

Walker Chandiook & Co LLP

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Review Report on Quarterly Financial Results and 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 standalone financial results (“the Statement”) of Asian Oilfield Services Limited (“the Company”) for the quarter ended 30 June 2016 and the year to date results for the period 1 April 2016 to 30 June 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 financial results, the Company’s trade receivables, short-term loans and advances and long-term loans and advances as at 30 June 2016 include 601.18 lacs, 572.17 lacs and 128.71 lacs respectively (as at 31 March 2016: 601.18 lacs, 532.76 lacs and 128.71 lacs respectively, and as at 30 June 2015: Rs. 349.39 lacs, Rs. 1,000.31 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 financial results. Our audit opinion on the financial statements for the year ended 31 March 2016 and the predecessor auditor’s review report on the unaudited financial results for the quarter ended 30 June 2015 were also qualified in respect of this matter.
4. Based on our review conducted as above, except for the effects of qualification as described in the previous paragraph, 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.



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5. We draw attention to Note 3(b) to the accompanying unaudited 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 financial results. Our opinion is not qualified in respect of these matters.
6. The review of unaudited financial results for the three months period ended 30 June 2015 included in the statement was carried out and reported by Deloitte Haskins & Sells vide their qualified review report dated 11 August 2015 whose review report has been furnished to us and which has been relied upon by us for the purpose of our review of the Statement. 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: 11 August 2016

Asian Oilfield Services Limited

Regd. Office : Asian Oilfield Services Ltd., 703,7th Floor,Tower-A, Iris Tech Park, Sector-48, Sohna Road, Gurgaon, Haryana 122018, India.

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016

Particulars	(Rs. in lacs)			
	Quarter ended			Year ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Income from Operations				
1. Net Sales/Income from Operations	927.26	589.33	-	936.26
2. Other Operating Income	-	-	-	-
Total Income from Operations	927.26	589.33	-	936.26
3. Expenses				
a) Employee benefit expense	445.02	337.13	130.58	794.34
b) Depreciation and Amortisation	127.81	152.40	143.29	599.05
c) Other Expenditure	513.32	922.51	131.65	2145.12
Total Expenses	1,086.15	1,412.04	405.52	3538.51
4. Profit/(Loss) from operations before other income, finance cost and exceptional items	(158.89)	(822.71)	(405.52)	(2,602.25)
5. Other Income	70.89	137.73	125.34	524.82
6. Profit/(Loss) from ordinary activities before finance cost and exceptional items	(88.00)	(684.98)	(280.18)	(2,077.43)
7. Finance cost	114.42	157.95	117.74	542.76
8. Profit/(Loss) from ordinary activities after finance cost but before exceptional items	(202.42)	(842.93)	(397.92)	(2,620.19)
9. Exceptional items {Income/(Expenses)}	347.61	-	-	-
10. Profit/(Loss) from ordinary activities before prior period item and tax	145.19	(842.93)	(397.92)	(2,620.19)
11. Prior period item	-	138.27	-	138.27
12. Profit/(Loss) from ordinary activities before tax	145.19	(981.20)	(397.92)	(2,758.46)
13. Tax expense	-	-	-	181.14
14. Net/(Loss) Profit from ordinary activities after tax	145.19	(981.20)	(397.92)	(2,939.60)
15. Extraordinary items (net of tax)	-	-	-	-
16. Net Profit/ (Loss) for the period	145.19	(981.20)	(397.92)	(2,939.60)
17. Paid-up equity share capital of Re.10/- each	2,232.44	2,232.44	2,232.44	2,232.44
18. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	(496.23)
19. Earning per Share (before and after extraordinary items, not annualised)				
- Basic (Rs.)	0.65	(4.40)	(1.78)	(13.17)
- Diluted (Rs.)	0.65	(4.40)	(1.78)	(13.17)

NOTES

1) The above 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 11th August 2016.

2) 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".

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

a) As at 30th June 2016, the Company has certain long outstanding trade receivables, short term loans and advances and long term loans and advances amounting to Rs. 572.17 lacs, Rs 532.76 lacs and Rs 128.71 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 30th June 2016 against the services already delivered. As per the terms of the contract the mobilization of the project should have been completed by 1st October 2015.

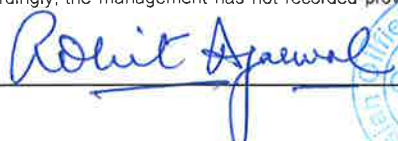

The Company was however able to complete the mobilization by 28 December 2015 owing to delay caused by acts and inactions on the part of ONGC. No security was provided to AOSL for carrying out the mobilisation on time. This delay led to liquidated damages of INR 333 lacs being levied by ONGC.

ONGC vide its correspondence dated 28th 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 21st 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 28th March 2016 issued by ONGC. Next date of hearing at District Court, Jorhat is 3rd 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) Pursuant to conclusion of the open offer Oilmax Energy Private Limited has acquired controlling stake of Samara Capital Partners Fund I Limited on 5th August 2016 and are the new promoters of the company.

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

6) Prior period expense for the year ended 31st 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.

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

8) Figures for the quarter ended 31st March 2016 are the balancing figure between the audited figures for the year ended 31st March 2016 and the published year to date figures for the nine months ended 31st December 2015.

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

Place : Gurgaon
Date : 11th August, 2016

For and on behalf of the Board,
For ASIAN OILFIELD SERVICES LIMITED



Rohit Agarwal
Rohit Agarwal
Wholetime Director
DIN: 01780752