



**THE  
BIG  
PICTURE**

ANNUAL REPORT 2019-20

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## INVESTOR INFORMATION

### Market Capitalisation as at March 31, 2020:

₹ 26,271 Lacs

### CIN:

L23200MH1992PLC318353

### BSE Code:

530355

### AGM Date:

September 11, 2020

### AGM Mode:

Video Conferencing/Other Audio Visual Means

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**Disclaimer:** This document contains statements about the 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 section of this Annual Report.

### Consolidated financial progress in 2019-20

₹ **18,145** Lacs  
**19% Y-o-Y growth**  
Net worth

₹ **27,304** Lacs  
**41% Y-o-Y growth**  
Turnover





# The **BIG** Picture

**revolves around...**

**OUR STRATEGIC ALLIANCES**

**OUR NEW TECHNOLOGIES**

**OUR PROSPECTIVE OPPORTUNITIES**

**...that strengthen our  
growth-centric business model.**

We have always endeavoured to review our past challenges and manoeuvre our action plan to shape our promising future. Our ongoing legacy has been evident of our resilience in the most challenging of situations. Our ability to withstand the worst of the market storms holds the testimony of undying devotion and unwavering passion.

This determination has opened a new page in the present to script bigger and better success stories.

Striking just the right balance between being socially responsible and setting our feet towards a promising future, we have successfully established strong grounds of trust with all our stakeholders. At the same time, we stay attuned to the demands and expectations of our changing world, so that we grow our business safely, sustainably and responsibly, for the benevolence of all.



₹ **6,643** Lacs  
**102%** Y-o-Y growth  
EBITDA

Note: EBITDA: Earnings before interest, tax, depreciation and amortisation



# EXPERIENCE

## Leading to Global Presence and Strong Order Book

We are one amongst the few companies in India providing end-to-end services in the upstream oil segment, across the value chain. Asian Oilfield Services Limited ('AOSL' or 'the Company') specialises in servicing the value chain entirely, right from seismic data acquisition, data analysis, turnkey drilling, building oil & gas facility to undertaking the operation and maintenance (O&M) of production facilities. These key differentiators that have come with 25 years of experience have led us to cater over 13 Clients and 8 Pre-qualified Clients.

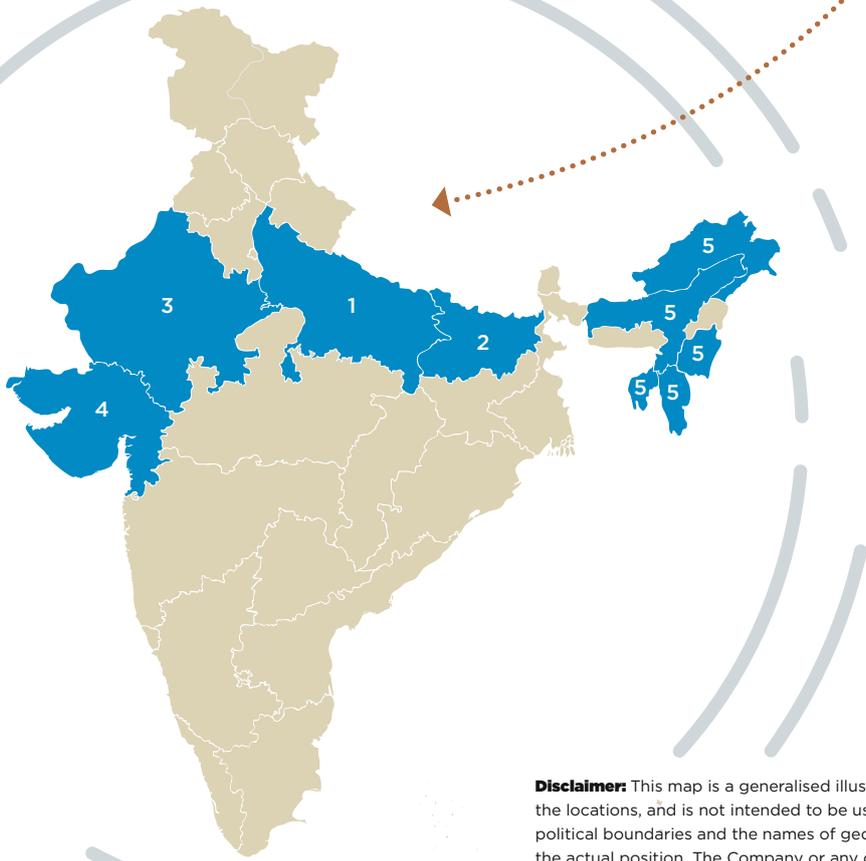


### Global Presence

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

### Domestic Presence

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



**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.

## ADDING VALUE: SECURING AND EXECUTING COLOSSAL OPPORTUNITIES

Our portfolio is beginning to take the shape of the strategic vision that we set for ourselves several years ago.

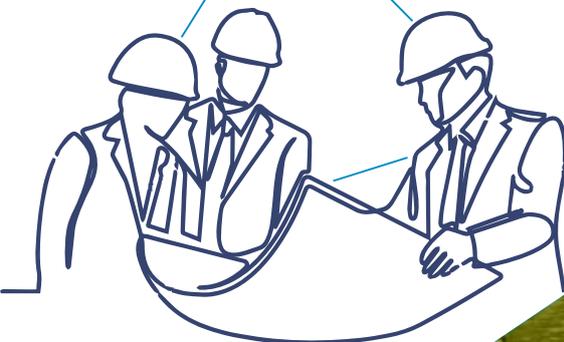
### COMPLETED PROJECTS IN 2019-20

Projects	Scope of Work	Client	Region	Order Worth
Seismic Services	2D Seismic Data Acquisition and Basic Processing Services	ONGC and OIL	Mizoram, Arunachal Pradesh and Himachal Pradesh	₹ 9,376 Lacs

### ONGOING PROJECTS AS ON MARCH 31, 2020

Seismic Services	Acquisition of 2D and 3D Seismic Data of oil blocks located in Rajasthan and Gujarat	Reputed Client	Rajasthan and Gujarat	Approx ₹ 55,000 Lacs*
Production Facility, Construction and O&M	Upgradation of an existing Mobile Offshore Production Unit (MOPU) in Nigeria	Amni International	Nigeria	US\$ 56 Million
Operation & Maintenance	Supply of Onshore facility + Provide O&M services for 10 years	Oilmax Energy	Charaideo (Assam)	₹ 21,000 Lacs

\*Actual order value will be based on call out received from the client along with respective technical parameters





# We Create Shared VALUE

## OUR CAPITALS



### SERVICE CAPITAL

We execute our projects in-house through the outsourcing model and invest in our assets strategically to ensure smooth functioning of operations



### FINANCIAL CAPITAL

We allocate our funds and thereafter review our investment to maximise the return and strengthen our balance sheet



### HUMAN CAPITAL

We employ the best talents and periodically invest in their training and well-being to keep them focused and motivated



### INTELLECTUAL CAPITAL

We are driven by an expertise that helps us improve the process of the operations as we move ahead. Furthermore, our enhanced focus on technological upgradation forms our intellectual capital



### RELATIONSHIP CAPITAL

Our focus is always on creating long-standing relationships with customers, vendors, shareholders, Government, regulators, employees and communities

## INPUT

### SERVICE CAPITAL

- o **Strong Asset Base:** Owned and leased
- o **Subcontracting** of the project

### FINANCIAL CAPITAL

- o Equity Capital: ₹ **3,807** lacs
- o Net Debt: **NIL**
- o Capex: ₹ **1,785** Lacs

### HUMAN CAPITAL

- o Total no. of employees + contractors: **82**
- o A strong project team of **380** people
- o Team of **50** experts in geosciences, HSE, Seismology, QC and Surveying

### INTELLECTUAL CAPITAL

- o **3D** wireless seismic technology
- o Partnered with **Wireless Seismic**

### RELATIONSHIP CAPITAL

- o **Customer:** Timely service and execution
- o **Vendors:** Regular meetings with vendors
- o **Government:** Contribution to the national exchequer through timely payment of taxes
- o **Regulators:** Strict adherence to the policies and regulations
- o **Employees:** Timely remuneration and long-term career opportunities
- o **Community:** Employment generation for the local communities at the project site

## OUTPUT

### SERVICE CAPITAL

- o No. of Projects Completed: **20**
- o Ongoing Projects: **4**

### FINANCIAL CAPITAL

- o Turnover: ₹ **27,304** Lacs
- o EBITDA: ₹ **6,643** Lacs
- o PAT: ₹ **2,923** Lacs

### HUMAN CAPITAL

- o **Commitment** and **dedication** to achieve organisational goals
- o Lower attrition

### INTELLECTUAL CAPITAL

- o **Execution** in difficult terrains
- o **Faster** and **competitive** turnaround time
- o Better **efficiencies**

### RELATIONSHIP CAPITAL

- o **Trust** and **long-standing relationship** with the stakeholders



# CEO's MESSAGE



“

**Our relentless focus on execution, cost discipline and improved productivity has led to a competent outcome. Our progressive vision and consistent efforts have continued to prove meritorious as we move towards a brighter future.**”

## DEAR STAKEHOLDERS,

I am proud to highlight the significant progress made in our journey of 2019-20. Our relentless focus on execution, cost discipline and improved productivity has led to a competent outcome. This is an imperative part of a continuous journey while our efforts and steps would remain consistent over the coming years, leveraging the underlying industrial opportunities. Our progressive vision and ongoing efforts have continued to prove meritorious as we move towards a brighter future.

The previous fiscal was a major step forward for the Company in becoming what it is today. After having operated in a niche industry for over two decades, we have established our competitive parameters well. Our ability to withstand the global slowdown is the outcome of our well-executed business strategies. The result of the same reflects in our consolidated financial numbers. The idea is to change the narrative of conducting business traditionally with the latest formats and the most innovative methodologies. Our proficient team and competent management holds the key to a positive future.

During 2019-20, our global team achieved ₹ 27,304 Lacs operating revenue and has continued to execute

on operations with capital discipline. We recorded a net profit of ₹ 2,923 Lacs as compared to ₹ 910 Lacs in the previous fiscal year. Furthermore, our debt reduced to NIL.

### The Industry Scenario

Brent crude oil prices remained fairly under control in 2019, following enormous volatility in 2018. Despite the US sanctions, OPEC production cut and the Saudi Aramco attack, the Brent crude oil averaged at US\$ 64 per barrel, which was US\$ 7 lower than its 2018 level. This largely owed to:

- Weak demand owing to the slowdown in the automobile, aviation and manufacturing industry
- Increase in the US petroleum production
- Aramco bringing back the production online within 10 days of the drone attack

### A Sea of Opportunities Ahead

#### Undiscovered Global Oil Field

Increasing oil discoveries from new sources set a clear stage for us, thereby bringing in longevity in our seismic business.



### Oil Field Discoveries

**996** in 120 years (1868-1988) → **236** in 31 years (1988-2019)

(Source: Visualcapitalist)

### Industry CAPEX

In India, oil PSUs are ready with their Capex plans for discovering new oil and gas reserves. These reserves will meet the rising energy demand of the fastest-growing energy-consuming nation, vis-à-vis India. Oil PSUs are likely to opt for subcontracting of these projects due to limitations of their resources. With extensive experience and a strong asset base, we are well-positioned to grasp these potential opportunities.

**₹ 98,521 Crores**

Capex plans of oil PSUs

(Source: The Economic Times, February 2, 2020)

### Reducing Import Dependency

India's dependency on crude oil import has always been on the higher side. The Government is encouraging oil discovery and production within the country through foreign tie-ups and oil block offering. This leads to a pressing requirement for effective seismic activities within the country, where Asian Oilfield Services Limited comes into play in order to bridge the gap.

**137,000 Sq. km**

Oil & gas awarded under four OALP round

(Source: Hindu Business Line, January 2, 2020)

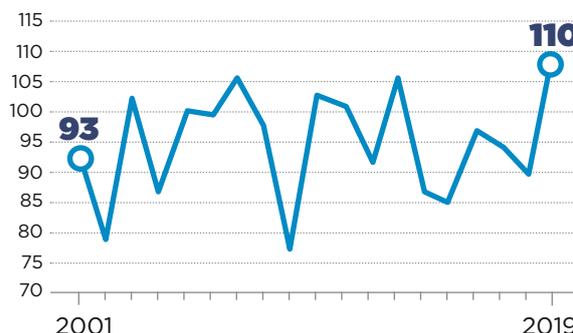
### Turning Seasonality Challenges into Opportunities

The monsoon reaches various parts of India at different intervals. Our operations based at numerous locations helps us to conduct seismic activities in delayed monsoon locations. Additionally, our end-to-end services in the oil segment add to offset any revenue slowdown while increasing our probability to win the bid.



### Monsoon Season Volatility in India

Actual Rainfall % of Long Period Average (LPA)



(Source: Business India, January 29, 2020)

### Adopting Technological Changes

The technological transformation is bringing out real changes in reaching out to the inaccessible shale resources. These changes have the potential of causing disruption in the industry. However, we see this as an opportunity as we have been consistently adopting meaningful technologies to optimise our operations, maximise the output, and automate manual processes for greater efficiencies.

**US\$1.6 Trillion**

The estimated potential value of digitisation for oil and gas sector

(Source: We Forum)

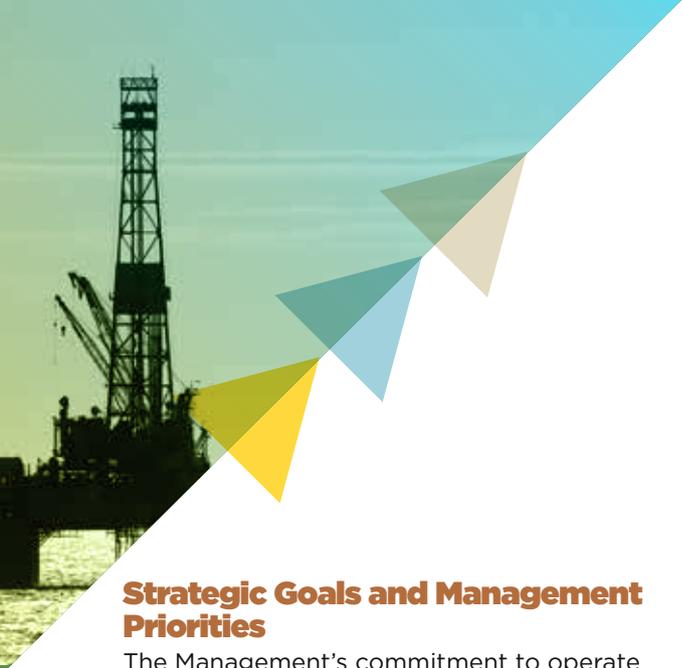
### Operational Highlights

On the operational front, we continued to advance in our ongoing projects while strengthening the portfolio through new orders intake. Some of the significant developments include:

- On-track execution to complete the seismic project in Mizoram, Arunachal Pradesh and Himachal Pradesh
- On the international front, upgradation of the existing MOPU for Amni International project is on schedule and the revenue realisation has been commenced
- We are hopeful of completing seismic projects and MOPU upgradation in Nigeria in the next fiscal year
- We have received an order from a reputed Oil & Gas Company for acquisition of 2D and 3D seismic data of oil blocks located in Rajasthan and Gujarat and started project execution.

We also witnessed a few operational challenges. These include:

- The seismic data capturing project in Iraq has been delayed owing to the geopolitical tensions and local unrest in the region
- The contract with Koral Energy International of O&M contract got terminated in May 2018. Post the termination of the contract, we are in the settlement process and the discussion for the same is progressing well



## Strategic Goals and Management Priorities

The Management's commitment to operate transparently and responsibly is reflected in our ambition and values. We have made significant strides in moving the business directionally by consistently focusing on strengthening our balance sheet, debt reduction, cost optimisation and technological adaptation. Further, we continue to evaluate the current resource requirements and the future skills sets needed to drive our diversified business towards more sustainable growth.

## People

On behalf of the entire team of Asian Oilfield Services Limited, I would like to express our sincere admiration for the amazing efforts put forth by our talented and dedicated workforce in the organisation. I am more than convinced by the team's tireless efforts and hard work. Their incredible display of professionalism has been a motivating factor for the management team. We will continue to drive productivity and aim to deliver superior value as we explore the resources essential for human progress.

## A Look Ahead

Going forward, we are confident of making greater progress, underpinned by our effective strategies. The positive industry outlook fascinates us to divert our current focus on the seismic division owing to the upcoming OLAP rounds. We have submitted our bids for some of these projects and are hopeful of obtaining satisfactory orders. We will also look forward to acquiring build, own, operate and transfer (BOOT) projects, which are of longer duration and have stable cash flows as well as sustainable margins. Moreover, the Company is in good hands to navigate the challenges that lie ahead, most notably caused by unprecedented Covid-19. With this, I would like to put forward that we are well prepared to continue our operations by fully complying with the Government's guidelines. Further the Company proposes to diversify by extending our services to coal and minerals sectors having potential opportunities. The Company also proposes to change the name to reflect its business activities.

## Closing Thoughts

I am proud of our significant progress made in improving our operational efficiency and optimising costs. This is the part of a continuous journey and we will take further steps over the coming year, leveraging the adoption of new technologies and encouraging a culture of innovation among our people. I take this opportunity to thank our Management team for their leadership and guidance, our shareholders for their staunch trust and confidence, our clients for believing in our abilities and our partners for their ongoing support to our operations, projects and new initiatives. We hope for their continued support in the years to come.

**Ashutosh Kumar**

CEO & Whole-time Director



# Our Preparedness for the BIGGER PICTURE

Strategic priorities	Initiatives taken in previous years	Future priorities	KPIs
<b>MAINTAINING A ROBUST BALANCE SHEET</b>	<ul style="list-style-type: none"> <li>Non-recoverable amounts written off</li> <li>Old outstanding liabilities cleared</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a lower debt equity</li> <li>Reduce cost of capital</li> <li>Strengthen reserves and cash balances</li> </ul>	<b>Debt to equity Ratio</b> 2018-19  0.06 2019-20 NIL
<b>FOCUS ON COST CONTROL</b>	<ul style="list-style-type: none"> <li>Initiated efforts to control               <ul style="list-style-type: none"> <li>Operating cost</li> <li>Corporate overhead and administrative expenses</li> </ul> </li> <li>Restructured management incentives</li> </ul>	<ul style="list-style-type: none"> <li>More efficiency</li> <li>Greater productivity</li> <li>Increase value for the shareholders</li> </ul>	<b>EBITDA Margin Ratio</b> 2018-19  17% 2019-20  24%
<b>STRENGTHENING OF ORDER BOOK THROUGH DIVERSIFICATION</b>	<ul style="list-style-type: none"> <li>Strategic bidding of the project</li> <li>Effective utilisation of the owned assets</li> <li>Adopted the subcontracting model</li> <li>Bid across domestic and global region for different business segments</li> <li>Quoted at a reasonable price</li> <li>Focused on new as well as existing client</li> </ul>	<ul style="list-style-type: none"> <li>Build diversified source of business avenues</li> <li>Bid for high-margin projects</li> </ul>	<b>Order Book (₹ in Lacs)</b> 2018-19  85,000 2019-20  91,000 No single client contributes more than 30% to 40% to the total revenue <b>Breakdown of the Order Book (%)</b>  Seismic <b>63%</b> Production assets <b>21%</b> O&M <b>16%</b>
<b>STRATEGIC ALLIANCE</b>	<ul style="list-style-type: none"> <li>Partnered and maintained a strong relationship with world-class technological partners</li> </ul>	<ul style="list-style-type: none"> <li>Look to keep our self updated with the latest technology by doing a strategic tie-up with experienced partners with high potential</li> </ul>	<ul style="list-style-type: none"> <li>ISO 9001:2015 Certified Company</li> <li>ISO 9001:2008 Certified Company</li> <li>IAGC Certified Contractor</li> </ul>



# Management Discussion and ANALYSIS

labour workforce, and growing and easy access to technology are going to entice fresh investments in these regions.

## Outlook

After facing a sluggish growth in 2019, the year 2020 looked prospective for the economy until the Covid-19 outbreak. The pandemic led to a lockdown, bringing the global supply chain to a halt. This unprecedented crisis is likely to force countries to look for alternatives for their supply. An increased focus towards localisation, domestic production and critical infrastructure reinforcement is anticipated.

## The Indian Scenario

Despite economic rundowns, the credit squeeze and sluggish growth, India remained the 5<sup>th</sup> fastest growing economy in the world, with 4.2% growth in the GDP this fiscal. Additionally, the Government and the Central Bank responded well in order to overcome this slowdown caused by a slump in consumption and business confidence. The Central Bank cut down the interest rate on different occasions during the last two fiscal years. These measures were taken to improve the private investment and consumption scenario in the country. To further revitalise consumption, the Government slashed the corporate tax rate in the first half of the financial year, while it lowered the income tax rate in the second half. The pro-active involvement

## ECONOMIC REVIEW

### The Global Overview

The year 2019 recorded a slow pace of growth, plummeting from 3.6% in 2018 to 2.9% in 2019. This was amidst the growing uncertainty surrounding the global economic activities due to rising debt, growing trade barriers and escalating geopolitical tensions. Global exporters were seen to be gradually adjusting to the trade wars. The developed economies also witnessed a decline from 2.2% in 2018 to 1.7% in 2019. This was attributed to the manufacturing slowdown and rising tariff. The repercussions of this economic slowdown were felt across Emerging Market and Developing Economies (EDME) as their growth was revised down to 3.7% in 2019, a 0.8% deceleration from 2018. The financial turmoil owing to external borrowing also had its role to play here. As a mitigation measure, the Government lowered interest to counter the threat of global debt level. Going forward, some of the factors favouring EMDEs like young demographics, economical



by the Government was well-received by the World Bank's 'Ease of Doing Business Ranking', thereby jumping 14 places in the same, from the 77<sup>th</sup> spot to the 63<sup>rd</sup> position.

### Outlook

Just as the economy was moving towards the next fiscal year, Covid-19 crisis sent shockwaves across the globe. The Government and regulators introduced various fiscal stimulus at different intervals. These measures were aimed at safeguarding the most impacted sectors and the worst-hit working class of people. On a brighter note, with the crude prices hitting the lowest levels in recent times, the Government got the unique opportunity of stocking up crude oil in strategic petroleum reserves. Going forward, the staggered re-opening of the economy in phases will also be controlled by the end-user industries demand.

## OVERVIEW

### Global

#### Energy Sector and its Prospective

The major transformation of the current global energy system is quite aligned with the UN's Sustainable Development Goals (SDGs). The substantial growth in the usage of natural gas and renewable energy has facilitated in keeping the global carbon emission in control. Following the increase in the carbon emissions for two-consecutive years in 2019, it remained stagnant at 33 Gigatonnes (GT) (Source: IEA). Nevertheless, fossil fuel would continue to remain a primary source of energy to keep up with the demand of rising population and economic growth, while oil consumption will stay on the top of the chart followed by natural gas and coal. Going forward, the International Energy Agency (IEA)

expects global energy demand to rise by 1% annually until 2040 owing to the rising population and growing economy.

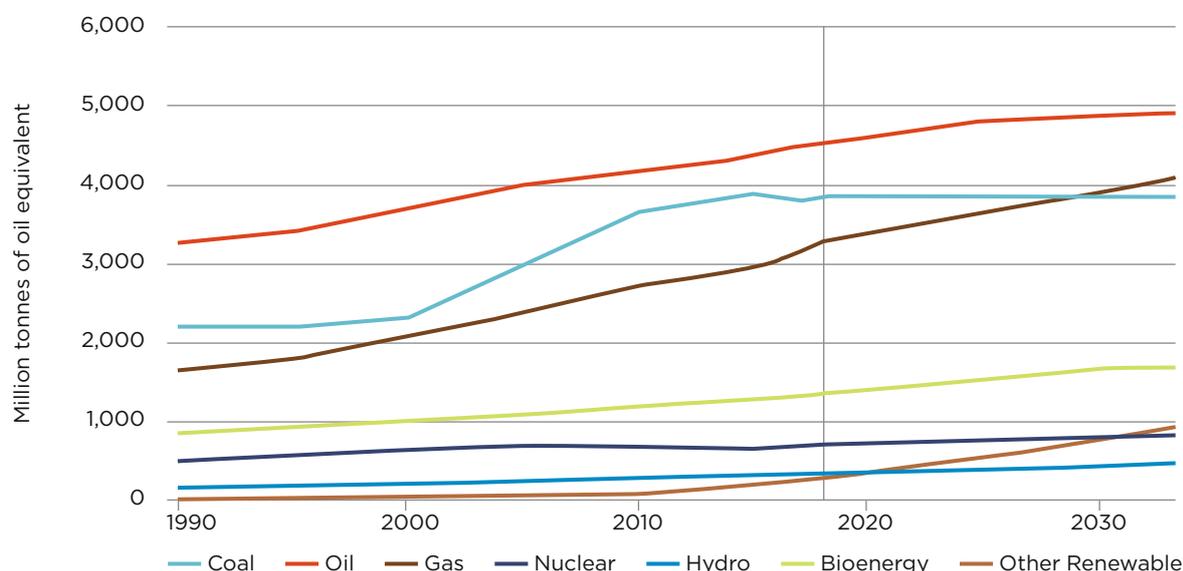
### Oil

Oil prices in 2019 remained in the range level despite the disruptive drone attack incident on the Saudi Aramco's oil infrastructure. The OPEC share of global oil market fell drastically from 70% in the 1970s to -29% in 2019, which has furthermore impacted their power to control crude oil prices. Thus, through mutual agreement, OPEC nations decided to deepen oil production cut by 500,000 barrels a day. This resulted in a reduction of crude oil production by 2% to 29.86 mb/d in 2019 from 31.86 mb/d in 2018. Meanwhile, the oil production from Non-OPEC nations rose to 62.06 mb/d in 2019 from 60.12 mb/d in the previous year to maintain a balance in the oil market. US topped the list, followed by Norway, Brazil and Canada. Oil share in the total global energy mix is expected to make 28% by 2040, on the basis of current announced policy. Having said that, it would be difficult to assess the impact of Covid-19 on oil in 2020 due to contraction in industrial activity, aviation sector and transport mode.

### Natural Gas

Competitive price and environment-friendly natural gas continues to take the market share from coal in the electricity sector. Natural gas emits less than 50% of CO<sub>2</sub> than coal and 30% as opposed to oil. IEA expects this factor to influence the demand of gas with anticipation to witness an increase of 1.6% every year, on an average till 2024. Asia-Pacific region is expected to be the major driving force in the scenario, where China will account for 40% of global gas demand. This will be followed by the Middle East, the US and North

#### Global Energy Demand Growth



(Source: Carbonbrief)

Africa owing to high demand from industry and power plants. This growing demand will be met majorly from the US gas supply, where surging production from the nation's shale fields has left drillers in search of new markets. After a decade of uninterrupted growth, the demand for gas is expected to decline by 5% in 2020 owing to the Covid-19 lockdown. Although it isn't expected to be obstructed to the same extent as oil. But with abundance of Liquefied Natural Gas (LNG) available in the market, the gas prices will remain lower until economy re-opens. By the year 2040, natural gas will be as crucial as oil in terms of consumption, attributing to affordability, increased pipeline network and sustainable nature.

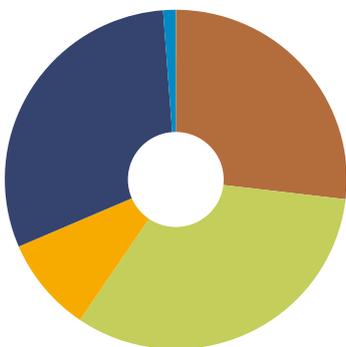
## Indian

### The Potency of the Power Sector

India is the 3<sup>rd</sup> largest producer and consumer of electricity in the world. Despite this, the per capita consumption of electricity is 1/3<sup>rd</sup> of the world's average. India uses only 6% of the world's primary energy regardless of having 18% of the total world population. Therefore, in order to push the economic growth, the Government is ensuring equitable energy access to all and is working towards improving the energy efficiency across the value chain in its entirety. Moreover, the country-developed power exchange has played a key role in achieving the Government's vision of 'Affordable Power for All' on around the clock basis. Going forward, with improvement in the economic situation, relief of the stressed assets, growth in the electric vehicles, friendly cross-border electricity trade policies and regulations, the growth rate in the sector is expected to improve.

### Indian Oil & Gas sector

#### Location-wise Installed Capacity Breakup



<b>Northern</b>	<b>99,374.96</b>
<b>Western</b>	<b>1,20,618.00</b>
<b>Eastern</b>	<b>33,521.13</b>
<b>Southern</b>	<b>1,12,011.13</b>
<b>North Eastern</b>	<b>4,352.02</b>
<b>Islands</b>	<b>58.24</b>

(Source: Central Electricity Authority, March 31, 2020)



India is the 3<sup>rd</sup> largest energy and oil consumer in the world followed by China and the US. The oil demand in India is expected to witness a CAGR of 4% by 2030 as compared to the world average of 1%. This robust growth will be on account of economic development and an indicator of prospective growth (Source: InvestIndia). This growth is poised to advance further, underpinned with the fact of being the leader and the largest exporter of petroleum products in Asia. The Middle Eastern region share of crude oil export to India has decreased from 65% in 2018 to 60% in 2019 owing to geopolitical tension. India was seen diversifying the oil import basket by tapping opportunities on to different regions such as the US and Russia. Going forward in medium to long term, the growth in the consumption of natural gas, petroleum and petrochemical products will act as a catalyst for the Oil & Gas industry. Continuous efforts will be in force to create India, a gas-based economy through an investment of US\$ 60 Billion in the national gas infrastructure.

## SEISMIC INDUSTRY

### The Global Scenario

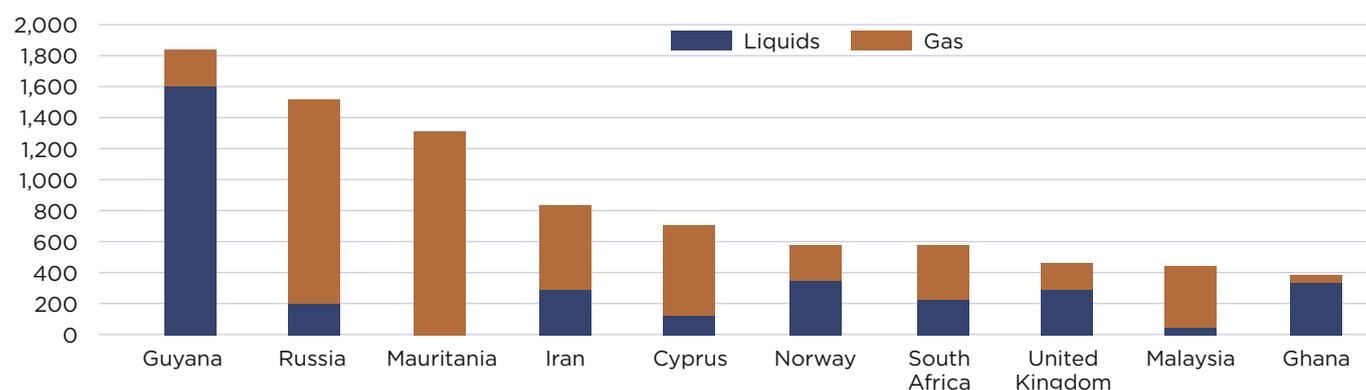
The oil market has gone from a point of scarcity in the 2000s to the time where companies started planning to proliferate within the field. This trend continued in 2019 with Oil & Gas firms discovering a four-year high



with 12.2 Billion barrels of oil. This ultimately benefited the seismic industries due to crude oil price revival. This improvement in oil prices from a year ago helped Oil & Gas firms to increase their capital expenditure. However, in 2020, Covid-19 lockdown caused the stoppage of the seismic surveys and related activities. Despite short term restrain, the global seismic market

is expected to witness a CAGR of more than 4.24% in the forecasted period 2019-26 (Source: Market Watch). These developments will be backed up by increasing energy demand, urbanisation and usage of advanced seismic technology.

