

Walker Chandiook & Co LLP

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Review Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Asian Oilfield Services Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (“the Statement”) of Asian Oilfield Services Limited (“the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), for the quarter ended 30 September 2016 and the year to date results for the period 1 April 2016 to 30 September 2016. This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in Note 3(a) to the accompanying unaudited consolidated financial results, the Company’s trade receivables, short-term loans and advances and long-term loans and advances as at 30 September 2016 include 1,300.38 lacs, 104.05 lacs and 118.71 lacs respectively (as at 31 March 2016: 1,141.08 lacs, 104.05 lacs and 128.71 lacs respectively, and as at 30 June 2016: Rs. 1,152.49 lacs, Rs. 104.05 lacs and Rs. 128.71 lacs respectively and as at 30 September 2015: Rs. 349.39 lacs, Rs. 125.59 lacs and Rs. 181.16 lacs respectively) being considered good and recoverable by the management. However, in the absence of sufficient appropriate evidence, we are unable to comment upon the recoverability of the aforesaid trade receivables, short-term loans and advance and long- term loans and advances, and the consequential impact, if any on the accompanying unaudited consolidated financial results. Our audit opinion on the consolidated financial statements for the year ended 31 March 2016 and our review report on the unaudited consolidated financial results for the quarter ended 30 June 2016 and quarter and six months ended 30 September 2015 were also qualified in respect of this matter.



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4. Based on our review conducted as above and upon consideration of the review reports of other auditors, except for the effects of qualification as described in the previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 3(b) to the accompanying unaudited consolidated financial results which describes the uncertainty related to outcome of legal case filed by the Company in relation to liquidated damages/penalties claimed by a customer after serving a show cause notice for termination of contract. These matters are pending litigation with District Court, Jorhat. Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been recorded in unaudited consolidated financial results. Our opinion is not qualified in respect of these matters.
6. We did not review the interim financial results of two subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of Rs. 13.54 lacs for the quarter and period ended 30 September 2016, net loss after tax (after eliminating intra-group transactions) of Rs. 909.35 lacs and Rs. 1,629.33 lacs for the quarter and period ended 30 September 2016 respectively and total assets of Rs. 8,104.36 lacs as at 30 September 2016. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Anamitra Das

per **Anamitra Das**

Partner

Membership No. 062191



Place: Gurgaon

Date: 8 November 2016

ASIAN OILFIELD SERVICES LIMITED

Regd Office: 1110 , 11th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurgaon - 122 018, Haryana, India.

CIN: L23200HR1992PLC052501

(Rs. In lacs)

PART I						
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
a) Sales from Operations	309.06	927.26	5,852.87	1,236.32	5,903.67	7,766.76
Total Income from operations	309.06	927.26	5,852.87	1,236.32	5,903.67	7,766.76
2. Expenses						
a) Employee benefits expense	253.33	560.08	585.18	813.40	965.35	1,746.10
b) Operating Expenses	175.25	339.18	3,838.07	514.43	4,203.08	6,601.25
c) Depreciation and amortisation expense	372.42	408.27	455.44	780.70	900.78	1,777.81
d) Other expenses	1,446.17	370.02	249.54	1,816.19	521.85	1,786.81
Total Expenses	2,247.17	1,677.55	5,128.23	3,924.72	6,591.06	11,911.97
3. Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,938.11)	(750.29)	724.64	(2,688.40)	(687.39)	(4,145.21)
4. Other income	57.03	45.59	112.99	102.62	176.48	2,852.42
5. Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,881.08)	(704.70)	837.63	(2,585.78)	(510.91)	(1,292.79)
6. Finance costs	256.35	258.05	247.26	514.40	450.18	1,089.18
7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(2,137.43)	(962.75)	590.37	(3,100.18)	(961.09)	(2,381.97)
8. Exceptional Items - net credit / (charge)	-	347.61	-	1,372.78	(1.00)	-
9. Profit/(Loss) from Ordinary Activities Before Prior Period Items and Tax (7+8)	(2,137.43)	(615.14)	590.37	(1,727.40)	(962.09)	(2,381.97)
10. Prior Period Item	1,025.17	-	-	-	-	138.27
11. Profit/(Loss) from Ordinary Activities Before Tax (9-10)	(1,112.26)	(615.14)	590.37	(1,727.40)	(962.09)	(2,520.25)
12. Tax expense	-	-	181.14	-	181.14	185.31
13. Net Profit/(Loss) from Ordinary Activities After Tax (11-12)	(1,112.26)	(615.14)	409.23	(1,727.40)	(1,143.23)	(2,705.55)
14. Extraordinary Items - net credit / (charge)	-	-	-	-	-	-
15. Net Profit/(Loss) for the period (13+14)	(1,112.26)	(615.14)	409.23	(1,727.40)	(1,143.23)	(2,705.55)
16. Paid up Equity Share Capital (face value Rs. 10 per share)	2,232.44	2,232.44	2,232.44	2,232.44	2,232.44	2,232.44
17. Reserves excluding Revaluation Reserve as per Balance Sheet	-	-	-	-	-	(1,225.76)
18.i Earnings Per Share (EPS) before extraordinary items (of Rs. 10/- each) (not annualised):						
(a) Basic - Rs.	(4.98)	(2.76)	1.83	(7.74)	(5.12)	(12.12)
(b) Diluted - Rs.	(4.98)	(2.76)	1.83	(7.74)	(5.12)	(12.12)
18.ii Earnings Per Share (EPS) after extraordinary items (of Rs. 10/- each) (not annualised):						
(a) Basic - Rs.	(4.98)	(2.76)	1.83	(7.74)	(5.12)	(12.12)
(b) Diluted - Rs.	(4.98)	(2.76)	1.83	(7.74)	(5.12)	(12.12)




