

Date: 21<sup>st</sup> September, 2018

To,  
The General Manager,  
The Corporate Relation Department  
BSE Limited  
Phiroza Jeejeebhoy Towers  
14th Floor, Dalal Street Mumbai 400 001

Dear Sir / Madam,

**Sub: Submission of Annual Report for financial year 2017-18**  
**Script Code: 530355**

In accordance with the provisions of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report for the financial year 2017-18 as approved and adopted in the Annual General Meeting of the Company held on 18<sup>th</sup> September, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Asian Oilfield Services Limited**



**Archana Nadgouda**  
**Company Secretary**



Encl. a.a.

**Asian Oilfield Services Ltd.**

CIN : L23200HR1992PLC052501

Regd. Office : Unit No. 1110, 11th Floor, JMD Megapolis, Sohna Road, Sector - 48, Gurgaon 122018

Phone : +91 (124) 660 6400 Fax : +91 (124) 660 6406, 660 6440 Email : mail@asianoilfield.com Web : <http://www.asianoilfield.com>



**Asian**  
Oilfield Services

The background features a series of concentric brown circles centered on the page. A silhouette of a data chart with multiple peaks and valleys is overlaid on these circles, extending across the width of the page. The chart is mirrored across a horizontal line.

**THE  
LEARNING  
CURVE**

ANNUAL REPORT 2017-18



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## INVESTOR INFORMATION

Market capitalisation as on March 31, 2018:

₹ 712 Crores

BSE Code: 530355

AGM Date: September 18, 2018

AGM Venue: Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurugram - 122018, Haryana

For online version of this annual report, visit:

<http://www.asianoilfield.com/investor-relations.html>

Or simply scan:



**Forward looking statement:** This report contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil prices worldwide, technological obsolescence and domestic, economic and political conditions. We cannot assure that outcome of this forward-looking statements will be realised. The Company disclaims any duty to update the information given in the aforesaid reports.

## FINANCIAL HIGHLIGHTS, 2017-18

₹226 Crores  
76% ↑ YoY



Consolidated total income

₹44 Crores  
407% ↑ YoY



Consolidated EBITDA

₹10 Crores  
155% ↑ YoY



Consolidated PAT

₹141 Crores  
72% ↑ YoY



Consolidated Net worth

0.18



Debt equity (1 in 2016-17)

Encountering unforeseen business scenarios is always challenging. But, it's the knowledge you earn along the journey in the long run that matters. It provides the critical insights necessary to independently make course corrections and deliver a solution not only to the existing problem, but all future problems as well.

This is how the 'learning curve' is defined in our business. The year gone by wasn't an easy ride for us. However, we were determined to stay in course and utilise the learnings to strengthen our future course of actions.



# About us

Asian Oilfield Services Limited (referred as 'Asian' or 'the Company', here on), was established in the year 1992. In a bid for operational turnaround, the Company was subsequently taken over by its new promoters – Oilmax Energy – in the FY 2016-17.

Asian specialises in a geo-physical range of onshore seismic and drilling services, including acquisition, imaging and field evaluation. It offers two-dimensional (2D) and three-dimensional (3D) seismic data acquisition services. It also provides Operations and Maintenance (O&M) services for offshore production assets like Floating Production Unit (FPU), Mobile Offshore Production Unit (MOPU), Floating Production Storage and Offloading (FPSO), Floating Storage and Offloading (FSO).

## GLOBAL PROJECT EXPERTISE



### India

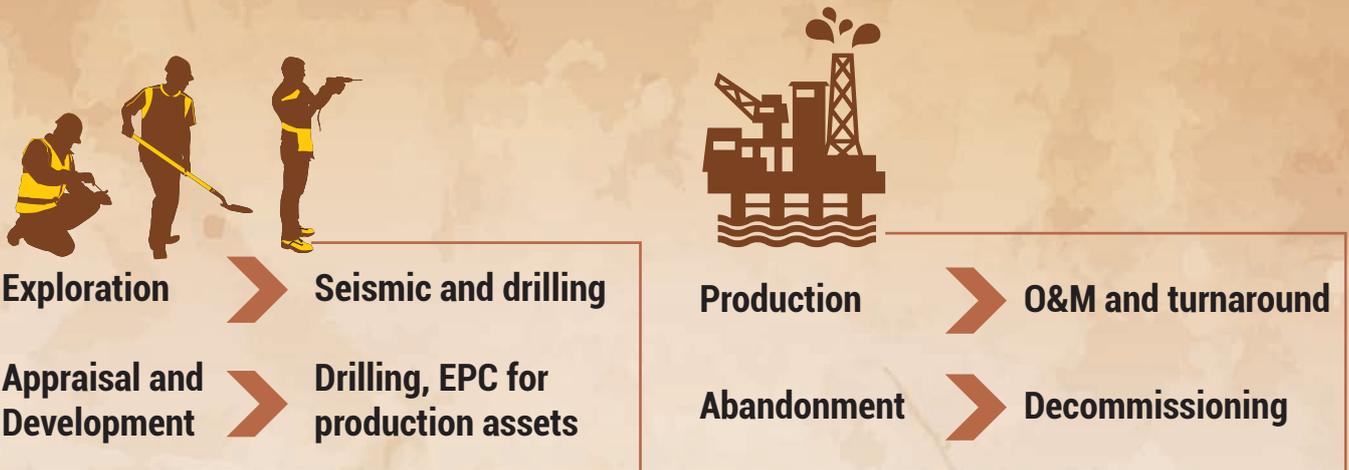
- 1. Uttar Pradesh
- 2. Bihar
- 3. Rajasthan
- 4. Gujarat
- 5. North East States

### Rest of the World

- 6. Myanmar
- 7. Indonesia
- 8. Kurdistan, Iraq
- 9. Nigeria

## AN INTEGRATED OILFIELD SERVICES COMPANY

Building capabilities and credentials across E&P Lifecycle services value chain



**ISO**



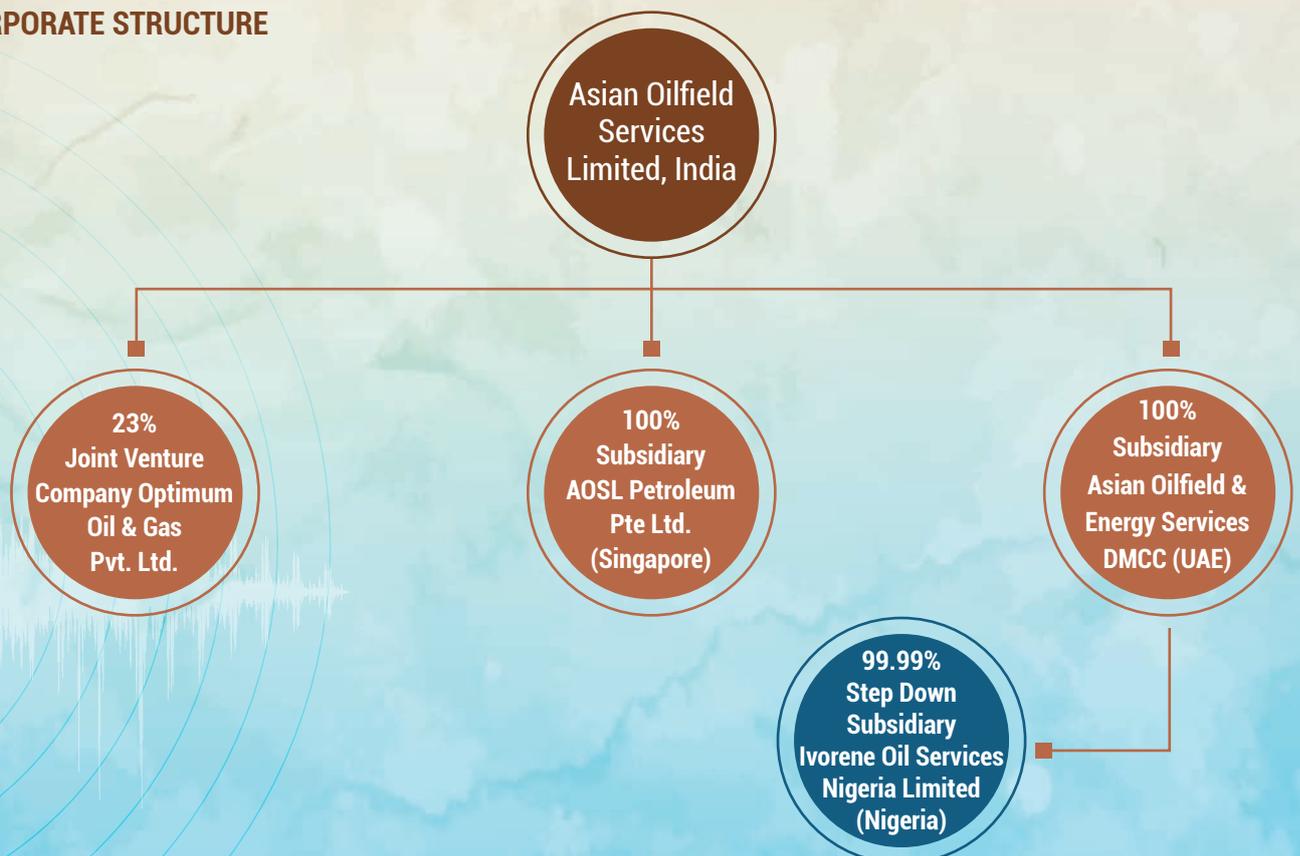
Certified

**IAGC**



Certified contractor

## CORPORATE STRUCTURE



# Highlights 2017-18



- Strengthened the balance sheet to support future growth by infusion of capital
- Augmented the asset base to support future growth
- Accomplished mobilisation for all projects already secured and currently undergoing their execution
- Secured new contract in Rajasthan for better equipment utilisation during monsoon period



## SEISMIC PROJECTS

Achieved timely completion of Myanmar project of Bashneft

Cemented company's reputation as a credible service provider in the growing Myanmar market

The Company's seismic services projects in North-east India saw a loss of 45 operational days in October/November 2017 owing to prolonged rainfall; however, the Company has deployed necessary resources to ensure timely completion of project

The Company is witnessing local challenges at Oil India Ltd, Manipur project, resulting in slower progress in this project; the Company is addressing the issue and planning to resume smooth operations post monsoon (November 2018)

Successfully mobilised and commenced operations for Oil India Ltd, Jaisalmer project in May 2018

Successfully re-mobilised and resumed operation for Oil India Ltd, Mizoram project, in February 2018

## O&M

The Company's subsidiary Asian Oilfield & Energy Services DMCC, Dubai O&M contract in Nigeria has been terminated by the client in May 2018. Necessary steps are being taken to protect the Company's interests as per the contract. The Company has successfully de-mobilised from operations post-termination.



# Whole-time Director and CEO's message



## Dear Shareholders,

The year gone was unexpectedly challenging owing to the circumstances that were completely unforeseen and beyond our control. However, we never let these circumstances take over the upbeat mindset of the Company. Instead, we took them as our learnings and corrected our future course of action as a mitigation measure.

## MACRO-ECONOMIC DYNAMICS

Let me first walk you through some of the macro-economic developments of the year. The global economy experienced a cyclical recovery, reflecting a rebound in investment, manufacturing activity and trade. Global GDP grew by 3.8% in CY2017 which was half percentage points higher than in CY2016 and the fastest since CY2011. During the year, we saw significant changes in policy across the globe. The year also saw the rise of protectionist policies by all major economies. The improvement came against the backdrop of favourable global financial conditions, generally accommodative policies, rising confidence and firming commodity prices. The out turns were even better in

both the advanced and the Emerging Market and Developing Economy (EMDE) groups. Oil & gas prices were volatile, with an increasing trend in prices especially in the latter half of the year.

When the crude oil export ban was lifted in January 2016, it was perceived to be good for the industry and free trade, without any consideration of impact. After several years of oversupply, the oil and gas industry could very well be moving into a supply crunch. The ramp up of U.S. oil production and the burgeoning sense of optimism is further sweeping the sector. The price of oil has rebounded. After appearing limited to a range between the mid-\$40s and \$50 per barrel (bbl), Brent crude is now trading above \$70. The industry is thus recovering from the brutal last few years of weak prices, enforced capital discipline, portfolio realignments and productivity efficiencies. More broadly, global upstream capital expenditure, which dropped nearly 45% between 2014 and 2016 is now forecasted to rise 6% annually in the medium term. Oil and gas rig activity levels are rising, driven by the North American market, and major projects are being approved.

In India, the Government liberalised the regime for oil and gas exploration by announcing Open Acreage Licensing process that allows companies to carve their own areas for hydrocarbon hunting. Besides, the ongoing NSP (National Seismic Programme) and OALP (Open Acreage Licensing Policy) opened up further big opportunities in India for Seismic business.

### ADVANTAGE ASIAN

Asian is the only Indian company to offer 3D wireless seismic technology and are evenly poised to be the most attractive option to potential customers who are looking to work in harsh environments. Our extensive work experience across challenging terrains and limited competition in the seismic space, we foresee an improvement in our market share through the plethora of industrial opportunities lying ahead.

The future for the O&M vertical continues to look promising amidst the current oil and gas scenario. There are a lot of upcoming opportunities that will not only replace loss of existing contract but also expand our portfolio. Expansion into offering other services like EPC, drilling and decommissioning, is strategically focused on de-risking Asian's revenue streams. Moreover, it allows Asian to offer low-cost integrated management solutions to the Indian and international market.