### Top 10 countries in terms of conventional discovered volumes in 2019, Millions of barrels of oil or equivalent



(Source: Forbes, January 11, 2020)

## Indian

To meet the needs of a fast-growing economy, the Indian Government is committed to boosting oil production within the country. In order to raise output and attract major investments, the Government is changing policies in favour of awarding the oil blocks. The Government is thus awarding the oil exploration block by shifting from revenue sharing to production maximisation. The Government, during the four OALP round, has awarded 94 blocks, covering an area of 136,800 sq. km. This along with India's improvement

in the World Bank's ease of Doing Business ranking signifies the advancement in the process of the project clearance. To strengthen ties, India and Russia signed a roadmap to the joint development of Oil & Gas fields in both the nations. The nation also signed an MoU with Brazil to foster progress in the exploration and production area. Friendly policies, strategic alliances and efforts to reduce oil import creates a positive outlook for the industry. Furthermore, the Government expects this activity to generate an investment of US\$ 2.35 Billion over the next 3-4 years in exploratory work, alone. (Source: Oil and Gas Journal)

## Opportunities

### GROWING OIL DEMAND

Oil plays a vital role in accelerating industrialisation and urbanisation, especially in developing economies. AOSL strategically operates in developing economies, focusing on regions where the probability for oil discovery looks promising as opposed to others. The demand will result in the growing need for oil discovery and drilling, ultimately creating greater opportunities for the Company.

### BAGGING DOMESTIC ORDERS

AOSL has completed projects in multi-terrain at different locations in India, that too at a reasonable price. Therefore, the Company stands well to benefit in bagging domestic orders.

### SEISMIC AND E&P OPPORTUNITY

The Government of India, through its various policies, is placing a huge emphasis on Oil & Gas exploration due to the colossal potentiality of India's unexplored basins. These reform-based approaches are of critical importance due to the rising imports and demand for energy in a country. Therefore, India is moving towards becoming a gas-based economy and is aiming to cut down the oil import. This creates a pool of opportunities for AOSL to take advantage of the industry, through effective bidding on an exploration of promising reserves.



## Threats

### EXPLORATION AND RESOURCES

Failure to discover crude oil can undermine future growth prospects. Projects may be less successful if they don't meet the volume of reserves anticipated at the initial stage which may impair the Company's asset value. The Company is technology-focused and tie-ups with partners give support in executing the projects efficiently.

### A MOVEMENT TOWARDS THE UNCONVENTIONAL SOURCE OF ENERGY

The Company position can be in threat, owing to reducing global dependency on oil. This could very well dwindle the investment in the sector. However, according to IEA, the share of Oil & Gas in the global energy mix is estimated to be at 48%.

### LOWER FOSSIL FUEL DEMAND DUE TO COVID-19

The plunging oil demand along with sinking prices pose a threat to the crude oil exploration activities. At an operational site, workers must maintain social distancing while working in a confined space. These restrictions can cause delays in the activities.



## RISK AND MITIGATION

Our risk management identifies and manages risk in a way that is supportive of our strategic priorities.

CATEGORY	IMPACT	APPETITE	MITIGATION
<b>Catastrophic risks</b>	It includes injuries, production and license loss, assets and environmental damage due to shortcomings in operational performance, adverse geological conditions and natural events. This may result in regulatory issues, rising financial costs impact on community relations.	Operational performance such as exploration and drilling are within the limits of our appetite while natural events are outside of our risk appetite.	We have technical experts who evaluate, examine and continuously inspect the situation on the site. We adhere to the best technical standards which set the minimum requirement for the projects.
<b>Geopolitical, permits and licenses to operate</b>	Our presence in different geographic regions exposes us to this risk. Political and economic instability, including terrorism, civil disorder, violent crime, war and social unrest, can affect our permit clearance and operations.	Operating outside the limits of our appetite	The Company actively engages with the governments, regulators and other stakeholders of the countries of its operations.
<b>Liquidity risk</b>	Inadequate fund of the Company can impact debt obligation and operational activities.	Operating within the limits of our appetite	We have got a strong balance sheet which is debt-free with an adequate net worth to ensure fund liquidity.
<b>Corruption</b>	Bribery or any form of corruption by any individual of our Company will lead to unfavourable media attention, criminal investigation and cause damage to the Company's reputation.	Operating within the limits of our appetite	We have got an anti-corruption policy in place, coupled with active monitoring, training and awareness.
<b>Covid-19 lockdown</b>	Lockdown restricts our ability to travel and conduct meetings.	Operating within the limits of our appetite	We are working from home (WFH) and effectively executing all the non-operational activities.

## FINANCIAL REVIEW (CONSOLIDATED BASIS)

### Revenue

Revenue from operations showed a significant growth, increasing by 41% from ₹ 19,385.52 Lacs in 2018-19 to ₹ 27,304.00 Lacs in 2019-20.

### Profit after tax (PAT)

The Company posted a profit after tax of ₹ 2,923.53 Lacs in the current year compared to profit of ₹ 910.07 Lacs in the last year.

### EPS

The earnings per share (EPS) for the year is ₹ 7.72 as against ₹ 2.39 in the previous year reflecting the profitable performance of the Company during the financial year.

### Net worth

The group got a strong Net worth of ₹ 18,145 Lacs as on March 31, 2020 compared to ₹ 15,200 Lacs as on March 31, 2019.

### Debt

The debt as on March 31, 2020 stands at NIL compared to ₹ 996 Lacs as on March 31, 2019.

## KEY RATIOS OF AOSL

Particulars	2019-20	2018-19
Debtors Turnover Ratio	3.70	3.20
Interest Coverage Ratio	17.66	3.40
Current Ratio	1.54	1.78
Debt Equity Ratio	0.00	0.26
Operating Profit Ratio	33%	34%
Net Profit Margin	11%	5%
Change in Return on Net worth	19%	8%

### Explanation for significant change during the financial year

1. The full repayment of the loan during the financial year has led to debt free status of the Company. This has reduced debt to equity ratio to zero and improved the Interest Coverage Ratio owing to decrease in the interest cost.
2. Increase in the operating revenue has resulted in increase in the net profit margin





## HUMAN RESOURCE MANAGEMENT

The Company is fundamentally committed to protecting the environment while ensuring healthcare, safety and welfare for all its employees, contractors and communities. The Company is dedicated to performing its duties in a safe, environmentally responsible and effective manner.

Our people's proficiency and skills strongly hold the foundation of our success. Owing to the value they bring to the organisation, the human resource teams at our operations and offices hold the onus of implementing the best human resource strategies and policies. The Company empowers the people by providing them opportunities across spectrums including leadership and professional development.

To encourage excellence and better productivity, the Company's rewards are clearly and rightfully in tandem with the individual's performance. Employment equity is an integral component of the Company business and human resource strategy. The focus is on the elimination of discrimination within the workplace, regardless of the designated profile across all occupational levels within the organisation. Even after earning ISO 9000: 2015 certification, all these constant efforts have aided us to further improve our quality management.



## INTERNAL CONTROL SYSTEM

The Company has adequate internal financial control in place with regard to the financial statements. Such controls were evaluated through the year, while no reportable material weaknesses in the design or operations were observed.

## CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or predictions 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 27th Annual Report and the Company's audited financial statement for the financial year ended March 31, 2020. 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, 2020 is summarised below:

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	27,304.00	19,385.52	6,440.45	15,682.44
Other Income	358.21	397.72	1,153.79	573.90
Total Revenue	27,662.21	19,783.24	7,594.24	16,256.34
Profit / (Loss) before Finance Cost, Depreciation and Tax	7,001.59	3,685.25	2,952.45	1,702.46
Finance Cost	(285.20)	(572.06)	(323.81)	(544.66)
Depreciation	(1,965.94)	(1,944.27)	(1,329.29)	(909.31)
Exceptional items	(686.55)	(250.77)	(829.14)	(85.20)
Profit/(Loss) before tax	4,063.90	918.15	470.21	163.29
Tax expenses	(1,140.37)	(8.08)	-	-
Net Profit/(Loss) after tax	2,923.53	910.07	470.21	163.29

## 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 2019-20 stood at ₹ 27,304.00 Lacs which was higher by 41% over last year (₹ 19,385.52 Lacs in 2018-19). Net Profit for the year stood at ₹ 2,923.53 Lacs as against net profit of ₹ 910.07 Lacs in the previous year.

On standalone basis, revenue from operations for the financial year 2019-20 is ₹ 6,440.45 Lacs which has decreased by approx. 59% over last year (₹ 15,682.44 Lacs in 2018-19) whereas net profit for the year is ₹ 470.21 Lacs as against net profit of ₹ 163.29 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 had 4 (four) subsidiaries and 1 (one) step down subsidiary as on March 31, 2020. During the year

under review the Company purchased additional 51% in Optimum Oil & Gas Private Limited, the joint venture company and therefore it has become subsidiary of the Company. There has been no material change in the nature of business of the subsidiaries.

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

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries 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, 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 financial year 2019-20 is ₹ 24,258.70 Lacs compared to ₹ 5,087.87 Lacs during the previous year. It generated a net profit of ₹ 2,921.13 Lacs compared to profit of ₹ 994.94 Lacs in the previous year.



## Board's Report (Contd.)

### AOSL Petroleum Pte. Ltd.:

During the financial year 2019-20 AOSL Petroleum Pte. Ltd. registered an income of ₹ 1,889.80 Lacs compared to nil during the previous year. It generated a net profit of ₹ 172.47 Lacs in the financial year 2019-20 against net loss of ₹ 301.42 Lacs in the previous year.

### AOSL Energy Services Limited:

AOSL Energy Services Limited (AESL) has not registered any income during financial year 2019-20 and also during previous year but has incurred a net loss of ₹ 0.83 Lacs in the current year against net loss of ₹ 0.80 Lacs in the previous year.

### Ivorene Oil Services Nigeria Ltd.:

Ivorene Oil Services Nigeria Limited (Ivorene) is step down subsidiary of the Company. Asian Oilfield & Energy Services DMCC holds 99.99% shares in Ivorene.

During the year, Ivorene registered an income of ₹ 171.82 Lacs as against ₹ 14.23 Lacs during the previous year and has generated a net profit of ₹ 55.30 Lacs in the current year against net profit of ₹ 18.74 Lacs in the previous year. Post the Balance Sheet date, Ivorene has ceased to be a step down subsidiary of the Company.

### Optimum Oil & Gas Private Limited:

During the year Optimum Oil & Gas Private Limited had total revenue (other income) of ₹ 0.04 Lacs as against ₹ 41.99 Lacs during previous year and incurred a loss of ₹ 3.87 Lacs against a net loss of ₹ 17.02 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 2019-20 are provided in the notes to the financial statements.

### Related Party Transactions:

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 on an annual basis for repetitive 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. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

### 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:

- a. In the preparation of annual accounts for the year ended March 31, 2020, 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;
- b. 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, 2020 and of the profit of the Company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a 'going concern' basis;
- e. 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
- f. 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 shall consist 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

## Board's Report (contd.)

shall include the Chairperson, at least two members, one of whom shall be a lady.

The Company did not receive any complaints during the financial year 2019-20.

### 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. Devesh Bhargava was appointed as an Additional (Independent) Director of the Company with effect from May 23, 2019 and his appointment was confirmed at the Annual General Meeting (AGM) of the Company held on 18th September, 2019.

Mr. Mukesh Jain was appointed as a Director in casual vacancy created by resignation of Mr. Gaurav Gupta with effect from May 29, 2019. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mukesh Jain retires by rotation and being eligible offers himself for re-appointment.

Mr. Nayan Mani Borah, Mr. Kadayam Ramanathan Bharat, Ms. Anusha Mehta, Dr. Rabi Narayan Bastia and Mr. Ashutosh Kumar 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. Ashutosh Kumar, Whole-time Director & CEO
2. Mr. Sumit Maheshwari, Chief Financial Officer
3. Ms. Archana Nadgouda, Company Secretary and Compliance Officer

### 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. Kapil Garg was appointed as an Additional Director of the Company with effect from July 7, 2020 to hold office till the ensuing Annual General Meeting. Being eligible, he offers himself for re-appointment.

Mr. Sumit Maheshwari has resigned from his position of Chief Financial Officer of the Company effective from close of business hours on June 30, 2020. He continues as Vice-President (Commercial) with focus on new opportunities relating to services of coke and coal, minerals and other energy related resources. Mr. Nirav Talati has been appointed as the Chief Financial Officer of the Company with effect from August 6, 2020.

There is no other change in the Directors and Key Managerial Personnel of the Company between the end of the financial year 2019-20 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 have 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.

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.

### Familiarization 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 familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which

## Board's Report (Contd.)

the Company operates, business model etc. The details of the familiarization programme are explained in Corporate Governance Report.

The Familiarization 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:**

4 (four) meetings of the Board were held during the year on May 29, 2019, August 7, 2019, November 14, 2019 and February 14, 2020. 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:**

The operations in the first quarter of 2020-21 were impacted to some extent due to COVID-19 related lock down in various states in India. However, the Company has witnessed a robust growth in demand of the seismic services.

### **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, 2013 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 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., Chartered Accountants as the Internal Auditor who carry 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).

## Board's Report (contd.)

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 work place 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 2019-20.

### Vigil mechanism/ Whistle Blower Policy:

In accordance with the Whistle Blower Policy of the Company, 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 a Certificate from Practicing Company Secretaries 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

- Conservation of Energy : Not Applicable
- Technology Absorption : NIL
- Foreign exchange earning & outgo :

(Amount in ₹)

Sr. No.	Particulars	2019-20	2018-19
<b>a.</b>	<b>Foreign Exchange earnings</b>		
	Consultancy Services	322,426,210	107,585,058
	Dividend	74,535,566	---
	Interest on loan to Subsidiary	11,242,011	22,833,942
<b>b.</b>	<b>Foreign Exchange outgo towards</b>		
	Travelling expenses	4,136,385	2,139,344
	Capital goods	132,983,741	179,169,425
	Revenue payment	9,841,300	135,491,864

### 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 B** forming part of the Report.

## Board's Report (Contd.)

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 Chandio & Co. LLP, (WCC), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five years and hold office till the conclusion of the ensuing 27th AGM. As per the provisions of Section 139(1) of the Act, it is proposed to re-appoint them as the Statutory Auditors of the Company for a further period of five year at the ensuing AGM to hold office from the conclusion of the 27th AGM till the conclusion of the 32nd AGM to be held in 2025.

#### Auditors' Report:

- a) The Auditors in their Report on standalone Audited Financial Results of the Company for the financial year ended March 31, 2020 have drawn attention in their Report reading as under:
- i. Note 41 to the accompanying standalone financial statements regarding recoverability of amounts withheld/ performance guarantee invoked by customers towards liquidation damages/ non-performance of obligations for certain projects awarded to the Company. The Company's management has assessed the tenability of its claims and submissions made to these customers and based on the legal opinion obtained, management is of the view that the amounts withheld/ performance guarantees that were invoked are recoverable, and accordingly, no adjustments have been made to the accompanying standalone financial statements.
  - ii. Note 42 to the accompanying standalone financial statements, which describes the impact of COVID-19 pandemic on the Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Company is significantly dependent on the future developments as they evolve.

**Their opinion is not modified in respect of the above matters.**

- b) The auditors in their Report on Consolidated Audited Financial Results of the Company for the financial year ended March 31, 2020 have drawn attention in their Report reading as under :
- i. Note 45 to the accompanying consolidated financial statements regarding recoverability of amounts withheld/ performance guarantee invoked by customers towards liquidation damages/ non-performance of obligations for certain projects awarded to the Holding Company. The Holding Company's management has assessed the tenability of its claims and submissions made to these customers and based on the legal opinion obtained, management is of the view that the amounts withheld/ performance guarantees that were invoked are recoverable, and accordingly, no adjustments have been made to the accompanying consolidated financial statements.
  - ii. Note 46 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Holding Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Holding Company is significantly dependent on the future developments as they evolve.
  - iii. The following emphasis of matter paragraph included in the Auditor's report dated June 4, 2020 on the audited financial statements of Asian Oilfield & Energy Service DMCC (ADMCC), a subsidiary of the Holding Company, issued by an independent firm registered in Dubai, and reproduced by us as under:

#### **"Material uncertainty relating to going concern:**

The COVID-19 outbreak has caused disruptions throughout the world impacting the economic activities with forecast of economic downturns in several parts of the world. Management of the Company has, based on its preliminary assessment & review, assured that the Company would be able to continue its operations in the foreseeable future.

The management of the Company after considering the future projections of revenue, profitability and cash flows is confident that the

## Board's Report (Contd.)

Company would be able to honor its commitments as and when they fall due and the Company would be able to operate for the immediate next 12 months. Hence, the financial statements have been prepared on a going concern assumption and our opinion is not modified in respect of the above matter.”

- iv. Note 42(a) and Note 42(b) to the accompanying consolidated financial statements and the following emphasis of matter paragraphs included in the Auditor's report dated June 4, 2020 on the audited financial statements of ADMCC, a subsidiary of the Holding Company, issued by an independent firm registered in Dubai, and reproduced by us as under:

“The Company has filed for arbitration in 'The London Court of International Arbitration' on February 22, 2019 claiming an overdue amount from a settlement agreement with a customer, amounting to USD 2,000,000. Both the parties had agreed on suspension of arbitration proceedings and evaluating an out-of-court settlement. Further, as per the parties joint communication to the Tribunal dated March 31, 2020 and the Tribunal's Procedural Order No. 11 dated April 1, 2020, both the parties have mutually agreed to a further extension of the current stay of the arbitration proceedings up to and including June 30, 2020 and the deadline for the parties to produce further documents pursuant to the Tribunal's rulings in the Redfern Schedules is extended to July 1, 2020.”

“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.”

### **Their opinion is not modified in respect of the above matters.**

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 had 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,

2020. The Secretarial Audit Report is annexed as **Annexure C**. 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, 2020 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 174,302 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 available for inspection by the members on request.

### **Employee Stock Option Plan 2019:**

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 2019-20, ESOP Compensation Committee Meeting has granted 380,744 stock options to Employees of the Company and its Holding Company, under the Asian Oilfield Services Limited – Employee Stock Option Plan 2019 (“AOSL ESOP 2019”) at an exercise price of ₹ 80/- 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



## Board's Report (Contd.)

regarding proper implementation of ESOP Scheme shall be available for inspection by the members on request.

### **Compliance with Secretarial Standards:**

The Company has complied with all the applicable provisions of Secretarial Standards – 1 and Secretarial Standards – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the Institute of Company Secretaries of India.

### **Extract of Annual Return:**

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure D 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).

### **Business Responsibility Report:**

A detailed Business Responsibility Report in terms of Regulation 34 of the SEBI LODR Regulations, 2015 is available as a separate section of the Annual Report.

### **Acknowledgement:**

The Board places on record its deep appreciation for the continued support received from various clients, vendors, 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: August 6, 2020

# 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 ₹)

Sl. No.	Particulars	Name of the Subsidiary				
		Asian Oilfield & Energy Services DMCC	AOSL Petroleum Pte. Ltd.	AOSL Energy Services Limited	Optimum Oil & Gas Private Limited	Ivorene Oil Services Nigeria Ltd.
1.	Kind of Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary's Subsidiary
2.	The date since when subsidiary was acquired	July 30, 2012	July 23, 2008	September 29, 2018	November 30, 2019	March 14, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	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 <sup>4</sup>	Reporting Currency US\$ Exchange rate <sup>4</sup>	Reporting Currency ₹	Reporting Currency ₹	Reporting Currency Naira Exchange rate <sup>5</sup>
5.	Share capital	75,385,900	55,409	1,00,000	100,000	2,094,000
6.	Reserves & surplus	536,793,744	(138,964,257)	(1,62,451)	(39,56,543)	18,009,644
7.	Total assets	1,278,718,402	70,721,850	2,01,839	5,87,213	241,143,847
8.	Total liabilities	668,970,557	209,630,698	2,64,290	44,43,756	221,040,203
9.	Investments	2,431,798	Nil	Nil	Nil	Nil
10.	Turnover	2,425,870,156	188,980,195	-	3,748	17,181,748
11.	Profit / (Loss) before taxation	403,598,354	17,246,743	(82,882)	(3,86,714)	8,081,028
12.	Provision for taxation	111,485,595	Nil	Nil	Nil	2,551,461
13.	Profit / (Loss) after taxation	292,112,759	17,246,743	(82,882)	(3,86,714)	5,529,567
14.	Proposed Dividend	NA	NA	NA	NA	N.A
15.	% of shareholding	100%	100%	100%	74%	99.999%

#### Notes:

- Reporting period and reporting currency of the above subsidiaries is the same as that of the Company.
- Investments exclude investments in subsidiaries.
- There is no subsidiary which has been liquidated or sold during the year.
- Exchange rate for Balance Sheet items is US\$ = ₹ 75.3859 and for Profit & Loss Account items is US\$ = ₹ 70.8791
- Exchange rate for Balance Sheet items is N = ₹ 0.2094 and for Profit & Loss Account items is N = ₹ 0.2309



## Annexure A to the Board's Report (Contd.)

### Part B: Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

1. Names of associates or joint ventures which are yet to commence operations. – N.A.
  2. Names of associates or joint ventures which have been liquidated or sold during the year. – N.A.
- \* Optimum Oil & Gas Private Limited which was a Joint Venture Company during the year has become a subsidiary of the Company w.e.f. November 30, 2019.

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

**Nayan Mani Borah**

Chairman  
DIN 00489006

**Ashutosh Kumar**

Director and Chief Executive Officer  
DIN 06918508

**Archana Nadgouda**

Company Secretary  
(ACS – 17140)

Place: Mumbai

Date: August 6, 2020

## Annexure B to the Board's Report (Contd.)

### 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. Nayan Mani Borah	--
Dr. Rabi Narayan Bastia	--
Ms. Anusha Mehta	--
Mr. Gaurav Gupta (resigned w.e.f. May 1, 2019)	--
Mr. Kadayam Ramanathan Bharat	--
Mr. Devesh Bhargava (w.e.f. May 23, 2019)	--
Mr. Mukesh Jain (w.e.f. May 29, 2019)	--
<b>Executive Directors:</b>	
Mr. Ashutosh Kumar (WTD & CEO)	10.28:1

\* 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. Nayan Mani Borah*	--
Dr. Rabi Narayan Bastia*	--
Ms. Anusha Mehta*	--
Mr. Kadayam Ramnathan Bharat*	--
Mr. Gaurav Gupta * (resigned w.e.f. May 1, 2019)	--
Mr. Ashutosh Kumar, WTD & CEO	0.00
Mr. Devesh Bhargava (w.e.f. May 23, 2019)*	@
Mr. Mukesh Jain (w.e.f. May 29, 2019)*	@
Mr. Sumit Maheshwari, Chief Financial Officer	0.00
Ms. Archana Nadgouda	0.00

\* 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: 58.35%**
- d. **The number of permanent employees on the rolls of Company: 91**
- 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 2019-20.
- 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 C to the Board's Report

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2020

*[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, 2020 ("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, 2020, 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).
- (vi) And the following industry specific laws as informed by the Management of the Company:
  - a. Oil Industry Safety Directorate (OISD) guidelines;
  - b. Explosive Act, 1884; Explosive Rules, 2008;
  - c. 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;

## Annexure D to the Board's Report (Contd.)

- (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

UDIN: F003477B000543907

Place: Mumbai

Date: August 1, 2020

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

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, 2020

# Annexure D to the Board's Report

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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, Chunabhathi 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. Ltd. 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	7490	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, Chunabhathi 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 D 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: AU-29-J Gold Tower AU Plot No: JLT-PH1-I3A Jumeirah Lakes Tower, Dubai (UAE)	DMCC3462	Subsidiary	100.00	2(87)(ii)
4.	AOSL Energy Services Limited 3A,3rd Floor,Omkar Esquare, Taty Tope Marg, Joglekarwadi, Sion Fish Market, Sion (E) Mumbai 400022	U74999MH2018PLC315018	Subsidiary	100.00	2(87)(ii)
5.	Optimum Oil & Gas Private Limited 3-A, Om Esquare, Chunnabhatti Junction, Vasant Rao Naik Mahamarg, Sion, Mumbai 400022	U11201MH2008PTC185808	Subsidiary	74.00	2(87)(ii)
6.	Ivorene Oil Services Nigeria Limited Plot 239, Kofo Abayomi Street, Victoria Island, Lagos, Nigeria.	RC 881175	Step-down Subsidiary	99.999	2(87)(ii)

### 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	125000	--	125000	0.33	--	
b) Central Govt.	--	--	--	--	--	--	--	--	--	
c) State Govt(s)	--	--	--	--	--	--	--	--	--	
d) Bodies Corporate*	22572600	--	22572600	59.29	22572600	--	22572600	59.29	--	
e) Banks/FI	--	--	--	--	--	--	--	--	--	
f) Any Other	--	--	--	--	--	--	--	--	--	
<b>Sub total (A)(1)</b>	<b>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>--</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>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>22697600</b>	<b>--</b>	<b>22697600</b>	<b>59.61</b>	<b>--</b>	
<b>B) PUBLIC SHAREHOLDING</b>										
<b>1) Institutions</b>										
a) Mutual Funds	--	--	--	--	--	--	--	--	--	
b) Banks / FI	--	--	--	--	2	--	2	0.00	0.00	
c) Central Govt.	--	--	--	--	--	--	--	--	--	

## Annexure D 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	
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Cap.Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs / Foreign Portfolio Investors	66613	--	66613	0.18	26852	--	26852	0.07	(0.11)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub- total (B) (1)</b>	<b>66613</b>	<b>--</b>	<b>66613</b>	<b>0.18</b>	<b>26854</b>	<b>--</b>	<b>26854</b>	<b>0.07</b>	<b>(0.11)</b>
2) Non Institutions									
a) Bodies Corporate	1967532	3400	1970932	5.18	1073181	3400	1076581	2.83	(2.35)
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3079651	649975	3729626	9.80	3914629	631174	4545803	11.94	2.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2546586	0	2546586	6.69	2310971	0	2310971	6.07	(0.62)
c) Others (specify)									
i) Clearing Members	234856	0	234856	0.62	19997	0	19997	0.05	(0.57)
ii) NRI	6365998	6800	6372798	16.74	5256139	6800	5262939	13.82	(2.92)
iii) HUF	387933	0	387933	1.02	1670955		1670955	4.39	3.37
iv) Director or Director's Relative	67500	0	67500	0.18	82000	0	82000	0.21	0.03
<b>Sub Total (B)(2)</b>	<b>14650056</b>	<b>660175</b>	<b>15310231</b>	<b>40.21</b>	<b>14327872</b>	<b>641374</b>	<b>14969246</b>	<b>39.31</b>	<b>(0.92)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>14716669</b>	<b>660175</b>	<b>15376844</b>	<b>40.39</b>	<b>14354726</b>	<b>641374</b>	<b>14996100</b>	<b>39.38</b>	<b>(1.03)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Employee Benefit Trust under SEBI (Share based Employee Benefit) Regulations, 2014	--	--	--	--	380744	--	380744	1.00	1.00
<b>Total (C)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>380744</b>	<b>--</b>	<b>380744</b>	<b>1.00</b>	<b>1.00</b>
<b>Grand Total (A+B+C)</b>	<b>37414269</b>	<b>660175</b>	<b>38074444</b>	<b>100.00</b>	<b>37433070</b>	<b>641374</b>	<b>38074444</b>	<b>100.00</b>	<b>0</b>

### (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/ encum-bered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	
1.	Oilmax Energy Pvt. Ltd.	22572600	59.29	27.17	22572600	59.29	0.00	0.00
2.	Mrs. Ritu Garg	125000	0.33	0.00	125000	0.33	0.00	0.00
<b>TOTAL</b>		<b>22697600</b>	<b>59.61</b>	<b>27.17</b>	<b>22697600</b>	<b>59.61</b>	<b>0.00</b>	<b>0.00</b>



## Annexure D 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 Pvt. Ltd.					
	At the beginning of the year	01-04-2019	2,25,72,600	59.29	--	--
	At the end of the year	31-03-2020	--	--	2,25,72,600	59.29
2.	Mrs. Ritu Garg					
	At the beginning of the year	01-04-2019	1,25,000	0.33	--	--
	At the end of the year	31-03-2020	--	--	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.	<b>BALRAM CHAINRAI</b>					
	At the beginning of the year	01 Apr 2019	4597000	12.0737	--	--
	Sale of Shares	15 Nov 2019	(37864)	--	4559136	11.9743
	Sale of Shares	22 Nov 2019	(10449)	--	4548687	11.9468
	Sale of Shares	06 Dec 2019	(320606)	--	4228081	11.1048
	Sale of Shares	13 Dec 2019	(119671)	--	4108410	10.7905
	Sale of Shares	31 Dec 2019	(63000)	--	4045410	10.6250
	Sale of Shares	10 Jan 2020	(21785)	--	4023625	10.5678
	Sale of Shares	17 Jan 2020	(329542)	--	3694083	9.7023
	Sale of Shares	31 Jan 2020	(32245)	--	3661838	9.6176
	Sale of Shares	14 Feb 2020	(45000)	--	3616838	9.4994
	Sale of Shares	06 Mar 2020	(13476)	--	3603362	9.4640
	At the end of the year	31 Mar 2020	--	--	3603362	9.4640
2.	<b>VAIBHAV HARI KANADE</b>					
	At the beginning of the year	01 Apr 2019	1251000	3.2857	--	--
	At the end of the year	31 Mar 2020			1251000	3.2857
3.	<b>PRASOON HARSHAD BHATT</b>					
	At the beginning of the year	01 Apr 2019	0	0.0000	--	--
	Purchase of Shares	11 Oct 2019	47300	--	47300	0.1242
	Sale of Shares	18 Oct 2019	(2300)	--	45000	0.1182
	Purchase of Shares	25 Oct 2019	180000	--	225000	0.5909
	Purchase of Shares	06 Dec 2019	200880	--	425880	1.1185
	Purchase of Shares	13 Dec 2019	74160	--	500040	1.3133
	Purchase of Shares	20 Dec 2019	78840	--	578880	1.5204
	Sale of Shares	10 Jan 2020	(52200)	--	526680	1.3833
	Purchase of Shares	17 Jan 2020	34950	--	561630	1.4751
	Purchase of Shares	24 Jan 2020	314970	--	876600	2.3023
	Purchase of Shares	31 Jan 2020	211744	--	1088344	2.8585
	Purchase of Shares	07 Feb 2020	78156	--	1166500	3.0637
	Sale of Shares	14 Feb 2020	(500)	--	1166000	3.0624
	Purchase of Shares	06 Mar 2020	45000	--	1211000	3.1806
	At the end of the year	31 Mar 2020	--	--	1211000	3.1806

## Annexure D 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
<b>4.</b>	<b>VISTRA ITCL (INDIA) LIMITED</b>					
	At the beginning of the year	01 Apr 2019	0	0.0000	--	--
	Purchase of Shares	04 Oct 2019	379498	--	379498	0.9967
	Purchase of Shares	27 Mar 2020	1246	--	380744	1.0000
	At the end of the year	31 Mar 2020	--	--	380744	1.0000
<b>5.</b>	<b>BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LIMITED</b>					
	At the beginning of the year	01 Apr 2019	300000	0.7879	--	--
	At the end of the year	31 Mar 2020	--	--	300000	0.7879
<b>6.</b>	<b>VIJAYKUMAR KRIPALDAS ASSUDANI</b>					
	At the beginning of the year	01 Apr 2019	0	0.0000	--	--
	Purchase of Shares	24 Jan 2020	197500	--	197500	0.5187
	Purchase of Shares	14 Feb 2020	20700	--	218200	0.5731
	Purchase of Shares	13 Mar 2020	270	--	218470	0.5738
	At the end of the year	31 Mar 2020	--	--	218470	0.5738
<b>7.</b>	<b>KAUSHIK DEVA</b>					
	At the beginning of the year	01 Apr 2019	176500	0.4636	--	--
	At the end of the year	31 Mar 2020	--	--	176500	0.4636
<b>8.</b>	<b>PRADEEP GHISULAL RATHOD</b>					
	At the beginning of the year	01 Apr 2019	150000	0.3940	--	--
	At the end of the year	31 Mar 2020	--	--	150000	0.3940
<b>9.</b>	<b>SURYATEJ ADVISORS LLP</b>					
	At the beginning of the year	01 Apr 2019	145000	0.3808	--	--
	At the end of the year	31 Mar 2020	--	--	145000	0.3808
<b>10.</b>	<b>GEORGE FRANCIS CASTELINO</b>					
	At the beginning of the year	01 Apr 2019	123558	0.3245	--	--
	Purchase of Shares	24 Jan 2020	9275	--	132833	0.3489
	At the end of the year	31 Mar 2020			132833	0.3489

### (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
<b>1.</b>	<b>Dr. Rabi Narayan Bastia</b>					
	At the beginning of the year	01-04-2019	67500	0.18	--	--
	Purchase of Shares	24-09-2019	3282	0.01	70782	0.19
	Purchase of Shares	25-09-2019	10218	0.02	81000	0.21
	At the end of the year	31-03-2020	--	--	81000	0.21
<b>2.</b>	<b>Mr. Sumit Maheshwari</b>					
	At the beginning of the year	01-04-2019	30100	0.08		
	At the end of the year	31-03-2020	--	--	30100	0.08
<b>3.</b>	<b>Mr. Devesh Bhargava</b>					
	On date of appointment	23-05-2019	1000	0.00	--	--
	At the end of the year	31-03-2020			1000	0.00

\*None of the Directors, other than Dr. Rabi Narayan Bastia and Mr. Devesh Bhargava, hold any shares in the Company. Mr. Devesh Bhargava is second holder with Mrs. Ritu Bhargava who holds 1,000 equity shares of the Company.

