



**REPORT OF THE AUDIT COMMITTEE OF ASIAN ENERGY SERVICES LIMITED ("THE COMPANY") ON SATURDAY, 6<sup>TH</sup> SEPTEMBER, 2025 RECOMMENDING THE SCHEME OF MERGER BY ABSORPTION OF OILMAX ENERGY PRIVATE LIMITED ("OEPL" OR "TRANSFEROR COMPANY") WITH ASIAN ENERGY SERVICES LIMITED ("AESL" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("PROPOSED SCHEME").**

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**Members Present:**

Mr. Nayan Mani Borah	-	Chairman, Independent Director
Mr. Brij Mohan Bansal	-	Member, Independent Director

**1. Background:**

- 1.1. A meeting of the Audit Committee of the Company was held on 6<sup>th</sup> September, 2025 to inter alia, consider and recommend the Proposed Scheme of Merger by Absorption of Oilmax Energy Private Limited ("OEPL" or "Transferor Company") With Asian Energy Services Limited ("AESL" or "Transferee Company") And Their Respective Shareholders under section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") ("Scheme" or "Proposed Scheme").
- 1.2. The Transferor Company holds 60.83% shares of the Transferee Company and Transferee Company is a subsidiary of Transferor Company. The equity shares of the Transferee Company are listed on recognized stock exchange(s) in India.
- 1.3. The Proposed Scheme provides for merger of the Transferor Company with the Transferee Company, in consideration of issuance of fully paid-up equity shares of the Company to the shareholders of Transferor Company, as per the Share Exchange Ratio recommended in the Valuation Report. The Scheme also contemplates the consequent dissolution of the Transferor Company without winding up along with other consequential or integrally connected matters.
- 1.4. The Proposed Scheme which shall be presented before the NCLT (Mumbai Bench) under section 230 to 232 read with Section 66 and other applicable provisions of the Act, has been drawn up in compliance with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961 and other applicable laws including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('Master Circular'), as amended from time to time thereto (together 'SEBI Circulars').
- 1.5. In terms of the SEBI Circulars read with the SEBI Listing Regulations, a report from the Audit Committee recommending the Proposed Scheme after taking into consideration inter alia the Valuation Report, Fairness Opinion and commenting on the need for the Scheme, rationale of the Scheme, impact of the Scheme on the Company and its shareholders, cost benefit analysis of the Scheme and synergies of business of the entities involved in the Scheme is to be submitted along with the application to Exchanges.
- 1.6. The Transferee Company will be filing the Proposed Scheme along with necessary information/documents including this Report with the Stock Exchanges for their no objection or observation letter pursuant to Regulation 37 of the SEBI Listing Regulations and applicable statutory provisions.

Asian Energy Services Limited

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## 2. Documents perused by the Audit Committee

2.1. The following documents were placed before the Audit Committee –

- a. The Proposed Scheme of Merger by Absorption;
- b. Valuation Report dated 6<sup>th</sup> September, 2025 issued by an independent Registered Valuer, Banshi S. Mehta Valuers LLP, having IBBI Registration No. IBBI/RV-E/06/2022/172 (“Valuers”), providing the share exchange ratio;
- c. Fairness opinion dated 6<sup>th</sup> September, 2025 issued by Sundae Capital Advisors Private Limited an independent SEBI Registered (Category I) Merchant Banker IBBI No. IBBI/RV-E/03/2021/136 providing its opinion on the fairness of the share exchange ratio in the Valuation Report by Registered Valuer (“Fairness Opinion”); and
- d. Draft certificate of Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors of the Company, that the accounting treatment outlined in the Scheme is in compliance with the applicable Indian Accounting Standards prescribed under section 133 of the Act read with the rules framed thereunder and other generally accepted accounting principles.

## 3. Needs and Rationale of the Proposed Scheme:

3.1. The Audit Committee noted the rationale of the Scheme, which proposes to integrate the respective business activities of both entities into a single entity. The rationale is as follows:

The Transferor Company is the holding company of the Transferee Company. Both the Transferor Company and the Transferee Company are engaged in the business related to energy and minerals sector specially oil & gas. The consolidation of both entities will have a diversified portfolio of assets and businesses in the merged entity, which would not only be engaged in business of production and development of oil & gas blocks with proven resources and minerals resources but also provide end to end strategic solutions to oil & gas and minerals industry with offering extending across the entire upstream value chain including but not limited to geophysical data acquisition, integrated oil & gas field development, operations and maintenance, production facility construction on EPC and/or build-own-operate-transfer model, enhanced oil recovery services, material handling and rapid loading systems, exploration services, manpower services and other customized solutions to energy and minerals sector. The proposed integration of the respective business activities of both entities in a single entity will enable the following:

- i. The amalgamation will synergize the complementary strengths of both the Transferor Company and the Transferee Company. The consolidated entity would be able to create meaningful value for all stakeholders involved including shareholders of both the companies, employees, customers etc. as combined strengths and resources can be put to the best advantage. Further, the combined entity would benefit from the Transferee Company’s expertise and proven track record of operations and maintenance, facility construction and related services, etc and the Transferor Company’s expertise in reservoir management, integrated field development, geological and geophysical strengths, etc.;

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- II. The proposed amalgamation will provide an opportunity to better leverage the combined assets and capital base, technical and operational capabilities to build a stronger and more sustainable business which will improve the potential for further growth and expansion of the business of the merged entity;
- III. The proposed amalgamation will significantly strengthen the position of the combined entity in the industry in terms of assets base, geographical reach, technical capabilities and financial capabilities. The proposed amalgamation will enable creation of leading energy and mineral company in India with a global footprint;
- IV. The proposed amalgamation will provide the Transferee Company access to diversified portfolio of proven oil & gas and minerals resources of the Transferor Company across different basins and geographies. The Transferee Company will get benefited from long term revenue and cash flow visibility of the Transferor Company assets;
- V. The amalgamated entity will benefit from strengthened organizational leadership through the integration of management teams and personnel from both companies, who have vast experience, diverse skills and talent to compete effectively in an increasingly competitive oil & gas and minerals industry;
- VI. The combined entity will have greater operational efficiency through elimination of duplication/redundant functions, centralized and focused management, consolidating and optimizing resources under a unified leadership;
- VII. The combined entity will bring cost synergies with reduction in general and administrative expenses, reduction in compliance cost, bringing greater economies of scale in combined entity operations and optimization of resources;
- VIII. The combined entity will have enhanced financial strengths with large net worth, strong asset base and balance sheet, greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses, efficient capital allocation and better capital utilization. These enhanced financial strengths will help grow business at a faster rate with improved borrowing capabilities and reduced borrowing costs; and
- IX. The amalgamation will result in a simplified shareholding and group structure, thereby streamlining the ever-evolving regulatory compliance framework. It will improve corporate governance standard and bring more transparency.

#### **4. Salient features of the Proposed Scheme**

- 4.1 Appointed Date of the Proposed Scheme means 1st day of the month in which the Effective Date occurs.
- 4.2 The Scheme duly approved by the Stock Exchanges, SEBI, NCLT, with or without modifications, shall be effective from the Appointed Date but shall be operative from the Effective Date (date on which the NCLT order is filed with the Registrar of Companies).
- 4.3 Upon Scheme coming into effect from the Appointed Date, the entire business of the Transferor Company shall (including all the estate, assets, liabilities, contingent liabilities, duties, obligations of every kind, rights, claims,

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title, interest and authorities including accretions and appurtenances, licenses, permissions, incentives, registrations, exemptions, grants, subsidies, concessions, tax entitlements (including but not limited to incentives and/ or credits under applicable indirect tax laws), debtors, receivables, branches, contracts, encumbrances, employees, proceedings, etc.) whether in India or abroad shall stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

- 4.4 All inter-company balances and agreements, loans and advances, if any, between the Transferee Company and the Transferor Company will stand cancelled as a result of merger.
- 4.5 The Scheme provides for combining the Authorized Share Capital of the Transferor Company with the Transferee Company.
- 4.6 Transferee Company is a subsidiary of Transferor Company, upon the Scheme becoming effective, the Transferee Company shall immediately following such transfer and vesting of the businesses of the Transferor Company into the Transferee Company, without any application or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the equity shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company on the Record Date or their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company in the following manner viz

**For equity shareholders of Oilmax Energy Private Limited ('Transferor Company')**

*"117 (One Hundred Seventeen) fully paid up equity shares of Rs. 10/- each of Transferee Company for every 10 (Ten) fully paid up equity share of Rs.10/- each of the Transferor Company".*

