

## INDEPENDENT AUDITOR'S REPORT

To the Trustee of Asian Oilfield Services Limited Employees Welfare Trust

### Opinion

We have audited the financial statements of **Asian Oilfield Services Limited Employees Welfare Trust** ("the Trust"), which comprise the Balance Sheet at 31<sup>st</sup> March, 2023, Statement of Income and Expenditure (including other comprehensive income) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as "the financial statement").

In our opinion the accompanying financial statements give a true and fair view of the financial position of the trust as at March 31, 2023, of its financial performance for the year then ended in accordance with the accounting principles generally accepted in India.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 Trust in accordance with the together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The trustee is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustee is responsible for assessing the Trust ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustee either intends to close the trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust financial reporting process.

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of audit in accordance with SAs, we exercise professional judgement 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, but not for the purpose of expressing an opinion on the effectiveness of Trust internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustee's.
- Conclude on appropriateness of Trustee'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 Trust ability to continue as a going concern. 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 Trust 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.

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.

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.

Place: Mumbai  
Date: May 04, 2023



**For Shah Modi Katudia & Co. LLP**  
Chartered Accountants  
Firm Reg. No. W100214

*Rahul Shri Shri Mal*  
**Rahul Shri Shri Mal**  
Partner  
Membership No. 171832  
UDIN: 23171832BGXNJL4105

**Asian Oilfield Services Limited Employees Welfare Trust**  
**Balance sheet as at March 31 2023**

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Financial assets			
(i) Investments	3	4,20,53,175	4,34,80,965
<b>Total Non-current Assets (A)</b>		<b>4,20,53,175</b>	<b>4,34,80,965</b>
<b>Current Assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	4	8,62,371	8,81,605
<b>Total Current Assets (B)</b>		<b>8,62,371</b>	<b>8,81,605</b>
<b>TOTAL ASSETS (A+B)</b>		<b>4,29,15,546</b>	<b>4,43,62,570</b>
<b>CORPUS AND LIABILITIES</b>			
<b>Beneficiary's Funds</b>			
(a) Corpus & capital		10,000	10,000
(b) Other Corpus & Capital	5	42,65,612	9,36,740
<b>Total Corpus (C)</b>		<b>42,75,612</b>	<b>9,46,740</b>
<b>LIABILITIES</b>			
<b>Non Current liabilities</b>			
(a) Financial liabilities			
Loan	6	3,86,39,934	4,34,15,830
<b>Current liabilities</b>			
(a) Financial liabilities			
Trade payable		-	-
<b>Total Liabilities (D)</b>		<b>3,86,39,934</b>	<b>4,34,15,830</b>
<b>TOTAL CORPUS AND LIABILITIES (C+D)</b>		<b>4,29,15,546</b>	<b>4,43,62,570</b>

The accompanying notes forms an integral part of the financial statements

In terms of our report attached of even date

**For Shah Modi Katudia & Co. LLP**  
Chartered Accountants  
Firm Reg. No. W100214

  
**Rahul Shri Shri Mal**  
Partner  
Membership No. 171832



Place: Mumbai  
Date: May 04, 2023

**For Vistra ITCL (India) Limited**  
(Trustee of Asian Oilfield Services Limited  
Employees Welfare Trust)

  
**Authorised Signatory**



Place: Mumbai  
Date: May 04, 2023

**Asian Oilfield Services Limited Employees Welfare Trust**  
**Statement of Income and Expenditure for the year ended March 31, 2023**

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>(I) INCOME</b>			
Revenue from Operations		-	-
Other income	7	-	62,90,065
<b>Total Income (I)</b>		<b>-</b>	<b>62,90,065</b>
<b>(II) Expenses</b>			
Finance Cost	8	-	-
Other Expenses	9	14,47,024	53,53,324
<b>Total expenses (II)</b>		<b>14,47,024</b>	<b>53,53,324</b>
<b>(III) Profit/(Loss) before tax (I) - (II)</b>		<b>(14,47,024)</b>	<b>9,36,740</b>
<b>(IV) Less: Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total Tax expense (IV)</b>		<b>-</b>	<b>-</b>
<b>(V) Profit/(Loss) after tax (III) - (IV)</b>		<b>(14,47,024)</b>	<b>9,36,740</b>
<b>(VI) Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year (V+VI)</b>		<b>(14,47,024)</b>	<b>9,36,740</b>