\*None of the Key Managerial Personnel other than Mr. Sumit Maheshwari holds any shares in the Company.

## Annexure D to the Board's Report (Contd.)

### V. INDEBTEDNESS:

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

(Amount in ₹)

Name of Directors / KMP	Secured Loans Excluding Deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>			
i) Principal Amount	55,644,226	44,000,000	99,644,226
ii) Interest Due but not Paid	0	0	0
iii) Interest Accrued but not due	0	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>
<b>Change in indebtedness during the financial year</b>			
i) Addition	991,838	174,940,032	175,931,870
ii) Reduction	(56,636,064)	(229,845,600)	(286,481,664)
<b>Total change in indebtedness during the financial year 2019-20</b>	<b>(55,644,226)</b>	<b>(54,905,568)</b>	<b>(110,549,794)</b>
<b>Indebtedness at the end of the financial year (31.03.2020)</b>			
i) Principal Amount	0	0	0
ii) Interest Due but Not Paid	0	0	0
iii) Interest Accrued but not due	0	5,497,617	5,497,617
<b>Total i + ii + iii</b>	<b>0</b>	<b>5,497,617</b>	<b>5,497,617</b>

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

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Ashutosh Kumar, Whole-time Director & CEO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <sup>&amp;</sup>	10,040,298
	(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	-
<b>2</b>	<b>Stock Option<sup>@</sup></b>	<b>-(1)</b>
3	Sweat Equity	-
4	Commission - as % of profit	-
5	Others, please specify(Performance Linked Bonus)	-
	<b>Total (A)</b>	<b>10,040,298</b>
	<b>Ceiling as per the Act</b>	<b>1,68,00,000</b>

& Includes fixed and variable remuneration

@ In accordance with the definition of perquisites under the Income Tax Act, 1961, the remuneration includes the value of stock options only on those shares that have been exercised during the period. Accordingly the value of stock options granted during the year is not included. The number of stock options granted during the financial year is given below.

(1) On the recommendation of the Nomination and Remuneration Committee in accordance with the ESOP Plan 2019, the ESOP Compensation Committee has granted 76,607 options to Mr. Ashutosh Kumar. These will vest in accordance with the ESOP Plan 2019.

## Annexure D to the Board's Report (Contd.)

### B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. N. M. Borah	200,000	--	--	200,000
	Ms. Anusha Mehta	150,000	--	--	150,000
	Mr. Kadayam Ramanathan Bharat	125,000	--	--	125,000
	Mr. Devesh Bhargava	195,000	--	--	195,000
	<b>Total (1)</b>	<b>670,000</b>			<b>670,000</b>
2.	Other Non- Executive Directors				
	Dr. Rabi Narayan Bastia	65,000	--	--	65,000
	Mr. Mukesh Jain	80,000	--	--	80,000
	Mr. Gaurav Gupta	--	--	--	--
	<b>Total (2)</b>	<b>145,000</b>			<b>145,000</b>
	<b>Total (B)=(1+2)</b>	<b>815,000</b>			<b>815,000</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>10,855,298</b>	--	--	<b>10,855,298</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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Sumit Maheshwari, CFO (w.e.f. August 1, 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	47,90,448	1,606,590	<b>6,397,038</b>
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>47,90,448</b>	<b>1,606,590</b>	<b>6,397,038</b>

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

There were no penalties / punishment / compounding of offences for the year ending March 31, 2020.

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

Nayan Mani Borah

Chairman

DIN 00489006

Place: Mumbai

Date: August 6, 2020

# 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, 2020, 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, 2020 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, 2020 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 Director	Category of Director	No. of Board Meeting		Attendance at the last AGM (18-09-2019)	No. of Directorship in other public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Nayan Mani Borah DIN 00489006	Non-Executive Independent	4	4	Yes	---	---	---	---
Rabi Narayan Bastia DIN 05233577	Non-Executive Professional	4	3	Yes	---	---	---	---
Anusha Mehta DIN 07648883	Non-Executive Independent	4	3	No	---	---	---	---
Gaurav Gupta DIN 01189690*	Non-Executive Professional	0	0	N.A.	---	---	---	---
Ashutosh Kumar DIN 06918508	Whole-time Director &CEO	4	4	Yes	---	1	---	---

## Report on Corporate Governance (Contd.)

Name of Director	Category of Director	No. of Board Meeting		Attendance at the last AGM (18-09-2019)	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 DIN 00584367	Non-Executive Independent	4	2	No	---	1	---	---
Devesh Bhargava DIN 02001318**	Non-Executive Independent	4	4	No	---	1	---	---
Mukesh Jain DIN 01316027***	Non-Executive Professional	4	4	No	---	9	4	5

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

\*\* Appointed as Director w.e.f. May 23, 2019

\*\*\* Appointed as Director w.e.f. May 29, 2019

None of the Directors are holding any directorship in any other listed company.

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

v. Four 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 29, 2019, August 7, 2019, November 14, 2019 and February 14, 2020.

The necessary quorum was present for all the meetings.

vi. Skills/ expertise/ competencies of the Board:

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board and the details of Directors who have such skills/expertise/ competency are as under:

Sr. No.	Skills/expertise/competencies required in context of the Company's business	Directors possessing such skill/ expertise/ competencies
i.	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	Mr. Nayan Mani Borah Dr. Rabi Narayan Bastia Mr. Ashutosh Kumar
ii.	Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Mr. Nayan Mani Borah Dr. Rabi Narayan Bastia
iii.	Business Strategy, Corporate Governance, Administration, Decision Making	Mr. Ashutosh Kumar Ms. Anusha Mehta Mr. Kadayam Ramanathan Bharat Mr. Devesh Bhargava Mr. Mukesh Jain
iv.	Financial and Management skills, knowledge of law, Insurance, Project management, human resource management, CSR etc.	Mr. Nayan Mani Borah Ms. Anusha Mehta Mr. Kadayam Ramanathan Bharat Mr. Devesh Bhargava Mr. Mukesh Jain
v.	Technical / Professional skills and specialised knowledge in relation to Company's business	Mr. Nayan Mani Borah Dr. Rabi Narayan Bastia Mr. Ashutosh Kumar



# Report on Corporate Governance (Contd.)

vii. Confirmation regarding Independent Directors:

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

viii. During the year 2019-20, 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.

ix. 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>)

x. During the year, one meeting of the Independent Directors was held on February 14, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole and assessed the quality, quantity and timeliness of flow of information to the Board for its effective performance of duties.

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, 2020, Dr. Rabi Narayan Bastia holds 81,000 (0.21%) equity shares and Mr. Devesh Bhargava holds 1,000 (0.00%) (as second holder with Mrs. Ritu Bhargava) equity shares of the Company. No other Director holds any shares in the Company.

### 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 included in the board's report in terms of clause (c) of sub-section (3) of section 134 of the Act.
  - 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. Modified opinions in the draft audit report.
- Review the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, internal control weakness as reported by statutory auditors, internal audit reports, appointment, removal and terms of remuneration of internal auditor, statement of deviations.
- 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

## Report on Corporate Governance (Contd.)

- 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, nature and scope of audit and post-audit discussion on any areas of concern 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;
  - Review with the Management the performance of statutory and internal auditors, adequacy of internal control systems;
  - Discussion with internal auditors of any significant findings and follow-up thereon; review findings of internal investigations, suspected fraud or irregularity of material nature and report it to the Board;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
  - The Audit Committee may call for the comments of the auditors about internal 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;
  - Reviewing the utilisation of loans/ advances from or investment by the holding company in the subsidiaries;
  - 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. 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, 2019 and was attended by Mr. Nayan Mani Borah, Chairman of the Audit Committee.



## Report on Corporate Governance (Contd.)

v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Sr. No.	Name	Category of Director	Number of Meetings during the year 2019-20	
			Held	Attended
1.	Mr. Nayan Mani Borah*	Chairman, Independent Director	4	4
2.	Ms. Anusha Mehta	Independent Director	4	3
3.	Mr. Gaurav Gupta**	Non-Executive Non-Independent Director	0	0
4.	Mr. Kadayam Ramanathan Bharat	Independent Director	4	2
5.	Mr. Devesh Bhargava***	Independent Director	4	4

\* Appointed as Chairman of the Committee w.e.f. April 1, 2019

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

\*\*\* Appointed as a Member of the Committee w.e.f. May 24, 2019

vi. Four Audit Committee meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

May 29, 2019, August 7, 2019, November 14, 2019 and February 14, 2020.

The necessary quorum was present for all the meetings.

### B. Nomination and Remuneration Committee

i. The Nomination and Remuneration Committee of the Company is constituted 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;

- 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 familiarization programs for directors.
- On an annual basis, recommend to the Board all remuneration, in whatever form, payable to the directors and senior management 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

## Report on Corporate Governance (Contd.)

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:

Sr. No.	Name	Category	Number of Meetings during the year 2019-20	
			Held	Attended
1.	Mr. Kadayam Ramanathan Bharat	Chairman, Independent Director	3	2
2.	Mr. Nayan Mani Borah*	Independent Director	3	3
3.	Ms. Anusha Mehta	Independent Director	3	2
4.	Mr. Gaurav Gupta**	Non-Executive Non - Independent Director	0	0
5.	Mr. Devesh Bhargava***	Independent Director	3	3

\* Appointed as Member of the Committee w.e.f. April 1, 2019

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

\*\*\* Appointed as a Member of the Committee w.e.f. May 24, 2019

During the year, three meetings of the Nomination and Remuneration Committee were held on May 29, 2019, August 7, 2019 and February 14, 2020.

- iv. The Company has granted stock options under two ESOP Schemes i.e. AOSL ESOP 2017 and AOSL ESOP 2019 to permanent employees of the Company, its subsidiaries and holding company. The 58,962 stock options under the ESOP 2017 have been vested during the financial year 2019-20. Under the ESOP 2019 - 3,80,744 stock options have been granted to 14 employees during the financial year 2019-20.

**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 fixed pay, variable pay and performance linked incentive consisting of salary, benefits, perquisites and allowances to its Whole-time Directors and Executive Directors. Annual increments are decided by the Board on the basis of the recommendation of the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company and are effective on April 1, each year.

During the year 2019-20, 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 meeting for Nomination and Remuneration Committee and Stakeholders Relationship Committee and ₹ 5,000/- for all other Committees of the Board except the Borrowing Committee. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.



# Report on Corporate Governance (Contd.)

## vii. Details of sitting fees for the year ended March 31, 2020:

### a. Non-Executive Directors:

Names of Non-Executive Directors	Sitting Fees paid (₹)
Mr. Nayan Mani Borah	200,000
Dr. Rabi Narayan Bastia	65,000
Ms. Anusha Mehta	150,000
Mr. Gaurav Gupta (No meeting was held before his resignation)	Nil
Mr. Kadayam Ramanathan Bharat	125,000
Mr. Devesh Bhargava	195,000
Mr. Mukesh Jain	80,000

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	Fixed Salary	Variable Compensation	Benefits perquisites and allowances (₹)	(₹ in Lacs)
				Perquisite on account of stock option granted
Mr. Ashutosh Kumar Whole-time Director & CEO Financial year 2019-20	63.96	34.82	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:
  - Resolve the grievances of security holders of the Company including complaints such as transfer/transmission of shares, non-receipt of notice / annual reports / non-receipt of declared 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.
  - Review of measures taken for effective exercise of voting rights by shareholders.
  - Review of adherence to the services standards adopted in respect of various services rendered by the Registrar and Share Transfer Agent and 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.
  - Review of the measures and initiatives taken by the Company to ensure timely receipt of annual reports, statutory notices, dividend warrants by the shareholders.
- iii. Two meetings of the Stakeholders' Relationship Committee were held during the year on October 18, 2019 and December 19, 2019.
- iv. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

# Report on Corporate Governance (Contd.)

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Mr. Nayan Mani Borah*	Chairman, Independent Director	2	0
Ms. Anusha Mehta	Independent Director	2	0
Mr. Gaurav Gupta**	Non-Executive Non-Independent Director	0	0
Mr. Kadayam Ramanathan Bharat	Non-Executive Independent Director	2	2
Mr. Ashutosh Kumar	Whole-time Director & CEO	2	2
Mr. Mukesh Jain***	Non-Executive Non-Independent Director	2	2

\* Appointed as Member of the Committee w.e.f. April 1, 2019

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

\*\*\* Appointed as a Member of the Committee w.e.f. August 7, 2019

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 2019-20 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	06	06	Nil

No request for transfer or dematerialisation of shares were pending as on March 31, 2020.

## 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 2019-20 Mr. Gaurav Gupta ceased to be Director w.e.f. May 1, 2019 and Mr. Mukesh Jain (Non-Executive Non-Independent) was appointed as a Member of the Committee w.e.f. May 29, 2019. Currently the CSR Committee comprises of Mr. N. M. Borah (Chairman), Dr. Rabi Bastia and Mr. Mukesh Jain.

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 2019-20.

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 Mr. Gaurav Gupta ceased to be Director w.e.f. May 1, 2019 and Mr. Mukesh Jain (Non-Executive Non-Independent) was appointed as a Member of the Committee w.e.f. May 29, 2019. Currently the Allotment Committee comprises of Mr. Ashutosh Kumar, Dr. Rabi Bastia and Mr. Mukesh Jain.

No meeting of the Allotment Committee was held during the financial year 2019-20.

### iii. Borrowing Committee:



## Report on Corporate Governance (Contd.)

The Board has delegated the power to borrow funds /avail various facilities from banks, financial institutions and other persons, firms, bodies corporate not exceeding an aggregate amount of ₹ 200 Crores, to open bank account and change operations/ internet banking facilities, to create/ modify mortgage/ pledge/ hypothecation/ security on the present and future moveable, immovable properties, tangible, intangible assets, or the whole of the undertakings of the Company to secure the borrowings to be availed by the Company from banks/ financial institutions and/or any other lender(s), agent(s) or trustee(s) to the Borrowing Committee.

During the financial year, Mr. Gaurav Gupta ceased to be Director w.e.f. May 1, 2019 and Mr. Mukesh Jain (Non-Executive Non-Independent) was appointed as a Member of the Committee w.e.f. May 29, 2019. Currently, the Borrowing Committee comprises of Mr. Ashutosh Kumar, Dr. Rabi Bastia and Mr. Mukesh Jain.

Four meetings of the Borrowing Committee were held during the financial year on April 15, 2019, September 25, 2019, November 18, 2019 and February 4, 2020.

#### 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. The ESOP Compensation Committee comprises of Ms. Anusha Mehta (Chairperson), Dr. Rabi Narayan Bastia and Mr. Nayan Mani Borah as members.

One meeting of the ESOP Compensation Committee was held during the financial year on September 24, 2019.

#### 4. General body meetings

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

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

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions passed
31-03-2019	Wednesday, 18-09-2019 at 2.00 p.m.	Boundary Hall, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	1) To revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508) 2) To approve Asian Oilfield Services Limited Employees Stock Option Plan 2019 and grant of Employees Stock Options to the employees of the Company thereunder 3) 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 4) To implement AOSL ESOP 2019 through ESOP Trust 5) To authorise Asian Oilfield Services Limited Employees Welfare Trust for primary issue or secondary acquisition 6) 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

# Report on Corporate Governance (Contd.)

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>

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 alter the objects clause of the Memorandum of Association of the Company, change the name of the Company and to revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508).

#### 5. Other 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.



## Report on Corporate Governance (Contd.)

- 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 2017-18, 2018-19 and 2019-20 respectively:

During the year 2018-19, BSE Limited had imposed a fine of ₹ 2,17,120/- 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.

During the financial year 2019-20, the Company had applied to the Reserve Bank of India for compounding of minor delay in reporting Foreign Direct Investment (FDI) in the Company. The Compounding Authority has compounded the contraventions on payment of ₹ 61,667/- as per Order dated November 27, 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/Whistle-blower-Policy.pdf>)
- 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/Policy-on-Material-Subsidiary.pdf>) and Policy for Preservation of Documents (<https://www.asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/policy-on-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, 2020 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.

## Report on Corporate Governance (Contd.)

### 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
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. Nayan Mani Borah, 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	N.A.



## Report on Corporate Governance (Contd.)

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
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)	Familiarization 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
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 familiarization 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/Policy-on-Material-Subsidiary.pdf>)

# Report on Corporate Governance (Contd.)

## 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 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:

Friday, September 11, 2020 at 11.00 a.m.

The Company is conducting meeting through VC/ OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

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 11, 2020.

ii. Financial Calendar	:	April to March
iii. Date of book closure	:	Saturday, September 5, 2020 to Friday September 11, 2020 (both days inclusive)
iv. Dividend payment date	:	Not applicable
v. Listing on Stock Exchange	:	BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
vi. Stock Code on BSE Ltd.	:	530355

The Company has paid the listing fees for the year 2019-20.

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

## 9. Market price data:

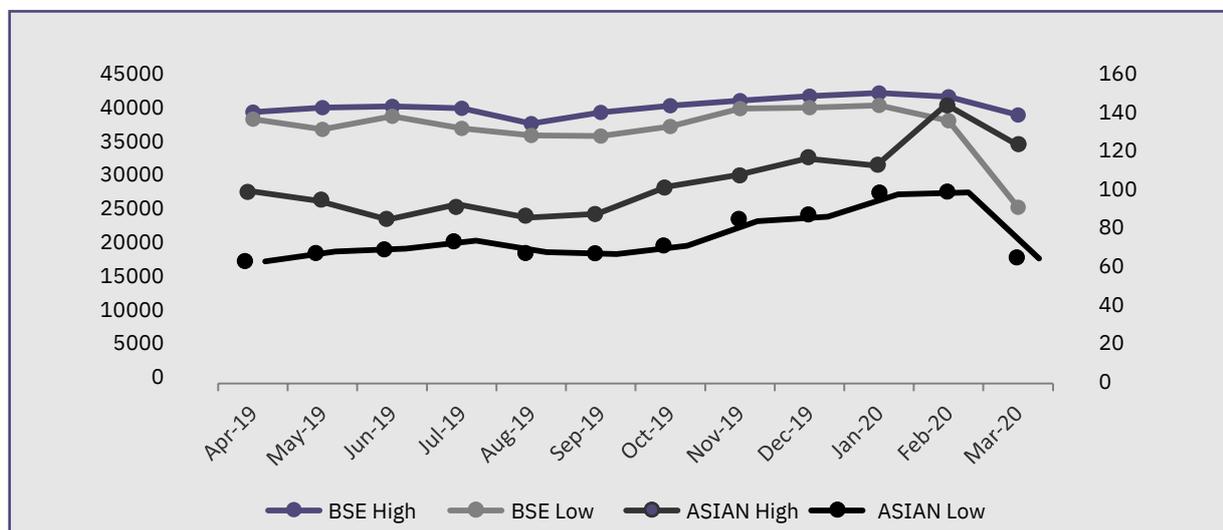
High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2019-20 on BSE:

Month & Year	High Price (₹)	Low Price (₹)	Total No. of Shares traded
April 2019	98.8	62.4	790499
May 2019	93.7	67.5	475909
June 2019	84	69.05	304354
July 2019	91.9	73.1	441606
August 2019	85	67.1	388047
September 2019	87	66.1	1032994
October 2019	101	70.45	743447
November 2019	106.9	83.2	640309
December 2019	115.5	85.55	1288937
January 2020	111.85	97.1	1709525
February 2020	143.4	98	1230535
March 2020	123	63.8	463497



# Report on Corporate Governance (Contd.)

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



## 11. Registrar and Share Transfer Agent:

Link Intime India Pvt. 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 March 31, 2020, 98.31% 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.

## 13. Shareholding as on March 31, 2020:

a. Distribution of equity shareholding as on March 31, 2020:

No. of Shares	No. of Share holders	Percentage to shareholders	Total No. of Shares	Percentage to Capital
Up to – 500	7485	81.5359	1353621	3.5552
501 - 1000	830	9.0414	679271	1.7841
1001 – 2000	341	3.7146	532171	1.3977
2001 – 3000	158	1.7211	410509	1.0782

## Report on Corporate Governance (Contd.)

No. of Shares	No. of Share holders	Percentage to shareholders	Total No. of Shares	Percentage to Capital
3001 – 4000	55	0.5991	195289	0.5129
4001 - 5000	64	0.6972	301705	0.7924
5001 - 10000	113	1.2309	857006	2.2509
10001 and above	134	1.4597	33744872	88.6287
<b>Total</b>	<b>9180</b>	<b>100</b>	<b>38074444</b>	<b>100</b>

**b. Categories of equity shareholders as on March 31, 2020:**

Category	No. of Shares	% of Total Capital
<b>A. Promoters Holding</b>		
a. Indian Promoters (PAC)	22697600	59.61
b. Foreign Promoter	--	--
<b>B. Non Promoters Holding</b>		
a. Mutual Funds	--	--
b. Foreign Portfolio Investors	26852	0.07
c. Bodies Corporate	1076581	2.83
d. Indian Public	6857776	18.01
e. Clearing Members	19997	0.05
f. Non Residents Indians	5262939	13.82
g. Director or Director's Relative	81000	0.21
h. HUF	1670955	4.39
<b>C. Non-Promoter Non-Public Holding</b>		
a. Employee Benefit Trust	380744	1.00
<b>Total</b>	<b>38074444</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, 2020:

Sr. No.	Electronic / Physical	Mode of Holding %
1.	NSDL	14.63
2.	CDSL	83.68
3.	Physical	1.69
<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.**



## Report on Corporate Governance (Contd.)

**f. Address for Correspondence**

**Link Intime India Pvt. Ltd.**

Unit : Asian Oilfield Services Limited

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

**Secretarial Dept.**

Asian Oilfield Services Ltd.

3B, 3rd Floor, Omkar Esquare,

Chunabhatti Signal, Eastern Express Highway, Sion (East), Mumbai – 400022

Maharashtra, India

Phone No. +91-22-4244-1100

Fax No. +91-22-4244-1120

Email: secretarial@asioilfield.com

**g. There are no credit ratings/ revision in credit ratings obtained by the Company during the financial year 2019-20.**

**For and on behalf of the Board of Directors  
Asian Oilfield Services Limited**

**Nayan Mani Borah**

*Chairman*

DIN 00489006

Place: Mumbai

Date: August 6, 2020

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

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, 2020, 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.

**Ashutosh Kumar**

*Whole-time Director & CEO*

DIN 06918508

Place: Mumbai

Date: June 18, 2020

# Report on Corporate Governance (Contd.)

## 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, 2020 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. Rabi Narayan Bastia	05233577	04/03/2013
2.	Ms. Anusha Mehta	07648883	03/11/2016
3.	Mr. Ashutosh Kumar	06918508	01/03/2017
4.	Mr. Kadayam Ramanathan Bharat	00584367	16/01/2018
5.	Mr. Nayan Mani Borah	00489006	19/03/2019
6.	Mr. Devesh Bhargava	02001318	23/05/2019
7.	Mr. Mukesh Jain	01316027	29/05/2019

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

UDIN: F003477B000518409

Place: Mumbai  
Date: July 28, 2020



# CEO/CFO CERTIFICATION

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, 2020 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: June 18, 2020

## COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### 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, 2020.

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

UDIN: F003477B000518521

Place: Mumbai

Date: July 28, 2020



# Business Responsibility Report (BRR)

## Introduction:

### Section A: General Information about the Company:

1.	Corporate Identity Number (CIN) of the Company	L23200MH1992PLC318353
2.	Name of the Company	ASIAN OILFIELD SERVICES LIMITED (Asian)
3.	Registered address	3B, 3rd Floor, Omkar Esquare, Chunabhathi Signal, Eastern Express Highway, Sion (East), Mumbai
4.	Website	www.asianoilfield.com
5.	E-mail id	secretarial@asianoilfield.com
6.	Financial Year reported	April 1, 2019 – March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Seismic Survey, Data Acquisition, Processing and interpretation Services NIC 7110
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Seismic Survey in Oilfield Services
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	3 (three) 1. Asian Oilfield & Energy Services DMCC – Dubai UAE 2. AOSL Petroleum Pte. Ltd. – Singapore 3. Ivorene Oil Services Nigeria Ltd. - Nigeria
	ii. Number of National Locations	5 (five) Mizoram, Arunachal Pradesh, Himachal Pradesh, Rajasthan and Gujarat
10.	Markets served by the Company – Local/State/National/International/	India, Dubai UAE, Singapore and Nigeria

### Section B: Financial Details of the Company

1.	Paid up Capital (₹)	380.74 Lacs
2.	Total Turnover (₹)	6,440.45 Lacs (revenue from operations)
3.	Total profit after taxes (₹)	469.98 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil No amount was required to be spent on CSR under Companies Act.
5.	List of activities in which expenditure in 4 above has been incurred:-	N.A.

### Section C: Other Details

1.	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has 4 subsidiaries and 1 step down subsidiary.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	No
	If yes, then indicate the number of such subsidiary company(s)	N.A.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No
	If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	N.A.

# Business Responsibility Report (BRR) (Contd.)

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

Sr. No.	Particulars	Details
1.	DIN Number	06918508
2.	Name	Mr. Ashutosh Kumar
3.	Designation	Whole-time Director & CEO
4.	Telephone Number	91-22-42441100
5.	Email ID	ashutosh.kumar@asianoilfield.com

### 2(a). Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

#### Name of principles:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

P3 – Businesses should promote the well-being of all employees

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5 – Businesses should respect and promote human rights

P6 – Businesses should respect, protect, and make efforts to restore the environment

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 – Businesses should support inclusive growth and equitable development

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Does the policy conform to any national /international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?***	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Indicate the link for the policy to be viewed online?	www.asianoilfield.com								
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?***	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*The policies confirm to the ISO 9001 and IAGC standards.

\*\*All the policies of the Company are signed by the CEO.

# Business Responsibility Report (BRR) (Contd.)

\*\*\*Every year the Company undertakes an audit exercise conducted by an external agency “Bureau VERITAS” to evaluate the workings of these policies. The audit is called as “Surveillance Audit” and the audit is conducted across all of our operational sites.

## 2b. If answer to S.No. 1 against any principle, is ‘No’, please explain why: Not Applicable

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Whole-time Director & CEO will assess the BR performance of the Company on an annual basis. The BRR has become applicable to the Company in the current year.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BRR performance is detailed out in the Asian Oilfield Services Limited Annual Report. Our BR Report can be found at <http://www.asianoilfield.com>.

## Section E: Principle-wise performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

At Asian, we have established Code of Conduct and Business Ethics and Anti-bribery Policy and Whistle Blower Policy which are applied to all Directors, officers and employees of all the AOSL companies globally and our contractors. The code, policies and standards communicates our zero tolerance approach to ethical violations and communicates our commitment to ethical good practice. To ensure that all employees are well versed with our Code, a mandatory induction & training program is in place.

We have a well-designed mechanism for all our stakeholders to communicate us of any inappropriate behaviour. Our Whistle-Blower Policy has provisioned for address of the Ethics Counsellor and the Chairman of the Audit Committee and an email id, which both our internal as well as external stakeholders can make use of to report anonymously to the management.

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. The Code of Conduct and Business Ethics and Anti-bribery Policy applies to all Directors, officers and employees of the AOSL companies globally and contractors.

Our Code of Conduct and Business Ethics defines our approach to how we conduct ourselves and our business on a day to day basis – with each other, our customers, our shareholders, our competitors, the communities we are involved with, our government, our suppliers and contractors.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting period, no complaints under the whistle blower were reported. The Company had received 6 complaints from shareholders which have been resolved during the year.

### Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

#### a. Seismic Services

At our business, we are involved in providing services related to seismic study and data acquisition we ensure that the best in class practices are followed while executing our projects to incorporate environmental concern.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

## Business Responsibility Report (BRR) (Contd.)

*The Company is providing services and hence per unit product is not applicable.*

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

*Yes at Asian we partner with our suppliers and contractors who play a key role in our performance footprint. To enable a long term association and entrust our company's policies and procedures we have established Supplier and Contractor Management Policy and a Supplier Screening checklist. We have regular meetings with the Suppliers/vendors and contractors to ensure conformance to the policies.*

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

*The Company promotes procurement of goods and services from local producers fulfilling the quality requirements. We have taken steps to help/educate/assist the local vendor to redesign their procurement / production process to fulfill our requirements.*

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

*As the Company is in service industry, this is not applicable*

### Principle 3 – Businesses should promote the well-being of all employees

*Asian is fundamentally committed to protecting the environment while ensuring healthcare, safety and welfare for all its employees, contractors and communities. The Company is dedicated to performing its duties in a safe, environmentally responsible and effective manner.*

*Our people's proficiency and skills strongly hold the foundation of our success. Owing to the value they bring to the organisation, the human resource teams at our operations and offices hold the onus of implementing the best human resource strategies and policies. Asian empowers the people by providing them opportunities across spectrums including leadership and professional development.*

*To encourage excellence and better productivity, Asian's rewards are clearly and rightfully in tandem with the individual's performance. Employment equity is an integral component of the Company's business and human resource strategy. The focus is on the elimination of discrimination within the workplace, regardless of the designated profile across all occupational levels within the organisation.*

Particulars		As on March 31, 2020	
1.	Please indicate the Total number of employees	91	
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	18	
3.	Please indicate the Number of permanent women employees	4	
4.	Please indicate the Number of permanent employees with disabilities	0	
5.	Do you have an employee association that is recognised by management	No	
6.	What percentage of your permanent employees is members of this recognised employee association?	N.A.	
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

# Business Responsibility Report (BRR) (Contd.)

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
• Permanent Employees	55%
• Permanent Women Employees	67%
• Casual/Temporary/Contractual Employees	55%
• Employees with Disabilities	N.A.