- 4.7 The equity shares to be issued to the shareholders of Transferor Company as above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari passu with the existing equity shares of Transferee Company in all respects including dividends, bonus and rights entitlements.
- 4.8 Fractional shares or entitlement of a member of any Transferor Company pursuant to the merger shall be consolidated by the Board of the Transferee Company and allotted to a trustee, who shall hold such equity shares (with all additions or accretions thereto) in trust for the benefit of the respective members. The Trustee shall sell all these shares in the open market within 90 days from the date of allotment and pay the net sale proceeds (after deducting the applicable taxes and cost incurred, if any) thereof and any additions and accretions to the Transferee Company. After sale of all the shares held in trust, the Transferee Company shall subject to the withholding tax, if any, distribute such sale proceeds to the concerned eligible members in proportion to their respective fractional entitlement.
- 4.9 The Scheme shall be effective, subject to approvals of shareholders of the Company involved and approvals of other regulatory authorities as may be required including those of Stock Exchanges, SEBI, Regional Director, Registrar of Companies (Mumbai) and NCLT (Mumbai Bench).
- 4.10 The Scheme may be subject to requisite approvals from the lenders and creditors of the Transferee Company

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and the Transferor Company as may be directed by NCLT, unless the same is dispensed by NCLT.

- 4.11 In the event, any of the sanctions and approvals referred to in the Scheme are not obtained, the Scheme shall stand cancelled and be of no effect.
- 4.12 The Scheme is following the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961.
- 4.13 The Scheme provides for dissolution of the Transferor Company without winding up.
- 4.14 The costs, charges, expenses, taxes including duties, levies in connection with the Scheme would be borne by the Transferee Company.
- 4.15 The equity shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme would be listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

## **5. Cost benefit analysis of the Proposed Scheme**

Although the proposed Scheme would lead to incurring of some costs by each of the companies involved in the Scheme towards implementation, the benefits of the Scheme over a period of time would outweigh such costs given the long term benefits for stakeholders of all the Companies.

## **6. Synergies of business of the entities involved in the Scheme**

- 6.1. The consolidation of the Transferor Company with the Transferee Company will inter-alia result in the following synergies:
  - a) Both entities operate in the oil and gas sector, and their consolidation will result in a diversified business portfolio covering exploration, production, EPC, O&M, and other end-to-end upstream services;
  - b) The entities have similar business processes, technical capabilities, and resources, which can be efficiently integrated and leveraged to enhance overall operational performance;
  - c) The amalgamation will result in a larger and more competitive entity with a stronger asset base, increased revenue potential, and expanded market presence across the sector;
  - d) Integration of personnel from both companies will bring together diverse technical expertise and leadership talent, enabling the merged entity to respond effectively to industry demands;
  - e) The consolidation will lead to better cash flow management, enhanced net worth, and improved borrowing capacity, thereby supporting faster business expansion;
  - f) The merger will help eliminate duplicative legal, regulatory, and compliance requirements, leading to greater administrative efficiency; and

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- g) Shareholders of the unlisted Transferor Company will gain exposure to a listed entity, unlocking value through better price discovery, liquidity, and visibility of investment.

**7. Impact of the scheme on the shareholders:**

- 7.1. The Audit Committee discussed the rationale and expected benefits of the Scheme. In view of the various documents presented before the Audit Committee including Valuation Report, Fairness Opinion etc., it is observed that this merger will result in achieving greater efficiency in management of capital, access to cash flows generated by the businesses which can be deployed more efficiently to fund growth opportunities, post the completion of the Scheme.
- 7.2. Consideration shall be discharged by the Company by issuing its equity shares to the shareholders of Transferor Company based on Valuation Report dated 6<sup>th</sup> September, 2025, issued by Registered Valuer.
- 7.3. Upon this proposed Scheme coming into effect, every shareholder of the Transferor Company holding fully paid-up equity shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the record date will receive the equity shares of the Transferee Company in the Share Entitlement Ratio as per the Valuation Report. The equity shares issued by the Transferee Company would be listed on stock exchange i.e. BSE Ltd and NSE Ltd.

Based on the above, the Audit Committee is of the view that the Scheme is in the best interests of all the shareholders of the Company.

**8. Recommendation of the Audit Committee**

The Audit Committee after taking into consideration the Proposed Scheme, its rationale and benefits, the Valuation Report, the Fairness Opinion and other documents, hereby recommends the same to the Board of Directors of the Company, BSE, NSE, and SEBI and other appropriate authorities for favorable consideration.

By and order of the Audit Committee,  
**For and behalf of Asian Energy Services Limited**

A handwritten signature in blue ink, appearing to read "Nayan Mani Borah", is written over a light blue horizontal line.

**Mr. Nayan Mani Borah**  
**Chairman, Audit Committee**

**Place:** Mumbai

**Date:** 6<sup>th</sup> September, 2025

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