

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
16th Floor, Tower II
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

T +91 22 6626 2600
F +91 22 6626 2601

Independent Auditor's Review Report on Consolidated Quarterly Financial 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 ('Statement') of Asian Oilfield Services Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') (Refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of loss under Indian Accounting Standards (Ind AS) of the corresponding quarter with loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subjected to limited review or audit. 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 to the accompanying Statement, the Group's current trade receivables, other current assets and other non-current financial assets as at 30 June 2017 include Rs. 253.89 lakhs, Rs. 104.05 lakhs and Rs. 108.71 lakhs, 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 current trade receivables, other current assets and other non-current financial assets, and the consequential impact, if any, on the accompanying Statement.
4. Based on our review conducted as above and upon consideration of the review reports of the other auditors referred to in paragraph 6, except for the possible effects of the matter 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 Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements 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.



Walker Chandiook & Co LLP

5. We draw attention to Note 4 to the accompanying Statement which describes the uncertainty related to outcome of a legal case filed by the Company in relation to liquidated damages claimed by a customer after serving a show cause notice for termination of contract. The matter is pending litigation before the District Court, Jorhat which has directed the matter to an outside expert conciliation committee based on the submission made by the customer to the District Court. As at 30 June 2017, the Company has an outstanding receivable of Rs. 398 lakhs from the customer, a bank guarantee of Rs. 512.98 lakhs given to and Rs. 333 lakhs of liquidated damages claimed by this customer. Pending the final outcome of the aforesaid matter, which is presently unascertainable, no adjustments have been recorded in the accompanying Statement. Our review report is not modified in respect of this matter.
6. We did not review the financial results of two subsidiaries included in the Statement whose financial results reflect total revenues of Rs. 3,409.41 lakhs and net profit (including other comprehensive income) of Rs. 1,005.49 lakhs for the quarter ended 30 June 2017. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

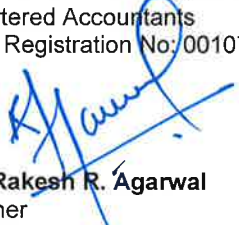
Further, the Statement includes financial result of one step-down subsidiary, whose financial result reflect total revenues of Rs. Nil for the quarter ended 30 June 2017 and loss (including other comprehensive income) of Rs. 14.40 lakhs for the quarter ended 30 June 2017. The financial result has not been reviewed by other auditors and has been furnished to us by the Management and our report in respect thereof is based solely on the management certified result. In our opinion and according to the information and explanations given to us by the Management, the financial result is not material to the Group.

Also, all the three subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries. The Company's management has converted the financial results of such subsidiaries outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our review report is not modified in respect of these matters.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


per Rakesh R. Agarwal
Partner
Membership No. 109632

Place: *CORUGRAM*
Date: *8 September 2017*

Walker ChandioK & Co LLP

Annexure 1

List of subsidiaries included in the Statement

1. Asian Oilfield & Energy Services DMCC, Dubai
2. AOSL Petroleum Pte. Ltd., Singapore
3. Ivorene Oil Services Nigeria Ltd., Nigeria



STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

Rs. in lakhs except earnings per share data

Sr. No.	Particulars	Quarter ended 30 June 2017 (Unaudited)	Quarter ended 30 June 2016 (Unaudited) (Refer notes 1 and 2)
1	Income		
	(a) Revenue from operations	5,127.49	927.26
	(b) Other income	68.98	45.59
	Total income (a+b)	5,196.47	972.85
2	Expenses		
	(a) Oilfield services related expense	2,435.16	460.18
	(b) Employee benefits expense	940.99	560.70
	(c) Finance costs	116.54	258.05
	(d) Depreciation and amortisation expense	389.50	408.27
	(e) Other expenses	489.26	249.03
	Total expenses (a+b+c+d+e)	4,371.45	1,936.23
3	Profit/(loss) before exceptional items and tax (1-2)	825.02	(963.38)
4	Exceptional items (Refer note 5)	271.07	347.61
5	Profit/(loss) before tax (3+4)	1,096.09	(615.77)
6	Tax expense	-	-
7	Profit/(loss) for the period (5-6)	1,096.09	(615.77)
8	Other comprehensive income		
	(a) Items not to be reclassified subsequently to profit or loss		
	- Gain on fair value of defined benefit plans as per actuarial valuation	1.20	0.63
	- Income tax effect on above	-	-
	(b) Items that will be reclassified subsequently to profit or loss	-	-
	Other comprehensive income for the period, net of tax	1.20	0.63
9	Total comprehensive income for the period, net of tax (7+8)	1,097.29	(615.14)
	Total comprehensive income for the period attributable to:		
	Owners of the Company	1,097.29	(615.14)
	Non-controlling interest	-	-
10	Paid up equity share capital (Face value of Rs.10 each)	2,607.44	2,232.44
11	Earnings per share (Face value of Rs.10 each)		
	(a) Basic EPS (not annualised)	4.21	(2.76)
	(b) Diluted EPS (not annualised)	2.88	(2.76)
	See accompanying notes to the financial results		