## Principle 4-Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

*We have an inclusive approach whereby every stakeholder and their opinion matters to us. We believe in transparency and dialogue, where anyone should be able to voice their opinions, be listened to, and they can expect a considered and constructive response.*

- Has the Company mapped its internal and external stakeholders? Yes/No  
*Yes. The Company has done a mapping exercise where we have classified our stakeholders into the following categories- Employees, Shareholders, Lenders, Government, Communities, Civil Society and Industry.*
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.  
*Yes. Identification of the disadvantaged, vulnerable and marginalised stakeholder is an ongoing process.*
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.  
*We have engaged with our disadvantaged, vulnerable and marginalised stakeholders through our social initiatives/ activities.*

## Principle 5 - Businesses should respect and promote human rights

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?  
*The policy on human rights is a mandate for all Group/Joint Ventures/Suppliers/Contractors/NGOs/Others. It is aligned to the Principles of International Human Rights norms.*
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
*No complaints with respect to Human Rights violations reported.*

## Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

*We ensure that we take necessary actions to control and restrict any direct/indirect impact on the environment from our operations. Being a seismic services company, our operations are driven by our clients' requirements.*

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.  
*Our HSSE policy is applicable to all Group/Joint Ventures/Suppliers/Contractors-Others, all new and existing employees and contractor's employees. All concerned have been sensitised on the importance and impact of HSSE.*
- Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
*Being a services company the strategies / initiatives to combat global environmental issues involved with our operations are driven by Client led initiatives.*
- Does the Company identify and assess potential environmental risks? Y/N  
*Yes.*

## Business Responsibility Report (BRR) (Contd.)

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

*No. We currently do not have any project related to clean development mechanism.*

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

*We have taken initiatives on energy efficiency by purchasing machines that have a lower fuel consumption with a higher capacity of output thereby significantly reducing the overall fuel consumption.*

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

*Owing to the fact that our energy footprint is negligible, it would be safe to say that the emissions generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported.*

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

*We have not received any show cause/legal notices from CPCB/SPCB.*

### Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

*We are a member of US Based "International Association of Geological Contractors" (IAGC).*

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

*No. We have not yet advocated/lobbied through above associations for the advancement or improvement of public good.*

### Principle 8 - Businesses should support inclusive growth and equitable development –

*Our philosophy is to add value to the local stakeholders wherever we have our operations. This may be through employment, vendor development, and greater well-being. We have taken initiatives in their education & skilling development.*

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

*We have helped in child education at our sites through support to the local school. We have also helped young people gain hands-on experience and subsequently find jobs. We have helped develop the local vendor's capabilities to match the quality requirements of the spares sourced from them.*

*As a responsible Corporate citizen, the Company's focus is on ethical and transparent business practices, with inclusive community development lying at the core of social initiatives.*

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

*We actively encourage our own employees to contribute towards these social initiatives.*

3. Have you done any impact assessment of your initiative?

*We have not done any assessment of our initiatives.*

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

*No, we have not done any assessment of the contribution towards our initiative taken at various operations site and nearby areas for the skill development and education of the children of local villagers.*



## Business Responsibility Report (BRR) (Contd.)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

*Most of our initiatives were need based and were delivered in close partnership with the community. Our role mainly been that of an enabler and a catalyst.*

### **Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

*No customer complaints in the 2019-20.*

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

*N.A. Being a services company this point is not applicable to us, but we do adhere to all relevant requirements mandated as per local laws.*

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

*There are neither any cases filed by any stakeholder regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company nor are there any cases pending on the end of 2019-20.*

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

*Feedback is a continuous process in our operations and we leverage the feedback for continual improvement in our service quality, benchmarking ourselves with industry standards and identifying scope and future opportunities to increase customer value. We have frequent meets and reviews with our customers as part of our feedback process. As such no major concerns were raised by any of our customers.*

# Independent Auditor's Report

To the Members of

**Asian Oilfield Services Limited**

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

### **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 2020, 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, 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 of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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.

### **Emphasis of Matters**

4. We draw attention to:
  - a) Note 41 to the accompanying standalone financial statements regarding recoverability of amounts withheld/ performance guarantee invoked by customers towards liquidation damages/ non-performance of obligations for certain projects awarded to the Company. The Company's management has assessed the tenability of its claims and submissions made to these customers and based on the legal opinion obtained, management is of the view that the amounts withheld/ performance guarantees that were invoked are recoverable, and accordingly, no adjustments have been made to the accompanying standalone financial statements.
  - b) Note 42 to the accompanying standalone financial statements, which describes the impact of COVID-19 pandemic on the Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Company is significantly dependent on the future developments as they evolve.

Our opinion is not modified in respect of the above matters.

### **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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent Auditor's Report (Contd.)

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

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 43 for details of revenue recognized during the year.</p> <p>Ind AS 115, Revenue from Contracts with Customers, 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 including levy of liquidated damages and/ or penalty by its customers, allocation of the transaction price to such performance obligations and satisfaction of performance obligations.</p> <p>Basis the evaluation done by the management, the Company recognizes 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>a) Obtaining the understanding of the revenue and receivable business cycle and assessed the appropriateness of the accounting policy adopted by the Company for revenue recognition.</li> <li>b) Evaluating 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>c) Testing operating effectiveness of the above identified key controls over revenue recognition during the year and as at year end.</li> <li>d) Assessing 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>e) Selecting a sample of continuing and new contracts entered with customers and performed following procedures: <ul style="list-style-type: none"> <li>• Analyzing the contracts and identified distinct performance obligations in these contracts.</li> <li>• Comparing these performance obligations with those identified and recorded by the Company.</li> <li>• Considering the terms of the contracts to determine the transaction price and any variable consideration elements including levy of liquidated damages and penalty.</li> <li>• Reviewing the allowance/ provision for expected liquidated damages and penalty, created by the management on the invoicing done for the various projects from time-to-time, where contract milestones were not met.</li> <li>• Where projects are sub-contracted, reviewing the terms of agreement between the Company and its sub- contractor which states that liquidated damages and penalty can be charged/ levied to the sub-contractor in case of any delay to the extent of work subcontracted.</li> <li>• Reviewing legal experts' opinion where the same has been obtained by the management on contentious matters.</li> <li>• Testing sample of revenue disaggregated by service offerings with reference to the performance obligations specified in the underlying contracts.</li> </ul> </li> <li>f) Performing 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 for revisions to performance obligations or price terms, daily progress reports, and invoices.</li> <li>g) Evaluating the appropriateness and adequacy of the disclosures made in the financial statements for revenue recorded during the year.</li> </ol>

## Independent Auditor's Report (contd.)

### 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 Corporate Governance Report, Board Report and Management Discussion and Analysis Report but does not include the standalone financial statements and our auditor's report thereon. The Corporate Governance Report, Board Report and Management Discussion and Analysis Report are expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone 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 standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Corporate Governance Report, Board Report and Management Discussion and Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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 is 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 with reference to



## Independent Auditor's Report (Contd.)

financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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, based on our audit, 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, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matters described in paragraphs 4(a) and 4(b) of the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 June 2020 as per Annexure II expressed an unmodified opinion; and

## Independent Auditor's Report (contd.)

- h) 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, 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 2020;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - iii. 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 2020; 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 standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandio & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

UDIN: 20109632AAAAFI9777

Place: Mumbai

Date: 18 June 2020



# 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 2020

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 three 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) the schedule of repayment of principal and payment of interest has been stipulated and the principal amount was not due for repayment currently, however, the receipts of interest (ten cases) are not regular.
- (c) 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 5.01 lakhs which is overdue for more than 90 days.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 of the Act 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, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not generally been regularly deposited to the appropriate authorities though the delays in deposit have not been significant. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (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 (in lakhs)	Amount paid under Protest (in lakhs)	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
		28.39	-	Assessment Year 2010-11	
		19.99	-	Assessment Year 2011-12	Income Tax Assessing Officer
		8.30	-	Assessment Year 2005-06	

## Annexure I (contd.)

- (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) In our opinion, the Company has not raised any monies by way of the term loans or by way of initial public offer or further public offer (including debt instruments) during the year.
- (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) 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 Chandiook & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

UDIN: 20109632AAAAFI9777

Place: Mumbai

Date: 18 June 2020



## Annexure II

### **Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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.

## Annexure II (Contd.)

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 issued by the ICAI.

For **Walker Chandio & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

UDIN: 20109632AAAAFI9777

Place: Mumbai

Date: 18 June 2020



# Balance Sheet

## as at March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	6,184.12	5,180.17
Intangible assets	3B	76.73	102.45
Right to use assets	4	577.03	-
Investments in subsidiaries and joint venture	5	653.55	653.04
<b>Financial assets</b>			
Loans	6	174.67	334.00
Other financial assets	7	1,166.07	17.74
Income tax assets (net)	8	1,594.02	1,267.83
Other non-current assets	9	0.86	122.44
		<b>10,427.05</b>	<b>7,677.67</b>
<b>Current assets</b>			
Inventories	10	1.61	69.39
<b>Financial assets</b>			
Trade receivables	11	2,262.24	4,184.46
Cash and cash equivalents	12	353.40	68.95
Bank balances other than above	13	2,001.92	2,422.37
Loans	6	4.49	1,733.03
Other financial assets	7	203.99	281.92
Other current assets	14	1,555.79	1,994.78
		<b>6,383.44</b>	<b>10,754.90</b>
<b>Total assets</b>		<b>16,810.49</b>	<b>18,432.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,769.37	3,807.44
Other equity		10,116.58	9,869.70
		<b>13,885.95</b>	<b>13,677.14</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	17	624.38	-
Other non-current liabilities	18	100.64	-
Provisions	19	10.62	3.83
		<b>735.64</b>	<b>3.83</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	-	440.00
Trade payables	20		
- total outstanding dues of micro and small enterprises		6.52	0.91
- total outstanding dues of creditors other than micro and small enterprises		427.95	2,613.70
Other financial liabilities	17	1,662.85	1,090.05
Other current liabilities	18	88.96	91.37
Provisions	19	2.62	515.57
		<b>2,188.90</b>	<b>4,751.60</b>
<b>Total equity and liabilities</b>		<b>16,810.49</b>	<b>18,432.57</b>

Notes 1 to 43 forms an integral part of these standalone financial statements

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

### For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

### Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: 18 June 2020

### 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: 18 June 2020

### Nayan Mani Borah

Chairman

(DIN-00489006)

### Sumit Maheshwari

Chief Financial Officer

# Statement of Profit and Loss

## for the year ended March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations	21	6,440.45	15,682.44
Other income	22	1,153.79	573.90
<b>Total income</b>		<b>7,594.24</b>	<b>16,256.34</b>
<b>EXPENSES</b>			
Oilfield services related expense	23	2,487.61	11,776.25
Employee benefits expense	24	936.15	1,641.05
Finance costs	25	323.81	544.66
Depreciation and amortisation expense	26	1,329.29	909.31
Other expenses	27	1,218.03	1,136.58
<b>Total expenses</b>		<b>6,294.89</b>	<b>16,007.85</b>
<b>Profit before exceptional items and tax</b>		<b>1,299.35</b>	<b>248.49</b>
Exceptional items (loss)	28	(829.14)	(85.20)
<b>Profit before tax</b>		<b>470.21</b>	<b>163.29</b>
<b>Tax expense</b>	8		
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year (A)</b>		<b>470.21</b>	<b>163.29</b>
<b>Other comprehensive (loss)/ income</b>			
Items not to be re-classified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans		(0.23)	4.11
- Income tax effect on above		-	-
<b>Other comprehensive (loss)/ income, net of tax (B)</b>		<b>(0.23)</b>	<b>4.11</b>
<b>Total comprehensive income, net of tax (A+B)</b>		<b>469.98</b>	<b>167.40</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>	29		
Basic (in ₹)		1.24	0.43
Diluted (in ₹)		1.24	0.43

Notes 1 to 43 forms an integral part of these 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

Place: Mumbai

Date: 18 June 2020

**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: 18 June 2020

**Nayan Mani Borah**Chairman  
(DIN-00489006)**Sumit Maheshwari**

Chief Financial Officer



# Cash Flow Statement

## for the year ended March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		470.21		163.27
<b>Adjustments for non cash items and items considered separately</b>				
Depreciation and amortisation expense	1,329.29		909.31	
Interest expense	208.10		251.87	
Interest on lease liability	80.52		-	
Interest income	(334.94)		(423.50)	
Dividend income from subsidiary	(745.36)		-	
Liabilities/ provision written back	(0.97)		(61.34)	
Profit on sale of property, plant and equipment (net)	(21.95)		(13.62)	
Provision towards doubtful assets	166.11		105.44	
Impairment allowance on trade receivables	118.15		-	
Net (gain)/ loss on foreign currency transactions	38.67		(43.88)	
Amortisation of security deposits received	(14.38)		-	
Sundry balances written off	18.25		13.28	
Expenses disclosed as exceptional items	829.14		129.08	
Write down of inventories	15.00		19.40	
Provision for employee stock option expense	32.88	1,718.51	63.29	949.33
<b>Operating profit before working capital changes</b>		<b>2,188.72</b>		<b>1,112.62</b>
<b>Adjustments for changes in working capital:</b>				
(Increase)/ Decrease in trade receivables	1,804.06		839.53	
(Increase)/ Decrease in inventories	52.78		98.88	
(Increase)/ Decrease in other assets	(1,576.31)		1,815.41	
Investment in/(redemption of) fixed deposits	420.45		(787.64)	
Increase/ (Decrease) in trade and other payables	(2,179.18)		(2,225.82)	
Increase/ (Decrease) in provisions	(506.39)		7.08	
Increase/ (Decrease) in other liabilities	658.70		(98.77)	
		<b>(1,325.91)</b>		<b>(351.37)</b>
<b>Cash generated from operating activities</b>		<b>862.81</b>		<b>761.25</b>
Direct taxes paid (net of refunds received)		(345.45)		(723.23)
<b>Net cash generated from operating activities</b>		<b>517.36</b>		<b>38.02</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital advances)	(1,420.61)		(1,998.00)	
Proceeds from disposal of property, plant and equipment	27.03		15.18	
Investment in subsidiary	(0.51)		(1.00)	
Interest received	430.60		483.60	
Dividend received from subsidiary	745.36		-	
Loans given to related parties	(1.70)		(118.91)	
Repayment of loans by related parties	1,827.57		2,173.69	
<b>Net cash generated from investing activities</b>		<b>1,607.74</b>		<b>554.56</b>

# Cash Flow Statement

## for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings (net)	(556.44)	(690.21)
Inter corporate deposit taken	1,605.00	6,040.00
Inter corporate deposit repaid	(2,045.00)	(5,600.00)
Payment of lease liability	(242.12)	-
Purchase of treasury shares	(294.06)	-
Repayments of short-term borrowings (net)	-	(449.34)
Interest paid on borrowings	(279.42)	(87.84)
Interest paid on delayed payment of statutory dues	(28.61)	-
<b>Net cash used in financing activities</b>	<b>(1,840.65)</b>	<b>(787.39)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>284.45</b>	<b>(194.81)</b>
Cash and cash equivalents at the beginning of the year	68.95	263.76
<b>Cash and cash equivalents at the end of the year (as per note 12)</b>	<b>353.40</b>	<b>68.95</b>

**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 43 forms an integral part of these 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

Place: Mumbai

Date: 18 June 2020

**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)

Place: Mumbai

Date: 18 June 2020

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer



# Statement of changes in equity

## for the year ended March 31, 2020

### A. Equity share capital

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
		(in Lacs)
<b>Equity shares as at April 1, 2018</b>	<b>3,80,74,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year	-	-
<b>Equity shares as at 31 March 2019</b>	<b>3,80,74,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year [refer note 15(g)]	(3,80,744)	(38.07)
<b>Equity shares as at 31 March 2020</b>	<b>3,76,93,700</b>	<b>3,769.37</b>

### B. Other equity

(All amounts in Lacs, unless otherwise stated)

Particulars	Reserves and surplus				Total other equity
	Capital reserve	Securities premium	Outstanding employee stock options	Retained earnings	
<b>As at April 1, 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 income for the year	-	-	-	4.11	4.11
Recognition of share based payment 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>
Profit for the year	-	-	-	470.21	470.21
Other comprehensive loss for the year	-	-	-	(0.23)	(0.23)
Premium on equity shares held in trust under the ESOP scheme [refer note 15(g)]	-	(255.98)	-	-	(255.98)
Recognition of share based payment expenses	-	-	32.88	-	32.88
Transfer due to lapse of stock options	-	-	(83.15)	83.15	-
<b>As at March 31, 2020</b>	<b>445.78</b>	<b>18,538.47</b>	<b>51.00</b>	<b>(8,918.67)</b>	<b>10,116.58</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. In line with Ind AS 32 - Financial Instruments: Presentation, the shares of the Company held by the Asian Oilfield Services Limited Employees Welfare Trust (ESOP Trust), are deducted from the equity component.

# Statement of changes in equity

## for the year ended March 31, 2020 (Contd.)

### (iii) Outstanding employee stock options

The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. This reserve is used to recognise the value of equity-settled share-based payments provided to employees, 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 and remeasurement gains/ loss on defined benefit plan.

Notes 1 to 43 forms an integral part of these 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: 18 June 2020

#### 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: 18 June 2020

#### 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, 2020

## 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 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 Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except for the adoption of Ind AS 116 “Leases” with an application date of April 1, 2019.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, defined benefit obligations and employee share-based payments, which are 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, 2020 were approved by the Board of Directors on June 18, 2020.

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

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service and extends up to the realisation of receivables within the credit period normally applicable to the respective project./ contract/ service.

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.

Deferred tax assets and liabilities are classified as non-current only.

#### 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 Company 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.

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## d) Revenue Recognition

Ind AS 115 “Revenue from Contracts with Customers” establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with the customers.

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. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. 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).

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 customers and is recognised as and when 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.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### (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



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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 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.

The Company recognises deferred tax liability for all taxable temporary differences, except to the extent that both of the following conditions are satisfied:

- When the Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

### 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 April 1, 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.

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 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.

## 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

The Company operates equity-settled share-based remuneration plans for its employees.

All services received in exchange for the grant of any share-based payment are measured at their fair values on the grant date and is recognised as an employee expense, in the profit or loss with a corresponding increase in equity, over the period that the employees

become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. Grant date is the date when the Company and employees have shared an understanding of terms and conditions on the arrangement.

All share-based remuneration is ultimately recognised as an expense in the statement of profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holder does not impact the expense recorded in any period. Market conditions are taken into account when estimating the fair value of the equity instruments granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The Company has instituted two employees' stock option plans under which the stock options have been granted to employees. One of such plans, Asian Oilfield Services Limited Employees Stock Option Plan 2019 has been implemented through creation of an Employee Benefit Trust (ESOP Trust). The Company treats ESOP Trust as its extension. The Company has advanced an interest free loan to ESOP Trust who in turn purchase shares of the Company from the market, for giving shares to employees. The balance equity shares not exercised and held by the ESOP Trust are disclosed as a reduction from the share capital and securities premium account with an equivalent adjustment to the subscription loan advanced to the ESOP Trust.

## m) Leases

### Company as a lessee

The Company adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

standard to contracts or arrangements that were previously identified as leases applying Ind AS 17. At the commencement date of a lease, the Company recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Right-of-use assets are measured at cost, less any accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Company separately recognises the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

The Company accounts for a lease modification as a separate lease when both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets.
- The consideration for the lease increases commensurate with the standalone price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract.

For a lease modification that fully or partially decreases the scope of the lease the Company decreases the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

The Company has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company recognises the lease payments associated with such leases as an expense in the statement of profit and loss.

Under Ind AS 17 – Comparative period:

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 April 1, 2016, the date of inception is deemed to be April 1, 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.

Transition to Ind-AS 116:

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

On 1 April 2019, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Accordingly, on transition to Ind AS 116, the Company recognised lease liabilities and corresponding equivalent ROU assets. The Company has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. In the statement of profit or loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability.

The following is the summary of practical expedients elected on initial application

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended 31 March 2019.

## Company as a lessor

Rental income from operating leases where the Company is a lessor is recognised on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## 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:

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



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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.

### De-recognition

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 'pass through' 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 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

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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 net of any expected credit losses, if any. The Company provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

### 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 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



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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) Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance of the Company. The Chief Executive Officer and Executive Director(s) of the Company are identified as CODM, who assesses the financial performance and position of the Company and makes strategic decisions.

The CODM reviews revenue and gross profit as the performance indicators and does not review the total assets and liabilities for each reportable segment. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's standalone financial statements.

## u) Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

## v) 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.

### Judgements

#### (i) 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

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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) Revenue recognition

Contracts where the performance obligations are satisfied over time, revenue 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.

Contracts with customers often include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, ability of the service to benefit the customer on its own or together with other readily available resources and the ability of the service to be separately identifiable from other promises in the contract.

### (ii) 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.

### (iii) 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.

### (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.

### (vi) Expected Credit Loss

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

## 2) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2020.



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## NOTE 3A: 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, 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>
Additions	-	-	1,785.92	-	-	10.60	-	-	1,796.53
Disposals	-	(3.93)	-	-	-	-	(37.62)	-	(41.55)
<b>As at March 31, 2020</b>	<b>7.95</b>	<b>7.56</b>	<b>8,917.78</b>	<b>3.64</b>	<b>15.73</b>	<b>84.08</b>	<b>3.36</b>	<b>2.19</b>	<b>9,042.30</b>
<b>Accumulated depreciation</b>									
<b>As at April 1, 2018</b>	<b>-</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>-</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>
Additions	-	0.26	759.95	0.53	2.17	19.31	3.27	0.26	785.75
Deductions	-	(0.81)	-	-	-	-	(33.94)	-	(34.75)
<b>As at March 31, 2020</b>	<b>-</b>	<b>0.35</b>	<b>2,770.53</b>	<b>2.77</b>	<b>11.61</b>	<b>71.86</b>	<b>-</b>	<b>1.04</b>	<b>2,858.16</b>
<b>Net carrying value</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>
<b>As at March 31, 2020</b>	<b>7.95</b>	<b>7.21</b>	<b>6,147.24</b>	<b>0.87</b>	<b>4.12</b>	<b>12.23</b>	<b>3.36</b>	<b>1.15</b>	<b>6,184.12</b>

## NOTE 3B: INTANGIBLE ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	Computer software	Total
<b>Gross carrying value (at deemed cost)</b>		
<b>As at April 1, 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>
Additions	-	-
<b>As at March 31, 2020</b>	<b>157.59</b>	<b>157.59</b>
<b>Accumulated Amortisation</b>		
<b>As at April 1, 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>
Amortisation	25.72	25.72
<b>As at March 31, 2020</b>	<b>80.87</b>	<b>80.87</b>
<b>Net carrying value</b>		
<b>As at March 31, 2019</b>	<b>102.45</b>	<b>102.45</b>
<b>As at March 31, 2020</b>	<b>76.73</b>	<b>76.73</b>

## 4: RIGHT OF USE ASSETS

Particulars	Office premise	Oilfield equipment	Total
<b>As at April 1, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transition adjustment (refer note 31)	444.69	1,704.80	2,149.49
Disposals/ adjustments	(46.04)	(1,008.60)	(1,054.64)
<b>As at March 31, 2020</b>	<b>398.65</b>	<b>696.20</b>	<b>1,094.85</b>
<b>Accumulated depreciation</b>			
<b>As at April 1, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions	125.66	619.93	745.59
Deductions/ adjustments	(3.64)	(224.13)	(227.77)
<b>As at March 31, 2020</b>	<b>122.02</b>	<b>395.80</b>	<b>517.82</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Office premise	Oilfield equipment	Total
Net carrying value			
<b>As at March 31, 2020</b>	<b>276.63</b>	<b>300.40</b>	<b>577.03</b>

Also refer note 31 for additional details in relation to Right of Use assets.

### 5: INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
<b>Investments in unquoted equity shares, fully paid up (carried at deemed cost)</b>		
i) In subsidiary companies outside India		
1,000 (March 31, 2019: 1,000) : Equity shares of AOSL Petroleum Pte Limited of US \$ 0.735 each	0.31	0.31
3,675 (March 31, 2019: 3,675) : Equity shares of Asian Oilfield & Energy Services DMCC of AED 1,000 each	620.23	620.23
ii) In subsidiary companies within India		
10,000 (March 31, 2019: 10,000) : Equity shares of AOSL Energy Services Limited of ₹ 10 each	1.00	1.00
7,400 (March 31, 2019: Nil) : Equity shares of Optimum Oil & Gas Private Limited of ₹ 10 each*	0.74	-
iii) In joint venture in India		
Nil (March 31, 2019: 2,300) Equity shares of Optimum Oil & Gas Private Limited of ₹ 10 each*	-	0.23
	<b>622.28</b>	<b>621.77</b>
<b>Investment in subsidiaries, other than in shares</b>		
Corporate guarantee given in favour of Asian Oilfield & Energy Services DMCC	31.27	31.27
	<b>653.55</b>	<b>653.04</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	653.55	653.04
Aggregate amount of impairment allowance in the value of investments	-	-

\* On 30 November 2019, the Company had acquired additional 5,100 shares of Optimum Oil and Gas Private Limited (OOGPL), pursuant to which OOGPL has become a subsidiary of the Company with effect from 30 November 2019.

### 6: LOANS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Unsecured, considered good		
Security deposits	-	0.42
Loans to related parties (refer note 36)	174.67	333.58
	<b>174.67</b>	<b>334.00</b>
<b>Current</b>		
Unsecured, considered good		
Security deposits	4.49	80.30
Loans to related parties (refer note 36)	-	1,652.73
	<b>4.49</b>	<b>1,733.03</b>

**Note:** Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Subsidiary companies:	Purpose	Amount outstanding		Maximum outstanding balance	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	Year ended March 31, 2019
AOSL Petroleum Pte Limited	Working capital	172.57	333.58	333.58	349.73
AOSL Energy Services Limited	General corporate purpose	2.10	0.31	2.10	0.31
Asian Oilfield & Energy Services DMCC	Working capital	-	1,652.42	1,652.42	3,195.40
		<b>174.67</b>	<b>1,986.31</b>	<b>1,988.10</b>	<b>3,545.44</b>

### 7. OTHER FINANCIAL ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Interest accrued on loans to related parties (refer note 36)	44.00	17.74
Less : Written off	(44.00)	-
	<b>-</b>	<b>17.74</b>
Other receivables from customer (refer note below and note 41)	1,166.07	-
	<b>1,166.07</b>	<b>17.74</b>
<b>Current</b>		
Interest accrued on deposits	193.57	183.95
Interest accrued on loans to related party (refer note 36)	10.42	97.97
	<b>203.99</b>	<b>281.92</b>

**Note:** Other receivable from customer pertains to amounts withheld and performance guarantee invoked by a customer towards liquidation damages and non-performance for a certain project awarded to the Company. At present, the Company and such customer are pursuing such matter through amicable settlement process, as specified in contract with such customer.

### 8. INCOME TAX ASSETS (NET)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax receivable	1,594.02	1,267.83
	<b>1,594.02</b>	<b>1,267.83</b>

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

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Net income tax asset at the beginning</b>	1,267.83	544.60
Income tax paid	345.45	723.23
Income tax expense	-	-
Other adjustments	(19.26)	-
<b>Net current income tax asset at the end</b>	<b>1,594.02</b>	<b>1,267.83</b>

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Effective tax reconciliation</b>		
(Loss)/profit before tax	470.21	163.29
Enacted tax rate in India	26.00%	25.75%
Expected income tax expense	122.25	42.05
Expenses not deductible in determining taxable profit	397.25	319.37
Expenses deductible in determining taxable profit	(244.84)	(241.34)
Effect of tax pertaining to prior years	-	-
Losses carried forward/(adjusted) on which deferred tax is not created	(274.66)	(120.08)
<b>Tax expense for the year</b>	-	-

**Note 8.1:** The Company has prudently decided not to recognise deferred tax assets on the business losses of ₹ 5,422.24 Lacs and unabsorbed depreciation of ₹ 1,660.47 Lacs as at March 31, 2020. 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.

**Note 8.2:** As of March 31, 2020, considering that the Company has significant amount of carry forward tax losses and unabsorbed depreciation, the Company is presently evaluating and has not yet elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Based on Management assessment, there is no impact of the new tax rate for the current year.

**Note 8.3:** The Company is subject to income taxes in India and have ongoing disputes which includes demands, notices and inquiries from income tax authorities. The disputes relate to tax treatment of certain expenses claimed as deductions, computation, allowances and other adjustments. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

## 9. OTHER NON-CURRENT ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	0.86	0.33
Other assets	-	122.11
	<b>0.86</b>	<b>122.44</b>

## 10. INVENTORIES (at lower of cost and net realisable value)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Stores and spares	1.61	69.39
	<b>1.61</b>	<b>69.39</b>

Write-downs of inventories to net realisable value during the year amounted to ₹ 15.00 Lacs (March 31, 2019: ₹ 19.40 Lacs) and is included in 'Stores and consumables consumed' in 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, 2020 (Contd.)

## 11. TRADE RECEIVABLES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured:</b>		
<b>Considered good</b>		
- Receivable from related parties (refer note 36)	-	624.40
- Others	2,353.39	3,560.06
Significant increase in credit risk	-	-
Credit impaired	-	-
Less: Expected credit loss allowance	(91.15)	-
	<b>2,262.24</b>	<b>4,184.46</b>

### 11.1 MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE :

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	-	-
Add: Provision made during the year	118.15	-
Less: Written off during the year	(27.00)	-
Balance at the end	<b>91.15</b>	-

**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.

## 12. CASH AND CASH EQUIVALENTS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances with banks</b>		
In current accounts	349.33	61.88
Cash on hand	4.07	7.07
	<b>353.40</b>	<b>68.95</b>

There are no repartition restriction with regard to above cash and cash equivalents as at the end of the reporting period.