(Rs.In lacs)

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES			
SL No.	Particulars	As at September 30, 2016	As at March 31, 2016
A	EQUITY AND LIABILITIES		
	1 Shareholder's funds		
	Share capital	2,232.44	2,232.44
	Reserves and surplus	(2,958.68)	(1,225.76)
	Sub-total - Shareholders' funds	(726.24)	1,006.68
	2 Non-current liabilities		
	Long-Term Borrowings	832.16	1,787.38
	Long-Term Provisions	6.98	7.70
	Sub-total - Non-current liabilities	839.14	1,795.08
	3 Current liabilities		
	Short-term borrowings	8,139.65	4,354.47
	Trade payables	1,202.29	2,733.06
	Other current liabilities	4,152.68	7,169.63
	Short-term provisions	1.38	1.52
Sub-total - Current liabilities	13,496.00	14,258.68	
	Total - Equity and liabilities	13,608.90	17,060.44
B	ASSETS		
	1 Non-current assets		
	Tangible assets	7,643.69	9,455.78
	Intangible assets	88.86	84.86
	Long-term loans and advances	587.62	583.96
	Other non current assets	534.48	486.31
	Sub-total - Non-Current Assets	8,854.65	10,610.91
	2 Current assets		
	Inventories	404.44	567.05
	Trade receivables	3,353.82	4,291.00
	Cash and bank balances	578.24	965.84
	Short-term loans and advances	198.47	249.90
	Other current assets	219.28	375.74
	Sub-total - Current Assets	4,754.25	6,449.53
	Total - Assets	13,608.90	17,060.44

Adhil Agarwal



Notes :

1) The above Unaudited Consolidated Financial Results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on 8 November 2016.

2) The consolidated accounts of Asian Oilfield Services Limited (the "Company") and its subsidiaries (the "Group") have been prepared as per Accounting Standard (AS) 21 on Consolidated Financial Statements.

3) As regards Auditor's observations in their review report on the above results:

a) As at 30 September 2016, the Company has certain long outstanding trade receivables, short term loans and advances and long term loans and advances amounting to Rs. 601.18 lacs, Rs 555.48 lacs and Rs 118.71 lacs respectively (as at March 31, 2016: Rs. 601.18 lacs, Rs.532.76 lacs and Rs. 128.71 lacs respectively). The Company is reasonably certain that the same are recoverable in near future, hence no provision is required for the same.

b) The Company had entered into a contractual agreement with a customer, ONGC to provide 3D seismic services amounting to INR 5,129 lacs. The Company has recorded revenue and receivables amounting to INR 406 lacs till 30 June 2016 against the services already delivered. As per the terms of the contract the mobilization of the project should have been completed by 1 October 2015.