### STRATEGIC PRIORITIES FOR 2018-19

We will carry out cost rationalisation and shift focus on more profitable contracts. Our sub-contractor selection will be more stringent going forward. We will incorporate our learnings in execution of current projects as well as in new upcoming projects.

### BUSINESS PIPELINE

We are in discussion with a big conglomerate group to form a JV for offshore marine asset. We are at an advanced stage of discussions and negotiations for a MOPU contract in Nigeria. We have submitted a competitive bid for a MOPU project in India in a Joint Venture. Besides, it is expected that there will be requirements of 2-3 other MOPUs in India. DSF-1 round players will also need MOPU like floating solution to develop their fields. We, thus foresee to secure contracts from these opportunities.

The blocks/areas awarded under OALP will have 2D/3D seismic requirement, which will open future business opportunities for the organisation.

### PEOPLE POWER

In any modern industry, the quality, commitment and contribution of employees are fundamental components of growth. We have, in our organisation, the proud commitment of our people, as also their dedication. On our part, we are ready to invest further in building a truly performance-driven organisation.

### COMMUNITY CARE

Business success in today's corporate society is something more than manufacturing, selling and making profits. As a responsible corporate citizen, we also deeply value time-tested relationship with the community. Wherever we do business, we deploy people from the local community, thus aiding in their socio-economic improvement.

### CLOSING THOUGHTS

After witnessing a challenging fiscal, we are ready to face the next year with courage and confidence. Our determination is to further improve our performance in the days ahead. I would like to acknowledge the Board of Directors and the Management Team for their continued guidance. I would also like to express my gratitude to all our employees, customers, bankers and other stakeholders for their belief and continued support.

Best Wishes,

**ASHUTOSH KUMAR**



# Management Discussion and Analysis

## ECONOMIC REVIEW

### Global

The global economy strengthened during financial year (FY) 2017-18, as lingering fragilities in the global financial markets began subsiding. According to IMF – World Economy Report, global growth is projected to rise at 3.9% in 2018 vis-à-vis 3.8% in 2017. The improvement in global economy provides an opportunity to countries to adopt more sustainable policies that work towards low-carbon economic growth, economic diversification, reducing inequalities and eliminating deep-rooted barriers to the growth and development of an economy. At present, increasing trade wars among the nation pose the only challenge for the global growth going ahead.

### India

During FY 2017-18, India's economy was marked by various structural reform initiatives aimed at strengthening the

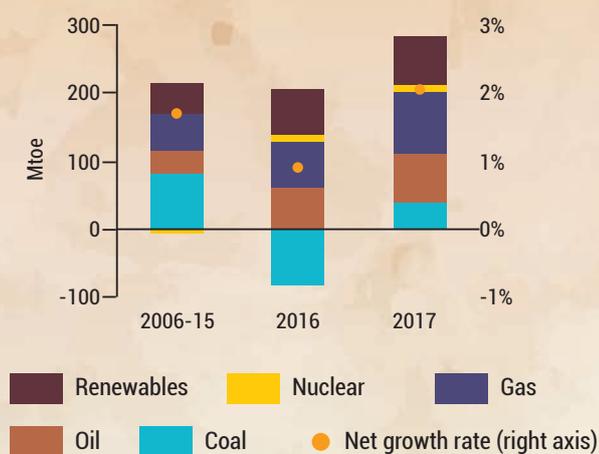
country's macro-economic scenario for sustainable future developments. Despite a tepid performance in the first half of FY 2017-18, owing to disruptions like the implementation of Goods and Services Tax (GST), India maintained its stability to record a growth of 6.7% during the year and emerged as the fastest growing global economy. Besides, India also gained the 5th spot as an international investment destination. According to the World Bank report, India has improved its ranking by 30 spots in terms of 'Ease of Doing Business' and is ranked at 100 out of the 190 countries. Going ahead, inflationary pressures and rising crude prices pose as key challenge going ahead. However, the long-term outlook is extremely bright. India's GDP is expected to reach US\$ 6 trillion by FY 2027 owing to consistent reforms, digitisation, globalisation and favourable demographic conditions. Over the next 10-15 years, India is expected to be among the top three economic powers, backed by its strong democracy and partnerships.



## Global Energy Sector trends in the year gone-by

The global energy demand rose by more than twice of last year to 2.1% in 2017 boosted by strong global economic growth. China and India accounted for over 40% of last year's rise of which 72% was met by oil, gas and coal. Renewables also witnessed an impressive growth contributing 25% of the demand and the rest met by nuclear power.

### Average annual growth in energy demand by fuel



(Source: International Energy Agency: IEA)

### Key global trends of 2017

**Oil:** The oil demand grew by 1.6%, more than twice the average annual rate seen over the past decade, driven by the transport sector and rising petrochemical demand.

**Natural gas:** Demand for natural gas grew the most by 3%, with China accounting for 1/3rd of the demand, with 80% coming from buildings and industry sectors.

**Coal:** Reversing the decline of last 2 years, coal saw a growth by 1% driven by the power sector needs of the Asian countries.

**Renewables:** The segment had the highest growth rate of any fuel, meeting a quarter of world energy demand growth, as renewables-based electricity generation rose 6.3%, driven by expansion of wind, solar and hydro-power.

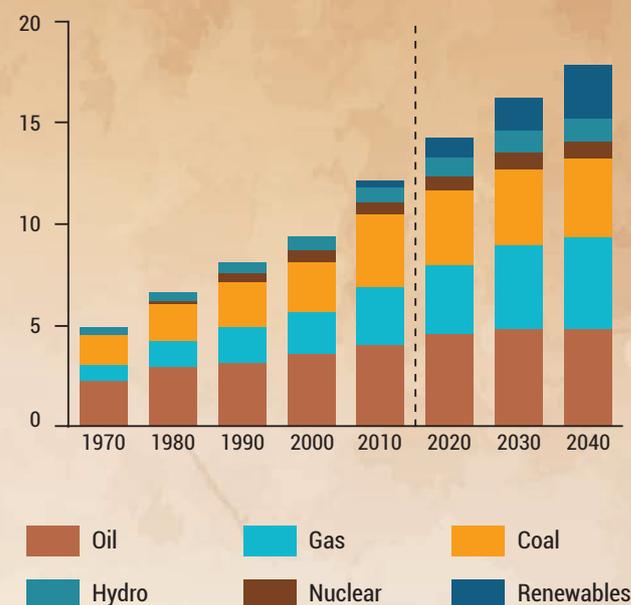
(Source: IEA)

### Outlook

The global energy demand is likely to continue its growth journey through 2040, driven by growing prosperity of nations, better standard of living and increase in population worldwide. Emerging markets in non-OECD nations will account for majority of share in demand arising mostly from

expanding economies in the Asia Pacific Region.

### Global Energy Outlook



(Source: International Energy Agency: IEA)

### Oil

The Brent crude witnessed a great show last year reversing the declines faced in 2016. From average of \$44 in 2016 it averaged at around \$70 by the end of 2017. Oil demand continued to be robust at 1.6mb/d, growing by 1.7% on a Y-O-Y basis. However, market re-balancing amid declining inventories kept the crude prices firm. Production restraints by OPEC and some non-OPEC countries restricted supply amid growing demand. With limited refinery capacity additions, global refinery utilisation rates remained high at 82%.

OPEC crude oil production averaged 32.3 mb/d in 2017, a decrease of 0.26 mb/d over the previous year. OPEC's share of the global liquids supply decreased by 0.5% to 33.57% from 34.07% the previous year. This was owing to the Declaration of Co-operation between OPEC and participating non-OPEC oil producers. The declines mainly came from Saudi Arabia, Venezuela and Kuwait.

Non-OPEC supply continued to grow in 2017, by 0.87 mb/y to average 57.87 mb/d, led by production in the US, Canada, Mexico and the UK. The US remained the key driver of non-OPEC supply growth, with US tight crude production surpassing expectations.

(Source: OPEC AR 2017)

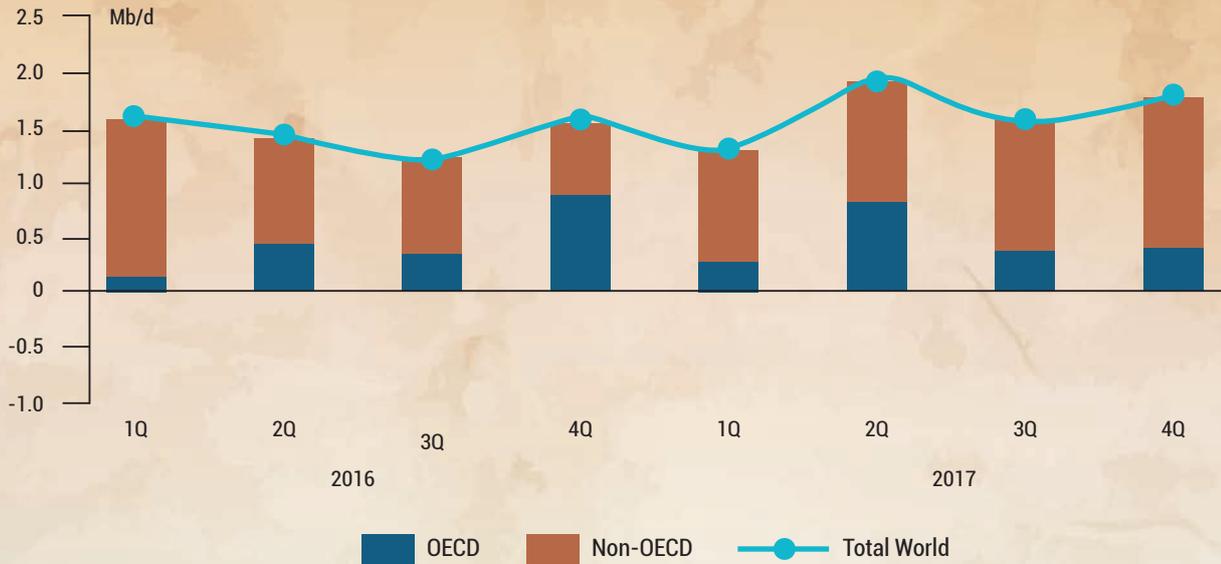
### Outlook

In 2018, oil demand is expected to grow by 1.65 mb/d, with expectations for total world consumption at 98.85 mb/d. By 2019 the supply increase would be 1.45mn/d whereas

demand is likely to surpass 100mb/day threshold. China and India together will contribute nearly 50% of global oil demand.

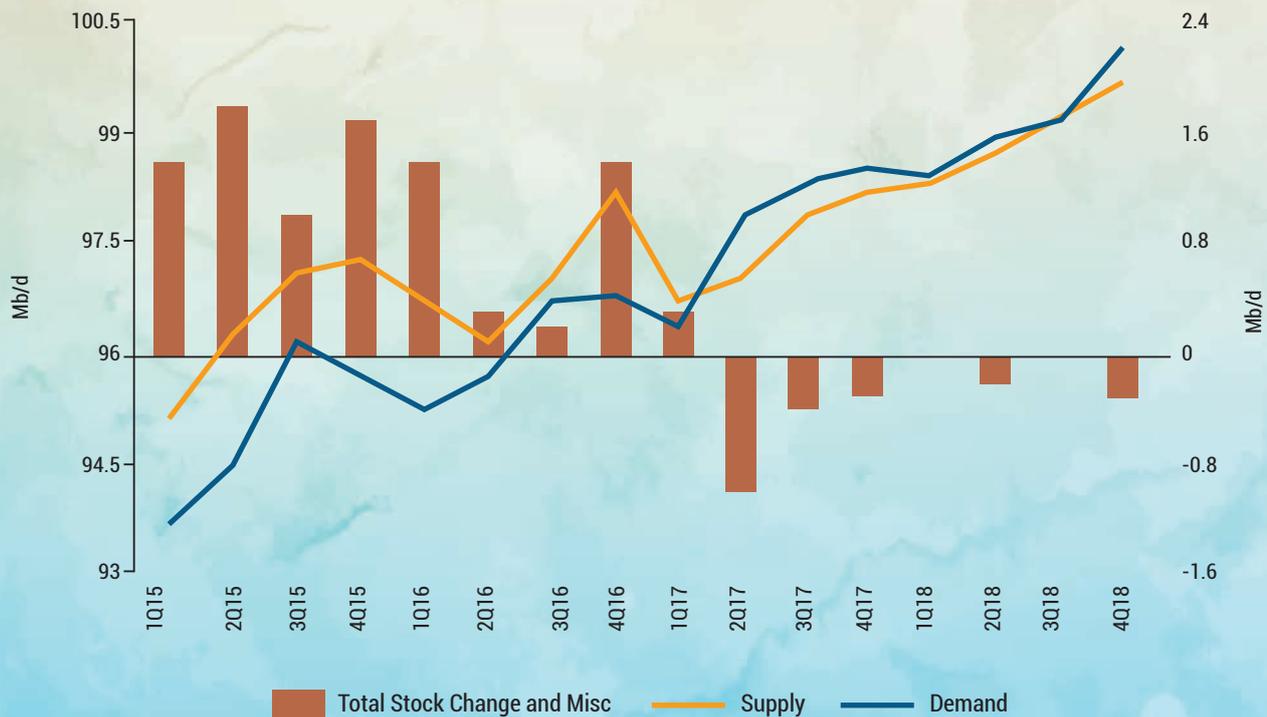
(Source: OPEC Monthly report)

### World oil demand by main region, Y-o-Y growth, 2017-18



(Source – OPEC –Annual Report CY 2017)

### Demand and Supply Balance – Demand overshoot supply accompanied by inventory deficit



(Source:IEA)

### Natural Gas

Natural gas demand recorded a 3% growth in 2017, sharply above the average growth of 1.5% in the last five years driven by relatively low-cost supplies and fuel switching in key economies. The US and Middle East contribute over half of the incremental production.