## 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	2,001.92	2,422.37
	<b>2,001.92</b>	<b>2,422.37</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	2,001.92	2,422.37

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 14. OTHER CURRENT ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with government authorities	1,008.17	849.36
Contract assets - unbilled work in progress	727.98	822.84
Less: Impairment recognised	(578.34)	-
	<b>149.64</b>	<b>822.84</b>
Prepaid expenses	84.53	13.57
<b>Advance to suppliers</b>		
Unsecured, considered good	306.00	307.92
Unsecured, considered doubtful	-	105.44
Less: Provision for doubtful advance to suppliers	-	(105.44)
	<b>306.00</b>	<b>307.92</b>
<b>Employee advances</b>		
Unsecured, considered good	7.46	1.09
	<b>1,555.79</b>	<b>1,994.78</b>

## 15. EQUITY SHARE CAPITAL

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Authorised :</b>		
Equity shares of ₹ 10 each	5,000.00	5,000.00
50,000,000 (March 31, 2018: 50,000,000) equity shares ₹ 10 each		
<b>(b) (i) Issued</b>		
Equity shares of ₹ 10 each		
38,074,444 (March 31, 2019: 38,074,444) equity shares ₹ 10 each	3,807.44	3,807.44
<b>(b) (ii) Subscribed and fully paid-up</b>		
<b>Equity shares of ₹ 10 each</b>		
38,074,444 (March 31, 2019: 38,074,444) equity shares ₹ 10 each	3,807.44	3,807.44
Less: 380,744 (March 31, 2019: Nil) equity shares held in a trust for employees under ESOP Scheme [refer note (g) below]	(38.07)	-
	<b>3,769.37</b>	<b>3,807.44</b>

### (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)

Particulars	Number of shares	Amount
Equity shares as at March 31, 2018	<b>3,80,74,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year	-	-
Equity shares as at March 31, 2019	<b>3,80,74,444</b>	<b>3,807.44</b>
Less: Equity shares held in trust for employees under ESOP Scheme	(3,80,744)	(38.07)
Equity shares as at March 31, 2020	<b>3,76,93,700</b>	<b>3,769.37</b>

### (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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
<b>Equity Share</b>				
Oilmax Energy Private Limited (Holding Company)	225.73	59.88%	225.73	59.29%
Mr. Balram Chainrai	36.03	9.56%	45.97	12.07%

The above information is furnished as per the shareholders register as at March 31, 2020 and March 31, 2019 respectively.

**(f) 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.**

**(g) Employee Stock Option Plan**

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance stock options - available for ESOP Scheme 2017	59,643	1,74,302
Balance stock options - available with ESOP Trust towards ESOP Scheme 2019 (refer note below)	3,80,744	-

**Note:** The balance unexercised equity shares held by the ESOP Trust at the close of the year have been reduced against the share capital as if the trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating ₹ 255.98 Lacs (As at March 31, 2019: Nil) has also been reduced from securities premium account and adjusted against the loan outstanding from the ESOP Trust.

### 16. BORROWINGS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current - at amortised cost</b>		
<b>Secured</b>		
Term loan from bank	-	556.44
Less: Current maturities of long-term borrowings (refer note 17)	-	(556.44)
	-	-
<b>Current - at amortised cost</b>		
<b>Unsecured</b>		
Inter corporate deposits from related parties (refer note 36)	-	440.00
	-	<b>440.00</b>

(All amounts in Lacs, unless otherwise stated)

Net Debt Reconciliation	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	353.40	68.95
Current borrowings (including interest accrued)	(54.98)	(604.03)
Non-current borrowings (including current maturities)	-	(556.44)
<b>Net debt</b>	<b>298.42</b>	<b>(1,091.52)</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net Debt as at March 31, 2018</b>	263.76	(1,246.65)	(449.35)	(1,432.24)
Cash flow (net)	(194.81)	690.21	449.35	944.75
Inter corporate deposit taken	-	-	(6,040.00)	(6,040.00)
Inter corporate deposit repaid	-	-	5,600.00	5,600.00
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>68.95</b>	<b>(556.44)</b>	<b>(604.03)</b>	<b>(1,091.52)</b>
Cash flow (net)	284.45	556.44	-	840.89
Inter corporate deposit taken	-	-	(1,605.00)	(1,605.00)
Inter corporate deposit repaid	-	-	2,045.00	2,045.00
Interest expense	-	(9.92)	(160.45)	(170.37)
Interest paid	-	9.92	269.50	279.42
<b>Net Debt as at March 31, 2020</b>	<b>353.40</b>	<b>-</b>	<b>(54.98)</b>	<b>298.42</b>

### Terms of Borrowing:

#### (a) Term Loan from bank

- (i) As at March 31, 2019, Term loan from bank was repayable in ten equal quarterly instalments till December 2019. Interest rate charged was 6 month LIBOR + 1.90%. The loan was secured by 5,234,297 equity shares of the Company and second pari pasu charge over Company's all current assets and moveable fixed assets. Further, the Company was required to maintain debt service reserve account of ₹ 200 Lacs.

#### (b) Inter corporate deposits

As at March 31, 2019, the Company had outstanding inter-corporate deposits from Oilmax Energy Private Limited, which were repayable on demand and carried rate of interest of 10.00 % per annum.

## 17. OTHER FINANCIAL LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Lease Liabilities (Refer note 31)	624.38	-
	<b>624.38</b>	<b>-</b>
<b>Current</b>		
Lease liabilities (Refer note 31)	365.89	-
Current maturities of long term borrowings (Refer note 16)	-	556.44
Interest accrued but not due on inter corporate deposits (Refer note 36)	54.98	164.03
Security deposit	736.60	200.00
Liability for capital goods	434.58	60.46
Employee related payables	70.80	109.12
	<b>1,662.85</b>	<b>1,090.05</b>



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

### 18. OTHER LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Deferred income on security deposit	100.64	-
	<b>100.64</b>	<b>-</b>
<b>Current</b>		
Statutory dues payable	31.45	91.37
Deferred income on security deposit	57.51	-
	<b>88.96</b>	<b>91.37</b>

### 19. PROVISIONS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Gratuity (refer note 35.2)	10.62	3.83
	<b>10.62</b>	<b>3.83</b>
<b>Current</b>		
Provision for settlement of litigation *	-	512.98
Gratuity (refer note 35.2)	2.62	2.59
	<b>2.62</b>	<b>515.57</b>

\* Pursuant to settlement agreement dated 10 May 2019 entered with the customer, the Company has settled its obligation during the current year.

### 20. TRADE PAYABLES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises (refer note below)	6.52	0.91
	<b>6.52</b>	<b>0.91</b>
Total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties (Refer note 36)	46.99	30.66
- Others	380.95	2,583.04
	<b>427.94</b>	<b>2,613.70</b>
<b>Total trade payables</b>	<b>434.46</b>	<b>2,614.61</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

### Note:

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:

Particulars	As at March 31, 2020	As at March 31, 2019
(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	6.52	0.91
- 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	-	-
(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	-	-

### 21. REVENUE FROM OPERATIONS

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from oilfield services	3,216.19	14,833.04
Revenue from consultancy service	3,224.26	849.40
	<b>6,440.45</b>	<b>15,682.44</b>

### 22. OTHER INCOME

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on financial assets measured at amortised cost	324.07	423.50
Dividend income (refer note 36)	745.36	-
Liabilities/provisions written back	0.97	61.34
Profit on sale of property, plant and equipment (net)	21.95	13.62
Scrap sale	8.39	30.43
Miscellaneous income	53.05	45.01
	<b>1,153.79</b>	<b>573.90</b>



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

### 23. OILFIELD SERVICES RELATED EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub-contracting charges	2,023.07	8,930.82
Stores and consumables consumed	109.73	274.17
Camp establishment and maintenance	49.86	189.23
Machinery hire charges (refer note 31)	29.56	1,647.09
Vehicle hire charges (refer note 31)	111.51	321.41
Fuel rig expenses	5.36	14.06
Labour charges	35.62	117.00
Freight expenses	23.91	52.91
Power and fuel	13.23	17.14
License expenses	4.11	10.24
<b>Repairs and maintenance</b>		
- plant and machinery	33.06	26.99
Technical consultancy charges	11.52	152.02
Other operational expenses	37.07	23.17
	<b>2,487.61</b>	<b>11,776.25</b>

### 24. EMPLOYEE BENEFITS EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus (including managerial remuneration)	854.95	1,496.99
Contribution to provident and other funds (refer note 35.2.ii)	39.19	66.32
Employee stock option expenses (refer note 35.2.iii)	32.88	63.29
Staff welfare	9.13	14.45
	<b>936.15</b>	<b>1,641.05</b>

### 25. FINANCE COSTS

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest expense on:</b>		
- borrowings carried at amortised cost	170.37	251.87
- delayed payment of statutory dues	28.61	74.09
- lease liabilities (refer note 31)	80.52	-
- Others	9.11	-
Bank charges	35.20	218.70
	<b>323.81</b>	<b>544.66</b>

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 26. DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3A)	785.75	882.47
Amortisation of intangible assets (refer note 3B)	25.72	26.84
Depreciation on Right of Use (ROU) assets (refer note 4)	517.82	-
	<b>1,329.29</b>	<b>909.31</b>

## 27. OTHER EXPENSES

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement and business promotion expenses	4.30	13.22
Rent (refer note 31)	18.07	189.74
Rates and taxes	128.42	90.14
Travelling and conveyance	256.27	163.31
Printing and stationery	10.74	12.47
Membership and subscription charges	8.12	0.93
Telephone and internet expenses	5.14	9.04
Insurance	34.58	63.44
Security expenses	67.92	52.03
Legal and professional charges (refer note below)	371.63	310.86
Directors sitting fees (refer note 36)	8.15	7.20
<b>Repairs and maintenance</b>		
- building	1.14	15.44
- others	20.72	44.30
Provision for doubtful advances	44.00	105.44
Provision for doubtful debts	118.15	-
Net loss on foreign currency transactions	38.67	-
Sundry balances written off	18.25	13.28
Miscellaneous expenses	63.76	45.74
	<b>1,218.03</b>	<b>1,136.58</b>

### Note:

Details of payments to auditors (excluding indirect taxes)	Year ended March 31, 2020	Year ended March 31, 2019
<b>As auditor:</b>		
Statutory audit and limited review	30.00	30.00
Certification and allied matters	3.00	-
Re-imburement of expenses	1.65	1.70
	<b>34.65</b>	<b>31.70</b>



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 28. EXCEPTIONAL ITEMS (LOSS)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Foreign exchange gain/ (loss)	-	43.88
Impairment of contract assets (unbilled revenue)	(578.34)	-
Advances to suppliers impaired/ written off	(250.80)	(129.08)
	<b>(829.14)</b>	<b>(85.20)</b>

## 29. EARNINGS PER SHARE (EPS)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to equity holders of the Company for basic and diluted earnings used as numerator - (A) (in Lacs)	470.21	163.27
Weighted average number of equity shares outstanding during the year for Basic EPS - (B)	3,78,79,911	3,80,74,444
Add: Effect of potential equity shares which are dilutive	19,268	-
Weighted average number of equity shares outstanding during the year for Diluted EPS - (C)	3,78,99,179	3,80,74,444
Basic earning per share (₹) - (A)/(B) (face value ₹ 10 each)	1.24	0.43
Diluted earning per share (₹) - (A)/(C) (face value ₹ 10 each)	1.24	0.43

Note: As at March 31, 2020, the Company has two ESOP schemes out of which for one scheme, the effect of shares to be issued under the stock option plan is anti-dilutive and hence such shares have been excluded while computing diluted earnings per share.

## 30. CONTINGENT LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Claims not acknowledged as debt:		
(a) Labour law matter	7.78	7.78
(b) Income tax matters	121.13	121.13
	<b>128.91</b>	<b>128.91</b>

- (c) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the financial statements.

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 - IND AS 116

### 1. Impact on transition to Ind AS 116

Effective April 1, 2019, the Company has adopted Ind AS 116 - Leases, which has been applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective at the date of initial application, at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

The Company has made use of the following practical expedients available in its transition to Ind AS 116 .

- (a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- (b) The Company has applied different discount rates to domestic leases and foreign leases. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- (c) The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is as follows.

Domestic leases: 9.57 %

Foreign leases: 4.50 %

### Right-of-use Assets:

- (i) On transition, the Company had recognised right-of-use assets aggregating ₹ 2,149.49 Lacs.
- (ii) The Company has reverse right-of-use assets of ₹ 1,054.64 Lacs during the year on account of changes in terms of the lease agreements.
- (iii) The net carrying value of right-of-use assets as at March 31, 2020 amounts to ₹ 577.03 Lacs (gross carrying and accumulated depreciation value of ₹ 1,094.85 Lacs and ₹ 517.82 Lacs, respectively) and have been disclosed separately in the balance sheet (Refer Note 4).

### Lease liabilities:

- (i) On transition, the Company has recognised lease liabilities amounting to ₹ 2,149.49 Lacs.
- (ii) The Company has reverse lease liability of ₹ 1,080.78 Lacs during the year on account of changes in terms of the lease arrangements.
- (iii) As at March 31, 2020, the obligations under finance leases amounts to ₹ 990.27 (non-current and current obligation amounting ₹ 624.38 Lacs and ₹ 365.89 Lacs respectively) which have been classified to lease liabilities, under other financial liabilities (Refer note 17).
- (iv) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020:

(₹ in Lacs)

Carrying amount	Contractual cash flows			
	Total	0-1 year	1-5 years	5 years and above
990.27	1,037.80	412.96	624.84	-

## 2. During the year ended March 31, 2020, the Company recognised the following in the statement of profit and loss:

- (i) Depreciation expense from right-of-use assets of ₹ 517.82 Lacs (Refer note 4).
- (ii) Finance cost on lease liabilities of ₹ 80.52 Lacs (Refer note 25).
- (iii) Rent expense amounting to ₹ 159.14 Lacs pertaining to leases of low-value assets and leases with less than twelve months of lease term. These have been included under machine hire charges, vehicle hire charges and rent expenses (Refer note 23 and note 27).



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (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 Balance sheet 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, 2020	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	2,262.24	<b>2,262.24</b>
Cash and cash equivalents	12	-	-	353.40	<b>353.40</b>
Other bank balances	13	-	-	2,001.92	<b>2,001.92</b>
Loans	6	-	-	179.16	<b>179.16</b>
Other financial assets	7	-	-	1,370.06	<b>1,370.06</b>
<b>Total financial assets</b>		-	-	6,166.78	<b>6,166.78</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16	-	-	-	-
Trade payables	20	-	-	434.47	<b>434.47</b>
Other financial liabilities	17	-	-	2,287.23	<b>2,287.23</b>
<b>Total financial liabilities</b>		-	-	2,721.70	<b>2,721.70</b>

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	4,184.46	<b>4,184.46</b>
Cash and cash equivalents	12	-	-	68.95	<b>68.95</b>
Other bank balances	13	-	-	2,422.37	<b>2,422.37</b>
Loans	6	-	-	2,067.03	<b>2,067.03</b>
Other financial assets	7	-	-	299.66	<b>299.66</b>
<b>Total financial assets</b>		-	-	9,042.48	<b>9,042.48</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16	-	-	996.44	<b>996.44</b>
Trade payables	20	-	-	2,614.61	<b>2,614.61</b>
Other financial liabilities	17	-	-	533.61	<b>533.61</b>
<b>Total financial liabilities</b>		-	-	4,144.66	<b>4,144.66</b>

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, loans, current security deposit, 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 an estimate of 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 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:

### 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.

The Company trades with recognised and credit worthy third parties. It is the Company'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 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.

(All amounts in Lacs, unless otherwise stated)

Ageing of trade receivable (gross carrying amount)	Days past dues			Total
	0-180	180-365	Above 365	
<b>As at March 31, 2020</b>	1,662.70	690.69	-	2,353.39
<b>As at March 31, 2019</b>	3,801.87	-	382.59	4,184.46



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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

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

(All amounts in Lacs, unless otherwise stated)

	Amount
<b>Loss allowance as at March 31, 2018</b>	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>
Add: Additional provision during the year	416.91
Less: Write - offs	(522.35)
<b>Loss allowance as at March 31, 2020</b>	<b>-</b>

For reconciliation of loss allowance for trade receivable, please refer note 11.1.

## 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 the 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, 2020	on demand	< 3 months	3-6 Months	6-12 months	1-2 years	Total
Borrowings	-	-	-	-	-	-
Trade payables	-	434.47	-	-	-	434.47
Other financial liabilities	54.98	596.86	91.47	1,082.94	624.38	2,450.63
	<b>54.98</b>	<b>1,031.32</b>	<b>91.47</b>	<b>1,082.94</b>	<b>624.38</b>	<b>2,885.10</b>

As at March 31, 2019	on demand	< 3 months	3-6 Months	6-12 months	1-2 years	Total
Borrowings	440.00	-	580.90	-	-	1,020.90
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>641.36</b>	-	-	<b>4,169.12</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.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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

(All amounts in Lacs, unless otherwise stated)

Financial assets	Currency unit	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	₹	Foreign Currency	₹
Loans	US\$	2.29	172.57	28.72	1,986.31
Trade receivables	US\$	3.00	226.04	9.03	624.40
Cash and cash equivalents	US\$	0.01	0.40	0.02	1.49
	Naira	0.28	0.06	0.23	0.05
	Arab Emirates Dirham	-	-	0.01	0.14
	EURO	0.00	0.12	-	
Other financial assets	US\$	0.14	10.42	0.26	17.74
			<b>409.61</b>		<b>2,630.13</b>
<b>Financial liabilities</b>					
Trade payables	US\$	0.62	46.99	0.44	30.66
Other financial liabilities	US\$	5.76	434.58	0.87	60.46
			<b>481.57</b>		<b>91.12</b>
<b>Net exposure</b>			<b>(71.96)</b>		<b>2,539.01</b>

**Note:** The Company has not entered into any hedging contract for the above exposure.

### Sensitivity:

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

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	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\$	5.45%	(3.92)	(3.92)	6.26%	158.94	158.94

\*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 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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

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)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	-	556.44
Fixed rate borrowing	-	440.00
	-	<b>996.44</b>

(All amounts in Lacs, unless otherwise stated)

Sensitivity	Movement in Rate	Year ended March 31, 2020	Year ended March 31, 2019
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

An equal and opposite impact would be experienced in the event of an increase in interest rate 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, 2020 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)

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	-	996.44
Total equity (as per balance sheet)	13,885.95	13,677.14
<b>Debt to equity ratio</b>	-	<b>0.07</b>

The Company does not carry any borrowing as at year ended March 31, 2020.

### 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.

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## A. Obligations and assets

(All amounts in Lacs, unless otherwise stated)

<b>Movement in the present value of projected benefit obligation for gratuity</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
At the beginning of the year	20.86	27.95
Interest cost	1.39	2.15
Current service cost	6.17	6.82
(Benefit paid directly by the employer)	(5.32)	(11.63)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.13)	3.35
Actuarial (gains)/losses on obligations - due to experience	0.41	(3.17)
Actuarial (gains)/losses on obligations - due to demographic assumption	(0.00)	(4.60)
<b>At the end of the year</b>	<b>23.38</b>	<b>20.86</b>

<b>Movement in the fair value plan assets :</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening fair value of plan assets	14.44	24.50
Expected return on plan assets	0.96	1.89
Benefits paid	(5.31)	(11.63)
Actuarial gains / (losses)	0.05	(0.32)
<b>Closing fair value of plan assets</b>	<b>10.14</b>	<b>14.44</b>
Actual return on plan assets:		
Expected return on plan assets	0.96	1.89
Actuarial (losses)/ gains on plan assets	0.05	(0.32)
<b>Actual return on plan assets</b>	<b>1.01</b>	<b>1.57</b>

## B. Amount recognised in the statement of profit and loss

<b>Particular</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest cost (net of actual return on plan assets)	0.43	0.26
Current service cost	6.17	6.82
<b>Net impact as employee benefit expenses in profit and loss</b>	<b>6.60</b>	<b>7.08</b>
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.13)	3.35
Actuarial (gains)/losses on obligations - due to experience	0.41	(3.16)
Actuarial (gains)/losses on obligations - due to demographic assumption	(0.00)	(4.60)
Actuarial (gains)/ losses on plan assets	(0.05)	0.32
<b>Net impact as other comprehensive (income)/ loss before tax</b>	<b>0.23</b>	<b>(4.11)</b>

## C. Amount recognised in the balance sheet

<b>Particular</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Present value of obligations as at year end	23.38	20.86
Fair value of plan assets as at year end	10.14	14.44
<b>Net Asset/(Liability) recognised</b>	<b>(13.24)</b>	<b>(6.42)</b>
Current asset/(liability)	(2.62)	(2.59)
Non Current asset/(liability)	(10.62)	(3.83)
<b>Asset information</b>		
Group Scheme of LIC	100%	100%
Expected Employer's Contribution for the next year	8.66	8.53

Number of active members are 91 (March 31, 2019 : 151).

Weighted average duration of the projected benefit obligation for gratuity is 3.31 years (March 31, 2019 : 3.39 years).



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

### D. The defined benefit obligations shall mature after year end as follows:

(All amounts in Lacs, unless otherwise stated)

Particular	March 31, 2020	March 31, 2019
1st following year	4.47	0.16
2nd following year	3.64	0.43
3rd following year	2.89	0.21
4th following year	3.20	1.93
5th following year	1.79	1.16
sum of years 6 to 10	4.77	14.38

### 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)

Particular	Year ended March 31, 2020	Year ended March 31, 2019
Rate of discounting - Indicative Government security referenced rate of interest	6.80%	6.65%
Rate of salary increase	5.00%	5.00%
Rate of employee turnover	25.00%	25.00%
Mortality rate during employment - Published rates under the Indian Assured Lives Mortality (2012-14) (March 31, 2019: 2006-08) Ultimate table.	100%	100%

### F. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

(All amounts in Lacs, unless otherwise stated)

Particular	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate (0.5% Movement Increase)	(0.44)	(0.43)
Discount Rate (0.5% Movement Decrease)	0.45	0.44
Future Salary Growth (0.5% Movement Increase)	0.46	0.45
Future Salary Growth (0.5% Movement Decrease)	(0.45)	(0.04)

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.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Contribution to defined contribution plan recognised as employee benefit expenses is as below:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution towards Provident Fund (PF)	35.72	53.10
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	3.47	13.22
	<b>39.19</b>	<b>66.32</b>

### (iii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The details of activity under the ESOP schemes are summarised below:

Particular	ESOP 2019	ESOP 2017
Date of approval by shareholders	18-Sep-19	23-Aug-17
Options granted	3,80,744	1,74,302
Exercise price	80.00	165.00
<b>Conditions attached:</b>		
- Vesting period	2 year from grant date	2 year from grant date
- Other conditions	Exercise of vested options would be done any time before the termination of the services of the employee through resignation, retirement or otherwise	Exercise of vested options would be done subsequently in maximum of three tranches at any time before the termination of the services of the employee through resignation, retirement or otherwise

The expense recognised for employee services received during the year is shown in the following table:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	32.88	63.29
	<b>32.88</b>	<b>63.29</b>

### Movements during the year

The following table illustrates the movements in share options during the year:

Particular	ESOP 2019	ESOP 2017
	Nos. in Lacs	Nos. in Lacs
Outstanding as at April 1, 2018	-	1.74
Add/(less): Movement during the year	-	-
<b>Outstanding as at March 31, 2019</b>	-	<b>1.74</b>
Less: Options lapsed	-	(1.14)
Add: Options granted during the year	3.81	-
<b>Outstanding as at March 31, 2020</b>	<b>3.81</b>	<b>0.60</b>



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## Share options available with Key Management Personnel (in number)

Key Management Personnel	ESOP 2019	ESOP 2017
Mr. Ashutosh Kumar	76,607	25,454
Mr. Sumit Maheshwari	52,098	10,909
Mr. Rabi Narayan Bastia	78,508	-

## The following tables list the inputs to the models used for the employees' stock option plan

Particulars	ESOP 2019	ESOP 2017
Exercise price (₹)	80.00	165.00
Grant date	24-Sep-19	24-Aug-17
Vesting date	23-Sep-22	24-Aug-19
Expiry date	23-Sep-22	24-Aug-19
Dividend yield (%)	-	-
Expected price volatility (%)	53.83%	58.51%
Risk-free interest rate (%)	5.96%	6.35%
Expected life of share options (years)	3.00	2.00
Share price at grant date (₹)	71.30	181.80
Model used	Black Scholes	Black Scholes

## 36. RELATED PARTY DISCLOSURES

### Name of related parties

#### a) Holding Company

Oilmax Energy Private Limited

#### b) Subsidiary Company

AOSL Petroleum Pte Limited

Asian Oilfield & Energy Services DMCC

AOSL Energy Service Limited

Optimum Oil & Gas Private Limited (w.e.f. 30 November 2019)

Asian Oilfield Services Limited Employee Welfare Trust

#### c) Step down subsidiary Company

Ivorene Oil Services Nigeria Limited

#### d) Joint venture

Optimum Oil & Gas Private Limited (upto 29 November 2019)

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

**e) Individuals having significant influence over the Company by virtue of owning indirect interest in the voting power**

Mr. Kapil Garg - Director of Holding Company

Ms. Ritu Garg - Promoter of the Holding Company

**f) Key Management Personnel**

Mr. Ashutosh Kumar - Chief Executive Officer and Whole Time Director

Mr. Nayan Mani Borah – Independent Director (Chairman)

Mr. Sumit Maheshwari - Chief Financial Officer

Mr. Rabi Narayan Bastia - Director

Mr. Kadayam Ramanathan Bharat - Independent Director

Ms. Anusha Mehta - Independent Director

Mr. Devesh Bhargava – Independent Director (w.e.f. 23 May 2019)

Mr. Mukesh Jain – Director (w.e.f. 29 May 2019)

Mr. Gaurav Gupta - Director (upto 30 April 2019)

Ms. Archana Nadgouda - Company Secretary

**B. Transactions with related parties :**

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Holding Company</b>		
	Loan taken during the year	1,605.00	6,040.00
	Repayment of loan	2,045.00	5,600.00
	Interest on loan taken	160.44	164.03
	Sale of services	-	225.00
<b>2</b>	<b>Subsidiaries</b>		
	<b>1. AOSL Petroleum Pte Limited</b>		
	Repayment of loan	175.14	-
	Interest on loan advanced	37.92	17.74
	<b>2. Asian Oilfield &amp; Energy Services DMCC</b>		
	Loan advanced	-	118.61
	Repayment of loan	1,652.42	1,724.90
	Rental expense*	399.37	760.93
	Advance repaid	-	1,354.92
	Payment of lease liability	98.41	-
	Interest on loan advanced	74.50	213.28
	Consultancy services	2,998.18	624.40
	Dividend received	745.36	-



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	<b>3. AOSL Energy Service Limited</b>		
	Investment in shares	1.00	1.00
	Loan advanced	1.70	0.30
	Interest on loan advanced	0.08	0.01
	<b>4. Optimum Oil &amp; Gas Private Limited</b>		
	Acquisition of equity shares	0.51	-
	Repayment of loan	-	631.50
	Interest on loan advanced	-	48.07
<b>3</b>	<b>Key Managerial Personnel</b>		
	Remuneration#	175.70	214.42
	Sitting Fees	8.15	7.20
	Reimbursement of expenses	6.94	21.44
	# Exclusive of gratuity expense.		
<b>4</b>	<b>Individuals having significant influence</b>		
	Rent expense*	133.50	144.00

\* Figures for March 31, 2020 are based on contractual arrangement executed for leases and does not include impact of Ind AS 116.

### C. Balances with related parties

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>1</b>	<b>Holding Company - Oilmax Energy Private Limited</b>		
	Inter corporate deposit taken	-	440.00
	Accrued interest on above	54.98	164.03
<b>2</b>	<b>Subsidiary - AOSL Petroleum Pte Limited</b>		
	Investment in equity shares	0.31	0.31
	Unsecured loan given	172.57	333.58
	Interest receivable	10.42	17.74
<b>3</b>	<b>Subsidiary - Asian Oilfield &amp; Energy Services DMCC</b>		
	Investment in equity shares	620.23	620.23
	Unsecured loan given	-	1,652.42
	Trade payable	46.99	30.66
	Payable against lease liability	300.82	-
	Trade receivable	-	624.40
	Interest receivable	-	52.96
	Investment through corporate guarantee given	31.27	31.27
<b>4</b>	<b>Subsidiary - AOSL Energy Services Limited</b>		

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Investment in equity shares	1.00	1.00
	Unsecured loan given and interest thereon	2.10	0.31
<b>5</b>	<b>Subsidiary - Optimum Oil &amp; Gas Private Limited</b>		
	Investment in equity shares	0.74	0.23
	Unsecured loan given	-	-
	Interest receivable #	44.00	45.01
# Outstanding balance as of March 31, 2020 has been written off on prudent basis.			
<b>6</b>	<b>Key Managerial Personnel</b>		
	Payable	-	12.93
	Receivable	0.29	-
<b>7</b>	<b>Individuals having significant influence</b>		
	Payable *	-	25.92

\* Figures for March 31, 2020 are based on contractual arrangement executed for leases and does not include impact of Ind AS 116.

### D. Remuneration paid to KMP ^^

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Rohit Agarwal	-	21.13
Mr. Ashutosh Kumar	107.92	135.41
Mr. Sumit Kumar Maheshwari	51.53	45.20
Mrs. Shweta Vaibhav Jain	-	1.84
Mrs. Archana Nadgouda	16.25	10.84
<b>Total remuneration</b>	<b>175.70</b>	<b>214.42</b>

^^ The above figures does not include provision for gratuity since it is actuarially determined for the Company as a whole.

Note: Refer note 35(iii) for stock options granted to KMPs.

### 37. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

For un-hedged foreign currency exposure, refer section 'Foreign currency risk' under Note 33 - Financial Risk Management.

### 38. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of criterias stated in Section 135 of the Act not getting met, the 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, 2020 and the date of authorisation of these standalone financial statements.



# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 40. SEGMENT INFORMATION

- (a) The Company is principally engaged in a single business segment, viz. "Oilfield services".
- (b) Revenue from external customers:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	3,216.19	15,058.04
Outside India	3,224.26	624.40
<b>Total revenue from operations (Refer note 21)</b>	<b>6,440.45</b>	<b>15,682.44</b>

- (c) Revenue derived from the major customers is as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from top customer	2,998.18	5,677.20
Revenue from top three customers	6,064.75	11,901.22

For the year ended March 31, 2020 : Three (March 31, 2019 : Two) customers, individually accounted for more than 10% of the revenue.

41. Trade receivables and Other financial assets (non-current) as at March 31, 2020 includes an amount of ₹ 424.79 Lacs and ₹ 1,166.07 Lacs respectively, in respect of amounts withheld and performance guarantee invoked by some customers towards liquidation damages and non-performance for certain projects awarded to the Company. At present, the Company and such customers are pursuing such matters through amicable settlement process, as specified in contract with such customers to the extent of ₹ 1,358.94 Lacs and for an amount of ₹ 231.92 Lacs, the Company is reasonably confident of completed its performance obligations within the agreed completion timelines. The Company have assessed the tenability of its claims and submissions made to these customers and have also obtained external legal advice. Basis the same, the Company have not recognised provision towards the aforesaid specified amount, in the financial statements.

## 42. IMPACT OF COVID-19

"In the wake of COVID-19 outbreak, the seismic operation sites in India were temporary suspended from March 25, 2020, which has been partially resumed after May 31, 2020. The Company have taken necessary steps to communicate with its employees, customers and vendors and updated them on a regular basis. While volatility was witnessed in the oil prices in recent past, there is no major change in seismic data acquisition plan of Government of India projects till now. The Management and the Board of Directors have assessed the possible effects of COVID-19 pandemic on the Company's liquidity position for the next financial year and the carrying values of Company's assets comprising of property, plant and equipment, trade receivables, other current assets and investments as balance sheet date, and has concluded that no material adjustments are required in these financial statements. The impact assessment of COVID-19 is an ongoing process and the Company will continue to monitor any material changes to future economic conditions, as and when they arise."

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020 (Contd.)

