

Independent Auditor's Report

To the Members of AOSL Energy Services Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of AOSL Energy 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 period from 29 September 2018 to 31 March 2019, 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, the aforesaid 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 loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the period from 29 September 2018 to 31 March 2019.
3. 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 opinion.

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

5. 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 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.
6. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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.
8. 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.
9. 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.
 10. 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.

Report on Other Legal and Regulatory Requirements

11. The Company has not paid or provided for any managerial remuneration during the reporting period. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) 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 at 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date and our report dated 29 May 2019 as per Annexure B expressed an unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation as at 31 March 2019 which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses for the period from 29 September 2018 to 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as at 31 March 2019; and

- iv. 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 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 A to the Independent Auditor's Report of even date to the members of AOSL Energy Services Limited, on the financial statements for the period from 29 September 2018 to 31 March 2019

Annexure A

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) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (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) The Company is regular in depositing 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, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the reporting period. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the reporting period. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

Annexure A to the Independent Auditor's Report of even date to the members of AOSL Energy Services Limited, on the financial statements for the period 29 September 2018 to 31 March 2019

- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute an audit committee under Section 177 of the Act.
- (xiv) During the reporting period, 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 B

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 financial statements of **AOSL Energy Services Limited** ("the Company") as at and for the period from 29 from September 2018 to 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 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 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 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 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 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.

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

AOSL Energy Services Limited
Balance Sheet as at 31 March 2019

(All amounts in rupees, unless otherwise stated)

Particulars	Note No	As at 31 March 2019
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	4	65,908
Other current assets	3	10,491
		76,399
Total Assets		76,399
EQUITY AND LIABILITIES		
Equity		
Equity share capital	5	100,000
Other equity		(79,569)
		20,431
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	6	30,000
Other financial liabilities	7	968
		30,968
Current liabilities		
Financial liabilities		
Trade payables	8	25,000
		25,000
Total Equity and Liabilities		76,399

Notes 1 to 18 form an integral part of these 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

For and on behalf of the Board of Directors

Rakesh R. Agarwal
Partner
Membership No.: 109632

Dr. Vidyadhar Kamath
Director
(DIN-07995543)

Pritam Karde
Director
(DIN-07995286)

Place: Mumbai
Date: 29 May 2019

Place: Mumbai
Date: 29 May 2019

AOSL Energy Services Limited

Statement of Profit and Loss for the period 29 September 2018 to 31 March 2019

(All amounts in rupees, unless otherwise stated)

Particulars	Notes	Period 29 September 2018 to 31 March 2019
INCOME :		
Revenue from operations		-
Total income		-
EXPENSES :		
Finance costs	9	968
Other expenses	10	78,601
Total expenses		79,569
Loss before tax		(79,569)
Tax expense		
Current Tax		-
Deferred Tax		-
Loss after tax (A)		(79,569)
Other comprehensive (loss)/ income for the period, net of tax (B)		-
Total comprehensive loss (A+B)		(79,569)
Losses per equity share of face value of INR 10 each	11	
Basic		(0.80)
Diluted		(0.80)

Notes 1 to 18 form an integral part of the these financial statements

This is the 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

For and on behalf of the Board of Directors

Rakesh R. Agarwal
Partner
Membership No.: 109632

Dr. Vidyadhar Kamath
Director
(DIN-07995543)

Pritam Karde
Director
(DIN-07995286)

Place: Mumbai
Date: 29 May 2019

Place: Mumbai
Date: 29 May 2019

AOSL Energy Services Limited

Cash Flow Statement for the period 29 September 2018 to 31 March 2019

(All amounts in rupees, unless otherwise stated)

Particulars	Period 29 September 2018 to 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(79,569)
Adjustments for items considered separately	
Interest expense	968
Operating loss before working capital changes	(78,601)
Adjustments for changes in working capital:	
Increase in other current assets	(10,491)
Increase in trade payables	25,000
Cash used in operations	(64,092)
Direct taxes paid	-
Net cash used in operating activities	(64,092)
B. CASH FLOW FROM INVESTING ACTIVITIES	-
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of equity share capital	100,000
Proceeds from non-current borrowings	30,000
Net cash generated from financing activities	130,000
Net increase in cash and cash equivalents (A+B+C)	65,908
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period (Refer Note 4)	65,908

Note: 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.