Natural gas prices remained volatile throughout the year with uptick in prices towards the end of the year. Increased offtake from LNG and Mexican exports kept the prices firm.

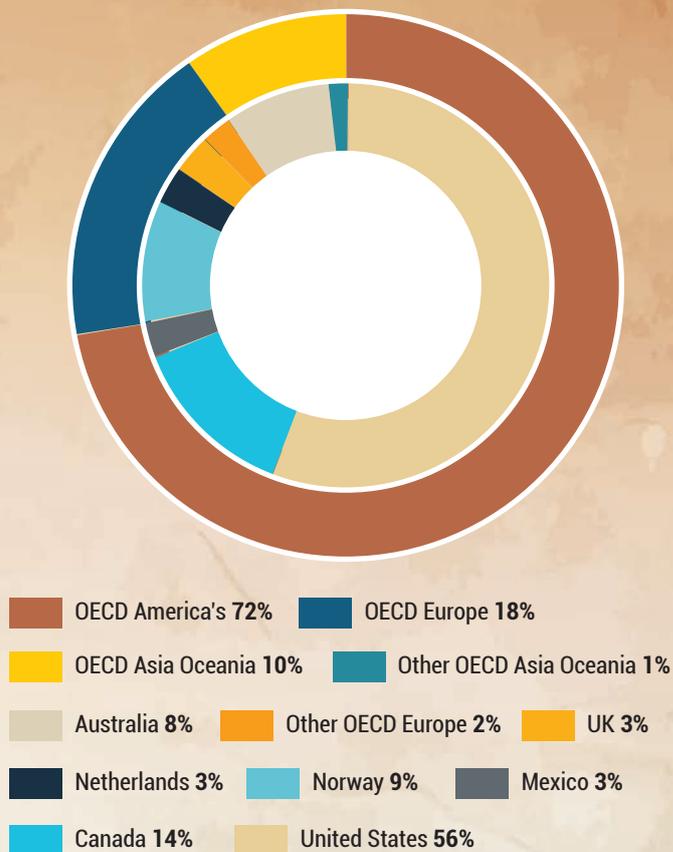
Production from OECD nations grew by 2.4% driven by increase in production across all regions. Exports grew 8.8% in 2017 compared to 2016 and imports from Asian countries saw a growth of 5.1%. High demand from power and heat generation drove exports.

### Outlook

By 2040 it is expected that US would account for more than 1/4th of the total gas production leaving behind Middle East and CIS nations. Consumption from the industrial, residential and commercial space is likely to increase by 4%, 10% and 4% respectively in 2018.

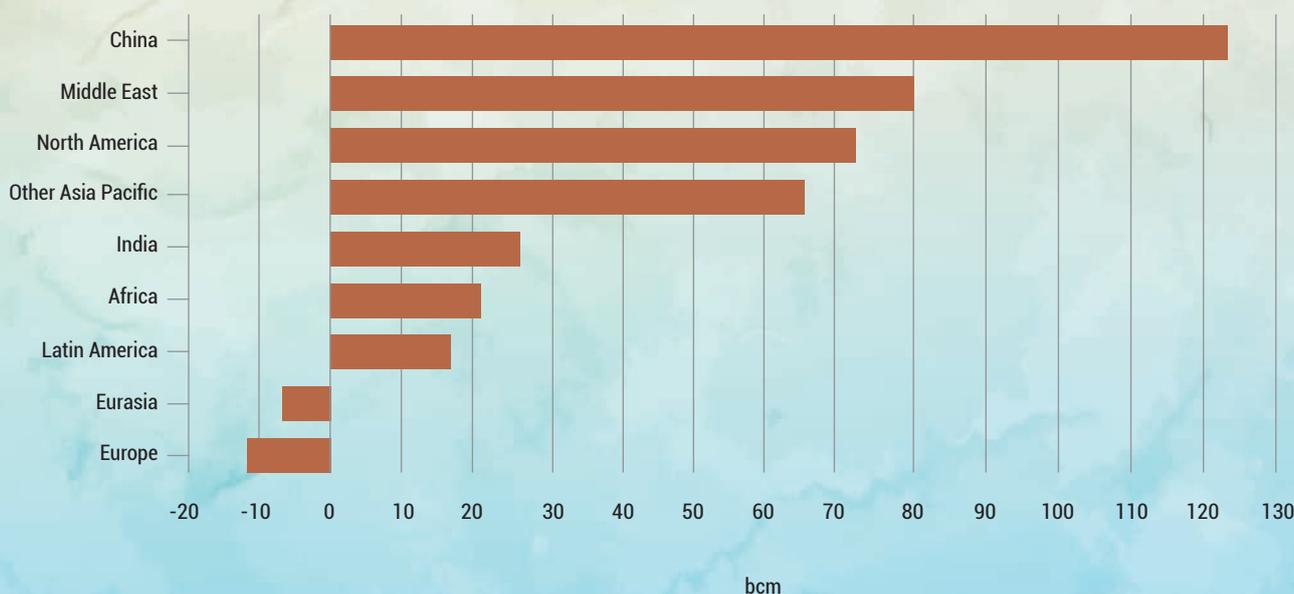
(Source:IEA)

OECD Natural Gas production 2017 by region



(Source:IEA)

Natural gas consumption growth, 2017-2023

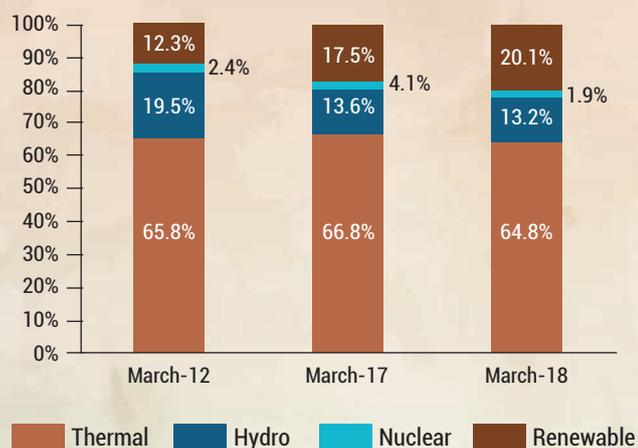


(Source:IEA)

### India Energy Sector

India has the fifth largest power generation capacity in the world. Globally India ranks third in terms of electricity production. India has a diversified power sector with power being generated using both conventional and non-conventional sources. Conventional includes fuels like coal, lignite, oil, natural gas, oil, hydro, nuclear and non-conventional sources like wind, solar, agri and domestic waste. Over the last few years the demand for power has risen significantly. Going ahead, factors such as sustained economic growth, the Government's focus on "Power for All" will trigger the demand for power. The total installed capacity stood at 3,43,899 MW in FY 2017-18. Generation grew by 3.95%.

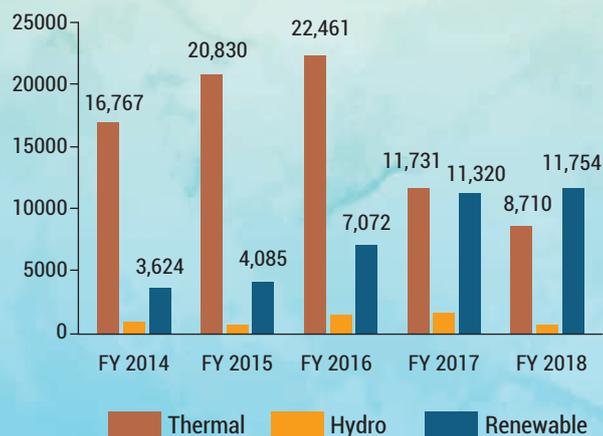
#### Trends in fuel mix of generation capacity



(Source: ICRA)

However, the power sector has been facing its own set of issues from years ranging from fuel security concerns, poor financial health of discoms, inimical financial environment, and policy paralysis.

#### Annual capacity addition in thermal, hydro and renewable segments



### Outlook

India's energy consumption is expected to grow at the rate of 4.2% p.a outpacing the demand from all other countries. The Government has ambitious plans to generate 2 trillion units of energy by 2019 to fulfill the dream of Power for All. India's share of global demand is likely to rise to 11% in 2040 from 5% in 2016, being the second largest share among the BRIC countries.

(Source: BP Plc report)

### Oil & Gas

India accounts for third largest oil consumer globally after China and the US. Of the overall energy, oil and gas occupies an approximate share of 35%. During the year 2017-18 oil import galloped 41.5% to US\$ 10.41 billion.

Several global companies like Saudi Aramco, BP Plc, Vedanta Resources and Total France have shown interest in India's oil and gas sector to the tune of USD 40 billion in next five years. The Royal Dutch Shell Plc, which has invested USD 1 billion in India plans to invest further in upstream and downstream segments.

### Outlook

India's oil and natural gas demand is expected to grow at a CAGR of 3.6% and 4.6% by 2040 respectively. Several projects are undertaken, the completion of which by 2019-20 will take the refining capacity to 256.55 MTPA. India will continue to be the leading nation in terms of energy demand.

## Indian Seismic Industry

Ministry of Petroleum and Natural Gas launched National Seismic Programme (NSP). NSP aims to undertake a fresh appraisal in all sedimentary basins across India, specially where no or scanty data is available to have better understanding of the hydrocarbon potential of the country. Under the programme, ONGC and OIL have been entrusted to conduct 2D seismic acquisition, processing and interpretation (API) across India. While ONGC has been assigned to carry out 2D seismic API of approximately 40,835 Line Kilo Meter (LKM) in onland part of 26 sedimentary basins in 18 states and union territories, OIL has been assigned to carry out 2D seismic API of 7408 LKM in Assam, Manipur, Arunachal Pradesh, Mizoram and Nagaland.

India has joined a select league of nations that offer areas for exploration and production of oil and gas round the year on liberal fiscal terms including marketing and pricing freedom. India has now its own National Data Repository (NDR), which stocks information on hydrocarbons prospects of 3.14 million sq. km of sedimentary basins.

India has also switched over to the Open Acreage Licensing (OAL) regime where companies can choose areas they want to explore. Under OAL, companies can visit NDR and look at vast seismic data of currently producing fields and explored areas as also those of unexplored areas. From the areas that are not under any licensee, they can then carve out an area

suitable to them and evince interest in doing exploration and production. 55 blocks were awarded in the OALP round with a huge potential for both 2D and 3D data acquisition in coming year apart from existing blocks with ONGC, OIL India, and private players.

## FINANCIAL REVIEW

### Revenue

The Company recorded an increase in its total revenues (on consolidated basis) by 76.08% from ₹ 12,821 lakhs in 2016-17 to ₹ 22,575 lakhs in 2017-18.

### Expenditure (including Depreciation and Amortization)

The Company's total expense increased 23.88% from ₹ 16,540 lakhs in 2016-17 to ₹ 20,490 lakhs in 2017-18.

### Profit after tax

The profit after tax increased by 156.59% from loss of ₹ 1,820.46 lakhs in 2016-17 to profit after tax of ₹ 1,030.16 lakhs in 2017-18.

### Fixed assets

Net carrying value of fixed assets increased from ₹ 7,952.90 lakhs in 2016-17 to ₹ 9,681.54 lakhs in 2017-18. During the financial year the Company has purchased oil field equipment of ₹ 3,248.71 lakhs.



## HUMAN RESOURCES

The Company is ISO 9000: 2015 certified and always focusing on quality in all respects. Human resources (HR) are one of the most important “assets” of our business. The success of an organisation depends on finding the employees with the skills to successfully perform the tasks required to attain the Company's strategic goals. HR refers to the recruitment and management of personnel, in compliance with the law.

The Company is a policy-driven organisation and we have well-defined policy for end-to-end HR & Administration functions. We have policy for Recruitment, Employees Induction, Compensation & Benefit, Training & Development, Performance Management, Social Security and finally for Exit of Employees. Hiring of quality manpower, retention, employees engagement & satisfaction, skill development & providing social security is our moto. We believe in team work and always try to create and promote the professional & healthy work culture within organisation. We always encourage the good organisational behaviour and best practices within organisation for organisation development.

The Company provides equal employment opportunities to all employees and applicants for employment, without regard to any individual's religion, caste, creed, or sex. AOSL prohibits all forms of unlawful discrimination and harassment in accordance with the Central and State government laws. It is the responsibility of every employee to ensure that unlawful discrimination or harassment does not occur in the workplace. AOSL does not discriminate between male and female employees under any circumstances, especially with regard to payment and remuneration.

We expect all employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct

**“Perform every task to the very best of your ability and highest quality” and “Do it right at the very first time” is our HR mantra.**

Employees training & development is a continuous process in AOSL. Various training programs had been conducted in the past for employees Skill Development (Technical Training at Site & On the Job Training) as well as for social Awareness & Workplace Safety (Training on Work Ethic, QHSE, POSH & Time Management etc). Employees Recognition and reward is also provided based on their Annual Performance review or achievements, if any. As on March 31, 2018, the actual strength of the Company stands at 316.