## 43. DISCLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

### a) Reconciliation of revenue from sale of services with the contract price

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contracted Price	6,605.90	15,948.65
Less: Variable considerations	165.45	266.21
<b>Sale of Services</b>	<b>6,440.45</b>	<b>15,682.44</b>

### b) Revenue based on performance obligations

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As services are rendered (over the period of time)	4,711.71	15,185.04
Upon completion of services (at a point in time)	1,728.74	497.40
	<b>6,440.45</b>	<b>15,682.44</b>

### c) Revenue earned from:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Related parties	2,998.18	849.40
Others	3,442.27	14,833.04
	<b>6,440.45</b>	<b>15,682.44</b>

### d) Revenue earned from:

(All amounts in Lacs, unless otherwise stated)

Particulars	"As at March 31, 2020"	"As at March 31, 2019"
Trade receivables (net carrying value)	2,262.24	4,184.46
Contract assets (net carrying value)	149.64	822.84

From the opening balance of contract assets, the Company has recognised revenue of ₹ 244.50 Lacs (March 31, 2019 : ₹ 1,290.28 Lacs) and has impaired contract assets of ₹ 578.34 Lacs (March 31, 2019: Nil).

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: 18 June 2020

#### 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: 18 June 2020

#### 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

#### 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, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 ventures, 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 of the Group and its joint venture as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for opinion

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 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 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

##### 4. We draw attention to:

- a) Note 45 to the accompanying consolidated financial statements regarding recoverability of amounts withheld/ performance guarantee invoked by customers towards liquidation damages/ non-performance of obligations for certain projects awarded to the Holding Company. The Holding Company's management has assessed the tenability of its claims and submissions made to these customers and based on the legal opinion obtained, management is of the view that the amounts withheld/ performance guarantees that were invoked are recoverable, and accordingly, no adjustments have been made to the accompanying consolidated financial statements.
- b) Note 46 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Holding Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Holding Company is significantly dependent on the future developments as they evolve.
- c) The following emphasis of matter paragraph included in the auditor report dated 4 June 2020 on the audited financial statements of Asian Oilfield & Energy Service DMCC (ADMCC), a subsidiary of the Holding Company, issued by an independent firm registered in Dubai, and reproduced by us as under:

"Material uncertainty relating to going concern:

The COVID-19 outbreak has caused disruptions throughout the world impacting the economic activities with forecast of economic downturns in several parts of the world. Management of the Company has, based on its preliminary assessment & review, assured that the Company would be able to continue its operations in the foreseeable future.

The management of the Company after considering the future projections of revenue, profitability and cash flows is confident that the Company would be able to honor its commitments as and when they fall due and the Company would be able to operate for the immediate next

## Independent Auditor's Report (contd.)

12 months. Hence the financial statements have been prepared on a going concern assumption and our opinion is not modified in respect of the above matter.”

- d) Notes 42(a) and 42(b) to the accompanying consolidated financial statements and the following emphasis of matter paragraphs included in the auditor report dated 4 June 2020 on the audited financial statements of ADMCC, a subsidiary of the Holding Company, issued by an independent firm registered in Dubai, and reproduced by us as under:

“The Company has filed for arbitration in 'The London Court of International Arbitration' on February 22, 2019 claiming an overdue amount from a settlement agreement with a customer, amounting to USD 2,000,000. Both the parties had agreed on suspension of arbitration proceedings and evaluating an out-of-court settlement. Further, as per the parties joint communication to the Tribunal dated March 31, 2020 and the Tribunal's Procedural Order No. 11 dated April 1, 2020, both the parties have mutually agreed to a further extension of the current stay of the arbitration proceedings up to and including

June 30, 2020 and the deadline for the parties to produce further documents pursuant to the Tribunal's rulings in the Redfern Schedules is extended to July 1, 2020.”

“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.”

Our opinion is not modified in respect of aforesaid matters.

### Key Audit Matters

5. 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 6. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Revenue for the Holding Company 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, 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 including levy of liquidated damages and/ or penalty by its customers, allocation of the transaction price to such performance obligations and satisfaction of performance obligations.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ol style="list-style-type: none"> <li>Obtaining the understanding of the revenue and receivable business cycle and assessed the appropriateness of the accounting policy adopted by the Holding Company for revenue recognition.</li> <li>Evaluating 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>Testing operating effectiveness of the above identified key controls over revenue recognition during the year and as at year end.</li> <li>Assessing the appropriateness of the accounting policy for revenue recognition from oilfield services in accordance with Ind AS 115, 'Revenue from Contracts with Customers'.</li> </ol>



## Independent Auditor's Report (contd.)

Key audit matter	How our audit addressed the key audit matter
<p>Basis the evaluation done by the management, the Holding Company recognizes 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>e) Selecting a sample of continuing and new contracts entered with customers and performed following procedures:</p> <ul style="list-style-type: none"> <li>• Analyzing the contracts and identified distinct performance obligations in these contracts.</li> <li>• Comparing these performance obligations with those identified and recorded by the Holding Company.</li> <li>• Considering the terms of the contracts to determine the transaction price and any variable consideration elements including levy of liquidated damages and penalty.</li> <li>• Reviewing the allowance/ provision for expected liquidated damages and penalty, created by the management on the invoicing done for the various projects from time-to-time, where contract milestones were not met.</li> <li>• Where projects are sub-contracted, reviewing the terms of agreement between the Holding Company and its sub-contractor which states that liquidated damages and penalty can be charged/ levied to the sub-contractor in case of any delay to the extent of work subcontracted.</li> <li>• Reviewing legal experts' opinion where the same has been obtained by the management on contentious matters.</li> <li>• Testing sample of revenue disaggregated by service offerings with reference to the performance obligations specified in the underlying contracts.</li> </ul> <p>f) Performing 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 for revisions to performance obligations or price terms, daily progress reports, and invoices.</p> <p>g) Evaluating the appropriateness and adequacy of the disclosures made in the financial statements for revenue recorded during the year.</p>

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

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report, Board Report and Management Discussion and Analysis Report but does not include the consolidated financial statements and our auditor's report thereon. The Corporate Governance Report, Board Report and Management Discussion and Analysis Report are expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 Corporate Governance Report, Board Report and Management Discussion and Analysis 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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 venture 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 a joint venture company 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.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and its joint venture, are responsible for overseeing the financial reporting process of the companies included in the Group and its joint venture.

### 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 Holding Company and its subsidiaries covered under the Act, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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



## Independent Auditor's Report (contd.)

report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
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 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.

### Other Matters

16. We did not audit the financial statements of four (4) subsidiaries, whose financial statements (before eliminating inter-company transactions and balances) reflects total assets of INR 19,359.97 lakhs and net assets of INR 4,895.18 lakhs as at 31 March 2020, total revenues of INR 26,475.47 lakhs, total net profit after tax of INR 3,142.32 lakhs, total comprehensive income of INR 3,142.32 lakhs, and net cash flows amounting to INR 5,732.41 lakhs for the year ended on

that date, as considered in the consolidated financial statements. 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 12 above.

Further, of these subsidiaries, three (3) 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 on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are 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.

17. The consolidated financial statements also includes the Group's share of net profit after tax of Nil, and total comprehensive income of Nil for the period 1 April 2019 to 29 November 2019, in respect of one (1) joint venture, based on its interim financial information, which has not been audited by us. These interim financial information is unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid 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 joint venture, are based solely on such unaudited interim financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified

## Independent Auditor's Report (contd.)

in respect of the above matter with respect to our reliance on the interim financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) 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 ventures, we report that the Holding Company, covered under the Act, paid remuneration to their 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 two (2) subsidiaries covered under the Act, have not paid or provided managerial remuneration during the year. Further, we report that the provisions of section read with Schedule V to the Act are not applicable to three (3) subsidiary companies 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 ventures, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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;
  - 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) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matters described in paragraphs 4(a), 4(b) and paragraphs 4(c), 4(d) of the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Holding Company and Asian Oilfield and Energy Services DMCC, a subsidiary of the Holding Company, respectively;
  - 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 statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its two subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
  - h) 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 joint ventures:
    - 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. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
    - 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 covered under the Act, during the year ended 31 March 2020; 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 consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandio & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

UDIN: 20109632AAAAFJ1767

Place: Mumbai

Date: 18 June 2020



## 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 2020

#### List of subsidiaries included in the consolidated financial statements

1. Asian Oilfield & Energy Services DMCC
2. AOSL Petroleum Pte. Limited
3. Ivorene Oil Services Nigeria Limited
4. AOSL Energy Services Limited
5. Optimum Oil & Gas Private Limited (from 30 November 2019)

#### List of joint venture included in the consolidated financial statements

1. Optimum Oil & Gas Private Limited (up to 29 November 2019)

## Annexure II

### Independent Auditor's Report on the internal financial controls with reference to financial statements 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 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 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its two subsidiary companies, which are the companies covered under the Act, as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its two subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established 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 its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its two subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material

weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its two subsidiary companies, as aforesaid.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion and based on the consideration of the report of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its two subsidiary companies, which are the companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect (before eliminating inter-company transactions and balances) total assets of INR 5.87 lakhs and net assets of INR (38.57 lakhs) as at 31 March 2020, total revenues of INR 0.03 lakhs and net cash outflows amounting to INR 3.47 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

UDIN: 20109632AAAAFJ1767

Place: Mumbai

Date: 18 June 2020



# Consolidated Balance Sheet

## as at March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	8,546.31	8,391.98
Intangible assets	3B	193.22	259.22
Right of use asset	4	276.62	-
Investment in joint venture	5	-	-
<b>Financial assets</b>			
Loans	6	2.71	0.42
Other financial assets	7	1,166.07	-
Income tax assets (net)	8	1,598.19	1,267.83
Other non-current assets	9	0.86	122.44
		<b>11,783.98</b>	<b>10,041.89</b>
<b>Current assets</b>			
Inventories	10	1.61	69.39
<b>Financial assets</b>			
Trade receivables	11	8,806.07	5,939.80
Cash and cash equivalents	12	6,195.70	97.00
Bank balances other than above	13	2,001.92	2,422.37
Loans	6	33.10	83.36
Other financial assets	7	193.57	227.83
Other current assets	14	1,758.54	2,963.68
		<b>18,990.51</b>	<b>11,803.43</b>
		<b>30,774.49</b>	<b>21,845.32</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,769.37	3,807.44
Other equity		14,375.92	11,392.70
Equity attributable to owners of the parent		<b>18,145.29</b>	<b>15,200.14</b>
Non-controlling interest	15.1	-	-
<b>Total equity</b>		<b>18,145.29</b>	<b>15,200.14</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	17	180.35	3.98
Other non-current liabilities	18	100.64	-
Provisions	19	10.62	3.83
		<b>291.61</b>	<b>7.81</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	-	440.00
Trade payables	20		
- total outstanding dues of micro and small enterprises		6.52	0.91
- total outstanding dues of creditors other than micro and small enterprises		6,316.54	4,465.40
Other financial liabilities	17	1,354.23	1,095.34
Other current liabilities	18	3,512.82	112.07
Provisions	19	112.87	515.57
Current tax liabilities	21	1,034.61	8.08
		<b>12,337.59</b>	<b>6,637.37</b>
		<b>30,774.49</b>	<b>21,845.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Notes 1 to 47 forms an integral part of these consolidated financial statements

This is the Consolidated Balance Sheet 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)

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Archana Nadgouda**

Company Secretary

(ACS- 17140)

Place: Mumbai

Date: 18 June 2020

**Sumit Maheshwari**

Chief Financial Officer

Place: Mumbai

Date: 18 June 2020

# Consolidated Statement of Profit and Loss

## for the year ended March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations	22	27,304.00	19,385.52
Other income	23	358.21	397.72
<b>Total income</b>		<b>27,662.21</b>	<b>19,783.24</b>
<b>EXPENSES</b>			
Oilfield services related expense	24	18,180.78	12,771.39
Employee benefits expense	25	1,003.33	2,067.00
Finance costs	26	285.20	572.06
Depreciation and amortisation expense	27	1,965.94	1,944.27
Other expenses	28	1,476.50	1,259.60
<b>Total expenses</b>		<b>22,911.75</b>	<b>18,614.32</b>
<b>Profit before share of joint venture, exceptional items and tax</b>		<b>4,750.46</b>	<b>1,168.92</b>
Share of loss of joint venture	5	-	-
<b>Profit before exceptional items and tax</b>		<b>4,750.46</b>	<b>1,168.92</b>
Exceptional items (loss)	29	(686.55)	(250.77)
<b>Profit before tax</b>		<b>4,063.91</b>	<b>918.15</b>
<b>Tax expense</b>	8		
Current tax		<b>1,140.37</b>	<b>8.08</b>
Deferred tax		-	-
<b>Profit for the year (A)</b>		<b>2,923.54</b>	<b>910.07</b>
<b>Other comprehensive income/ (loss)</b>			
(a) Items not to be re-classified subsequently to profit or loss (net of tax)			
- Gain/ (loss) on fair value of defined benefit plans		(0.23)	4.11
(b) Items to be re-classified subsequently to profit or loss (net of tax)			
- Foreign currency translation reserve		283.00	169.56
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>282.77</b>	<b>173.67</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>3,206.31</b>	<b>1,083.74</b>
<b>Profit for the year attributable to</b>			
(a) Owners		2,923.54	910.07
(b) Non-controlling interest		-*	-*
<b>Total comprehensive income attributable to</b>			
(a) Owners		3,206.31	1,083.74
(b) Non-controlling interest		-*	-*
*Amount is less than ₹ 1,000 in absolute terms.			
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)	30	7.72	2.39
Diluted (in ₹)		7.71	2.39

Notes 1 to 47 forms an integral part of these 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

Place: Mumbai

Date: 18 June 2020

**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: 18 June 2020

**Nayan Mani Borah**Chairman  
(DIN-00489006)**Sumit Maheshwari**

Chief Financial Officer



# Consolidated Cash Flow Statement

## for the year ended March 31, 2020

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		4,063.91		918.15
<b>Adjustments for non cash items and items considered separately</b>				
Depreciation and amortisation expense	1,967.22		1,944.27	
Interest expense	208.83		271.73	
Interest expense on lease liability	33.89		-	
Interest income	(211.64)		(195.16)	
Liabilities/ provision written back	(153.97)		(113.49)	
Profit on sale of property, plant and equipment (net)	(21.95)		(13.62)	
Net gain on foreign currency transactions	(50.87)		(54.18)	
Sundry balances written off	18.25		13.28	
Impairment allowance on trade receivables	118.15		175.87	
Impairment of contract assets	578.34		-	
Provision for doubtful other assets	416.91		234.52	
Provision towards settlement of litigation	103.66		-	
Amortisation of security deposits received	(14.38)		-	
Write down of inventories	15.00		19.40	
Provision for employee stock options	32.88	3,040.32	63.29	2,345.91
<b>Operating profit before working capital changes</b>		<b>7,104.23</b>		<b>3,264.06</b>
<b>Adjustments for changes in working capital:</b>				
(Increase)/decrease in trade receivables	(2,984.42)		45.70	
(Increase)/decrease in inventories	52.78		98.88	
(Increase)/decrease in other assets	(734.75)		2,193.30	
(Increase in)/redemption of bank deposits	420.45		(787.63)	
Increase/(decrease) in trade payable	2,010.72		(882.14)	
Increase/(decrease) in provisions	(506.39)		7.08	
Increase/(decrease) in other liabilities	4,008.40		(487.32)	
		<b>2,266.79</b>		<b>187.87</b>
<b>Cash generated from operations</b>		<b>9,371.02</b>		<b>3,451.93</b>
Direct taxes paid (net of refunds received)		(463.46)		(758.53)
<b>Net cash generated from operating activities</b>		<b>8,907.56</b>		<b>2,693.40</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital advances)	(1,420.68)		(2,354.47)	
Receipt from disposal of property, plant and equipment	27.03		15.18	
Interest income received	245.91		299.28	
<b>Net cash used in investing activities</b>		<b>(1,147.74)</b>		<b>(2,040.01)</b>

# Consolidated Cash Flow Statement

## for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(556.44)	(1,431.58)
Repayment of short-term borrowings	-	(449.34)
Proceeds from inter corporate deposits	1,605.00	6,040.00
Repayment of inter corporate deposits	(2,045.00)	(5,600.00)
Purchase of treasury shares	(294.06)	-
Payment of lease liability	(143.57)	-
Interest paid	(308.77)	(107.69)
<b>Net cash used in financing activities</b>	<b>(1,742.84)</b>	<b>(1,548.61)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,016.98</b>	<b>(895.22)</b>
Cash and cash equivalents at the beginning of the year	97.00	822.66
Effect of foreign exchange differences	81.72	169.56
<b>Cash and cash equivalents at the end of the year (as per note 12)</b>	<b>6,195.70</b>	<b>97.00</b>

**Note:-**

The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

Notes 1 to 47 forms an integral part of these consolidated financial statements

This is the Consolidated 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

Place: Mumbai

Date: 18 June 2020

**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)

Place: Mumbai

Date: 18 June 2020

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer



# Consolidated Statement of changes in equity

## for the year ended March 31, 2020

### A. Equity share capital

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount (in Lacs)
<b>Equity shares as at April 1, 2018</b>	<b>38,074,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year	-	-
<b>Equity shares as at March 31, 2019</b>	<b>38,074,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year [refer note 15(h)]	(380,744)	(38.07)
<b>Equity shares as at March 31, 2020</b>	<b>37,693,700</b>	<b>3,769.37</b>

### B. Other equity

(All amounts in Lacs, unless otherwise stated)

Particulars	Reserves and surplus				Other reserves	Total
	Capital reserve	Securities premium	Outstanding employee stock options	Retained earnings	Foreign currency translation reserve	
<b>As at April 1, 2018</b>	<b>551.00</b>	<b>18,794.45</b>	<b>37.98</b>	<b>(9,191.81)</b>	<b>54.06</b>	<b>10,245.68</b>
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 payment expenses	-	-	63.29	-	-	63.29
<b>As at March 31, 2019</b>	<b>551.00</b>	<b>18,794.45</b>	<b>101.27</b>	<b>(8,277.63)</b>	<b>223.62</b>	<b>11,392.70</b>
Profit for the year	-	-	-	2,923.54	-	2,923.54
Other comprehensive loss for the year	-	-	-	(0.23)	-	(0.23)
Premium on equity shares held in trust under the ESOP scheme [refer note 15(h)]	-	(255.98)	-	-	-	(255.98)
Recognition of share based payment expenses	-	-	32.88	-	-	32.88
Transfer due to lapse of stock options	-	-	(83.15)	83.15	-	-
Exchange difference on foreign currency translation	-	-	-	-	283.00	283.00
<b>As at March 31, 2020</b>	<b>551.00</b>	<b>18,538.47</b>	<b>51.00</b>	<b>(5,271.17)</b>	<b>506.62</b>	<b>14,375.92</b>

#### Nature and purpose of reserves

##### (i) Capital reserve

The Holding Company 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. In line with Ind AS 32 - Financial Instruments: Presentation, the shares of the Company held by the Asian Oilfield Services Limited Employees Welfare Trust (ESOP Trust), are deducted from the equity component.

# Consolidated Statement of changes in equity

## for the year ended March 31, 2020 (Contd.)

### (iii) Outstanding employee stock options

The Holding Company has stock option schemes under which options to subscribe for the Holding Company's shares have been granted to certain employees including key management personnel. This reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

### (iv) Retained earnings

Retained earnings represents the accumulated profits / losses made by the Holding Company over the years as reduced by dividends or other distributions paid to the shareholders and remeasurement gains/ loss on defined benefit plan.

### (v) Foreign currency translation reserve

Foreign currency translation reserve represent the unrealised gains and losses on account of translation of foreign subsidiaries into the presentation currency of the holding entity.

Notes 1 to 47 forms an integral part of these consolidated financial statements

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

Place: Mumbai

Date: 18 June 2020

#### 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: 18 June 2020

#### Nayan Mani Borah

Chairman

(DIN-00489006)

#### Sumit Maheshwari

Chief Financial Officer



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020

## CORPORATE INFORMATION

Asian Oilfield Services Limited (the “Company” or the “Holding 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 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. Accounting policies have been consistently applied except for the adoption of Ind AS 116 “Leases” with an application date of 1 April 2019.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, defined benefit obligations and employee share-based payments, which are 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, 2020 were approved by the Board of Directors on June 18, 2020.

#### b) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

##### Subsidiaries

Subsidiaries are the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition

method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the Holding 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

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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 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.

## Consistency in accounting policy

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.

## Other explanatory notes

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 Holding Company having no bearing on the true and fair view of the Group's position or results, has not been disclosed in these financial statements.

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

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the guidance regarding operating cycle stated in the Schedule III to the Act. Operating cycle for the business activities covers the duration of the project/ contract/ service and extends up to the realisation of receivables

within the credit period normally applicable to the respective project./ contract/ service.

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.

Deferred tax assets and liabilities are classified as non-current only..

### 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



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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.

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 Holding Company'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

Ind AS 115 "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers.

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. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers. 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).

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 customers and is recognised as and when 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.

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## (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 end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## (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 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.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments.

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.



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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.

Tangible Assets	Useful life
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.

## 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

The Group operates equity-settled share-based remuneration plans for its employees.

All services received in exchange for the grant of any share-based payment are measured at their fair values on the grant date and is recognised as an employee expense, in the profit or loss with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

separate component in equity. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

Grant date is the date when the Group and employees have shared an understanding of terms and conditions on the arrangement.

All share-based remuneration is ultimately recognised as an expense in the consolidated statement of profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holder does not impact the expense recorded in any period. Market conditions are taken into account when estimating the fair value of the equity instruments granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The Holding Company has instituted two employees' stock option plans under which the stock options have been granted to employees. One of such plans, Asian Oilfield Services Limited Employees Stock Option Plan 2019 has been implemented through an Employee Benefit Trust (ESOP Trust). The Holding Company treats ESOP Trust as its extension. The Holding Company has advanced an interest free loan to ESOP Trust who in turn purchase shares of AOSL from the market, for giving shares to employees. The balance equity shares not exercised and held by the ESOP Trust are disclosed as a reduction from the share capital and securities premium account with an equivalent adjustment to the subscription loan advanced to the ESOP Trust.

## n) Leases –

### Group as a lessee

The Group adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the standard to contracts or arrangements that were previously

identified as leases applying Ind AS 17. At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Right-of-use assets are measured at cost, less any accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Group separately recognises the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

The Group accounts for a lease modification as a separate lease when both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets.
- The consideration for the lease increases commensurate with the standalone price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract.

For a lease modification that fully or partially decreases the scope of the lease, the Group decreases the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

The Group has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group recognises the lease payments associated with such leases as an expense in the statement of profit and loss.

Transition to Ind-AS 116:

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated. On 1 April 2019, the Group has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Accordingly, on transition to Ind AS 116, the Group recognised lease liabilities and corresponding equivalent ROU assets. The Group has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. In the statement of profit or loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability.

The following is the summary of practical expedients elected on initial application

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grand father the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended 31 March 2019.

## Group as a lessor

Rental income from operating leases where the Group is a lessor is recognised on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Under Ind AS 17 – Comparative period:

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.

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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)
- 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



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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

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 net of any expected credit losses, if any. The Group provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

## 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

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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 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 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.



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## 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) Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance of the Group. The Chief Executive Officer and Executive Director(s) are identified as CODM of the Group, who assesses the financial performance and position of the Group and makes strategic decisions.

The CODM reviews revenue and gross profit as the performance indicators and does not review the total assets and liabilities for each reportable segment. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

## v) Unforeseeable losses

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

## w) 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.

### 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.

## Judgements

### (i) Deferred Income Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the respective entity'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 utilized without a time limit, that deferred tax asset is usually recognized in full.

### (ii) Business combinations

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

## Estimates

### (i) Revenue recognition

Contracts where the performance obligations are satisfied over time, revenue 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.

Contracts with customers often include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately or together requires

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

significant judgment based on nature of the contract, ability of the service to benefit the customer on its own or together with other readily available resources and the ability of the service to be separately identifiable from other promises in the contract.

**(ii) 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.

**(iii) 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.

**(iv) Expected Credit Loss**

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

**(v) 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.

**(vi) 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") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group from April 1, 2020.



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020

## 3A PROPERTY, PLANT AND EQUIPMENT

(All amounts in Lacs, unless otherwise stated)

Description	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, 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>
Addition*	-	-	1,785.91	-	2.47	13.32	-	-	1,801.70
Disposals	-	(3.93)	-	-	-	-	(37.62)	-	(41.55)
Adjustments (foreign exchange difference)	-	0.01	129.24	(0.67)	(1.45)	(0.82)	0.05	(0.04)	126.32
<b>As at March 31, 2020</b>	<b>7.95</b>	<b>7.57</b>	<b>14,418.92</b>	<b>22.16</b>	<b>49.79</b>	<b>171.87</b>	<b>118.68</b>	<b>2.18</b>	<b>14,799.12</b>
<b>Accumulated depreciation</b>									
<b>As at April 1, 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>2,679.69</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>0.91</b>	<b>4,179.44</b>	<b>20.76</b>	<b>40.93</b>	<b>131.67</b>	<b>145.98</b>	<b>0.99</b>	<b>4,520.66</b>
Addition*	-	0.26	1,734.11	0.53	2.17	26.49	3.27	0.26	1,767.09
Deductions	-	(0.81)	-	-	-	-	(33.94)	-	(34.75)
Adjustments (foreign exchange difference)	-	-	-	-	-	-	-	(0.21)	(0.21)
<b>As at March 31, 2020</b>	-	<b>0.36</b>	<b>5,913.55</b>	<b>21.29</b>	<b>43.10</b>	<b>158.16</b>	<b>115.31</b>	<b>1.04</b>	<b>6,252.80</b>
<b>Net carrying value</b>									
As at March 31, 2019	<b>7.95</b>	<b>10.59</b>	<b>8,324.33</b>	<b>2.07</b>	<b>7.85</b>	<b>27.70</b>	<b>10.27</b>	<b>1.23</b>	<b>8,391.98</b>
As at March 31, 2020	<b>7.95</b>	<b>7.21</b>	<b>8,505.37</b>	<b>0.87</b>	<b>6.69</b>	<b>13.71</b>	<b>3.37</b>	<b>1.14</b>	<b>8,546.31</b>

Note: The balance of computer equipments includes an asset recognised on acquisition of a company. Refer note 5.2 for further details

## 3B INTANGIBLE ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	Computer software	Total
<b>Gross carrying value (at deemed cost)</b>		
<b>As at April 1, 2018</b>	429.22	429.22
Additions	-	-
Adjustments	17.87	17.87
<b>As at March 31, 2019</b>	<b>447.09</b>	<b>447.09</b>
Additions	-	-
Adjustments	26.35	26.35
<b>As at March 31, 2020</b>	<b>473.45</b>	<b>473.45</b>
<b>Accumulated amortisation</b>		
<b>As at April 1, 2018</b>	<b>101.05</b>	<b>101.05</b>
Amortisation	82.14	82.14
Adjustments	4.68	4.68
<b>As at March 31, 2019</b>	<b>187.87</b>	<b>187.87</b>
Amortisation	76.83	76.83
Adjustments	15.53	15.53
<b>As at March 31, 2020</b>	<b>280.23</b>	<b>280.23</b>
<b>Net carrying value</b>		
<b>As at March 31, 2019</b>	<b>259.22</b>	<b>259.22</b>
<b>As at March 31, 2020</b>	<b>193.22</b>	<b>193.22</b>

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## 4. RIGHT OF USE ASSETS

Particulars	Building	Total
<b>As at April 1, 2019</b>	-	-
Transition adjustment (refer note 32)	444.68	444.68
Disposals/ adjustments	(46.05)	(46.05)
<b>As at March 31, 2020</b>	<b>398.64</b>	<b>398.64</b>
<b>Accumulated amortisation</b>		
<b>As at April 1, 2019</b>	-	-
Additions	125.66	125.66
Deductions/ adjustments	(3.64)	(3.64)
<b>As at March 31, 2020</b>	<b>122.02</b>	<b>122.02</b>
Net carrying value		
<b>As at March 31, 2020</b>	<b>276.62</b>	<b>276.62</b>

Also refer note 32 for additional details in relation to Right of Use assets.

## 5. INVESTMENTS IN JOINT VENTURE

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
<b>Investment valued at deemed cost, fully paid up</b>		
Investment in equity shares		
In joint venture in India	-	0.23
Less: Share of loss for the year	-	(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	-	-
<b>The Group had investments in joint venture as below: (Refer note 5.1 below)</b>		
Name of the joint venture - Optimum Oil & Gas Private Limited		
Country of incorporation and principal place of business - India		
Principal activity - Oil and gas service provider		
Proportion of ownership interests held by the Group	-	23%

### Note 5.1

The Holding Company has acquired an additional equity stake of 51% in Optimum Oil & Gas Private Limited (OOGPL). Accordingly OOGPL has been treated as subsidiary with effect from 30 November 2019, which was treated as joint venture till 29 November 2019.

The investment in above mentioned joint venture was 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 29 November 2019	As at March 31, 2019
Non-current assets	-	1.59
Current assets	-	9.87
<b>Total assets</b>	-	<b>11.46</b>
Current liabilities	-	46.16
<b>Total liabilities</b>	-	<b>46.16</b>
<b>Net assets</b>	-	<b>(34.70)</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at 29 November 2019	As at March 31, 2019
Equity share capital	-	1.00
Other equity	-	(35.70)
<b>Net equity</b>	<b>-</b>	<b>(34.70)</b>

In the previous year, the Group has provided for its share of losses of Optimum Oil & Gas Private Limited to the extent of its investment in the joint venture and has no contractual commitment to provide any further losses.

### Summary Statement of Profit and Loss of joint venture

(All amounts in Lacs, unless otherwise stated)

	April 1, 2019 to 29 November 2019	Year ended March 31, 2019
Revenue	-	41.99
Other income	0.04	-
Employee benefit expense	0.90	1.80
Interest expenses	-	49.47
Other administrative expenses	0.11	7.21
Depreciation and amortisation	0.10	0.53
Tax expense	-	-
<b>Total comprehensive loss for the year/period</b>	<b>(1.06)</b>	<b>(17.02)</b>

#### Notes:

No dividends were received from joint venture during the period April 1, 2019 to 29 November 2019 and year ended March 31, 2019.

As at 29 November 2019, the Group had no contingent liabilities or capital commitments relating to its interest in joint venture.

#### Note 5.2: Details of business combination

Name of the acquiree	Optimum Oil & Gas Private Limited
Country of incorporation and principal place of business	India
Principal activity	Oil and gas service provider
Date of acquisition	30 November 2019
Percentage of voting equity interest acquired	51%, in addition to 23% interest already held
Primary reasons for the business combination	Sale of shares by co-venturer

#### Details of assets and liabilities acquired and goodwill:

Property, plant and equipment	0.21
Cash and cash equivalent	2.95
Other current assets	5.45
Total assets (A)	8.61
Current financial liability	44.33
Trade payable	0.05
Total liabilities (B)	44.38
<b>Net assets/(liabilities) (A-B)</b>	<b>(35.77)</b>
<b>Share of asset/(liability) acquired (74% of above)*</b>	<b>(26.47)</b>

\* The Holding Company has recognised goodwill for an equivalent amount of ₹ 26.47 Lacs and has impaired the same considering limited operations of acquiree.