The accompanying notes forms an integral part of the financial statements

In terms of our report attached of even date

**For Shah Modi Katudia & Co. LLP**  
Chartered Accountants  
Firm Reg. No. W100214

  
**Rahul Shri Mal**  
Partner  
Membership No. 171832



Place: Mumbai  
Date: May 04, 2023

**For Vistra ITCL (India) Limited**  
(Trustee of Asian Oilfield Services Limited  
Employees Welfare Trust)

  
Authorised Signatory



Place: Mumbai  
Date: May 04, 2023

**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

**Note 1: Background**

Asian Oilfield Services Limited Employees Welfare Trust ("The Trust") was incorporated through an indenture of trust dated 23rd May 2017 between Asian Oilfield Services Limited ("The company or Settlor") and Vistra ITCL (India) Limited (Trustee). The Trust is irrevocable Trust. The initial settlement of the trust is in the nature of irrevocable transfer.

**Note 2: Significant Accounting Policies**

**2.1 Basis for preparation and presentation of Financial Statements**

The financial statements of the Trust have been prepared in accordance with the Indian Accounting Standards (referred to as IND AS).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value wherever applicable.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Trust takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

**2.2 The principal accounting policies are set out below.**

**(a) Fair value measurement:**

The Trust measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Trust.

**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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



**(b) Revenue recognition:**

Revenue is accounted for on accrual basis. Revenue is recognised when no significant uncertainty on measurability and collectability exists.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Dividend Income is recognised as an when the right to receive the dividend is established i.e. on the declaration of dividend by the Investee Trust.

**(c) Income Tax:**

Income Tax comprises current and deferred tax.

**(i) Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Trust is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Trust expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.

**(d) Financial instruments:**

Financial assets and financial liabilities are recognized when a Trust becomes a party to the contractual provisions of the instruments.

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 financial assets and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss ("FVTPL") are recognized immediately in the statement of income and expenditure.



#### **Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases 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 market place.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets – debt instruments**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument 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. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Amortised cost and Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, 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.

Income is recognized on an effective interest basis for debt instruments other than those financial assets Classified as at FVTPL. Interest income is recognized in statement of income and expenditure and is included in the "Other income" line item.

#### **Reclassification of financial assets**

The Trust determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Trust's senior Management determines change in the business model as a result of external or internal changes which are significant to the Trust's operations. Such changes are evident to external parties. A change in the business model occurs when the Trust either begins or ceases to perform an activity that is significant to its operations. If the Trust reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Trust does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Derecognition of financial assets**

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Trust retains an option to repurchase part of a transferred asset), the Trust allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



### **Financial liabilities and equity instruments**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Trust's financial liabilities include loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Classification as debt or equity**

Debt and equity instruments issued by a Trust are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial liabilities**

The Trust derecognizes financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

#### **(e) Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **(f) Provisions:**

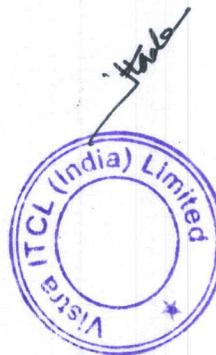
Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Qty	Amount in Rs.	Qty	Amount in Rs.
<b>NOTE 3 : Investments</b>				
<b>Non Current Investments</b>				
<b>Quoted Investments</b>				
<b>Investments in Equity Shares</b>				
Asian Energy Services Limited (Formerly known as Asian Oilfield Services Limited)	3,80,744	4,20,53,175	3,80,744	4,34,80,965
3,80,744 shares of Face Value ₹ 10 each				
<b>TOTAL INVESTMENTS</b>		<b>4,20,53,175</b>		<b>4,34,80,965</b>
<b>NOTE 4 : Cash and cash equivalents</b>				
Balances with Banks		8,62,371		8,81,605
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>8,62,371</b>		<b>8,81,605</b>



**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>NOTE 5 : Other Corpus &amp; capital</b>		
<b>(i) Statement of Income &amp; Expenditure</b>		
Balance at beginning of the year	9,36,740	19,39,341
Profit/(Loss) during the year	(14,47,024)	9,36,740
Ind AS Adjustments	-	(19,39,341)
(ii) Capital Component of Loan	47,75,896	-
<b>Total</b>	<b>42,65,612</b>	<b>9,36,740</b>
<b>NOTE 6 : Loan</b>		
<b>Unsecured:</b>		
Loan from Body corporate (Refer Foot Notes)	3,86,39,934	4,34,15,830
<b>Total</b>	<b>3,86,39,934</b>	<b>4,34,15,830</b>

**Foot Notes:**

**(i) Repayment:**

The loan is for a period not exceeding 3 years from the date of first disbursement or such other period as may be mutually agreed between the parties.