Notes:

- 1 The consolidated financial results for the quarter ended 30 June 2017 are in accordance with the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning on or after 1 April 2017 with the date of transition to Ind AS as 1 April 2016. Accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Consequently, consolidated figures for the corresponding quarter ended 30 June 2016 have been restated as per the requirements of the said notification, to comply with Ind AS to make them comparable.
- 2 The Audit Committee has reviewed these financial results and the Board of Directors have approved the same at their respective meetings held on 8 September 2017. The statutory auditors of the Company have carried out the limited review of the results for the quarter ended 30 June 2017. The Ind AS compliant results, for the corresponding quarter ended 30 June 2016, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the results provide a true and fair view of its affairs for comparison purposes.
- 3 As at 30 June 2017, the Group has certain long outstanding current trade receivables, other current assets and other non-current financial assets amounting to Rs. 253.89 lakhs, Rs. 104.05 lakhs and Rs. 108.71 lakhs, respectively. The Group is reasonably certain that the same are recoverable in near future; hence no provision is required for the same.

The statutory auditors have modified their limited review report in respect of this matter.

- 4 The Company has an on-going legal case with one of its customer in relation to liquidated damages claimed by the customer after serving a show cause notice for termination of the contract. The said case is pending before the District Court, Jorhat which has directed the matter to an outside expert conciliation committee based on the submission made by the customer to the District Court. Based on the present status of the matter and legal advice, the Company has not recorded provision in relation to liquidated damages of Rs. 333 lakhs, the receivable outstanding in the books of Rs. 398 lakhs and the bank guarantee given to this customer of Rs. 512.98 lakhs.
- 5 Exceptional items represent amounts written back on account of full and final settlement of trade payables & inter corporate
- 6 As per Ind AS 108 "Segment Reporting", the Group's business falls within a single operating segment viz. "Oilfield services".
- 7 In view of the various clarifications issued and being issued by the Ind AS Transition Facilitation Group (ITFG), constituted by the Accounting Standard Board of the Institute of Chartered Accountants of India, it may be possible that the interim financials may undergo adjustments on finalization of full year Ind AS financial statements as at and for the year ending 31 March 2018; due to treatments/ methods suggested by ITFG on applicability of various Ind AS.
- 8 Reconciliation of loss for the period on account of transition from the previous Indian GAAP to the Ind AS for the quarter ended 30 June 2016:

Particulars	Rs. in lakhs	
	Unaudited (Refer notes 1 and 2)	
Loss for the period under the previous Indian GAAP	(615.14)	
Re-classification of defined benefit obligations	(0.63)	
Loss for the period under the Ind AS	(615.77)	

- 9 The Company has opted to publish consolidated financial results. The audited standalone results of the Company for the above mentioned periods are available on the Company's website www.asianoilfield.com. Key standalone financial information is given below:

Particulars	Rs. in lakhs	
	Quarter ended 30 June 2017 (unaudited)	Quarter ended 30 June 2016 (unaudited)
Revenue from operations	1,930.79	927.26
Profit before tax	101.75	144.56
Profit for the period	101.75	144.56
Total comprehensive income for the period, net of tax	102.95	145.19

- 10 The consolidated financial results include standalone financial results of the Company and its wholly owned subsidiaries, Asian Oilfield & Energy Services DMCC, Dubai, AOSL Petroleum Pte. Ltd, Singapore and Ivorene Oil Services Nigeria Ltd, Nigeria. All the three subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries. The financial results of the entities have been reviewed by the respective auditors of these entities, except for Ivorene Oil Services Nigeria Ltd, operations of which are not significant. The Company's management has converted the financial results of these subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

for Asian Oilfield Services Limited

Ashutosh Kumar
Director
DIN: 06918508

Place: Gurugram
Date: 8 September 2017