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## 6. LOANS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Unsecured, considered good		
Security deposits	2.71	0.42
	<b>2.71</b>	<b>0.42</b>
<b>Current</b>		
Unsecured, considered good		
Security deposits	33.10	83.36
	<b>33.10</b>	<b>83.36</b>

**Note:** Security deposits includes deposits given by the Group in the normal course of business

## 7. OTHER FINANCIAL ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Other receivables from customer (refer note below and note 45)	1,166.07	-
	<b>1,166.07</b>	<b>-</b>
<b>Current</b>		
Interest accrued on deposits	193.57	183.94
Interest accrued on loans to related party (refer note 38)	-	43.89
	<b>193.57</b>	<b>227.83</b>

**Note:** Other receivable from customer pertains to amounts withheld and performance guarantee invoked by a customer towards liquidation damages and non-performance for a certain project awarded to the Holding Company. At present, the Holding Company and such customer are pursuing such matter through amicable settlement process, as specified in contract with such customer.

## 8. INCOME TAX ASSETS (NET)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax receivable	1,598.19	1,267.83
	<b>1,598.19</b>	<b>1,267.83</b>

The following table provides the details of income tax assets and liabilities:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax receivable	1,598.19	1,267.83
Current tax liability (refer note 21)	1,034.61	8.08
<b>Net balance</b>	<b>563.58</b>	<b>1,259.75</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Gross movement in current tax assets/(liability) for the year is as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Net income tax asset at the beginning</b>	1,259.75	509.30
Income tax paid	463.46	758.53
Current income tax expense	(1,140.37)	(8.08)
Other adjustment	(19.26)	-
<b>Net current income tax asset at the end</b>	<b>563.58</b>	<b>1,259.75</b>
<b>Income tax expense recognised in statement of profit and loss comprises:</b>		
Current income tax	1,140.37	8.08
Deferred tax	-	-
	<b>1,140.37</b>	<b>8.08</b>
<b>Effective tax reconciliation</b>		
Profit before tax	4,063.91	918.15
Enacted tax rate in India	26.00%	25.75%
Expected income tax expense	1,056.61	236.41
Expenses not deductible in determining taxable profit	8.70	85.22
Expenses deductible in determining taxable profit	(28.77)	(7.66)
Effect of difference in tax rate in countries in which group operates	263.04	(234.08)
Losses carried forward/(adjusted) on which deferred tax is not created	(264.99)	(71.82)
Tax arrears paid in the current year	105.77	-
<b>Tax expense for the year</b>	<b>1,140.37</b>	<b>8.08</b>

**Note 8.1:** The Group has prudently decided not to recognise deferred tax asset as it is not probable to have future taxable profits in the countries which are not in tax free zones. Deferred income tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments.

**Note 8.2:** As of March 31, 2020, considering that the Holding Company and its subsidiaries incorporated in India have significant amount of carry forward tax losses and unabsorbed depreciation, the Group is presently evaluating and has not yet elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Based on management assessment, there is no impact of the new tax rate on the consolidated financial statements for the current period.

### Uncertain tax position :

The Group is subject to income taxes in India, Singapore and Nigeria. The Group have ongoing disputes which includes demands, notices and inquiries from income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions and allowances.

The Group have contingent liability of ₹ 121.13 Lacs (31st March, 2019: ₹ 121.13 Lacs), in respect of tax demands which are being contested by it based on the management evaluation and advice of tax consultants as the management believes that the ultimate tax determination is uncertain due to various tax positions taken by adjudicating authorities in the past.

The Group has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

## 9. OTHER NON-CURRENT ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	0.86	0.33
Other assets	-	122.11
	<b>0.86</b>	<b>122.44</b>

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## 10. INVENTORIES (at lower of cost and net realisable value)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Stores and spares	1.61	69.39
	<b>1.61</b>	<b>69.39</b>

Write-downs of inventories to net realisable value during the year amounted to ₹ 15.00 Lacs (March 31, 2019: ₹ 19.40 Lacs) and is included in 'Stores and consumables consumed' in statement of profit and loss.

## 11. TRADE RECEIVABLES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Considered good	8,897.22	5,939.80
Less: Expected credit loss allowance	(91.15)	-
	<b>8,806.07</b>	<b>5,939.80</b>

### Note 11.1: Movement in the expected credit loss allowance :

Balance at the beginning	-	-
Add: Provision made during the year	118.15	-
Less: Written off during the year	(27.00)	-
Balance at the end	<b>91.15</b>	-

Note: There are no trade receivables due from any director or any officer of the Group, 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.

## 12. CASH AND CASH EQUIVALENTS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current accounts	6,190.62	88.42
Cash on hand	5.08	8.58
	<b>6,195.70</b>	<b>97.00</b>

There are no repartition restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

The above balances includes an asset recognised on acquisition of a company. Refer note 5.2 for further details

## 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	2,001.92	2,422.37
	<b>2,001.92</b>	<b>2,422.37</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	2,001.92	2,422.37



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 14. OTHER CURRENT ASSETS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with government authorities	895.90	850.90
Contract assets - unbilled work in progress	740.62	822.84
Less: Allowance for impairment	(578.34)	-
	<b>162.28</b>	<b>822.84</b>
Prepaid expenses	160.83	18.37
<b>Advance to suppliers</b>		
Unsecured, considered good	530.41	1,270.37
Unsecured, considered doubtful	-	105.44
Less: Provision for doubtful advance to suppliers	-	(105.44)
<b>Employee advances</b>		
Unsecured, considered good	9.12	1.19
	<b>1,758.54</b>	<b>2,963.68</b>

Note: The above balances includes an asset recognised on acquisition of a company. Refer note 5.2 for further details

### 15. EQUITY SHARE CAPITAL

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Authorised :</b>		
Equity shares of ₹ 10 each	5,000.00	5,000.00
50,000,000 (March 31, 2019: 50,000,000) equity shares ₹ 10 each		
<b>(b) Issued</b>		
Equity shares of ₹ 10 each	3,807.44	3,807.44
38,074,444 (March 31, 2019: 38,074,444) equity shares ₹ 10 each		
<b>(c) Subscribed and fully paid-up</b>		
Equity shares of ₹ 10 each		
38,074,444 (March 31, 2019: 38,074,444) equity shares ₹ 10 each	3,807.44	3,807.44
Less: 380,744 (March 31, 2019: Nil) equity shares held in a trust for employees under ESOP Scheme [refer note (h) below]	(38.07)	-
	<b>3,769.37</b>	<b>3,807.44</b>

#### (d) 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)

Particulars	Number of shares	Amount (in Lacs)
<b>Equity shares as at 31 March 2018</b>	<b>3,80,74,444</b>	<b>3,807.44</b>
Increase/(decrease) during the year	-	-
<b>Equity shares as at March 31, 2019</b>	<b>3,80,74,444</b>	<b>3,807.44</b>
Less: Equity shares held in trust for employees under ESOP Scheme	(3,80,744)	(38.07)
<b>Equity shares as at March 31, 2020</b>	<b>3,76,93,700</b>	<b>3,769.37</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### (e) Terms and rights attached to equity shares

The Holding 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 Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
<b>Equity Share</b>				
Oilmax Energy Private Limited (Holding Company)	225.73	59.88%	225.73	59.29%
Mr. Balram Chainrai	36.03	9.56%	45.97	12.07%

The above information is furnished as per the shareholders register as at March 31, 2020 and March 31, 2019 respectively.

(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.

### (h) Employee Stock Option Plan

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance stock options - available for ESOP Scheme 2017	59,643	1,74,302
Balance stock options - available with ESOP Trust towards ESOP Scheme 2019 (Refer note below)	3,80,744	-

Note: The balance unexercised equity shares held by the ESOP Trust at the close of the year have been reduced against the share capital as if the trust is administered by the Holding Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating ₹ 255.98 Lacs (As at March 31, 2019: Nil) has also been reduced from securities premium account and adjusted against the loan outstanding from the ESOP Trust.

### Note 15.1: Non-controlling interest (NCI)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Optimum Oil and Gas Private Limited</b>		
Share in Equity share capital	0.26	-
Share in Other equity	(10.29)	-
<b>Subtotal (A)</b>	<b>(10.03)</b>	<b>-</b>
<b>Ivorene Oil Services Nigeria Limited</b>		
Share in Equity share capital	-*	-*
Share in Other equity	-*	-*
<b>Subtotal (B)</b>	<b>-*</b>	<b>-*</b>
<b>Grand total (A)+(B)</b>	<b>(10.03)</b>	<b>-</b>

\* Amount is less than ₹ 1,000 in absolute terms.



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 16. BORROWINGS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current - at amortised cost</b>		
<b>Secured</b>		
Term loan from bank	-	556.44
Less: Current maturities of long-term borrowings (refer note 17)	-	(556.44)
	-	-
<b>Current - at amortised cost</b>		
<b>Unsecured</b>		
Inter corporate deposits from related party (refer note 38)	-	440.00
	-	<b>440.00</b>

(All amounts in Lacs, unless otherwise stated)

Net Debt Reconciliation	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	6,195.70	97.00
Current borrowings (including interest accrued)	(54.97)	(604.03)
Non-current borrowings (including current maturities)	-	(556.44)
<b>Net debt</b>	<b>6,140.73</b>	<b>(1,063.47)</b>

Particulars	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net Debt as at 31 March 2018</b>	<b>822.66</b>	<b>(2,141.00)</b>	<b>(449.34)</b>	<b>(1,767.68)</b>
Cash flow (net)	(895.22)	1,584.56	449.34	1,138.69
Inter corporate deposit taken during the year	-	-	(6,040.00)	(6,040.00)
Inter corporate deposit repaid during the year	-	-	5,600.00	5,600.00
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 31 March 2019</b>	<b>97.00</b>	<b>(556.44)</b>	<b>(604.03)</b>	<b>(1,063.49)</b>
Cash flow (net)	6,016.98	556.44	-	6,573.42
Inter corporate deposit taken during the year	-	-	(1,605.00)	(1,605.00)
Inter corporate deposit repaid during the year	-	-	2,045.00	2,045.00
Interest expense	-	(9.92)	(160.45)	(170.37)
Interest paid	-	9.92	269.51	279.43
Effect of foreign exchange difference	81.72	-	-	81.72
<b>Net Debt as at 31 March 2020</b>	<b>6,195.70</b>	<b>-</b>	<b>(54.97)</b>	<b>6,140.73</b>

#### Terms of Borrowing:

##### (a) Term Loan from bank

- (i) As at March 31, 2019, 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 ₹ 200 Lacs.

##### (b) Inter corporate deposits

As at March 31, 2019, the Group 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 consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 17. OTHER FINANCIAL LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Lease liabilities (Refer note 32)	173.74	-
Employee related payables	6.61	3.98
	<b>180.35</b>	<b>3.98</b>
<b>Current</b>		
Lease liabilities (Refer note 32)	115.47	-
Current maturities of long term borrowings (Refer note 16)	-	556.44
Interest accrued but not due on inter corporate deposits (Refer note 38)	54.97	164.03
Security deposit	736.60	200.01
Liability for capital goods	370.50	60.46
Employee related payables	76.69	114.40
	<b>1,354.23</b>	<b>1,095.34</b>

**Note:** The above balances includes an asset recognised on acquisition of a company. Refer note 5.2 for further details

### 18. OTHER LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Deferred income on security deposit	100.64	-
	<b>100.64</b>	-
<b>Current</b>		
Statutory dues payable	31.44	112.07
Contract liabilities	3,423.88	-
Deferred income on security deposit	57.50	-
	<b>3,512.82</b>	<b>112.07</b>

### 19. PROVISIONS

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Gratuity (refer note 36.1)	10.62	3.83
	<b>10.62</b>	<b>3.83</b>
<b>Current</b>		
Provision for settlement of litigation (refer notes 19.1 and 19.2)	110.25	512.98
Gratuity (refer note 36.1)	2.62	2.59
	<b>112.87</b>	<b>515.57</b>

Note 19.1: Provision amounting to ₹ 110.25 Lacs (USD 146,248) has been created by the Dubai subsidiary towards a dispute with one of its former employee.

Note 19.2: Pursuant to settlement agreement dated 10 May 2019 entered with its customer, the Group has settled its obligation during the current year for which a provision of ₹ 512.98 Lacs was created in previous year.



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 20. TRADE PAYABLES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises	6.52	0.91
Total outstanding dues of creditors other than micro and small enterprises	6,316.54	4,465.40
<b>Total trade payables</b>	<b>6,323.06</b>	<b>4,466.31</b>

**Note:** The above balances includes an asset recognised on acquisition of a company. Refer note 5.2 for further details

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:

(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	6.52	0.91
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	-	-
(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	-	-

### 21. CURRENT TAX LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax payable	1,034.61	8.08
	<b>1,034.61</b>	<b>8.08</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 22. REVENUE FROM OPERATIONS

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from oilfield services	27,077.96	19,160.52
Revenue from consultancy services	226.04	225.00
	<b>27,304.00</b>	<b>19,385.52</b>

### 23. OTHER INCOME

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on financial assets measured at amortised cost	211.64	195.16
Liabilities/provisions written back	11.38	113.49
Profit on sale of property, plant and equipment (net)	21.95	13.62
Scrap sale	8.39	30.44
Net gain on foreign currency transactions	50.87	-
Miscellaneous income	53.98	45.01
	<b>358.21</b>	<b>397.72</b>

### 23. OILFIELD SERVICES RELATED EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub-contracting charges	10,991.95	9,052.27
Stores and consumables consumed	109.73	274.17
Camp establishment and maintenance	49.86	189.23
Machinery hire charges (refer note 32)	29.56	886.16
Vehicle hire charges (refer note 32)	111.51	321.41
Fuel rig expenses	5.36	14.06
Labour charges	35.62	117.00
Freight expenses	23.91	73.52
Power and fuel	13.27	17.14
License expenses	8.03	14.10
Repairs and maintenance		
- plant and machinery	33.06	29.19
Technical consultancy charges	1,563.10	723.44
Service charges	5,168.73	1,036.54
Other operational expenses	37.08	23.16
	<b>18,180.78</b>	<b>12,771.39</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 25. EMPLOYEE BENEFITS EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus (including managerial remuneration)	918.30	1,922.93
Contribution to provident and other funds (refer note 36.ii)	39.19	66.32
Employee stock option expenses (refer note 36.iii)	32.88	63.29
Staff welfare	12.96	14.46
	<b>1,003.33</b>	<b>2,067.00</b>

### 26. FINANCE COSTS

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on:		
- borrowings carried at amortised cost	170.37	251.88
- delayed payment of statutory dues	29.34	74.04
- lease liabilities (refer note 32)	33.89	-
- other	9.11	19.85
Bank charges	42.49	226.29
	<b>285.20</b>	<b>572.06</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3A)	1,767.09	1,862.13
Amortisation of intangible assets (refer note 3B)	76.83	82.14
Depreciation on Right-of-use (ROU) assets (refer note 4)	122.02	-
	<b>1,965.94</b>	<b>1,944.27</b>

### 28. OTHER EXPENSES

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement and business promotion expenses	4.30	13.22
Rent (refer note 32)	24.53	192.99
Rates and taxes	128.42	90.14
Travelling and conveyance	269.08	227.04
Printing and stationery	11.64	12.70
Membership and subscription charges	8.12	0.93
Telephone and internet expenses	7.04	33.13
Insurance	66.67	74.75
Security expenses	67.92	52.03
Legal and professional charges (refer note below)	505.04	328.46
Directors sitting fees (refer note 38)	8.15	7.20

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance		
- building	1.14	15.44
- others	20.72	45.67
Compensation for legal case	110.25	-
Provision for doubtful advances	-	105.44
Impairment allowance on trade receivable	118.15	-
Sundry balances written off	18.25	13.28
Miscellaneous expenses	107.08	47.18
	<b>1,476.50</b>	<b>1,259.60</b>

**Note:**

Details of payments to auditors (excluding indirect taxes)	Year ended March 31, 2020	Year ended March 31, 2019
As auditor:		
Statutory audit and limited review	30.00	30.00
Certification and allied matters	3.00	-
Re-imburement of expenses	1.65	1.70
	<b>34.65</b>	<b>31.70</b>

**29. EXCEPTIONAL ITEMS (LOSS)**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Foreign exchange gain/ (loss)	-	54.18
Current trade receivables written off	-	(175.87)
Impairment of contract assets (unbilled revenue)	(578.34)	-
Liabilities/ provision written back	142.59	-
Advances to suppliers impaired/ written off	(250.80)	(129.08)
	<b>(686.55)</b>	<b>(250.77)</b>

**30. EARNINGS PER SHARE (EPS)**

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to equity holders of the Company for basic and diluted earnings used as numerator - (A) (in Lacs)	2,923.54	910.07
Weighted average number of equity shares outstanding during the year for Basic EPS - (B)	3,78,79,911	3,80,74,444
Add: Effect of potential equity shares which are dilutive	19,268	-
Weighted average number of equity shares outstanding during the year for Diluted EPS - (C)	3,78,99,179	3,80,74,444
Basic earning per share (₹) - (A)/(B) (face value ₹ 10 each)	7.72	2.39
Diluted earning per share (₹) - (A)/(C) (face value ₹ 10 each)	7.71	2.39

Note: As at March 31, 2020, the Holding Company has two ongoing ESOP schemes out of which for one scheme issued in 2017 the effect of shares to be issued under the stock option plan is anti-dilutive and hence such shares have been excluded while computing diluted earnings per share.



# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

## 31. CONTINGENT LIABILITIES

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Labour law matter	7.78	7.70
(b) Employee visa guarantee	0.62	0.57
(c) Income tax matters	121.13	121.13
	<b>129.53</b>	<b>129.40</b>

- (d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions from the EPFO for the applicability of SC judgement for the past period, if any, the impact is not ascertainable at present and consequently no effect has been given in the financial statements.

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

## 32. LEASES - IND AS 116

### 1. Impact on transition to Ind AS 116

The Group has made use of the following practical expedients available in its transition to Ind AS 116 .

- The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered or modified by the group companies before April 1, 2019.
- The Group has applied different discount rates to domestic leases and foreign leases. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is as follows.

Domestic leases: 9.57 %

Foreign leases: 4.50 %

#### Right-of-use Assets:

- On transition, the Group had recognised right-of-use assets aggregating ₹ 444.68 Lacs.
- The Group has reverse right-of-use assets of ₹ 46.05 Lacs during the year on account of changes in terms of the lease agreements.
- The net carrying value of right-of-use assets as at March 31, 2020 amounts to ₹ 276.62 Lacs (gross carrying and accumulated depreciation value of ₹ 398.64 Lacs and ₹ 122.02 Lacs, respectively) and have been disclosed separately in the balance sheet (Refer Note 4).

#### Lease liabilities:

- On transition, the Group has recognised lease liabilities amounting to ₹ 444.69 Lacs.
- The Group has reverse lease liability of ₹ 46.05 Lacs during the year on account of changes in terms of the lease agreements.
- As at March 31, 2020, the obligations under finance leases amounts to ₹ 289.21 Lacs (non-current and current obligation amounting ₹ 173.74 Lacs and ₹ 115.47 Lacs respectively) which have been classified to lease liabilities, under other financial liabilities. (Refer note 17).

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

(iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020:

Carrying amount	Contractual cash flows			
	Total	0-1 year	1-5 years	5 years and above
289.21	324.71	137.92	186.79	-

(₹ in Lacs)

### 2. During the year ended March 31, 2020, the Group recognised the following in the statement of profit and loss:

- Depreciation expense from right-of-use assets of ₹ 122.02 Lacs (Refer note 27 and note 4).
- Finance cost on lease liabilities of ₹ 33.89 Lacs (Refer note 26).
- Rent expense amounting to ₹ 165.60 Lacs pertaining to leases of low-value assets and leases with less than twelve months of lease term has been included under machinery hire charges, vehicle hire charges and rent expenses (Refer notes 24 and 28).

### 33. 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 Balance sheet 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, 2020	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	8,806.07	<b>8,806.07</b>
Cash and cash equivalents	12	-	-	6,195.70	<b>6,195.70</b>
Bank balances other than above	13	-	-	2,001.92	<b>2,001.92</b>
Loans	6	-	-	35.81	<b>35.81</b>
Other financial assets	7	-	-	1,359.64	<b>1,359.64</b>
<b>Total financial assets</b>		-	-	<b>18,399.14</b>	<b>18,399.14</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,17	-	-	-	-
Trade payables	20	-	-	6,323.06	<b>6,323.06</b>
Other financial liabilities	17	-	-	1,534.58	<b>1,534.58</b>
<b>Total financial liabilities</b>		-	-	<b>7,857.65</b>	<b>7,857.65</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

(All amounts in Lacs, unless otherwise stated)

As at March 31, 2019	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	5,939.80	<b>5,939.80</b>
Cash and cash equivalents	12	-	-	97.00	<b>97.00</b>
Bank balances other than above	13	-	-	2,422.37	<b>2,422.37</b>
Loans	6	-	-	83.78	<b>83.78</b>
Other financial assets	7	-	-	227.83	<b>227.83</b>
<b>Total financial assets</b>		-	-	<b>8,770.78</b>	<b>8,770.77</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,17	-	-	996.44	<b>996.44</b>
Trade payables	20	-	-	4,466.31	<b>4,466.31</b>
Other financial liabilities	17	-	-	542.88	<b>542.88</b>
<b>Total financial liabilities</b>		-	-	<b>6,005.63</b>	<b>6,005.63</b>

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

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, loans, current security deposit, 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 an estimate of 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.

The Group trades with recognised 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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

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

(All amounts in Lacs, unless otherwise stated)

Ageing of trade receivable (gross carrying amount)	Days past dues			
	0-180	180-365	Above 365	Total
<b>As at March 31, 2020</b>	6,698.81	690.69	1,507.72	8,897.22
<b>As at March 31, 2019</b>	4,173.79	1,383.42	382.59	5,939.80

**Movement in the allowances for financial and other assets is as under:**

**Reconciliation of loss allowance provision for loans, other financial assets and other assets**

(All amounts in Lacs, unless otherwise stated)

Reconciliation of loss allowance	Amount
Loss allowance as at 31 March 2018	163.84
Add: Additional provision during the year	105.44
Less: Write - offs during the year	(163.84)
Loss allowance as at March 31, 2019	105.44
Add: Additional provision during the year	416.91
Less: Write - offs during the year	(522.35)
<b>Loss allowance as at March 31, 2020</b>	<b>-</b>

For reconciliation of loss allowance for trade receivable, please refer note 11.1.

### 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 the 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.

<b>As at March 31, 2020</b>	Repayable on demand	Less than 1 Year	1-2 years	Total
Borrowings	-	-	-	-
Trade payables	-	6,323.06	-	6,323.06
Other financial liabilities	54.97	1,462.67	180.35	1,697.98
	<b>54.97</b>	<b>7,785.73</b>	<b>180.35</b>	<b>8,021.04</b>

<b>As at March 31, 2019</b>	Repayable on demand	Less than 1 Year	1-2 years	Total
Borrowings	440.00	580.91	-	1,020.91
Trade payables	-	4,466.31	-	4,466.31
Other financial liabilities	164.04	374.86	3.98	542.88
	<b>604.04</b>	<b>5,422.08</b>	<b>3.98</b>	<b>6,030.10</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 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 exchange 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 Group's 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 functional currency, are as follows

As at March 31, 2020	In USD	In ₹	In Naira	In ₹	In Other currency *	In INR	Total (₹)
<b>Financial assets</b>							
Trade receivables	3.00	226.04	-	-	-	-	226.04
Cash and cash equivalents	0.01	0.40	0.28	0.06	0.43	8.86	9.32
	<b>3.01</b>	<b>226.44</b>	<b>0.28</b>	<b>0.06</b>	<b>0.43</b>	<b>8.86</b>	<b>235.36</b>
<b>Financial liabilities</b>							
Trade payables	15.28	1,151.60	-	-	0.10	4.66	1,156.26
Other financial liabilities	4.95	373.37	-	-	-	-	373.37
	<b>20.23</b>	<b>1,524.97</b>	-	-	<b>0.10</b>	<b>4.66</b>	<b>1,529.63</b>
<b>Net exposure</b>	<b>(17.22)</b>	<b>(1,298.53)</b>	<b>0.28</b>	<b>0.06</b>	<b>0.33</b>	<b>4.20</b>	<b>(1,294.27)</b>
<b>As at March 31, 2019</b>							
<b>Financial assets</b>							
Trade receivables	-	-	-	-	-	-	-
Cash and cash equivalents	0.05	3.43	0.23	0.05	0.10	1.85	5.33
	<b>0.05</b>	<b>3.43</b>	<b>0.23</b>	<b>0.05</b>	<b>0.10</b>	<b>1.85</b>	<b>5.33</b>
<b>Financial liabilities</b>							
Trade payables	21.16	1,463.69	-	-	0.02	0.30	1,463.99
Other financial liabilities	0.87	60.46	-	-	-	-	60.46
	<b>22.03</b>	<b>1,524.15</b>	-	-	<b>0.02</b>	<b>0.30</b>	<b>1,524.45</b>
<b>Net exposure</b>	<b>(21.98)</b>	<b>(1,520.72)</b>	<b>0.23</b>	<b>0.05</b>	<b>0.08</b>	<b>1.55</b>	<b>(1,519.12)</b>

\* Other currency include Arab Emirates Dirham and Pound sterling which are individually immaterial.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 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)

Financial assets	Year ended March 31, 2020			Year ended March 31, 2019		
	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	5.45%	(7.86)	(7.86)	6.26%	(3.69)	(3.69)
Naira	40.29%	0.02	0.02	7.03%	0.00	0.00
Other currencies	5.00%	0.21	0.21	5.00%	0.08	0.08

\*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 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)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	-	556.44
Fixed rate borrowing	-	440.00
	-	<b>996.44</b>

(All amounts in Lacs, unless otherwise stated)

Sensitivity	Movement in Rate	Year ended March 31, 2020	Year ended March 31, 2019
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

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 Group exposure to price risk arises from investments in debt fund held by the Group and classified in the balance sheet as fair value through profit and loss. However, Group has no investment in debt fund, as at March 31, 2020 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, 2020 (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.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	-	996.44
Total equity (as per balance sheet)	18,145.29	15,200.14
<b>Debt to equity ratio</b>	<b>-</b>	<b>0.07</b>

The Group doesn't carry any debt as at year ended March 31, 2020.

### 36. EMPLOYEE BENEFITS

#### (i) Defined benefit plan

##### Gratuity :

The Group 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

(All amounts in Lacs, unless otherwise stated)

Movement in the present value of projected benefit obligation for gratuity	March 31, 2020	March 31, 2019
At the beginning of the year	20.86	27.95
Interest cost	1.39	2.15
Current service cost	6.17	6.82
(Benefit paid directly by the employer)	(5.32)	(11.64)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.13)	3.35
Actuarial (gains)/losses on obligations - due to experience	0.41	(3.17)
Actuarial (gains)/losses on obligations - due to demographic assumption	(0.00)	(4.60)
<b>At the end of the year</b>	<b>23.38</b>	<b>20.86</b>
<b>Movement in the fair value of plan assets :</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening fair value of plan assets	14.44	24.50
Expected return on plan assets	0.96	1.89
Benefits paid	(5.31)	(11.63)
Actuarial gains / (losses)	0.05	(0.32)
<b>Closing fair value of plan assets</b>	<b>10.14</b>	<b>14.44</b>
Actual return on plan assets:		
Expected return on plan assets	0.96	1.89
Actuarial [losses]/ gains on plan assets	0.05	(0.32)
<b>Actual return on plan assets</b>	<b>1.01</b>	<b>1.57</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### B. Amount recognised in the statement of profit and loss

	March 31, 2020	March 31, 2019
Interest cost (net of actual return on plan assets)	0.43	0.26
Current service cost	6.17	6.82
<b>Net impact as employee benefit expenses in profit and loss</b>	<b>6.60</b>	<b>7.08</b>
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.13)	3.35
Actuarial (gains)/losses on obligations - due to experience	0.41	(3.16)
Actuarial (gains)/losses on obligations - due to demographic assumption	(0.00)	(4.60)
Actuarial (gains)/ losses on plan assets	(0.05)	0.32
<b>Net impact as other comprehensive (income)/ loss before tax</b>	<b>0.23</b>	<b>(4.11)</b>

### C. Amount recognised in the balance sheet

	March 31, 2020	March 31, 2019
Present value of obligations as at year end	23.38	20.86
Fair value of plan assets as at year end	10.14	14.44
<b>Net Asset/(Liability) recognised</b>	<b>(13.24)</b>	<b>(6.42)</b>
Current asset/(liability)	(2.62)	(2.59)
Non Current asset/(liability)	(10.62)	(3.83)
<b>Asset information</b>		
Group Scheme of LIC	100%	100%
Expected Employer's Contribution for the next year	8.66	8.53

Number of active members are 91 (March 31, 2019 : 151).

Weighted average duration of the projected benefit obligation for gratuity is 3.31 years (March 31, 2019 : 3.39 years).

