBI SBEB Regulations read with Rule 16 of the Companies Rules, consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 11 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or in the Trust or the aforesaid Special Resolution, except to the extent of their entitlements, if any.

The Board recommends the resolution at item no. 11 of the accompanying Notice for approval of members of the Company as a special resolution.

**By order of the Board,  
For Asian Oilfield Services Limited**

**Archana Nadgouda**  
*Company Secretary*

Place: Mumbai  
Date: August 14, 2019

# NOTICE (CONTD.)

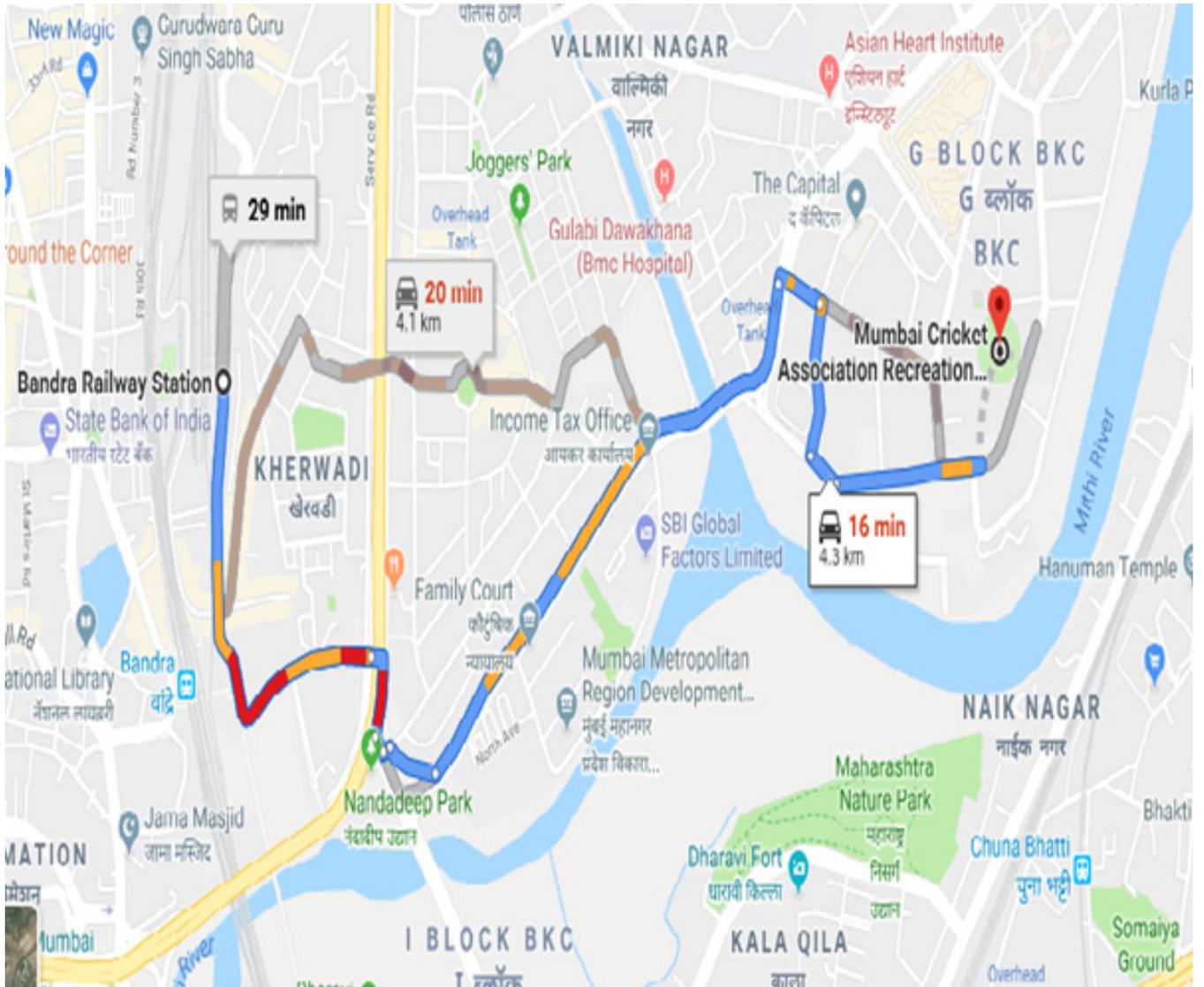
## Details of Directors seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Particulars	Mr. Nayan Mani Borah	Mr. Devesh Bhargava	Mr. Mukesh Jain	Mr. Ashutosh Kumar Mr. Ashutosh Kumar
Date of Birth	April 28, 1952	August 29, 1964	October 15, 1955	August 10, 1964
Age (In years)	67	55	64	55
Date of Appointment	March 19, 2019	May 23, 2019	May 29, 2019	August 1, 2018
Qualifications	BE (ISM), PG Norwegian Institute of Technology, Norway	BE (Mech.) from IIT Roorkee, MBA (International Finance) IIM, Bangalore	Commerce grad from Shri Ram College, Delhi and Law grad from K. C. College, Mumbai	Electronics Engineer from Ranchi University
Experience & expertise in specific functional areas	4 decades of immense experience in the field of oil & gas	Wide experience in restructuring, management, finance, investments, turnaround, investment banking, private equity, capital markets and valuation.	More than 4 decades of experience in banking, financial advisory services and legal practice.	Wide experience in the field of upstream oil and gas sector
Relationships between directors inter-se	None	None	None	None
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	None	a. Shivalik Technologies Private Ltd. b. Spectrum Power Generation Ltd.	DBL Nadiad Modasa Tollways Ltd DBL Sardarpur Badnawar Tollways Ltd DBL Silwani-Sultanganj Tollways Ltd DBL Uchera - Nagod Tollways Ltd DBL Jaora-Sailana Tollways Ltd DBL Bankhlfata-Dogawa Tollways Ltd DBL Betul-Sarni Tollways Ltd DBL Tikamgarh-Nowgaon Tollways Ltd DBL Mundi-Sanawad Tollways Ltd	None
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee).	None	Audit Committee - Spectrum Power Generation Ltd.	None	None
Number of shares held in the Company	None	1,000 Equity Shares (second holder with Mrs. Ritu Bhargava)	None	None