(ii) Loan is Interest free.



**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>NOTE 7 : Other income</b>		
Profit on sale of shares	-	8,87,644
Fair value Gain on investment	-	60,289
Reversal of Interest on Borrowings	-	53,42,132
<b>Total</b>	<b>-</b>	<b>62,90,065</b>
<b>NOTE 8 : Finance cost</b>		
Interest on borrowing carried at amortised cost	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>NOTE 9 : Other expenses</b>		
Demat Charges	1,180	15,973
Professional Fees	18,054	-
Reversal of Fair Value Gain on Investment	14,27,790	53,37,351
<b>Total</b>	<b>14,47,024</b>	<b>53,53,324</b>



**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

**Note 10 : Fair value Measurements**

**Fair Values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value as of June 30, 2022:

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value:</b>				
(i) Investment	4,20,53,175	-	-	<b>4,20,53,175</b>

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Trust could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**Note 11 : Financial risk management**

The Trust has exposure to the following risks from financial instruments:

- (a) Market Risk
- (b) Liquidity Risk
- (c) Credit Risk

**Risk Management Framework**

The Trust has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place.

The Trustee oversees how management monitors compliance with the Trust's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

There are no significant concentrations of market risk within the Trust.

**- 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 Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's long-term debt obligations with floating interest rates.

There are no significant concentrations of Interest rate risk within the Trust.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Trust is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

There are no significant concentrations of Credit Risk within the Trust.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Trust maintains sufficient cash to address any liquidity risk that may arise.

Maturity Profile of financial liabilities:

Particulars	As at March 31, 2023
<b>Trade Payable:</b>	
Less than 1 year	-
<b>Loan:</b>	
Less than 3 year	3,86,39,934



**Asian Oilfield Services Limited Employees Welfare Trust**  
**Notes forming part of the Financial Statements for the year ended March 31, 2023**

**NOTE 12 : Related Party Disclosure:**

**(a) Name of related parties and description of relationship**

Nature of Relationship	Name of Entity	Acronym used
Settlor	Asian Energy Services Limited (Formerly known as Asian Oilfield Services Limited)	AESL/AOSL
Enterprises having Significant Influence over the Trust / Trustee	Vistra ITCL (India) Limited	VIIIL

**(b) Transactions with related parties as mentioned (a) above**

Account head	Name of Entity	Year Ended March 31, 2023
(i) Investment in Equity Shares	AESL/AOSL	-
(ii) Loan Taken	AESL/AOSL	-
(iii) Amount received towards Corpus	AESL/AOSL	-

**(c) Balances as on 31.03.2023 with related parties as mentioned (a) above**

Account head	Name of Entity	As at March 31, 2023
(i) Investment in Equity Shares	AESL/AOSL	4,20,53,175
(ii) Loan Taken	AESL/AOSL	3,86,39,934
(iii) Corpus Fund	AESL/AOSL	10,000

**NOTE 13 :** The Audit Fees, Income Tax Return Filing Fees and Trusteeship Fees are borne by Asian Energy Services Limited ("the Company"), being the Settlor, and hence no provision have been made in the books for the same.

**NOTE 14 :** wherever "Profit & Loss" is stated in the Financial statements & notes to the financial statements, it would also include & denote "Income & Expenditure".

**NOTE 15 :** The Members of the company at their meeting held on September 27, 2021 had approved the "Asian Energy Services Limited - Employee Stock Option Plan - 2021" ("AESL ESOP 2021") authorising grant of not exceeding 3,80,744 options to the eligible employees.  
The Company has granted 3,80,000 stock options during the year. As a consequence, loan is stated at at fair value.

**NOTE 16 :** The trust is settled on 23rd May 2017.

The accompanying notes forms an integral part of the financial statements

**For Vistra ITCL (India) Limited**  
(Trustee of Asian Oilfield Services Limited Employees Welfare Trust)

Authorized Signatory

Place: Mumbai  
Date: May 04, 2023