Notes 1 to 18 form an integral part of the these 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

For and on behalf of the Board of Directors

Rakesh R. Agarwal
Partner
Membership No.: 109632

Dr. Vidyadhar Kamath
Director
(DIN-07995543)

Pritam Karde
Director
(DIN-07995286)

Place: Mumbai
Date: 29 May 2019

Place: Mumbai
Date: 29 May 2019

AOSL Energy Services Limited**Statement of changes in equity for the period 29 September 2018 to 31 March 2019****A. Equity share capital**

Particulars	Number of shares	Amount (in rupees)
Equity shares issued during the period	10,000	100,000
Equity shares as at 31 March 2019	10,000	100,000

B. Other equity

(All amounts in rupees, unless otherwise stated)

Particulars	Reserve and Surplus	
	Retained earnings	Total other equity
Loss for the period	(79,569)	(79,569)
Other comprehensive income/ (loss) for the period	-	-
As at 31 March 2019	(79,569)	(79,569)

Nature and purpose of reserves

Retained earnings:

It represents the accumulated profits/ losses made by the Company over the period(s).

Notes 1 to 18 form an integral part of the these financial statements

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

For and on behalf of the **Board of Directors****Rakesh R. Agarwal**

Partner

Membership No.: 109632

Dr. Vidyadhar Kamath

Director

(DIN-07995543)

Pritam Karde

Director

(DIN-07995286)

Place: Mumbai

Date: 29 May 2019

Place: Mumbai

Date: 29 May 2019

AOSL Energy Services Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the period 29 September 2018 to 31 March 2019**

(All amounts in rupees, unless otherwise stated)

Note 3: Other current assets

	As at 31 March 2019
Advances to supplier	10,491
	<u>10,491</u>

Note 4: Cash and cash equivalents

	As at 31 March 2019
Balances with banks	
- in current accounts	65,408
Cash on hand	500
	<u>65,908</u>

Note 5: Equity share capital

	As at 31 March 2019
(a) Authorised :	
Equity shares of INR 10 each	
10,000 equity shares of INR 10 each	100,000
	<u>100,000</u>
(b) Issued, subscribed and fully paid-up	
Equity shares of INR 10 each	
10,000 equity shares of INR 10 each	100,000
	<u>100,000</u>

(c) 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.

(d) Details of equity shareholders holding more than 5% shares in the Company:

Name of shareholder	As at 31 March 2019	
	Number of shares	% of holding
Asian Oilfield Services Limited (Holding Company) including its nominee	10,000	100.00%

(e) 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.

AOSL Energy Services Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the period 29 September 2018 to 31 March 2019**

(All amounts in rupees, unless otherwise stated)

Note 6: Borrowings**As at
31 March 2019****Non-Current****Unsecured**

Inter corporate deposits

- from related party (refer note 15)

30,000

30,000**Terms and repayment of borrowing:**

The Company has taken intercorporate deposits from Asian Oilfield Service Limited at an interest rate of 10.00% per annum, which is payable after 31 March 2020.

Net Debt Reconciliation:**As at
31 March 2019**

Cash and cash equivalents

65,908

Non-current borrowings

(30,000)

Interest accrued on borrowings

(968)

Net debt34,940

	Cash and cash equivalents	Non Current borrowings	Total
Cash Flow	65,908	(30,000)	35,908
Interest expense	-	(968)	(968)
Interest paid	-	-	-
Net Debt as at 31 March 2019	<u>65,908</u>	<u>(30,968)</u>	<u>34,940</u>

Note 7: Other financial liabilities**As at
31 March 2019****Non-Current**

Interest accrued but not due on inter corporate deposits (refer note 15)

968

968**Note 8: Trade payables****As at
31 March 2019**

Dues to micro and small enterprises (refer note below)

-

Dues to others

25,000

25,000

Note: As at 31 March 2019, there are no outstanding dues to micro and small enterprises. There are no interest due or outstanding on the same.