The Company was however able to complete the mobilization by 28 December 2015 owing to delay caused by acts and inactions on the part of ONGC. No security was provided to AOSL for carrying out the mobilisation on time. This delay led to liquidated damages of INR 333 lacs being levied by ONGC. ONGC vide its correspondence dated 28 March 2016 show caused the Company as to why ONGC shall not terminate the contract on grounds of non-satisfactory performance by the Company within a period of 30 days which allowed ONGC to invoke the bank guarantee of INR 512.98 lacs. Immediately there upon, the Company initiated legal proceedings and filed arbitration petition under Section 9 of the Arbitration and Conciliation Act, 1996 with District court, Jorhat on the ground that the Company was not provided with adequate security by ONGC to enable it to carry out its obligations under the contract and has therefore challenged the levy of liquidated damages and prayed for restraining ONGC from invoking the bank guarantee.

District Court, Jorhat vide its order dated 21 April 2016, did not grant an order of injunction and only show caused ONGC. The Company, upon legal advice, filed an appeal before the Gauhati High Court and the High Court of Gauhati has issued an order of injunction restraining ONGC from invoking the performance bank guarantee till the disposal of the arbitration proceedings and also passed status quo order with regard to the aforesaid correspondence dated 28 March 2016 issued by ONGC. The aforesaid performance based guarantee expired on 30 September 2016 and ONGC filed an application before the Jorhat District Court not to seek extension of the Guarantee. In the meantime, ONGC tried to invoke the guarantee upon a reference letter and the same tantamounted to contempt of the solemn direction of the Gauhati High Court. The Company has issued a notice of contempt to ONGC for acting in violation of the solemn direction of the Gauhati High Court. The matter is pending for final hearing before the Jorhat District Court on 10 November 2016 and 11 November 2016.

The Company has invoked arbitration by issuance of notice dated 1 September 2016. The Company has been legally advised that it has good case on merits in respect of these matters. Accordingly, the management has not recorded provision in relation to liquidated damages and bank guarantee given to the customer.

4) The Consolidated Financial Results include the financial results of the subsidiaries; Asian Oilfield & Energy Services DMCC - U.A.E. and AOSL Petroleum Pte Ltd - Singapore.

5) Pursuant to conclusion of the open offer Oilmax Energy Private Limited has acquired controlling stake of Samara Capital Partners Fund I Limited on 5 August 2016 and are the new promoters of the company.

6) The Company has opted to publish Consolidated financial results. The reviewed standalone results of the Company for the above mentioned periods are available on Company's website www.asianoilfield.com. Key standalone financial information is given below:

Particulars	Quarter ended			Half Year ended		Year ended
	30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from operations	309.06	927.26	-	1,236.32	-	936.26
Loss before tax	(154.80)	145.19	(348.44)	(9.61)	(746.36)	(2,758.46)
Net loss	(154.80)	145.19	(529.58)	(9.61)	(927.50)	(2,939.59)

7) As per Accounting Standard (AS) 17 "Segment Reporting", the Company's business falls within a single business segment viz. "Seismic data acquisition and its related services".

8) Tax expense for the year ended 31 March 2016 includes tax expense relating to earlier years amounting to Rs. 181.14 lacs.

9) Prior period income for the quarter ended 30 September 2016 includes write back of interest accrued amounting to Rs. 1,025.17 lacs vide settlement agreement with the lenders dated 25 May 2016 which should have been recorded in quarter ended 30 June 2016. This write back is also considered as exceptional item for period ended 30 September 2016.

Prior period expense for the year ended 31 March 2016 includes adjustment related to opening stock amounting to Rs. 93.60 lacs and license fee of earlier year amounting to Rs.44.67 lacs.

10) Exceptional item is the amount written back on account of full and final settlement of inter corporate deposits.

11) Previous quarter's/year amounts have been re-grouped/re-classified, wherever considered necessary to make them comparable with current period.

for ASIAN OILFIELD SERVICES LIMITED



Rohit Agarwal

Rohit Agarwal
Director
DIN: 01780752

Place : Gurgaon
Date : 8 November, 2016