## INTERNAL CONTROL SYSTEM

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in Government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

# Board's Report

To the Members,

Your Directors are pleased to present the 25th Annual Report and the Company's audited financial statement for the financial year ended March 31, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2018 is summarised below:

Particulars	Consolidated		Standalone	
	2017-18	2016-17*	2017-18	2016-17*
Revenue from operations	22,222.29	12,431.62	9,566.28	4,341.83
Other Income	352.40	389.44	661.48	436.30
Total Revenue	22,574.69	12,821.06	10,227.76	4,778.13
Profit / (Loss) before Finance Cost, Depreciation and Tax	4,421.42	(1,437.61)	239.53	443.50
Finance Cost	(634.07)	(768.27)	(573.72)	(459.82)
Depreciation	(1,702.68)	(1,513.00)	(748.30)	(526.06)
Exceptional items	(1,034.11)	1,918.94	(985.22)	645.02
Profit/(Loss) before tax	1,050.33	(1,799.94)	(2,067.71)	102.64
Tax expenses	(20.17)	(20.52)	-	(20.52)
Net Profit/(Loss) after tax	1,030.16	(1,820.46)	(2,067.71)	82.12

(₹ in Lacs)

\* As per Ind-AS adopted by the Company during the financial year 2017-18

## DIVIDEND:

In view of loss for the financial year, the Board regrets its inability to recommend payment of dividend to the shareholders.

## TRANSFER TO RESERVES:

The Company does not propose to transfer any sum to the General Reserve in view of loss.

## COMPANY'S PERFORMANCE:

On consolidated basis, revenue from operations for the financial year 2017-18 stood at ₹ 22,222.29 lakhs which was higher by 78.76% over last year (₹ 12,431.62 lakhs in FY 2016-17). Net Profit for the year stood at ₹ 1,030.16 lakhs as against Net Loss of ₹ 1,820.46 lakhs in the previous year.

On standalone basis, revenue from operations for the financial year 2017-18 is ₹ 9,566.28 lakhs which has increased by approx. 2 times over last year (₹ 4,341.83 lakhs in FY 2016-17) whereas Net Loss for the year is ₹ 2,067.71 lakhs as against Net Profit of ₹ 82.12 lakhs, in the previous year.

Consolidated and standalone figures for financial year 2016-17 have been restated to comply with Ind-AS and make it comparable.

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year under review are in accordance with the Indian Accounting Standard (IND-AS) notified by the Ministry of Corporate Affairs, which are applicable to the group for the accounting periods beginning on or after 1st April, 2017.

## SUBSIDIARY COMPANIES:

The Company has 2 (two) subsidiaries, 1 (one) step down subsidiary and 1 (one) joint venture as on March 31, 2018. During the year under review the Company has invested in a Joint Venture Company (Optimum Oil & Gas Private Limited) (JV). As on March 31, 2018 the Company held 23% of the equity share capital in the JV. There has been no material change in the nature of business of the subsidiaries and the JV.

The Consolidated Financial Results reflect the operations of the three subsidiaries viz. Asian Oilfield & Energy Services DMCC, AOSL Petroleum Pte. Ltd. and Ivorene Oil Services Nigeria Ltd. (step down subsidiary) and a Joint Venture Company viz. Optimum Oil & Gas Private Limited.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries and JV in Form AOC-1 is annexed as Annexure A. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries and JV, are also kept at the Registered Office of the Company and are available on the website of the Company.

## PERFORMANCE OF SUBSIDIARIES:

### Asian Oilfield & Energy Services DMCC, Dubai:

During the year, net sales of Asian Oilfield & Energy Services DMCC increased from ₹ 85.33 crores in the previous year to ₹ 135.46 crores during the year 2017-18. It generated net profit of ₹ 31.91 crores, against loss of ₹ 17.80 crores in the previous year.

## Board's Report (Contd.)

Asian Oilfield & Energy Services DMCC has been exploring opportunities in select countries in the MEA Region, which would have huge opportunities in the field of Oil and Gas exploration.

### AOSL PETROLEUM PTE. LTD.:

During the year AOSL Petroleum Pte. Ltd. registered no income and has incurred a net loss of ₹ 1.12 crores in the current year against net loss of ₹ 1.09 crores in the previous year.

### IVORENE OIL SERVICES NIGERIA LTD.:

Ivorene Oil Services Nigeria Limited (Ivorene) is step down subsidiary of the Company in view of purchase of 99.99% shares in F.Y. 2016-17 by Asian Oilfield & Energy Services DMCC, subsidiary of the Company.

During the year Ivorene registered an income of ₹ 58,42,615/- as against ₹ 39,43,003/- and has generated a net profit of ₹ 38,16,242/- in the current year against net profit of ₹ 22,82,501/- in the previous year.

### PERFORMANCE OF JOINT VENTURE COMPANY:

#### Optimum Oil & Gas Private Limited:

During the year Optimum Oil & Gas Private Limited had total revenue (other income) of ₹ 7.50 lakhs and incurred a loss of ₹ 15.58 lakhs against a net loss of ₹ 0.11 lakhs in the previous year.

#### Particulars of loans and guarantees given, securities provided and investments made:

The Company has complied with the provisions of Section 186 of the Act in respect of loans or guarantees given securities provided and investments made during the year under review. The details of loans and guarantees given and investments made by the Company during the financial year 2017-18 are provided in the notes to the financial statements.

#### Related Party Transactions:

All related party transactions that were entered in to during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a policy for related party transactions which is also available on the website of the Company ([www.asianoilfield.com](http://www.asianoilfield.com)).

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related party transactions under Accounting Standard – AS18 are disclosed in the notes to the financial statements.

Prescribed Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as Annexure B to this report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2018 and of the loss of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a 'going concern' basis;
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, following changes occurred in the position of Directors/ KMPs of the company.

#### DIRECTORS:

During the year under review Mr. Ajit Kapadia, Independent Director ceased to be the Director of the Company from January 16, 2018 due to resignation. The Board appreciates the contribution received by the Company from Mr. Ajit Kapadia during his tenure as Director of the Company.

Mr. Kadayam Ramanathan Bharat was appointed as an Additional (Independent) Director of the Company with effect from January 16, 2018. The Company has received a notice in writing from a member proposing his candidature and being eligible has offered himself to be appointed as an Independent Director not liable to retire by rotation.

Mr. Gaurav Vishnukumar Gupta retires by rotation and being eligible offers himself for re-appointment.

Mr. N. C. Sharma, Ms. Anusha Mehta, Dr. Rabi Narayan Bastia continue as Directors of the Company.

## Board's Report (Contd.)

### KEY MANAGERIAL PERSONNEL:

During the year under report, the following persons were Key Managerial Personnel of the Company:

1. Mr. Rohit Agarwal, Wholetime Director (up to July 31, 2018)
2. Mr. Ashutosh Kumar, Whole-time Director & CEO (w.e.f August 1, 2018)
3. Mr. Rahul Jain, Chief Financial Officer (up to February 16, 2018)
4. Ms. Kanika Bhutani, Company Secretary and Compliance Officer (up to January 31, 2018)
5. Ms. Shweta Jain, Company Secretary and Compliance Officer (from February 13, 2018 up to June 20, 2018).

### CHANGES IN THE COMPOSITION OF THE BOARD AND KEY MANAGERIAL PERSONNEL BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

Mr. Rohit Agarwal resigned as Whole-time Director and Director of the Company from the end of business hours of July 31, 2018. The Board appreciates the guidance and contribution received by the Company from Mr. Rohit Agarwal during his tenure as Whole-time Director and Director of the Company.

Ms. Shweta Jain was appointed as Company Secretary and Compliance Officer w.e.f. February 13, 2018 and she resigned w.e.f. close of working hours on June 20, 2018.

Mr. Ashutosh Kumar Chief Executive Officer & Director has been appointed as Whole-time Director & Chief Financial Officer w.e.f. August 1, 2018 for a period of 3 years, pursuant to provisions of Sections 196, 197 & other applicable provisions of the Companies Act, 2013 read with Schedule – V thereof, subject to approval of shareholders and the Central Government, if any.

Mr. Sumit Maheshwari has been appointed as the Chief Financial Officer of the Company w.e.f. August 1, 2018 and Ms. Archana Nadgouda has been appointed as the Company Secretary and Compliance Officer w.e.f. August 1, 2018.

### DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 as well as under Regulation 25 of SEBI Listing Obligation and Disclosure Requirement Regulations. There has been no change in the circumstances, which may affect their status as independent director during the year.

### BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of Board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

### FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation programme are explained in Corporate Governance Report.

The Familiarisation Programme for the Independent Directors is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Board's report.

The Nomination and Remuneration policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

### NUMBER OF MEETINGS OF THE BOARD:

5 (five) meetings of the Board were held during the year on May 22, 2017, July 28, 2017, September 8, 2017, December 8, 2017 and February 13, 2018. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

## Board's Report (Contd.)

### AUDIT COMMITTEE:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statement relate and the date of the report:**

There were no material changes and commitments that have affected the financial position of the Company which have occurred between the financial year ended on March 31, 2018 and this report dated August 1, 2018.

### MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Management Discussion and Analysis has been given separately and forms part of this report.

### RISK MANAGEMENT:

The Company has in place a Risk Management Policy pursuant to Section 134 of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit facilitates the execution of risk management practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this program, each function carried on project sites, addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies. The major risks forming part risk management process are linked to the audit.

The Audit Committee of the Board of the Company has been entrusted with the task to frame, implement and monitor the risk management plan for the Company and it is responsible for reviewing the risk management plan and ensuring its effectiveness with an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has appointed M/s. S.P. Chopra & Co. the firm of Chartered Accountants as an Internal Auditors which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has already constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. For the Company, social responsibility is a key element of accountability and it will continue to strive in its behaviour and actions to surpass the levels of minimum statutory compliance. The Company believes in the sustainable growth and prosperity of its stakeholders and views its responsibilities not only as business responsibilities but as Ethical and Social as well.

The CSR policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

However, in view of loss of the financial year and inadequate profits during previous years the Company has not pursued any initiative on CSR activities.

### SAFETY, ENVIRONMENT AND HEALTH:

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy of 'safety for all', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate on sites.

The Company respects human rights, values its employees and the communities that it interfaces with. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact by investing in technologies and solutions for economic growth.

The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are in place throughout the Company on Safety, Environment and Health and has well identified and widely covered safety management system in place for ensuring, not only the safety of employees but surrounding population of the project sites as well.

Policy on prevention, prohibition and redressal of sexual harassment at workplace :

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition

## Board's Report (Contd.)

and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimisation of persons who use vigil mechanism. The Whistle Blower Policy is posted on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### DISCLOSURE REQUIREMENTS:

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, Corporate Governance Report with Practising Company Secretaries Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

### HUMAN RESOURCES:

The human resource plays a vital role in the growth and success of an organisation. The Company has maintained cordial and harmonious relations with employees across various locations.

The Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public, was outstanding or unpaid as on the date of the balance sheet.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are

- a. Conservation of Energy : Not Applicable

- b. Technology Absorption : NIL

- c. Foreign exchange earning & outgo :

(Amount in ₹)			
Sr. No.	Particulars	2017-18	2016-17
a.	<b>Foreign Exchange earnings</b>		
	Seismic Survey and other related charges	367,765,564	2,225,023
	Interest on loan to Subsidiary	33,323,769	16,970,413
b.	<b>Foreign Exchange outgo towards</b>		
	Travelling expenses	1,520,345	405,314
	Capital goods	133,782,690	7,772,555
	Revenue payment	70,378,751	Nil

### PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required under Section 197 (12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure C forming part of the Report.

In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Whole-time Director or Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

### AUDITORS AND AUDITORS' REPORT

#### (1) Statutory Auditors:

Walker Chandio & Co. LLP, (WCC), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 28th September, 2015 to hold office from the conclusion of 22nd AGM till the conclusion of 27th AGM to be held in 2020. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. However, in accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no such item has been considered in notice of the ensuing 25th AGM.

#### Auditors' Report:

- a) There are no qualifications, reservations or adverse remarks made by Walker Chandio & Co. LLP, Statutory Auditors, in their report on Standalone Audited Financial Results of the Company for the financial year ended March 31, 2018.
- b) The auditors in their Report on Consolidated Audited Financial Results of the Company for the financial year

## Board's Report (Contd.)

ended March 31, 2018 have given a qualified opinion in their Report reading as under:

"As described in Note 7 to the consolidated financial results of the Group, trade receivable balance amounting to ₹ 163.67 lakhs outstanding as at March 31, 2018 in books of AOSL Petroleum Pte Limited ('APPL'), a subsidiary of the Holding Company, is considered as fully recoverable by the management. However, such balance should have been provided for as at March 31, 2018 as stated in the Basis of Qualified Opinion paragraph in the audit report dated May 17, 2018 on the subsidiary financial statements, issued by an independent firm of Chartered Accountants registered in Singapore, and reproduced by us as under: Included in other receivable is an amount of USD 251,636 long outstanding" We are of the opinion that the Company should provide for impairment loss against the balance."

### IN RESPONSE THERETO, THE MANAGEMENT IS OF THE VIEW THAT:

AOSL Petroleum Pte. Limited ("APPL"), a subsidiary company, has certain current trade receivables of ₹ 163.67 lakhs as at March 31, 2018. APPL's management is reasonably certain that this amount is recoverable in near future and hence no provision is required for the same.

### (2) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Jayesh Vyas of M/s. Jayesh Vyas and Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. The Secretarial Audit Report is annexed as Annexure D. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. However, there is an observation regarding delay in filing of Form MGT-14 by 30 days, by the Company, which occurred due to non availability of the authorised Director, during such time.

### Share Capital:

The paid up Equity Share Capital as on March 31, 2018 was ₹ 38.07 crores. During the year under review, the Company has allotted 1,20,00,000 equity shares upon conversion of convertible warrants issued during previous financial year 2016-17.

The Company has not issued shares with differential voting rights. Although the Company in the Extraordinary General Meeting of its

shareholders held on March 27, 2017 has attained the approval for issuing ESOP to its Employees, but it has not granted any employee stock options or sweat equity shares.