AOSL Energy Services Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the period 29 September 2018 to 31 March 2019**

(All amounts in rupees, unless otherwise stated)

Note 9: Finance costs

	Period 29 September 2018 to 31 March 2019
Interest expense on:	
- Borrowings (refer note 15)	968
	<hr/> 968

Note 10: Other expenses

	Period 29 September 2018 to 31 March 2019
Legal and professional charges	53,601
Payment to auditors (refer note below)	25,000
	<hr/> 78,601

Note on details of payments to auditors

As auditor:	
Statutory Audit	25,000
	<hr/> 25,000

Note 11: Losses per share

	Period 29 September 2018 to 31 March 2019
Losses attributable to equity holders of the Company for basic and diluted earnings used as numerator - (A)	(79,569)
Weighted average number of equity shares outstanding during the period for Basic EPS - (B)	100,000
Weighted average number of equity shares outstanding during the period for Diluted EPS - (C)	100,000
Basic earning/(loss) per share (INR) - (A)/(B) (face value INR 10 each)	(0.80)
Diluted earning/(loss) per share (INR) - (A)/(C) (face value INR 10 each)	(0.80)

AOSL Energy Services Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the period 29 September 2018 to 31 March 2019**

(All amounts in rupees, unless otherwise stated)

Note 12: 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 of cash and current deposits, trade payables, other current liabilities, current loans from others approximate their carrying amounts largely due to the current maturities of these instruments.

The carrying value and the fair value of financial instruments by each category is as below:

As at 31 March 2019 Particulars	Financial instruments by category			Total
	FVPL	FVOCI	Amortised cost	
Financial assets				
Cash and Cash equivalents	-	-	65,908	65,908
Total financial assets	-	-	65,908	65,908
Financial liabilities				
Borrowings	-	-	30,000	30,000
Other financial liabilities	-	-	968	968
Total financial liabilities	-	-	30,968	30,968

There have been no transfers between levels during the period.

Note 13: 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 Companies 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 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:

i) 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 principle 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 Companies financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2019	On demand	1-2 years	More than 5 years	Total
Borrowings	-	30,000	-	30,000
Other financial liabilities	-	968	-	968

ii) 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 Companies income or the value of its holdings of financial instruments.

a) 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 fixed interest rates.

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

Particulars	Impact
Increase in basis points	0.50%
Effect on loss before tax, increase by	48
Decrease in basis points	0.50%
Effect on loss before tax, decrease by	48

b) Foreign Currency Risk

The Company does not have any outstanding balances in foreign currency and consequently it is not exposed to any foreign exchange risk.

AOSL Energy Services Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the period 29 September 2018 to 31 March 2019**

(All amounts in rupees, unless otherwise stated)

Note 14: 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.

Net Debt = total borrowings less cash and cash equivalents

Total 'equity' as shown in the balance sheet

Particulars	As at 31 March 2019
Total borrowings	30,000
Less: cash and cash equivalents	<u>(65,908)</u>
Net debt	(35,908)
Total equity	<u>20,431</u>
Net debt to equity ratio	<u>(1.76)</u>

Note 15: Related party disclosures

A. Name of the Related Party and Nature of the Related Party Relationship :

a) Holding Company

Asian Oilfield Services Limited

b) Key Management Personnel

Mr. Pritam Karde - Director

Mrs. Niharika Jain - Director

Mr. Vidyadhar Kamath - Director

B. Transactions with related parties during the period:

**Period
29 September 2018 to
31 March 2019**

Holding Company

Borrowing availed	30,000
Interest on borrowing	968
Issue of equity shares	100,000

C. Balances with related parties

As at 31 March 2019

Holding Company

Borrowings	30,000
Interest accrued on borrowings	968

Note 16: Segment Information

The Company is principally engaged in a single business segment, viz. "Oilfield services".

Note 17: Recent accounting update:

In March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 "Leases" standard through the Companies (Indian Accounting Standards) First and Second Amendment Rules, 2019. The new lease standard is applicable to the Company from 1 April 2019. Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the financial statements of the Company.

Note 18: Events occurring after the reporting period

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorisation of these financial statements.

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

For and on behalf of the **Board of Directors****Rakesh R. Agarwal**

Partner

Membership No.: 109632

Place: Mumbai

Date: 29 May 2019

Dr. Vidyadhar Kamath

Director

(DIN-07995543)

Place: Mumbai

Date: 29 May 2019

Pritam Karde

Director

(DIN-07995286)