**Note:** For other details such as number of meetings of the Board attended during the year, and key managerial remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors please refer to the Board's Report and the Corporate Governance Report.

# ROUTE MAP





**ASIAN OILFIELD SERVICES LIMITED**

CIN: L23200MH1992PLC318353

Regd. Office: 3B, 3rd Floor, Omkar Esquare, Chunabhathi Signal, Eastern Express Highway, Sion (East), Mumbai - 400 022  
Maharashtra, India. Tel. No.: 91 022 42441100, Fax. No.: 91022 42441120

Email: secretarial@asianoilfield.com Website: www.asianoilfield.com

**ATTENDANCE SLIP**

I hereby record my / our presence at the 26th ANNUAL GENERAL MEETING of the Company held at Boundary Hall, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 on Wednesday, September 18, 2019 at 2.00 p.m.

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

\_\_\_\_\_  
Full name of the Member ( IN BLOCK LETTERS )\_\_\_\_\_  
Full name of Proxy ( IN BLOCK LETTERS )\_\_\_\_\_  
Member's / Proxy's Signature

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM

**ASIAN OILFIELD SERVICES LIMITED**

CIN: L23200MH1992PLC318353

Regd. Office: 3B, 3rd Floor, Omkar Esquare, Chunabhathi Signal, Eastern Express Highway, Sion (East), Mumbai - 400 022  
Maharashtra, India. Tel. No.: 91 022 42441100, Fax. No.: 91022 42441120

Email: secretarial@asianoilfield.com Website: www.asianoilfield.com

**FORM MGT-11****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014  
CIN : L23200MH1992PLC318353

Name of the Company: Asian Oilfield Services Limited

Registered Office : 3B, 3rd Floor, Omkar Esquare, Chunabhathi Signal, Eastern Express Highway, Sion (East), Mumbai - 400 022  
Maharashtra, India

Name of the member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We being a member / members of \_\_\_\_\_ shares of the above named company, hereby appoint