### Employee Stock Option Plan 2017:

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, are uploaded on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

During the year, ESOP Compensation Committee Meeting has granted 1,74,302 stock options to Employees of the Company, its Subsidiaries and Holding Company, under the Asian Oilfield Services Limited – Employee Stock Option Plan 2017 ("AOSL ESOP 2017") at an exercise price of INR 165/- and that each of the stock option entitles the holder to apply for one equity share of the Company of INR 10/- each. A Certificate from the Statutory Auditors of the Company regarding proper implementation of ESOP Scheme shall be placed before the members at the 25th Annual General Meeting.

### EXTRACT OF ANNUAL RETURN:

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure E in the prescribed Form MGT-9, which forms part of this report.

### ACKNOWLEDGEMENT:

The Board places on record its deep appreciation for the continued support received from various clients, vendors and suppliers and technical partners, Bankers, Government Authorities, Employees at all levels and Stakeholders, in furthering the interest of the Company.

On behalf of the Board of Directors of  
Asian Oilfield Services Limited

Naresh Chandra Sharma

Chairman

DIN 00054922

Place: Mumbai

Date: August 1, 2018

# Annexure A

## to the Board's Report

### FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures  
[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

#### Part "A": Subsidiaries

(Amount in ₹)

Sl. No.	Particulars	Name of the Subsidiary		
		Asian Oilfield & Energy Services DMCC	AOSL Petroleum Pte. Ltd.	Ivorene Oil Services Nigeria Ltd.
1.	Kind of Subsidiary	Subsidiary	Subsidiary	Subsidiary's Subsidiary
2.	The date since when subsidiary was acquired	30th July, 2012	23rd July, 2008	14th March, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency US\$ Exchange rate 1 US\$ = INR 65.0441	Reporting Currency US\$ Exchange rate 1 US\$ = INR 65.0441	Reporting Currency Naira Exchange rate 1N = INR 0.21
5.	Share capital	65,044,100	47,807	21,00,000
6.	Reserves & surplus	167,536,300	(10,76,74,458)	11,291,805
7.	Total assets	713,938,481	1,70,64,970	169,975,503
8.	Total liabilities	713,938,481	1,70,64,970	169,975,503
9.	Investments	NA	NA	NA
10.	Turnover	1,354,590,409	Nil	5,842,615
11.	Profit / (Loss) before taxation	320,101,009	(1,12,99,006)	5,808,656
12.	Provision for taxation	N.A.	Nil	1,992,415
13.	Profit / (Loss) after taxation	320,101,009	(1,12,99,006)	3,816,242
14.	Proposed Dividend	NA	NA	N.A
15.	% of shareholding	100%	100%	99.999%

#### Notes:

- Reporting period and reporting currency of the above subsidiaries is the same as that of the Company.
- Investments exclude investments in subsidiaries.
- There is no subsidiary which has been liquidated or sold during the year.

## Annexure A

### to the Board's Report (Contd.)

#### Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of the Joint Venture	Optimum Oil & Gas Private Limited
1.	Latest audited Balance Sheet Date	31st March, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	11th November, 2017
3.	Shares of Associate or Joint Ventures held by the company on the year end	
	No. of shares	2,300 equity shares
	Amount of Investment in Associates or Joint Venture	₹ 23,000/-
	Extent of Holding (in percentage)	23.00 %
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated
6.	Networth attributable to shareholding as per latest Balance Sheet	(3,65,228)
7.	Profit or Loss for the year	
	i) Considered in Consolidation	(23,000)
	ii) Not Considered in Consolidation	(3,35,532)

1. Names of associates or joint ventures which are yet to commence operations. - N/A

2. Names of associates or joint ventures which have been liquidated or sold during the year. - N/A

On behalf of the Board of Directors of  
Asian Oilfield Services Limited

**Naresh Chandra Sharma**  
Chairman  
DIN 00054922

**Ashutosh Kumar**  
Director and Chief Executive Officer  
DIN 06918508

**Shweta Jain**  
Company Secretary  
(ACS – 23368)

Place: Mumbai  
Date: May 30, 2018

## Annexure B to the Board's Report

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contract or arrangements or transactions	Date(s) of Approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
None*							

\* During the financial year 2017-18, no contract or arrangement or transaction was entered into by the Company with the related parties which is not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
None**					

\*\* During the year under review, no material transactions, contracts or arrangements (as defined under the listing regulations or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014) were entered with the related parties by the Company. For details on related party transactions, members may refer to the notes to the standalone financial statement.

On behalf of the Board of Directors of  
Asian Oilfield Services Limited

Naresh Chandra Sharma  
Chairman  
DIN 00054922

Place: Mumbai  
Date: August 1, 2018

## Annexure C to the Board's Report (Contd.)

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Directors	Ratio to median Remuneration
<b>Non-executive Directors :</b>	
Mr. Naresh Chandra Sharma*	--
Mr. Ajit Kapadia* (upto January 16, 2018)	--
Dr. Rabi Narayan Bastia*	--
Ms. Anusha Mehta*	--
Mr. Gaurav Gupta**	--
Mr. Kadayam Ramanathan Bharat* (from January 16, 2018)	--
<b>Executive Directors:</b>	
Mr. Rohit Agarwal **	21:1
<b>Chief Executive Officer: Mr. Ashutosh Kumar ***</b>	<b>47:1</b>

\* Only sitting fees is paid to Non-executive Directors and Independent Directors, hence no ratio is worked out.

\*\* No sitting fee is/was paid for attending any meeting of the Committee or of the Board.

\*\*\* Mr. Ashutosh Kumar was paid remuneration as Chief Executive Officer of the Company and no remuneration is being paid for being Non-executive Director.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Naresh Chandra Sharma*	--
Mr. Ajit Kapadia* (upto January 16, 2018)	--
Dr. Rabi Narayan Bastia*	--
Mr. Rohit Agarwal, Whole time Director	27
Ms. Anusha Mehta*	--
Mr. Gaurav Gupta **	--
Mr. Ashutosh Kumar, CEO & Director	--
Mr. Rahul Jain, Chief Financial Officer (upto February 16, 2018)@	20
Ms. Kanika Bhutani (upto January 31, 2018)@	@
Ms. Shweta Jain (w.e.f. February 13, 2018)@	@

\* The disclosures with respect to increase in salary and median are not given as there is no increase in the sitting fees for the meeting attended by the Directors.

\*\* The disclosures with respect to increase in salary and median are not given as the concerned directors were Non- Executive and didn't drawn any remuneration/ sitting fee for the meeting attended of the Company

@ The disclosures with respect to increase in salary and median are not given as the concerned directors/key managerial personnel were only for the part of the year.

c. The percentage increase in the median remuneration of employees in the financial year: 0%

d. The number of permanent employees on the rolls of Company: 316

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: There were no such employees who are not Directors but received remuneration in excess of highest paid Director during FY 2017-18.

f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

## Annexure D

### to the Board's Report (Contd.)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Asian Oilfield Services Limited  
Gurugram

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Oilfield Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Asian Oilfield Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Asian Oilfield Services Limited for the financial year ended on March 31, 2018 according to the applicable provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Please be informed that during the financial year under review, the Company has allotted equity shares as stated hereunder, upon conversion of convertible warrants issued during the previous financial year - 2016-17.

Sr. No.	Date of Allotment	No. of Equity Shares
1	08-09-2017	34,00,000
2	20-03-2018	45,00,000
3	23-03-2018	41,00,000
<b>Total</b>		<b>120,00,000</b>

The Company has NOT made any fresh issue of equity shares or other securities during the year under review.

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

Please be informed that the Company has not issued and allotted any shares under ESOPs to its employees, however, the Company has granted 1,74,302 stock options to 60 permanent employees of the Company, its Subsidiaries and Holding Company under the "Asian Oilfield Services Limited Employee Stock Option Plan 2017" at an exercise price of ₹ 165/- per share , through ESOP Trust during the year under review.

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Please be informed that the Company has not issued any debt securities during the year under review, hence the same is not applicable.

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## Annexure D to the Board's Report (Contd.)

Please be informed that the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review, hence the same is not applicable.

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Please be informed that the Company has not delisted its shares from BSE Ltd. where shares are listed, during the year under review, hence the same is not applicable.

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Please be informed that the Company has not bought back any shares / securities during the year under review, hence the same is not applicable.

- vi. Other laws specifically applicable to the Company namely –

#### Sector specific Laws:

- i. The Mines Act, 1952 (as applicable to safety & employment conditions).
- ii. Oil Mines Regulations, 1984,
- iii. Oil Industry Safety Directorate (OISD) guidelines.
- iv. Explosive Act, 1884; Explosive Rules, 2008
- v. Information Technology Act 2000
- vi. Forest Conservation Act, 1980
- vii. Inter-state migrant workmen (Regulation of Employment & Condition of Service) Act 1979 and central rules framed thereof
- viii. Public Liability Insurance Act, 1991.
- ix. State Entry Tax Act.

#### General Labour Laws

- x. Contract Labour (Regulation and Abolition) Act 1970
- xi. Payment of Wages Act, 1972
- xii. Minimum Wages Act, 1948
- xiii. Payment of Bonus Act, 1965
- xiv. Employees Provident Fund & Miscellaneous Provisions Acts, 1952
- xv. Workmen's Compensation Act, 1923
- xvi. Employees Pension Scheme, 1995
- xvii. Payment of Gratuity Act, 1972
- xviii. Equal Remuneration Act, 1976
- xix. Labour Welfare Acts Professional Tax Acts of respective States
- xx. Employees State Insurance Act, 1948
- xxi. Industrial Dispute Act, 1947

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings and made effective 1st July, 2015;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 made effective 1st December 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the Company has also complied with the provisions thereof, from time to time.

The Company has also complied with the applicable clauses of the followings, too:

- i. Secretarial Standards issued by "The Institute of Company Secretaries of India" with respect to Board and General Meetings and made effective 1st July, 2015;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 made effective 1st December 2015.

Please be informed that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, save and except that the Company has filed all the required forms and returns with the Registrar of Companies, Delhi & Haryana / MCA, within prescribed time, except Form No. MGT-14 which was filed late by 30 days and paid ₹ 1200/- as an additional filing fees to the Ministry of Corporate Affairs / Registrar of Companies.

We further state that:

Mr. Rahul Jain who was appointed as Chief Financial Officer (CFO) of the Company resigned from the services of the Company with effect from February 16, 2018. In compliance of Section 203(4) of the Companies Act, 2013, the Company is required to appoint any suitable person as Chief Financial Officer (CFO) within a period of six months (180 days) from the date of such vacancy and the Company is in process of selection and appointment suitable person, to fill the vacancy of CFO.

The Board of Directors of the Company is duly constituted as at March 31, 2018, with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## Annexure D to the Board's Report (Contd.)

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and agenda and detailed notes on agenda, were sent in advance, and that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the representation made by the Company and its Managers and Officers in offices and Project sites in respect of the Systems and Processes and Mechanism formed for compliances under the laws at (i) to (xxi) above and other applicable laws.

In compliance of Section 203(4) of the Companies Act, 2013, the Company is required to appoint any suitable person as Chief Financial officer (CFO) within a period of six months (180 days) from February 16, 2018, the date of such vacancy. We are given to understand that the Company is in process of filling the vacancy of CFO.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We have relied on the representation made by the Company and its Officers in respect of the Systems and Processes and Mechanism formed for compliances under the laws at (i) to (xxi) above and other applicable laws.

We further report that during the audit period of 2017-18;

- i) At the 24th Annual General Meeting of the Company held on September 8, 2017, the shareholders passed the following ordinary and special business such as;

- a. Adoption of audited standalone and consolidated Financial Statements for the year ended March 31, 2017;
  - b. Appointment of directors in place of directors retiring by rotation;
  - c. Ratification of the appointment of Statutory Auditors and to fix their remuneration;
  - d. Regularisation of Ms. Anusha Mehta as a Women Independent Director of the Company by way of ordinary resolution;
  - e. Regularisation of Mr. Gaurav Vishnukumar Gupta as a Director of the Company by way of ordinary resolution;
  - f. Regularisation of Mr. Ashutosh Kumar as a Director of the Company by way of ordinary resolution;
  - g. Appointment of Mr. Ashutosh Kumar as Chief Executive Officer and Director of the Company by way of special resolution;
  - h. Revision in payment of remuneration to Mr. Rohit Agarwal (DIN01780752) as a Whole-time Director of the Company, by way of special resolution;
  - i. Enhancement of the borrowing powers of the Board from ₹ 300 Crores to ₹ 800 Crores, by way of special resolution;
  - j. Creation security on the properties of the Company, both present and future in favour of the lenders, by way of special resolution;
  - k. Enhancement of powers of the Board of Directors of the Company to make any loans or investments and to give any guarantee(s) or to provide security(ies), by way of special resolution;
  - l. Shifting of Registered Office of the Company from Gurugram, the State of Haryana to Mumbai, the State of Maharashtra, by way of special resolution.
- ii. The Company has made allotment of 120,00,000 Equity Shares upon conversion of convertible Warrants issued in previous financial year, but not undertaken any corporate action plan such as Public / Rights / Shares or Debentures / Sweat Equity, Redemption / Buy Back of Securities, Merger / Amalgamation / Reconstruction etc., Foreign Technical Collaboration / Equity Participation during the year under review.

For Jayesh Vyas & Associates  
Practicing Companies Secretaries

Jayesh Vyas  
Proprietor

F.C.S. : 5072 C.P. : 1790

Place : Vadodara

Date : August 1, 2018

This Report is to be read with our letter of even date which is annexed as Annexure -1 and forms an integral part of this report.