### D. The defined benefit obligations shall mature after year end as follows:

(All amounts in Lacs, unless otherwise stated)

	March 31, 2020	March 31, 2019
1st following year	4.47	0.16
2nd following year	3.64	0.43
3rd following year	2.89	0.21
4th following year	3.20	1.93
5th following year	1.79	1.16
sum of years 6 to 10	4.77	14.38

### 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, 2020	Year ended March 31, 2019
Rate of discounting - Indicative Government security referenced rate of interest	6.80%	6.65%
Rate of salary increase	5.00%	5.00%
Rate of employee turnover	25.00%	25.00%
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, 2020 (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, 2020	Year ended March 31, 2019
Discount Rate (0.5% Movement Increase)	(0.44)	(0.43)
Discount Rate (0.5% Movement Decrease)	0.45	0.44
Future Salary Growth (0.5% Movement Increase)	0.46	0.45
Future Salary Growth (0.5% Movement Decrease)	(0.45)	(0.04)

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 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 residing in India. 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)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution towards Provident Fund (PF)	35.72	53.10
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	3.47	13.22
	<b>39.19</b>	<b>66.32</b>

### (iii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The details of activity under the ESOP scheme are summarized below:

	ESOP 2019	ESOP 2017
Date of approval by shareholders	18-Sep-19	23-Aug-17
Options granted	3,80,744	1,74,302
Exercise price	80.00	165.00
Conditions attached:		
- Vesting period	2 year from grant date	2 year from grant date
- Other conditions	Exercise of vested options would be done any time before the termination of the services of the employee through resignation, retirement or otherwise	Exercise of vested options would be done subsequently in maximum of three tranches at any time before the termination of the services of the employee through resignation, retirement or otherwise

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

The expense recognised for employee services received during the year is as under::

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	32.88	63.29
	<b>32.88</b>	<b>63.29</b>

### Movements during the year

The following table illustrates the movements in number of share options during the year:

	ESOP 2019 Nos. in Lacs	ESOP 2017 Nos. in Lacs
Outstanding as at April 1, 2019	-	1.74
Add/(less): Movement during the year	-	-
Outstanding as at March 31, 2019	-	1.74
Less: Options lapsed	-	(1.14)
Add: Options granted during the year	3.81	-
<b>Outstanding as at March 31, 2020</b>	<b>3.81</b>	<b>0.60</b>

### Share options available with Key Management Personnel (in number)

Key Management Personnel	ESOP 2019	ESOP 2017
Mr. Ashutosh Kumar	76,607	25,454
Mr. Sumit Maheshwari	52,098	10,909
Mr. Rabi Narayan Bastia	78,508	-

The following are the inputs to the models used for the employees' stock option plan:

Particulars	ESOP 2019	ESOP 2017
Exercise price (₹)	80.00	165.00
Grant date	24-Sep-19	24-Aug-17
Vesting date	23-Sep-22	24-Aug-19
Expiry date	23-Sep-22	24-Aug-19
Dividend yield (%)	-	-
Expected price volatility (%)	53.83%	58.51%
Risk-free interest rate (%)	5.96%	6.35%
Expected life of share options (years)	3.00	2.00
Period	3 Years	2 Years
Weighted average price (WAP) (₹)	88.35	88.35
Share price at grant date (₹)	71.30	181.80
Model used	Black Scholes	Black Scholes



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 37. THE SUBSIDIARIES AND JOINT VENTURE CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Subsidiaries				% ownership interest	
				As at March 31, 2020	As at March 31, 2019
Name of the Company	Principal activities	Country of Incorporation	With effect from		
Asian Oilfield & Energy Services DMCC	Oil & Gas Services	Dubai	16 November 2016	100.00	100.00
AOSL Petroleum Pte Limited	Oil & Gas Services	Singapore	16 November 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	100.00
Optimum Oil & Gas Private Limited	Oil & Gas Services	India	30 November 2019	74.00	23.00

#### Joint venture

Optimum Oil & Gas Private Limited (upto 29 November 2019)

### 38. RELATED PARTY DISCLOSURES

#### A. Name of the related party and nature of the related party relationship :

##### a) Parent Company

Oilmax Energy Private Limited

##### b) Joint Venture

Optimum Oil & Gas Private Limited (upto 29 November 2019)

##### c) Individuals having control or significant influence over the Group by virtue of owning indirect interest in the voting power

Mr. Kapil Garg - Director of Parent Company

Ms. Ritu Garg - Promoter of Parent Company

##### d) Key Management Personnel

Mr. Ashutosh Kumar - Chief Executive Officer and Whole Time Director

Mr. Nayan Mani Borah – Independent Director (Chairman)

Mr. Sumit Maheshwari - Chief Financial Officer

Mr. Rabi Narayan Bastia - Director

Mr. Kadayam Ramanathan Bharat - Independent Director

Ms. Anusha Mehta - Independent Director

Mr. Devesh Bhargava – Independent Director (w.e.f. 23 May 2019)

Mr. Mukesh Jain – Independent Director (w.e.f. 29 May 2019)

Mr. Gaurav Gupta - Director (upto 30 April 2019)

Ms. Archana Nadgouda - Company Secretary

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### B. Transactions with related parties :

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Parent Company</b>		
Loan taken during the year	1,605.00	6,040.00
Repayment of loan	2,045.00	5,600.00
Interest on loan taken	160.44	182.25
Sale of services	-	225.00
<b>Joint Venture</b>		
Acquisition of equity shares	0.51	-
Repayment of loan	-	631.50
Interest on loan given	-	48.07
<b>Key Managerial Personnel</b>		
Remuneration#	175.70	214.42
Sitting fees	8.15	7.20
Reimbursement of expenses	6.94	21.44
# Exclusive of gratuity expense.		
<b>Individuals having significant influence</b>		
Rent expense*	133.50	144.00

\* Figures for March 31, 2020 are based on contractual arrangement executed for leases and does not include impact of Ind AS 116.

### C. Balances with related parties

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Parent Company</b>		
Inter corporate deposits taken	-	440.00
Accrued interest on above	54.97	164.03
<b>Joint Venture</b>		
Investment in equity shares	-	0.23
Interest receivable	-	43.89
<b>Key Managerial Personnel</b>		
Payable	-	12.93
Receivable	0.29	-



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Individuals having significant influence</b>		
Payable*	-	25.92

\* Figures for March 31, 2020 are based on contractual arrangement executed for leases and does not include impact of Ind AS 116.

### D. Remuneration paid to KMP^^

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Rohit Agarwal	-	21.13
Mr. Ashutosh Kumar	107.92	135.41
Mr. Sumit Kumar Maheshwari	51.53	45.20
Ms. Shweta Vaibhav Jain	-	1.84
Ms. Archana Nadgouda	16.25	10.84
<b>Total remuneration</b>	<b>175.70</b>	<b>214.42</b>

Note: For ESOP granted to KMP refer note 36(iii)

^^ The above figures does not include provision for gratuity since it is actuarially determined for the Group as a whole.

### 39. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

For un-hedged foreign currency exposure, refer section 'Foreign currency risk' under Note 34 - Financial Risk Management.

### 40. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of criterias stated in Section 135 of the Act not getting met, the entities incorporated in India are 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, 2020 and the date of authorisation of these consolidated financial statements.

- 42: a) Asian Oilfield & Energy Service DMCC ('ADMCC'), a subsidiary of Holding Company, had filed for arbitration in 'The London Court of International Arbitration' on June 19, 2018 against early termination of 'Service Contract for Operations and Maintenance of Floating Production Unit' by its customer. The termination notice was received on May 7, 2018, with ADMCC given 14 days (from May 7, 2018) to provide the Floating Production Unit operations back to the customer. Both the parties had signed a settlement deed dated December 3, 2018. However, as per the arbitration dated February 22, 2019, the dispute arose between the parties in relation to the above settlement deed. On February 5, 2019, ADMCC demanded payment of second instalment of USD 2,000,000 (₹ 1,507.72 Lacs) for which the last day expired on February 19, 2019, however the customer did not settle the payment. Both the parties have agreed on suspension of arbitration proceedings and are currently evaluating an out-of-court settlement. As per the joint communication dated March 31, 2020 made to the Arbitration Tribunal and the Tribunal's Procedural Order No. 11 dated April 1, 2020, both the parties have mutually agreed to a further extension of the current stay of the arbitration proceedings up to and including June 30, 2020 and the deadline for the parties to produce further documents pursuant to the Tribunal's rulings in the Redfern Schedules is extended to July 1, 2020. ADMCC's management believes such amount shall be realised in near future without any loss.
- 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, 2020 (Contd.)

## 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)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	3,216.19	14,604.50
Outside India	24,087.81	4,781.02
<b>Total revenue from operations (Refer note 22)</b>	<b>27,304.00</b>	<b>19,385.52</b>

### (c) Revenue derived from the major customers is as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from top customer	23,861.77	9,954.68
Revenue from top three customers	26,928.36	16,994.82

For the year ended March 31, 2020, one (March 31, 2019 : three) customers, individually accounted for more than 10% of the revenue.

### (d) Segment Assets and Liabilities

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>		
India	14,081.22	13,850.94
Outside India	15,095.08	6,726.55
	<b>29,176.30</b>	<b>20,577.49</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Liabilities</b>		
India	2,177.55	4,725.05
Outside India	9,417.04	1,912.05
	<b>11,594.59</b>	<b>6637.10</b>

## 44. DISCLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

### a) Reconciliation of revenue from sale of services with the contract price

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contracted Price	26,093.60	18,484.74
Add/(less): variable considerations	1,210.39	266.21
Add: compensation on termination of contract	-	634.57
<b>Sale of Services</b>	<b>27,304.00</b>	<b>19,385.52</b>



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### b) Sale by performance obligations

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As services are rendered (over the period of time)	26,877.97	18,253.56
Upon completion of services (at a point in time)	426.03	1,131.96
	<b>27,304.00</b>	<b>19,385.52</b>

### c) Contract balances

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Trade receivables (net carrying value)	8,806.07	5,939.80
Contract assets (net carrying value)	162.28	822.84
Contract liability	<b>3,423.88</b>	-

During the year ended March 31, 2020, the Group has recognised revenue of ₹ 244.51 Lacs (March 31, 2019 ₹ 1,533.22 Lacs) and has recognised impairment on contract assets of ₹ 578.33 Lacs (March 31, 2019 Nil) arising from the opening balance of contract assets.

45. Trade receivables (current) and Other financial assets (non-current) as at March 31, 2020 of the Holding Company includes an amount of ₹ 424.79 Lacs and ₹ 1,166.07 Lacs, respectively, mainly representing amounts withheld by the customers towards certain projects and performance guarantee invoked by a customer towards alleged non-performance on a project awarded to the Holding Company. At present, the Holding Company is in the process of pursuing such matters with such customers through amicable settlement process. Further, for an amount withheld by a customer to the extent of ₹ 231.92 Lacs, the Holding Company is reasonably confident of having completed its ultimate performance obligations within the agreed completion timelines specified in the contract. Considering the contractual tenability, progress of negotiations/ discussions and legal advice obtained in respect of these matters, the management is confident of recovery of these assets and accordingly believes that these matters would be amicably resolved without any loss to the Group.

### 46. IMPACT OF COVID-19

In the wake of COVID-19 outbreak, the seismic operation sites in India were temporary suspended from March 25, 2020, which has been partially resumed after May 31, 2020. The Holding Company have taken necessary steps to communicate with its employees, customers and vendors and updated them on a regular basis. While volatility was witnessed in the oil prices in recent past, there is no major change in seismic data acquisition plan of Government of India projects till now.

The Management and the Board of Directors have assessed the possible effects of COVID-19 pandemic on Holding Company's liquidity position for the next financial year and the carrying values of Holding Company's assets comprising of property, plant and equipment, trade receivables and other assets as balance sheet date, and has concluded that no material adjustments are required on these consolidated financial statements.

The impact assessment of COVID-19 is an ongoing process and the Holding Company will continue to monitor any material changes to future economic conditions, as and when they arise.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

### 47: ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF THE ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

#### a) As at and for the year ended March 31, 2020

(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>Holding Company</b>						
Asian Oilfield Services Limited	76.53%	13,885.95	16.08%	470.21	(0.08%)	(0.23)
<b>Subsidiaries - Foreign</b>						
AOSL Petroleum Pte Limited	(7.66%)	(1,389.09)	5.90%	172.47	-	-
Asian Oilfield & Energy Services DMCC	33.74%	6,121.80	99.82%	2,918.42	-	-
Ivorene Oil Services Nigeria Limited	1.11%	201.04	1.89%	55.30	-	-
<b>Subsidiary - Indian</b>						
AOSL Energy Services Limited	(0.00% *)	(0.62)	(0.03%)	(0.83)	-	-
Optimum Oil & Gas Private Limited	(0.21%)	(38.57)	(0.13%)	(3.87)	-	-
<b>Subtotal</b>	<b>103.50%</b>	<b>18,780.51</b>	<b>123.54%</b>	<b>3,611.70</b>	<b>(0.08%)</b>	<b>(0.23)</b>
Inter company elimination and consolidation adjustment including foreign exchange difference on translation	(3.50%)	(635.22)	(23.54%)	(688.16)	100.08%	283.00
<b>Grand total</b>	<b>100.00%</b>	<b>18,145.29</b>	<b>100.00%</b>	<b>2,923.54</b>	<b>100.00%</b>	<b>282.77</b>

\* less than 0.01%



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

**b) 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>Holding 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%)	(655.33)	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>

\* 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

Place: Mumbai

Date: 18 June 2020

**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: 18 June 2020

**Nayan Mani Borah**

Chairman

(DIN-00489006)

**Sumit Maheshwari**

Chief Financial Officer

# Notice of 27th Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of the Members of **Asian Oilfield Services Limited** will be held on Friday, September 11, 2020 at 11.00 a.m. IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (Registered Office of the Company at 3B, 3rd Floor, Omkar Esquare, Chunabhatti Signal, Eastern Express Highway, Sion (East), Mumbai 400022, Maharashtra, India shall be deemed to be the venue of the meeting) to transact the following businesses:

## Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements (including the consolidated financial statements) for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mukesh Jain (DIN 01316027), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. Walker Chandio & Co. LLP, Chartered Accountants as the Statutory Auditors 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable Rules, if any, under the said Act (including any statutory modification(s), or re-enactment thereof for the time being in force M/s. Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), be and is hereby appointed as the Statutory Auditors of the Company to hold such office for a second term of five years from the conclusion of this 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company at a remuneration to be fixed by the Audit Committee and/or the Board of Directors of the Company in consultation with the Statutory Auditors.”

## Special Business:

4. **To appoint Mr. Kapil Garg (DIN: 01360843) as a Non-executive 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 152, 160 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. Kapil Garg (DIN: 01360843), who was appointed as an Additional Non-executive Director of the Company by the Board of Directors with effect from July 7, 2020 and who holds office up to the date of this 27th 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 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 Non-executive Director of the Company, whose office shall be 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.”

5. **To alter the Objects Clause of the Memorandum of Association of the Company:**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder including any modification(s) thereto or re-enactment(s) thereof for the time being in force, subject to the approval of the Registrar of Companies, Maharashtra, Mumbai (ROC) and any other regulatory authorities, as may be applicable and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, the consent of the Members of the Company be and is hereby accorded for alteration of the Objects Clause of the Memorandum of Association of the Company by amending Clause III (A) as follows:

- a) to insert the words **“and equipment relating to manufacture, production, distribution, storage, processing, re-processing, designing, re-designing, developing of any kind of energy resources”** after the words “otherwise deal in all types and kinds of drilling rigs, mining equipment, mud pumps, oil exploring equipment” and before the words “and their accessories and/or to undertake to render all kinds and types of services relating to the discovery, exploration, exploitation, production” in the main objects of



## Notice of 27th Annual General Meeting (Contd.)

the Company and to number the aforementioned object clause as sub-clause (1) of Clause III (A).

- b) to add the following sub-clauses (2), (3) and (4) to the main objects Clause III (A)
- (2) *To carry on, in India or elsewhere in the World, with or without collaboration and/ or through its subsidiaries, associates or joint ventures with any entity, the business to manufacture, produce, process, reprocess, pack, repack, press, engrave, develop, design, assemble, alter, repair, renovate, galvanize, paint, cut, clean, convert, fit, fabricate, erect, install, serve, improve, manipulate, decorate, adapt, test, explore, consult, market, distribute, buy, sell, resell, purchase, import, export, indent, trade, and/or to act as manufacturers' representative and otherwise deal in all types and kinds of equipment and any other products relating to manufacture, production, distribution, processing, re-processing, designing, re-designing, developing of Coke and Coal, Minerals and/or any other conventional and non-conventional resources relating to management and production of energy and their accessories and/or to undertake to render all kinds and types of services relating to the discovery, exploration, exploitation, production, transportation, packaging, marketing, sale and distribution of Coke and Coal, Minerals and any other resources including but not restricted to project management services, consultancy and advisory services, engineering and technical support services, technical surveys; engineering services of energy field operations and management, maintenance and servicing thereof and of related other equipment, technical and support staffing services and renting or leasing of technical equipment, machineries and accessories for energy related activities, to any entity.*
- (3) *To generate, accumulate, transmit, distribute, purchase, sell and supply electric power or any other energy from conventional/non-conventional energy and energy derivative including renewable energy sources and their related infrastructure for distribution including personal mobility, or another means/ source on a commercial basis and to construct, lay down, establish, operate and maintain power/energy generating stations, including buildings, structures, works, machineries, equipments, cables, wires, lines, accumulators, lamps, and works and to undertake or to carry on the business of managing, owning, controlling, erecting, distributing, commissioning, operating, running, leasing or transferring of plants and infrastructure based on conventional or non-conventional energy source.*
- (4) *To carry on the business of purchase, sale, manufacture, process, import, export, buyers, sellers, traders, merchants, distribution, deal in, to act as*

*indent or agent, commission agent, distributors, wholesalers, retailers, broker, contractor, or otherwise deal with raw and process materials, semi products and end products of Coal, Coke, Oil and Gas and any other energy products and energy products of all kinds & specification, Minerals and other allied items and industrial raw materials."*

"RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby, severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

### 6. To change the name of the Company:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 4, 5, 13 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and any other applicable law(s), rule(s), regulation(s), guideline(s), the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the Central Government and / or any other authority as may be necessary, consent of the Members be and is hereby accorded for change of name of the Company from "Asian Oilfield Services Limited" to "**Asian Energy Services Limited.**"

"RESOLVED FURTHER THAT upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name "Asian Oilfield Services Limited" as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name "Asian Energy Services Limited."

"RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the

## Notice of 27th Annual General Meeting (Contd.)

Company be and are hereby, severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit.”

**7. 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 26th Annual General Meeting of the Company held on September 18, 2019 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, 2020 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.”

**By order of the Board,  
For Asian Oilfield Services Limited**

**Archana Nadgouda**  
*Company Secretary*

Mumbai  
August 10, 2020



# Notice of 27th Annual General Meeting (Contd.)

## NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and Securities and Exchange Board of India (“SEBI”) Circular dated May 12, 2020 (collectively referred to as “said Circulars”) permitted the holding of the Annual General Meeting (AGM or the Meeting) through VC/ OAVM, without the physical presence of the Shareholders at a common venue.  
  
Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company has decided to convene its ensuing 27th AGM through VC/ OAVM, and the Shareholders can attend and participate in the ensuing AGM through VC/ OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The attendance of the shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
4. 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 7 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.
5. The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, September 5, 2020 to Friday, September 11, 2020** (both days inclusive).
6. Body Corporate Members intending to appoint their authorised representative are requested to send a scanned copy of the Resolution authorising their representative to participate and vote at the Meeting to [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com) or [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).
7. Members holding shares in physical mode are requested to **register their email IDs, KYC documents** on the RTA’s website at the following link [https://www.linkintime.co.in/EmailReg/Email\\_Register.html](https://www.linkintime.co.in/EmailReg/Email_Register.html) to receive Annual Report, Notice of 27th AGM and login details for the AGM. Members holding shares in demat form whose email IDs are not registered with the DP can also register their emails with the RTA to receive communication regarding AGM. However, to permanently register their email IDs, Members holding shares in demat form are requested to register their email IDs with the DP.
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. 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>.
9. 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.
10. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / RTA.
11. 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.

## Notice of 27th Annual General Meeting (Contd.)

12. Nomination facility for shares is available for Members. For Members holding shares in physical form, the prescribed form can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400083. For Members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
13. The **Notice of the AGM** along with the **Annual Report 2019-20** is being sent to all those persons who are Members of the Company as on August 14, 2020. The Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that this Notice and the Annual Report 2019-20 will also be available on the Company's website viz. [www.asianoilfield.com](http://www.asianoilfield.com).
14. Members who would like to speak during the meeting, express views or ask questions, shall register as a speaker by sending email from their registered email address mentioning their name, folio or DP ID and client ID, PAN, mobile number at [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com) from September 4, 2020 to September 7, 2020. Those Members who have registered themselves as a speaker only will be allowed to express their view/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
15. Members desirous of any information or queries on accounts or relevant reports are requested to send their queries at least ten days in advance to the Company at its email [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com) to enable the Company to answer their queries satisfactorily.
16. **Shares due to transfer to IEPF:** Equity shares in respect to which dividend has not been encashed for seven consecutive years or more will be required to transfer to Investors Education & Protection Fund (IEPF) pursuant to section 124(6) of the Companies Act 2013. Relevant details in this respect are posted on the Company's website [www.asianoilfield.com](http://www.asianoilfield.com) in Investor Information section. The Company had sent communication in this respect to concerned shareholders from time to time as may be necessary. Shareholders whose names appear in the list are requested to claim the ownership of such shares failing which the aforesaid shares will be transferred to Investor Education and Protection Fund.
17. 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 electronically for inspection by the Members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from 4th September, 2020 up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com).
18. Mr. Hemanshu Kapadia of Hemanshu Kapadia & Associates, Practicing Company Secretary or failing him Mrs. Pooja Jain, Partner, VPP & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
19. On submission of the report by the Scrutinizer, the result of voting at the meeting and e-voting shall be declared. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com) and on the website of LIIPL. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
20. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.
21. 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 27th 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 ("remote e-voting") will be provided by Link Intime India Private Limited ("LIIPL").
  - II. The facility for e-voting shall also 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 e-voting.



## Notice of 27th Annual General Meeting (Contd.)

- 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 Tuesday, September 8, 2020 (9:00 am) and ends on Thursday, September 10, 2020 (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 4, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LI IPL 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 Participants(s) will receive an email from LI IPL 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:
- Remote e-Voting Instructions for shareholders:**
1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

**Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

► Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

# Notice of 27th Annual General Meeting (Contd.)

2. Click on 'Login' under '**SHARE HOLDER**' tab.
  3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
  4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
  5. E-voting page will appear.
  6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
  7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.
  8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LI IPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

#### If you have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

#### Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "Company" and 'Event Date' and register with your following details: -

**B. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).



# Notice of 27th Annual General Meeting (Contd.)

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

## Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request from 4th September, 2020 to 7th September, 2020 with the Company on [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com).
2. Shareholders will get confirmation on first cum first basis.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

## Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

# Notice of 27th Annual General Meeting (Contd.)

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

#### To appoint M/s. Walker Chandiook & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company:

The Company proposes to appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) ('the Auditors/ WCCLLP') as the Statutory Auditors of the Company pursuant to 139, 142 and other applicable provisions of the Companies Act 2013 ('the Act').

M/s. Walker Chandiook & Co, the firm was established on January 1, 1935 and converted into a limited liability partnership on March 25, 2014. WCCLLP has registrations and empanelment of The Institute of Chartered Accountants of India, Public Company Accounting Oversight Board and Comptroller and Auditor General of India. Registered Office is situated at L-41, Connaught Circus, New Delhi-110 001. WCCLLP have 13 offices in India situated at Bengaluru, Chandigarh, Chennai, Delhi (2 offices including head office) Gurgaon, Hyderabad, Kolkata, Mumbai (2 offices), Noida, Pune, Kock. WCCLLP have 47 partners, 482+qualified staff, 404+ trainees and 362+ other employees. The fees/remuneration of the Auditors shall be ₹ 25 Lacs for the financial year 2020-21 for statutory audit, issue of audit reports, issue of limited review reports and service relating thereto and audit of internal financial control relating financial reporting. Aforesaid audits and reports includes for standalone and consolidated financial statements. The fees/remuneration payable for other reports or certificates to be issued as a statutory auditor shall be as may be mutually agreed upon between the Company and the Auditors. It is proposed to authorise the Audit Committee/Board to vary the fees as per requirement of the Company. In case the Auditors resign or ceased as such, it shall complete audit / limited review and issue report as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued by SEBI in this respect.

The Auditors have confirmed that they are eligible for appointment and their appointment, if made, would be within the prescribed limits and shall be in accordance with the conditions and criteria as prescribed in section 141 and other applicable provisions of the Act and Rules made thereunder.

Based on the experience and competency of the Auditors, requirement of the Company and other relevant aspects, the Audit Committee and the Board of Directors of the Company have, recommended the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants as the Statutory Auditors of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors recommend 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. Kapil Garg (DIN: 01360843) as a Non-executive Director of the Company:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had been appointed Mr. Kapil Garg (DIN 01360843) as an Additional Non-executive Director. Pursuant to Section 161 of the Act and Article 74 of the Articles of Association of the Company, he holds office as an Additional Director up to the date of this Annual General Meeting ('AGM') and is eligible for appointment as a Director.

#### *Brief profile of Mr. Kapil Garg:*

Mr. Kapil Garg has a Bachelor and Master's degree in chemical engineering from Indian Institute of Technology, Roorkee. Mr. Kapil has various accomplishments in corporate governance, organic / in-organic growth strategies, multi-national business development, organisational build up and people development. He is passionate about experimenting innovative concepts for organisational effectiveness improvements and supports out of the box thinking for business delivery. Among many other things, his core skills include conceptual and strategic planning, business management, expansion and consolidation, strategic negotiations and team people centered leadership. He loves teaching and regularly delivers guest lectures in leading Management Institutes.

Mr. Kapil began his career as a Production Engineer with ONGC, stationed in the offshore facility of Panna Mukta. He moved on to Enron Oil and Gas India Ltd. as Offshore Installation Manager responsible for managing offshore production facility and soon rose to the position of General Manager Production. Subsequently, he joined BG Group in India as Director Operations for upstream business and then promoted to Technical Director for Asia and Middle East region based in the U.K. He returned to India to join as Managing Director of BG's upstream business in India. His last assignment was Asset General Manager/Managing Director of BG India. Under his leadership the production from the existing fields increased significantly by three times.

In 2008, Mr. Kapil Garg founded Oilmax Energy Private Limited, an integrated Oil & Gas company with a balanced portfolio spreading from Exploration, Production, EPC to O&M. Company has since grown manifold under his leadership and has businesses across the entire upstream value chain.

Mr. Kapil Garg has consented to act as a Director of the Company. The Board based on the recommendation



# Notice of 27th Annual General Meeting (Contd.)

of 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. Kapil Garg for the office of Director of the Company. Mr. Kapil Garg shall hold office as Non-executive Non-Independent Director of the Company, liable to retire by rotation.

Other than Mr. Kapil Garg himself, no other Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors recommend 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 alter the Objects Clause of the Memorandum of Association of the Company:**

The Company provides services to the oil and gas sector. In order to increase the scope of its services to coal and coke, minerals and other energy exploration sectors, it is proposed to alter the main objects clause of the Memorandum of Association of the Company. It is proposed to make addition to the main object of the Company and to number the aforementioned object clause as sub-clause (1) of Clause III (A) and to add the other objects proposed as sub-clauses (2), (3) and (4) to the main objects Clause III (A).

The Board of Directors at their meeting held on June 18, 2020 have approved the alteration of the Memorandum of Association of the Company and now it is proposed for the approval of the shareholders in terms of Section 4 and 13 of the Companies Act, 2013. A copy of the proposed Memorandum of Association of the Company shall be available for inspection of the Members on request and also available on the website of the Company at [www.asianoilfield.com](http://www.asianoilfield.com) in the Investor Relations section.

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be considered in any way, concerned or interested, financially or otherwise in the Special Resolution.

The Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

## Item No. 6

### **To change the name of the Company:**

The Company proposes to alter its objects clause to increase the scope of its services to coal and coke, minerals and other energy exploration sectors. Therefore it is proposed to change the name to include 'energy' in place of the word 'oilfield' to represent the enhanced scope of the Company's operations in accordance with proposed change in main objects of the Company in Item No. 5 above.

The Board of Directors at their meeting held on June 18, 2020 have approved the alteration of the Memorandum of Association of the Company for change of name and now it is proposed for the approval of the shareholders by way of a Special Resolution in terms of Section 4, 5 13 and 14 of the Companies Act, 2013 for effecting change in the name of the Company and consequential alteration in the Memorandum and the Articles of Association. The Company has received no objection in the availability of changed name 'ASIAN ENERGY SERVICES LIMITED' from the Registrar of Companies. The Company is also in the process of making application for other regulatory approvals.

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be considered in any way, concerned or interested, financially or otherwise in the Special Resolution.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

## Item No. 7

### **To revise the remuneration structure of Mr. Ashutosh Kumar, Whole-time Director and Chief Executive Officer (DIN 06918508):**

The Members are aware that 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.

In accordance with the Nomination and Remuneration Policy of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 18, 2020 have approved the revision in the terms of payment of remuneration to Mr. Ashutosh Kumar w.e.f. April 1, 2020 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 and performance incentives. The fixed component is payable by way of monthly salary and other applicable statutory benefits. The fixed and the variable component shall be as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company which may vary

# Notice of 27th Annual General Meeting (Contd.)

within the overall limit on an annual basis. The variable compensation and performance incentives shall be linked to Company's annual financial target achievement as may be decided by the Board.

However, the total Cost to Company ("CTC") shall not exceed ₹ Rs.14,000,000/- p.a. (Rupees One Crore Forty Lacs only). Mr. Ashutosh Kumar shall also be entitled to performance incentive of ₹ 2,800,000/- (20% of CTC) 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:

- Nature of Industry: Oilfield Services

- Date of commencement of commercial operations:  
March 10, 1992
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not Applicable
- Financial performance based on given indicators.

(₹ In Lacs)

Particulars	2019-20	2018-19
Gross Income- Turnover	7,594.24	16,256.34
Operating Profit / (Loss) before Interest & Depreciation, Tax and Exceptional items	2,952.45	1,702.46
Net Profit / (Loss) after Tax	470.21	163.29
Equity Capital (face value of ₹ 10/-)	3,807.44	3,807.44
Net Worth	13,885.95	13,677.14

5.	Foreign Investments or collaborations if any:	The Company has two wholly owned subsidiary (WOS), one in Singapore with a capital of SGD1000 only and one in Asian Oilfield & Energy Services DMCC, Dubai with a capital of AED 3675000.
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## II. Information about the Appointee:

1.	Background details:	Mr. Ashutosh Kumar 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 2019-20 was ₹ 10,040,298.
3.	Recognition or awards:	None
4.	Job profile and his suitability:	Overall management of operations of the Company at headquarters 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:	₹ 14,000,000/- p.a. (including fixed component and variable component as per the Nomination and Remuneration Policy of the Company) and performance incentive of ₹ 2,800,000/- 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 remuneration of Senior Executives in the industry in general, 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.



# Notice of 27th Annual General Meeting (Contd.)

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.
<b>III. Other information:</b>		
1.	Reasons of loss or inadequate:	On account of 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 and COVID-19 related lock down in India impacting the Company's performance.
2.	Steps taken or proposed to be taken for improvement:	Widening the sphere of activities into coal and coke, minerals and other sectors, 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:	We are seeing potential opportunity and business size of ₹ 1,000 Crores. of seismic and drilling work in Coal sector in India and ₹ 3,000 Crores. opportunity related to infrastructure in same sector. 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 this explanatory note. 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 of Mr. Ashutosh Kumar shall be available for inspection of the Members on request.

Except the aforesaid revision in remuneration, 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. 7 of the Notice.

Board recommends the resolution at item no. 7 of the accompanying Notice for approval of Members of the Company as a special resolution.

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

**Archana Nadgouda**  
Company Secretary

Place: Mumbai  
Date: August 10, 2020

## Notice of 27th Annual General Meeting (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. Mukesh Jain	Mr. Kapil Garg	Mr. Ashutosh Kumar
Date of Birth	October 15, 1955	March 18, 1966	August 10, 1964
Age (In years)	64	54	56
Date of Appointment	May 29, 2019	July 7, 2020	August 1, 2018
Qualifications	Commerce grad from Shri Ram College, Delhi and Law grad from K. C. College, Mumbai	BE & MS in Chemical Engineering from IIT Roorkee	Electronics Engineer from Ranchi University
Experience & expertise in specific functional areas	More than 4 decades of experience in banking, financial advisory services and legal practice.	Over 30 years of experience in corporate governance, organic / in-organic growth strategies, multi-national business development, organisational build up and people development	Wide experience in the field of upstream oil and gas sector
Relationships between directors inter-se	None	None	None
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	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	Optimum Oil & Gas Private Limited
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee).	None	None	None
Number of shares held in the Company	None	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.



# Corporate information

## Board of Directors

<b>Mr. Nayan Mani Borah</b> (w.e.f. March 19, 2019)	Chairman & Independent Director
<b>Mr. Kapil Garg</b> (w.e.f. July 7, 2020)	Non-Executive 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>	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. Gaurav Vishnukumar Gupta</b> (up to April 30, 2019)	Non-Executive Director

## Company Secretary

**Ms. Archana Nadgouda**

## Statutory Auditors

**Walker Chandiook & Co LLP**  
Chartered Accountants

## Internal Auditors

**S. P. Chopra & Co.**  
Chartered Accountants

## Chief Financial Officer

**Mr. Sumit Maheshwari**  
(up to June 30, 2020)

**Mr. Nirav Talati**  
(w.e.f. August 6, 2020)

## 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

## **Asian Oilfield Services Limited**

3B, 3rd Floor, Omkar Esquare,  
Chunabhatti Signal,  
Eastern Express Highway,  
Sion (East), Mumbai - 400022  
Maharashtra, India

Tel: +91-22-4244-1100

Fax: +91-22-4244-1120