

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 Standalone 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 standalone financial results ('Statement') of Asian Oilfield Services Limited ('the Company') 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 net profit under Indian Accounting Standards ('Ind AS') of the corresponding quarter with net profit 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 Company's current trade receivables, other current assets and other non-current financial assets as at 30 June 2017 include Rs. 90.99 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.



Walker Chandiook & Co LLP

4. Based on our review conducted as above, 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 Ind AS 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.
5. We draw attention to Note 4 to the accompanying Statement which describes the uncertainty related to outcome of a legal case in relation to liquidated damages claimed by a customer after serving a show cause notice for termination of contract. The matter 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. As at 30 June 2017, the Company has outstanding current trade receivables 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 ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying Statement. Our review report is not modified in respect of this matter.

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: *GUWAHATI*

Date: *8 September 2017*

STATEMENT OF UNAUDITED STANDALONE 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	1,930.79	927.26
	(b) Other income	152.38	70.89
	Total income (a+b)	2,083.17	998.15
2	Expenses		
	(a) Oilfield services related expense	1,133.96	354.86
	(b) Employee benefits expense	418.12	445.64
	(c) Finance costs	106.57	114.42
	(d) Depreciation and amortisation expense	155.10	127.81
	(e) Other expenses	167.67	158.47
	Total expenses (a+b+c+d+e)	1,981.42	1,201.20
3	Profit/(loss) before exceptional items and tax (1-2)	101.75	(203.05)
4	Exceptional items (Refer note 5)	-	347.61
5	Profit before tax (3+4)	101.75	144.56
6	Tax expense	-	-
7	Profit for the period (5-6)	101.75	144.56
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)	102.95	145.19
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)	0.39	0.65
	(b) Diluted EPS.(not annualised)	0.27	0.65
	See accompanying notes to the financial results		



Notes:

- 1 The standalone 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, standalone 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 Company has certain long outstanding current trade receivables, other current assets and other non-current financial assets amounting to Rs. 90.99 lakhs, Rs. 104.05 lakhs and Rs. 108.71 lakhs, respectively. The Company 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 inter corporate deposit.
- 6 As per Ind AS 108 "Segment Reporting", the Company'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 profit 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)
Profit for the period under the previous Indian GAAP	145.19
Re-classification of defined benefit obligations	(0.63)
Profit for the period under the Ind AS	144.56

for Asian Oilfield Services Limited

Place: Gurugram
Date: 8 September 2017


Ashutosh Kumar
Director
DIN: 06918508