## Annexure D

### to the Board's Report (Contd.)

#### "Annexure -1"

To,  
The Members,  
Asian Oilfield Services Limited  
Gurugram.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Vyas & Associates  
Practicing Companies Secretaries

Place : Vadodara  
Date : August 1, 2018

Jayesh Vyas  
Proprietor  
F.C.S. : 5072 C.P. : 1790

# Annexure E

## to the Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L23200HR1992PLC052501
Registration date	09-03-1992
Name of the Company	Asian Oilfield Services Limited
Category / Sub-Category of the Company	Public Company Company having Share Capital
Address of the registered office and contact details	Unit No. 1110, 11th Floor, JMD Megapolis, Sector - 48, Sohna Road, Gurugram Haryana – 122018 Tel .No. : 91 0124 6606406 Fax .No. : 91 0124 6606400 Email : secretarial@asianoilfield.com Website : asianoilfield.com
Whether listed company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, 1st Floor, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020, Gujarat. Tel. No. : 91 0265 2356573 / 2356794 Fax. No. : 91 0265 2356791 Email : vadodara@linkintime.co.in Website :www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Seismic Survey, Data Acquisition, Processing and interpretation Services	7110	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and address of the company	CIN/GLN	Holding /Subsidiary/ Associate	% of Shares held	Applicable Section
1	Oilmax Energy Private Limited 3A, 3rd Floor, Omkar Esquare, Chunnabhatti Signal, Eastern Express Highway, Sion (East) Mumbai - 400022	U40101MH2008PTC185357	Holding	59.29	2(46)
2	Asian Oilfield & Energy Services DMCC Unit No. 2H-08-71, Floor No.8, Building No.2, Plot No. 550-554, J&G, DMCC, Dubai (UAE)	DMCC3462	Subsidiary	100.00	2(87)(ii)
3	AOSL Petroleum Pte. Limited, 192, Waterloo Street, # 05-01 -Skyline Building, Singapore- 187966	200814431W	Subsidiary	100.00	2(87)(ii)
4	Ivorene Oil Services Nigeria Limited 3b, Tokunbo Omisore Crescent, Off Wole Olateju Street, Lekki Phase-1, Lagos, Nigeria.	RC 881175	Step-down Subsidiary	99.999	2(87)(ii)
5	Optimum Oil & Gas Private Limited 3-A, Om Esquare, Chunnabhatti Junction, Vasantrao Naik Mahamarg, Sion, Mumbai 400022	U11201MH2008PTC185808	Joint Venture	23.00	2(6)

## Annexure E

### to the Board's Report (Contd.)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### (i) Category-wise Shareholding :

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate*	12572600	2500000*	15072600	57.81	18472600	4100000**	22572600	59.29	1.48
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub total (A)(1)</b>	<b>12572600</b>	<b>2500000*</b>	<b>15072600</b>	<b>57.81</b>	<b>18472600</b>	<b>4100000**</b>	<b>22572600</b>	<b>59.29</b>	<b>1.48</b>
<b>(2) FOREIGN</b>									
a) NRI-individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate*	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>12572600</b>	<b>2500000 *</b>	<b>15072600</b>	<b>57.81</b>	<b>18472600</b>	<b>4100000**</b>	<b>22572600</b>	<b>59.29</b>	<b>1.48</b>
<b>B) PUBLIC SHAREHOLDING</b>									
<b>1) Institutions</b>									
a) Mutual Funds	--	--	--	--	163930	--	163930	0.43	0.43
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Cap.Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII/ Foreign Portfolio Investors	17395	--	17395	0.07	66613	--	66613	0.18	0.11
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub- total (B) (1)</b>	<b>17395</b>	<b>--</b>	<b>17395</b>	<b>0.07</b>	<b>230543</b>	<b>--</b>	<b>230543</b>	<b>0.61</b>	<b>0.54</b>
<b>2) Non Institutions</b>									
a) Bodies Corporate	1050641	8400	1059041	4.06	1133263	8400	1141663	3.00	-1.06
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3442652	730675	4173327	16.01	3464731	696475	4161206	10.93	-5.08
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3346854	--	3346854	12.84	3228454	--	3228454	8.48	(4.36)
c) Others (specify)									
i) Clearing Members	333720	--	333720	1.28	151764	--	151764	0.40	(0.88)
ii) NRI	288718	***1257400	1546118	5.93	1678529	***4507400	6185929	16.25	10.32
iii) HUF	492712	--	492712	1.89	384785	--	384785	1.01	(0.88)
iv) Director or Director's Relative	32677	--	32677	0.13	17500	--	17500	0.05	(0.08)
<b>Sub Total (B)(2)</b>	<b>8987974</b>	<b>1996475</b>	<b>10984449</b>	<b>42.13</b>	<b>10059026</b>	<b>5202275</b>	<b>15271301</b>	<b>40.11</b>	<b>(2.02)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>9005369</b>	<b>1996475</b>	<b>11001844</b>	<b>42.19</b>	<b>10289569</b>	<b>5212275</b>	<b>15501844</b>	<b>40.71</b>	<b>(1.48)</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>21577969</b>	<b>4496475</b>	<b>26074444</b>	<b>100</b>	<b>28762169</b>	<b>9312275</b>	<b>38074444</b>	<b>100</b>	<b>0</b>

**Note:** Total number of equity shares of the Company (face value ₹ 10.00) at the beginning of the year is 26,074,444 shares and at the end of the year is 38,074,444 shares.

\* On February 22, 2017 M/s. Oilmax Energy Pvt. Ltd., the Promoter of the Company has been allotted 2,500,000 equity shares upon conversion of warrants allotted to them. The Corporate Action for credit of shares in their demat account was under process on March

## Annexure E

### to the Board's Report (Contd.)

31, 2017 hence the said shares have been put under physical column.

\*\* The Company has allotted 45,00,000 Equity Shares to NRI Shareholder on March 20, 2018 and 4,100,000 Equity Shares to M/s. Oilmax Energy Private Limited, the Promoter of the Company on March 23, 2018, upon conversion of warrants allotted to them earlier. The Corporate Action for credit of shares in their demat account was under process on March 31, 2018 hence the said shares have been put under physical column.

\*\*\* On March 27, 2017, the Company has allotted 1,250,000 Equity Shares to one NRI Shareholder on preferential basis and Corporate Action for credit of shares in his demat account was under process on March 31, 2017 hence the said shares put under physical column.

#### (ii) Shareholding of Promoters :

Sl. No.	Name of Share Holder	Share Holding at the beginning of the year			Share Holding at the end of the Year			% Change During the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	
1	Oilmax Energy Pvt. Ltd.	15072600	57.81	21.79	22572600	59.29	13.75	1.48
<b>TOTAL</b>		<b>15072600</b>	<b>57.81</b>	<b>21.79</b>	<b>22572600</b>	<b>59.29</b>	<b>13.75</b>	<b>1.48</b>

#### (iii) Change in Promoter's Shareholding:

Sr. No.	Name of the Promoter	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
1	Oilmax Energy Pvt. Ltd.					
	At the beginning of the year	01-04-2017	1,50,72,600	57.81	--	--
	Allotment of shares upon Conversion of Warrants	08-09-2017	34,00,000	--	1,84,72,600	62.67
	Allotment of shares upon Conversion of Warrants	23-03-2018	41,00,000	--	2,25,72,600	59.29
	At the end of the year	31-03-2018	--	--	2,25,72,600	59.29

Note: 1. The change in number of shares between April 1, 2017 and March 31, 2018 is on account of allotment of equity shares upon conversion of warrants.

2. Total number of equity shares of the Company (Face Value ₹ 10.00) at the beginning of the year is 26,074,444 shares and at the end of the year is 38,074,444 shares.

#### (iv) Shareholding Pattern of top ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the top 10 Shareholders	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
1.	Balram Chainrai					
	At the beginning of the year	01-04-2017	97000	0.37	--	--
	Allotment of shares upon conversion of warrants	20-03-2018	4500000	11.82	4597000	12.07
	At the end of the year	31-03-2018			4597000	12.07
2.	Vaibhav Hari Kanade					
	At the beginning of the year	01-04-2017	1251000	4.80	--	--
	At the end of the year	31-03-2018			1251000	3.28
3.	Ajay Upadhyaya					
	Sale of Shares	19-05-2017	(402)	--	299598	--
	Purchase of Shares	02-06-2017	402	--	300000	0.79

## Annexure E

### to the Board's Report (Contd.)

Sr. No.	For each of the top 10 Shareholders	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
	At the end of the year	31-03-2018	--	--	300000	0.79
4.	Religare Finvest Ltd.					
	At the beginning of the year	01-04-2017	239750	0.92	--	--
	Sale of Shares	28-04-2017	(750)	--	239000	0.8109
	Sale of Shares	06-10-2017	(2000)	--	237000	0.8041
	Sale of Shares	24-11-2017	(3000)	--	234000	0.7939
	Sale of Shares	01-12-2017	(5250)	--	228750	0.7761
	Sale of Shares	08-12-2017	(228750)	--	0	0.00
	At the end of the year	31-03-2018	--	--	0	0.00
5.	Hirak Leasing and Investments Pvt. Ltd					
	At the beginning of the year	01-04-2017	200000	0.77	--	--
	Sale of Shares	21-04-2017	(200000)	--	0	0.00
	At the end of the year	31-03-2018	--	--	0	0.00
6.	Renuka Jayan Nair					
	At the beginning of the year	01-04-2017	171800	0.66	--	--
	Purchase of Shares	05-05-2017	250		172050	0.45
	Purchase of Shares	12-05-2017	500		172550	0.45
	Sale of Shares	18-08-2017	(2502)		170048	0.45
	Purchase of Shares	25-08-2017	2502		172550	0.45
	Purchase of Shares	01-09-2017	20		172570	0.45
	Sale of Shares	10-11-2017	(4000)		168570	0.44
	Purchase of Shares	17-11-2017	8200		176770	0.46
	Sale of Shares	01-12-2017	(749)		176021	0.46
	Purchase of Shares	15-12-2017	190		176211	0.46
	Sale of Shares	12-01-2018	(17000)		159211	0.42
	Purchase of Shares	19-01-2018	16000		175211	0.46
	Sale of Shares	26-01-2018	(34)		175177	0.46
	Sale of Shares	23-02-2018	(150)		175027	0.46
	Sale of Shares	02-03-2018	(50)		174977	0.46
	Sale of Shares	23-03-2018	(10)		174967	0.46
	At the end of the year	31-03-2018	--	--	174967	0.46
7.	Kaushik Deva					
	At the beginning of the year	01-04-2017	160000	0.61	--	--
	Sale of Shares	01-12-2017	(11350)	--	148650	0.39
	Purchase of Shares	22-12-2017	11350	--	160000	0.42
	Purchase of Shares	16-02-2018	20000	--	180000	0.47
	Sale of Shares	23-02-2018	(3500)	--	176500	0.46
	At the end of the year	31-03-2018	--	--	176500	0.46
8.	Pradeep Ghisulal Rathod					
	At the beginning of the year	01-04-2017	150000	0.58	--	--
	At the end of the year	31-03-2018	--	--	150000	0.39
9.	Shantilal Devjibhai Rambhia					
	At the beginning of the year	01-04-2017	125879	0.48	--	--
	Purchase of Shares	14-04-2017	121		126000	0.33
	Purchase of Shares	21-04-2017	12100		138100	0.36
	Sale of Shares	26-05-2017	(11000)		127100	0.33
	Purchase of Shares	02-06-2017	4704		131804	0.35
	Sale of Shares	09-06-2017	(11154)		120650	0.32
	Purchase of Shares	16-06-2017	2000		122650	0.32

## Annexure E

### to the Board's Report (Contd.)

Sr. No.	For each of the top 10 Shareholders	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
	Purchase of Shares	23-06-2017	1000		123650	0.32
	Purchase of Shares	30-06-2017	3000		126650	0.33
	Sale of Shares	07-07-2017	(13000)		113650	0.30
	Sale of Shares	14-07-2017	(3000)		110650	0.29
	Purchase of Shares	21-07-2017	1000		111650	0.29
	Purchase of Shares	28-07-2017	2000		113650	0.30
	Sale of Shares	11-08-2017	(11951)		101699	0.27
	Sale of Shares	18-08-2017	(7438)		94261	0.25
	Purchase of Shares	25-08-2017	1479		95740	0.26
	Purchase of Shares	01-09-2017	3874		99614	0.26
	Sale of Shares	08-09-2017	(17000)		82614	0.25
	Purchase of Shares	29-09-2017	2000		84614	0.22
	Purchase of Shares	06-10-2017	2000		86614	0.23
	Purchase of Shares	13-10-2017	8500		95114	0.25
	Purchase of Shares	20-10-2017	5350		100464	0.26
	Purchase of Shares	27-10-2017	2000		102464	0.28
	Purchase of Shares	03-11-2017	10500		112964	0.29
	Purchase of Shares	10-11-2017	10000		122964	0.33
	Purchase of Shares	17-11-2017	18952		141916	0.38
	Purchase of Shares	24-11-2017	7450		149366	0.40
	Purchase of Shares	01-12-2017	10800		160166	0.42
	Purchase of Shares	08-12-2017	590		160756	0.43
	Purchase of Shares	15-12-2017	3392		164148	0.44
	Sale of Shares	22-12-2017	(37000)		127148	0.33
	Sale of Shares	29-12-2017	(8250)		118898	0.31
	Purchase of Shares	05-01-2018	4000		122898	0.32
	Purchase of Shares	12-01-2018	5222		128120	0.35
	Purchase of Shares	26-01-2018	3520		131640	0.35
	Sale of Shares	02-02-2018	(6089)		125551	0.33
	Sale of Shares	09-02-2018	(1155)		124396	0.34
	Purchase of Shares	16-02-2018	13323		137719	0.37
	Purchase of Shares	23-02-2018	4549		142268	0.37
	Purchase of Shares	02-03-2018	700		142968	0.37
	Sale of Shares	09-03-2018	(3200)		139768	0.36
	Sale of Shares	16-03-2018	(48417)		91351	0.24
	Purchase of Shares	23-03-2018	6099		97450	0.25
	Purchase of Shares	31-03-2018	15627		113077	0.29
	At the end of the year	31-03-2018			113077	2.29
10.	Intime Equities Limited - Client Account					
	At the beginning of the year	01-04-2017	100252	0.38	--	--
	Purchase of Shares	07-04-2017	245	--	100497	0.34
	Purchase of Shares	14-04-2017	1666	--	102163	0.34
	Sale of Shares	28-04-2017	(1437)	--	100726	0.34
	Sale of Shares	05-05-2017	(21)	--	100705	0.34
	Purchase of Shares	12-05-2017	3043	--	103748	0.35
	Purchase of Shares	19-05-2017	1700	--	105448	0.36
	Purchase of Shares	26-05-2017	6046	--	111494	0.38
	Purchase of Shares	02-06-2017	2551	--	114045	0.38
	Sale of Shares	09-06-2017	(261)	--	113784	0.38