1.	Name :	Address :
	E-mail Id	Signature : _____, or failing him
2.	Name :	Address :
	E-mail Id	Signature : _____, or failing him
3.	Name :	Address :
	E-mail Id	Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Wednesday, September 18, 2019 at 2.00 p.m. at Boundary Hall, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)	
		For	Against
<b>Ordinary Business :</b>			
1.	a) Adoption of the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and b) Adoption of the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.		
2.	To appoint a Director in place of Dr. Rabi Narayan Bastia (DIN 05233577), who retires by rotation and, being eligible, offers himself for re-appointment.		
<b>Special Business :</b>			
3.	To appoint Mr. Nayan Mani Borah (DIN: 00489006) as an Independent Director of the Company.		
4.	To appoint Mr. Devesh Bhargava (DIN: 02001318) as an Independent Director of the Company.		
5.	To appoint Mr. Mukesh Jain (DIN: 01316027) as a Director of the Company in the casual vacancy created by resignation of Mr. Gaurav Gupta		
6.	To revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508).		
7.	To approve Asian Oilfield Services Limited Employees Stock Option Plan 2019 and grant of Employees Stock Options to the employees of the Company thereunder		
8.	To grant Employees Stock Options to the employees of the holding and subsidiary(ies) company(ies) of the Company under the Asian Oilfield Services Limited Employees Stock Option Plan 2019		
9.	To implement AOSL ESOP 2019 through ESOP Trust		
10.	To authorize Asian Oilfield Services Limited Employees Welfare Trust for primary issue or secondary acquisition		
11.	To provide for money by the Company for purchase of its own shares by the Trust/ Trustee for the benefit of employees under the Asian Oilfield Services Limited Employee Stock Option Plan 2019		

Signed this ..... day of ..... 2019

 \_\_\_\_\_  
 Signature of the member

 \_\_\_\_\_  
 Signature of the proxy holder(s)

 Affix ₹ 1  
 Revenue  
 Stamp

**Note :**

- The proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, you proxy will be entitled to vote in the manner as he/she may deem appropriate.

# Corporate information

## Board of Directors

<b>Mr. Nayan Mani Borah</b> (w.e.f. March 19, 2019)	Chairman - Independent Director
<b>Mr. Kadayam Ramanathan Bharat</b>	Independent Director
<b>Ms. Anusha Mehta</b>	Independent Women Director
<b>Dr. Rabi Narayan Bastia</b>	Non-Executive Director
<b>Mr. Ashutosh Kumar</b> (w.e.f. August 1, 2018)	Whole-time Director & CEO
<b>Mr. Devesh Bhargava</b> (w.e.f. May 23, 2019)	Independent Director
<b>Mr. Mukesh Jain</b> (w.e.f. May 29, 2019)	Non-Executive Director
<b>Mr. Rohit Agarwal</b> (up to July 31, 2018)	Whole-time Director
<b>Mr. Naresh Chandra Sharma</b> (up to March 31, 2019)	Independent Director
<b>Mr. Gaurav Vishnukumar Gupta</b> (up to April 30, 2019)	Non-Executive Director

## Company Secretary

**Ms. Archana Nadgouda**

## Statutory Auditors

**Walker Chandiok & Co LLP**  
Chartered Accountants

## Internal Auditors

**S. P. Chopra & Co.**  
Chartered Accountants

## Chief Financial Officer

**Mr. Sumit Maheshwari**

## Bankers

State Bank of India  
HDFC Bank Limited  
Axis Bank  
RBL Bank Limited

## Registered Office

3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal,  
Eastern Express Highway,  
Sion (East), Mumbai – 400022,  
Maharashtra, India  
Tel. No.: +91-22-4244 1100  
Fax No.: +91-22-4244 1120  
Email: mail@asianoilfield.com  
Web : www.asianoilfield.com

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083,  
Maharashtra, India  
Tel. No.: 91 022 4918 6000  
Fax No.: 91 022 4918 6060  
Email: mumbai@linkintime.co.in  
Website: www.linkintime.co.in

**Corporate Identity Number (CIN)** L23200MH1992PLC318353



## **Asian Oilfield Services Limited**

3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal, Eastern Express Highway,  
Sion (East), Mumbai – 400022

Maharashtra, India

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Fax: +91-22-4244-1120