## Annexure E

### to the Board's Report (Contd.)

Sr. No.	For each of the top 10 Shareholders	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
	Sale of Shares	16-06-2017	(457)	--	113327	0.38
	Purchase of Shares	23-06-2017	30	--	113357	0.38
	Purchase of Shares	30-06-2017	32	--	113389	0.38
	Purchase of Shares	07-07-2017	11	--	113400	0.38
	Purchase of Shares	14-07-2017	18	--	113418	0.38
	Purchase of Shares	21-07-2017	7	--	113425	0.38
	Purchase of Shares	28-07-2017	5	--	113430	0.38
	Sale of Shares	04-08-2017	(52543)	--	60887	0.21
	Sale of Shares	11-08-2017	(60887)	--	0	0.00
	Purchase of Shares	01-12-2017	200	--	200	0.00
	Sale of Shares	08-12-2017	(196)	--	4	0.00
	Sale of Shares	15-12-2017	(4)	--	0	0.00
	At the end of the year	31-03-2018	--	--	0	0.00
11.	Atul Jitendra Agarwal					
	At the beginning of the year	01-04-2017	99700	0.38	--	--
	At the end of the year	31-03-2018	--	--	99700	0.26
12	Sammys Dreamland Co Private Limited					
	At the beginning of the year	01-04-2017	0.00	0.00	--	0.00
	Purchase of Shares	11-08-2017	31454	--	31454	0.08
	Purchase of Shares	18-08-2017	88278	--	119732	0.31
	Purchase of Shares	08-09-2017	31500	--	151232	0.40
	Purchase of Shares	15-09-2017	85000	--	236232	0.62
	Purchase of Shares	22-09-2017	66000	--	302232	0.80
	Purchase of Shares	29-09-2017	2935	--	305167	0.81
	Purchase of Shares	06-10-2017	21469	--	326636	0.86
	Purchase of Shares	13-10-2017	10100	--	336736	0.88
	Purchase of Shares	03-11-2017	5000	--	341736	0.89
	Sale of Shares	17-11-2017	(6108)	--	335628	1.18
	Sale of Shares	24-11-2017	(35652)	--	299976	1.018
	Sale of Shares	01-12-2017	(30697)	--	269279	0.9
	Sale of Shares	08-12-2017	(57479)	--	211800	0.72
	Purchase of Shares	15-12-2017	2071	--	213871	0.72
	Purchase of Shares	22-12-2017	35875	--	249746	0.85
	Purchase of Shares	29-12-2017	4196	--	253942	0.86
	Sale of Shares	12-01-2018	(20000)	--	233942	0.79
	Sale of Shares	26-01-2018	(106267)	--	127675	0.43
	Sale of Shares	16-02-2018	(20000)	--	107675	0.36
	Purchase of Shares	23-02-2018	62700	--	170375	0.58
	Purchase of Shares	02-03-2018	10107	--	180482	0.61
	Purchase of Shares	09-03-2018	11203	--	191685	0.65
	Purchase of Shares	16-03-2018	64751	--	256436	0.87
	Purchase of Shares	23-03-2018	26000	--	282436	0.96
	At the end of the year	31-03-2018	--	--	282436	0.96
13.	Nimesh Arvind Doshi					
	At the beginning of the year	01-04-2017			--	--
	Purchase of Shares	21-04-2017	200000	--	200000	0.52
	At the end of the year	31-03-2018	--	--	200000	0.52
14.	LIC MF BALANCED FUND					
	At the beginning of the year	01-04-2017	--	--	--	--

## Annexure E

### to the Board's Report (Contd.)

Sr. No.	For each of the top 10 Shareholders	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
	Purchase of Shares	26-01-2018	96559	--	96559	0.25
	Purchase of Shares	02-02-2018	5241	--	101800	0.27
	Purchase of Shares	16-02-2018	62130	--	163930	0.43
	At the end of the year	31-03-2018	--	--	163930	0.43
15.	SURYATEJ ADVISORS LLP					
	At the beginning of the year	01-04-2017	--	--	--	--
	Purchase of Shares	16-06-2017	50000		50000	0.13
	Purchase of Shares	10-11-2017	25000		75000	0.20
	Purchase of Shares	24-11-2017	25000		100000	0.26
	Purchase of Shares	08-12-2017	25000		125000	0.33
	Purchase of Shares	09-02-2018	10000		135000	0.35
	Purchase of Shares	16-03-2018	10000		145000	0.38
	At the end of the year	31-03-2018	--	--	145000	0.38
16.	Neelesh V Wagle					
	At the beginning of the year	01-04-2017	--	--	--	--
	Purchase of Shares	09-06-2017	45000	--	45000	0.12
	Purchase of Shares	16-06-2017	5000	--	50000	0.13
	Purchase of Shares	17-11-2017	15000	--	65000	0.17
	Purchase of Shares	24-11-2017	5000	--	70000	0.18
	Purchase of Shares	01-12-2017	5000	--	75000	0.20
	Purchase of Shares	08-12-2017	15000	--	90000	0.24
	Purchase of Shares	29-12-2017	10000	--	100000	0.26
	Purchase of Shares	02-02-2018	10000	--	110000	0.29
	Purchase of Shares	09-02-2018	15000	--	125000	0.33
	At the end of the year	31-03-2018	--	--	125000	0.33

Note: Total number of equity shares of the Company (Face Value ₹ 10.00) at the beginning of the year is 26,074,444 Shares and at the end of the year is 38,074,444 shares.

#### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors / KMP	Date	Share Holding at the Beginning of the Year		Cumulative Shareholding during the year	
			No. of Equity Shares	% of total Shares of the Company	No. of Equity Shares	% of Total Shares of the Company
1.	Dr. Rabi Narayan Bastia					
	At the beginning of the year	01-04-2017	17500	0.07		
	At the end of the year	31-03-2018	--	--	17500	0.04
2.	Ms. Anusha Mehta					
	At the beginning of the year	01-04-2017	15177	0.06		
	Sale of Shares	04-04-2017	10000	--	5177	0.01
	Sale of Shares	04-05-2017	5177	--	0	0
	At the end of the year	31-03-2018	--	--	0	0

\* None of the Directors, other than Dr. Rabi Narayan Bastia, holds any shares in the Company. None of the Key Managerial Personnel holds any shares in the Company.

## Annexure E

### to the Board's Report (Contd.)

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)			
	Secured Loans Excluding Deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>			
i) Principal Amount	44,600,000	480,000,000	524,600,000
ii) Interest Due but not Paid	-	-	-
iii) Interest Accrued but not due	337,150	33,344,390	33,681,540
<b>Total i + ii + iii</b>	<b>44,937,150</b>	<b>513,344,390</b>	<b>558,281,540</b>
<b>Change in indebtedness during the financial year</b>			
i) Addition	185,081,106	374,935,315	560,016,421
ii) Reduction	59,093,941	888,279,705	947,373,646
<b>Total change in indebtedness during the financial year FY 2017-18</b>	<b>125,987,165</b>	<b>(513,344,390)</b>	<b>(387,357,225)</b>
<b>Indebtedness at the end of the financial year (31.03.2018)</b>			
i) Principal Amount	17,06,00,000	0	17,06,00,000
ii) Interest Due but Not Paid	-	-	-
iii) Interest Accrued but not due	3,24,315	0	3,24,315
<b>Total i + ii + iii</b>	<b>17,09,24,315</b>	<b>0</b>	<b>17,09,24,315</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and /or Manager:**

		(Amount in ₹)
Sr. No.	Particulars of Remuneration	Rohit Agarwal, Wholetime Director (in ₹)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,47,572
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit	-
5	Others, please specify(Performance Linked Bonus)	-
	<b>Total (A)</b>	<b>69,47,572</b>
	Ceiling as per the Act	As per Schedule V of the Act and the approval of the shareholders.

## Annexure E

### to the Board's Report (Contd.)

#### B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	<b>Independent Directors</b>				
	Mr. N.C. Sharma	210,000	--	--	--
	Mr. Ajit Kapadia*	110,000	--	--	--
	Ms. Anusha Mehta	190,000	--	--	--
	Mr. Kadayam Ramanathan Bharat**	60,000	--	--	--
	<b>Total (1)</b>	<b>570,000</b>			
2	<b>Other Non- Executive Directors</b>				
	Dr. Rabi Narayan Bastia	100,000	--	--	--
	Mr. Gaurav Gupta*	--	--	--	--
	<b>Total (2)</b>	<b>670,000</b>			
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration (A+B)</b>	--	--	--	--
	<b>Overall Ceiling as per the Act</b>		As per Schedule V of the Act.		

\* Mr. Ajit Kapadia ceased to be Director of the Company w.e.f. January 16, 2018.

\*\* Mr. Kadayam Ramanathan Bharat was appointed as an Additional and Independent Director of the Company with effect from January 16, 2018.

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Ashutosh Kumar, CEO	Mr. Rahul Jain, CFO (up to 16-02-2018)	Ms. Kanika Bhutani, Company Secretary (up to 31-01-2018)	Ms. Shweta Jain Company Secretary (w.e.f. 13-02-2018)	
1.	<b>Gross Salary</b>					
a.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,279,510	3,466,696	1,197,662	1,02,683	20,046,551
b.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
c.	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	--	--	--	--	--
2.	<b>Stock Option</b>	--	--	--	--	--
3.	<b>Sweat Equity</b>	--	--	--	--	--
4.	<b>Commission - as % of profit</b>	--	--	--	--	--
5.	<b>Others, Performance linked Bonus</b>	--	--	--	--	--
	<b>Total</b>	<b>15,279,510</b>	<b>3,466,696</b>	<b>1,197,662</b>	<b>102,683</b>	<b>20,046,551</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018.

On behalf of the Board of Directors of  
Asian Oilfield Services Limited

Naresh Chandra Sharma  
Chairman  
DIN 00054922

Place: Mumbai  
Date: August 1, 2018

# Report on Corporate Governance

In accordance with Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the report containing the details of Corporate Governance systems and processes at Asian Oilfield Services Limited is as under:

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all facets of its operations leading to sharply focused and operationally efficient growth.

The Company emphasises the need for highest level of transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis.

The Management promotes honest and ethical conduct of the business along with complying with applicable laws, rules and regulations.

## 2. BOARD OF DIRECTORS

i. As on March 31, 2018, the Company has seven Directors with one Whole-time Director, three Non-Executive Professional Directors and three Non-Executive Independent Directors including One Women Director. The composition of the Board is in conformity with Regulation 17 of the SEBI LODR Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

- ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149(6) of the Act.
- iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

Name of Directors	Category of Directors	No. of Board Meeting		Atten-dance at the last AGM (September 8, 2017)	No. of Directorship in other public companies		No. of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Naresh Chandra Sharma (Chairman) DIN 00054922	Non-Executive Independent	5	5	Yes	---	3	1	1
Rohit Agarwal (Whole-time Director) DIN 01780752	Non-Independent, Executive	5	4	No	---	---	---	---
Ajit Kapadia* DIN 00065081	Non-Executive Independent	4	3	Yes	---	2	0	0
Rabi Narayan Bastia DIN 05233577	Non-Executive Professional	5	5	Yes	---	---	---	---
Anusha Mehta DIN 07648883	Non-Executive Independent	5	4	Yes	---	---	---	---
Gaurav Gupta DIN 01189690	Non-Executive Professional	5	3	No	---	---	---	---
Ashutosh Kumar DIN 06918508	CEO & Non-Executive Professional	5	4	Yes	---	---	---	---
Kadayam Ramanathan Bharat ** (DIN: 00584367)	Non-Executive Independent	1	1	NA	1	1	---	---

\* Ceased to be Director w.e.f. January 16, 2018

\*\* Appointed as Director w.e.f. January 16, 2018

## Report on Corporate Governance (Contd.)

- v. Five Board Meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held:

May 22, 2017, July 28, 2017, September 8, 2017, December 8, 2017 and February 13, 2018.

The necessary quorum was present for all the meetings.

- vi. During the year 2017-18, information as mentioned in Schedule II Part A of the SEBI LODR Regulations, has been placed before the Board for its consideration.
- vii. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.  
(<http://asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Terms-and-conditions-of-appointment-of-Independent-Directors.pdf>)
- viii. During the year, one meeting of the Independent Directors was held on February 13, 2018. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- ix. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The Company has conducted familiarisation programmes for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors and provided updation from time to time. The Independent Directors are also regularly briefed on the nature of the Oilfield industry as a whole, nature and scope of the activities of the Company, competition prevailing therein and the Company's future forward looking plans with briefing on future prospect of the Company. The familiarisation programs have been uploaded on the website of the Company at [www.asianoilfield.com](http://www.asianoilfield.com).
- xi. As on March 31, 2018 Dr. Rabi Narayan Bastia holds 17,500 (0.07%) equity shares of the Company. No other Director holds any shares in the Company.

### 3. COMMITTEES OF THE BOARD

#### A. Audit Committee:

- i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI LODR Regulations, read with Section 177 of the Act.
- ii. The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

## Report on Corporate Governance (Contd.)

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
  - The Audit Committee shall review the information required as per SEBI LODR Regulations.
- iii. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category of Director	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Naresh Chandra Sharma	Chairman, Non-Executive Independent	4	4
Mr. Ajit Kapadia*	Non-Executive Independent	3	2
Ms. Anusha Mehta	Non-Executive Independent	4	4
Mr. Gaurav Gupta	Non-Executive Non-Independent	4	2
Mr. Ashutosh Kumar	Non-Executive Non-Independent	4	3
Mr. Kadayam Ramanathan Bharat**	Non-Executive Independent	1	1

\* Ceased to be Director w.e.f. January 16, 2018

\*\* Appointed as Director w.e.f. January 16, 2018

- vi. Four Audit Committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

May 22, 2017, September 8, 2017, December 8, 2017 and February 13, 2018.

The necessary quorum was present for all the meetings.

## Report on Corporate Governance (Contd.)

### B. Nomination and Remuneration Committee

i. The Company has re-constituted Nomination and Remuneration Committee in line with the provisions of Regulation 19 of SEBI LODR Regulations, read with Section 178 of the Act.

ii. The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the board the set up and composition of the board and its committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board".

iii. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Ajit Kapadia*	Chairman, Non-Executive Independent	1	1
Mr. Naresh Chandra Sharma	Non-Executive Independent	2	2
Ms. Anusha Mehta	Non-Executive Independent	2	2
Mr. Gaurav Gupta	Non-Executive Non - Independent	2	2
Mr. Kadayam Ramanathan Bharat **	Non-Executive Independent	1	1

\* Ceased to be Director w.e.f. January 16, 2018

\*\* Appointed as a member of the Committee w.e.f. January 16, 2018

During the year, two meeting of the Nomination and Remuneration Committee were held on April 24, 2017 and February 13, 2018.

## Report on Corporate Governance (Contd.)

iv. During the year, the Company has granted 1,74,302 Stock Options to 60 permanent employees of the Company, its Subsidiaries and Holding Company under the "Asian Oilfield Services Limited Employee Stock Option Plan 2017".

v. Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

vi. Remuneration Policy:

Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer focus and requires employee mobility to address project's requirement. The Remuneration Policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the Oilfield industry. The Remuneration Policy is placed on the Company's website [www.asianoilfield.com](http://www.asianoilfield.com).

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Whole-time Director and Executive Director.

b. Whole-time Director:

Name of director and period of appointment	Salary (₹)	Benefits perquisites and allowances (₹)	Stock Options
Mr. Rohit Agarwal Whole time Director (w.e.f. August 5, 2016 for a period of 3 years)	6,947,572	--	Nil

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Services of the Whole-time Director may be terminated by either party, giving the other party one month's notice or the Company paying one month's salary in lieu thereof. There is no separate provision for payment of severance fees.

Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company and are effective April 1, each year.

During the year 2017-18, the Company paid sitting fees of ₹ 20,000 per meeting to its non-executive directors for attending meetings of the Board and Audit Committee and ₹ 10,000 per meetings of rest of the statutory committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

vii. Details of sitting fees for the year ended March 31, 2018:

a. Non-Executive Directors:

Names of Non-Executive Directors	Sitting Fees paid (₹)
Mr. Naresh Chandra Sharma	210,000
Mr. Ajit Kapadia*	110,000
Mr. Rabi Narayan Bastia	100,000
Ms. Anusha Mehta	190,000
Mr. Gaurav Gupta#	-
Mr. Kadayam Ramanathan Bharat **	60,000

Ceased to be Director w.e.f. January 16, 2018

\*\* Appointed as an Additional Independent Director w.e.f. January 16, 2018

# No sitting fees is paid.

During the financial year under report, the Non-Executive Directors had no pecuniary relationship or transactions with the Company.

## Report on Corporate Governance (Contd.)

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI LODR Regulations read with section 178 of the Act.
- ii. The broad terms of reference of the Stakeholders' Relationship Committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of shares, non-receipt of notice / annual reports / dividend etc. and all other shareholders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
  - Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of services to the investors.
- iii. One meetings of the Stakeholders' Relationship Committee was held during the year on February 13, 2018.
- iv. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr.Naresh Chandra Sharma	Chairman, Non-Executive Independent	1	1
Ms. Anusha Mehta	Non-Executive Independent	1	1
Mr. Gaurav Gupta	Non-Executive Non-Independent	1	0
Mr. Rohit Agarwal	Whole time Director	1	1
Kadayam Ramanathan Bharat *	Non-Executive Independent	1	1

\* Appointed as a Member w.e.f. January 16, 2018.

- v. Name, designation and address of Compliance Officer:

Ms. Archana Nadgouda  
 Company Secretary  
 3-A, Omkar Esquare, Chunabhatti Signal,  
 Eastern Express Highway, Sion (East),  
 Mumbai – 400022 Maharashtra, India  
 Tel. No.: +91-22-4244-1138 Fax No.: +91-22-4244-1111  
 Email: secretarial@asianoilfield.com

- vi. Details of investor complaints received and redressed during the year 2017-18 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	Nil	Nil	Nil

No request for transfer or dematerialisation of shares was pending as on March 31, 2018.

### D. OTHER COMMITTEES

- i. Corporate Social Responsibility (CSR) Committee

CSR Committee of the Company is re-constituted in line with the provisions of Section 135 of the Act, comprising of Mr. Naresh Chandra Sharma (Non-Executive Independent) Chairman, Mr. Rabi Bastia (Non-Executive Non-Independent) and Mr. Gaurav Gupta (Non-Executive Non-Independent).

The broad terms of reference of CSR committee is as follows:

- Formulate and recommend to the board, a corporate social responsibility (CSR) policy;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR policy of the Company from time to time;

No meeting of the CSR Committee was held during the financial year 2017-18.

The CSR policy of the Company is placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com).

## Report on Corporate Governance (Contd.)

### ii. Allotment Committee:

The Board has delegated powers to allot the shares of the Company to the Allotment Committee of Directors. The Allotment Committee comprising of Mr. Rabi Narayan Bastia, Chairman, Mr. Rohit Agarwal and Mr. Ashutosh Kumar, Members. The Allotment Committee met 2 times during the year on March 20, 2018 and on March 23, 2018. It approved allotment of 8,600,000 shares upon conversion of warrants. Executives of the Company are authorised by the Allotment Committee to comply with pre and post-allotment formalities including listing of allotted shares with the stock exchange.

### 4. GENERAL BODY MEETINGS

#### a) Particulars of AGM / EGM for the last three years:

The details of the last three Annual General Meetings and Extra Ordinary General Meetings are as follows:

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions passed
31-03-2017	Friday, 08-09-2017 at 11.00 a.m.	Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurgaon -122018, Haryana.	1) To appoint Mr. Ashutosh Kumar as Chief Executive Officer and Director of the Company. 2) To consider revision in the payment of remuneration to Mr. Rohit Agarwal (DIN 01780752) as a Whole time Director of the Company. 3) To consider enhancement of the Borrowing powers of Board from ₹ 300 Crores to ₹ 800 Crores. 4) To consider creation of security on the properties of the Company, both present and future, in favour of lenders. 5) To make any loans or investments and to give any guarantee(s) or to provide security (ies). 6) To consider Shifting of Registered Office of the Company from Gurugram, the State of Haryana to Mumbai, the State of Maharashtra.
	Friday, 21-03-2017 at 4.00 p.m.(*)	Boundry Hall, 1st Floor, Mumbai Cricket Association (MCA) Recreation Centre, RG-2, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.	1) Allotment of Equity Shares to a Non-Resident Investor on Preferential Basis. 2) Approval of Asian Oilfield Services Limited Employee Stock Option Plan 2017 and Grant Of Employee Stock Options to the employees of the Company thereunder. 3) Grant of Employee Stock Options to the Employees of the Holding & Subsidiary Company (ies) of the Company under Asian Oilfield Services Limited Employee Stock Option Plan 2017. 4) Implementation of AOSL ESOP 2017 through ESOP Trust. 5) Authorisation to ESOP Trust to subscribe to shares via primary issue or for purchasing shares through secondary acquisition. 6) Provision of money by the company for purchase of its own shares by the trust / trustees for the benefit of employees under Asian Oilfield Services Limited Employee Stock Option Plan 2017.
	Friday, 23-12-2016 at 4.00 p.m. (*)	The Acres Club, Emerald Hall, 411-B, Hemu Kalani Marg, Chembur, Mumbai - 400071, Maharashtra.	1) Allotment of Warrants, Convertible into Equity Shares to the Promoters of the Company and a Non-resident Investor (Allottees) on Preferential basis.

## Report on Corporate Governance (Contd.)

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions passed
31-03-2016	Wednesday, 28-09-2016 at 11.00 a.m.	Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurgaon -122018, Haryana.	1) Appointment of Mr. Rohit Agarwal as the Whole time Director of the Company. 2) Re-classification of Promoters of the Company.
31-03-2015	Monday, 28-09-2015 at 10.00 a.m.	Conference Hall, Lemon Tree premier, Leisure Valley, 48, Sector 29, City Center, Gurgaon-122002, Haryana.	1) Appointment of Statutory Auditors in place of the retiring auditors.

### (\*) Extra Ordinary General Meeting

All the resolutions including special resolutions set out in the respective notices calling the AGM / EGM were passed by the shareholders with requisite majority.

### b) Postal Ballot:

No special resolution was passed by the Company last year through Postal Ballot as prescribed under Section 110 of the Act. No special resolution is proposed to be conducted through Postal Ballot as on the date of this report. However approval of the members by way of special resolutions, are being sought through remote e-voting process on the proposals to appoint Mr. Ashutosh Kumar as a Whole-time Director and Chief Executive Officer of the Company, to modify the terms of issue of Employees Stock Option Plan, 2017 to the employees of the Company and its holding and subsidiary companies and to approve of contract/arrangement for material related party transactions with related party.

### 5. Disclosures

#### i. Related Party transactions :

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following weblink: <http://asianoilfield.com/investor-relations/corporate-governance.html>.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

#### ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last

three years 2015-16, 2016-17 and 2017-18 respectively:

During the year 2016-17, BSE Ltd. has imposed penalty of ₹ 80,500/- for late submission of Audited Financial results for the quarter and year ended March 31, 2016 which were paid by the company on May 28, 2016.

iii. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link <http://asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Whistleblower-Policy.pdf>

iv. The Company has also adopted Policy for determining 'material' subsidiaries for Disclosures (<http://asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Policy-on-Material-Subsidiary.pdf>) and Policy for Preservation of Documents (<http://asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Policy-for-preservation-of-documents.pdf>)

#### v. Reconciliation of Share Capital Audit :

A qualified practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical

## Report on Corporate Governance (Contd.)

form and the total number of dematerialised shares held with NSDL and CDSL.

### 6. Subsidiary Companies:

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following Link <http://asianoilfield.com/pdf/Investor-Relations/Corporate-Governance/Corporate-Governance/Policy-on-Material-Subsidiary.pdf>

### 7. Means of Communication:

The quarterly, half-yearly and annual results of the Company are normally published in Business Standard, English and Jansatta, Hindi newspapers, having wide circulation. The financial results are also displayed on the Company's website viz. [www.asianoilfield.com](http://www.asianoilfield.com) and posted on the BSE Corporate Compliance & Listing Centre (the Listing Centre). Official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's website.

### 9. Market price data:

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on BSE:

Months	High Price (INR)	Low Price (INR)	Total No. of Shares traded
April 2017	138.9	114.2	16034
May 2017	181	121.9	22478
June 2017	249.6	177.5	23546
July 2017	239.7	192.9	8976
August 2017	223.7	182.1	9478
September 2017	224.7	181	8229
October 2017	203.65	165	6197
November 2017	195	168.75	4889
December 2017	211	175	11777
January 2018	203	178.05	3774
February 2018	222	182.55	10992
March 2018	273.5	202	16014

### 8. General shareholder information

#### i. Annual General Meeting date, time and venue:

Tuesday, September 18, 2018 at 2.00 p.m. at Conference Hall, King Arthur-3, Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurugram-122018 (Haryana), India.

As required under Regulation 36(3) of the SEBI LODR Regulations, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 18, 2018

#### ii. Financial Calendar : April to March

#### iii. Date of book closure : Wednesday, September 12, 2018 to Tuesday, September 18, 2018 (both days inclusive)

#### iv. Dividend payment date : Not applicable

#### v. Listing on Stock Exchange: BSE Limited 25th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

#### vi. Stock Code on BSE Ltd. : 530355

The Company has paid the listing fees for the year 2017-18.

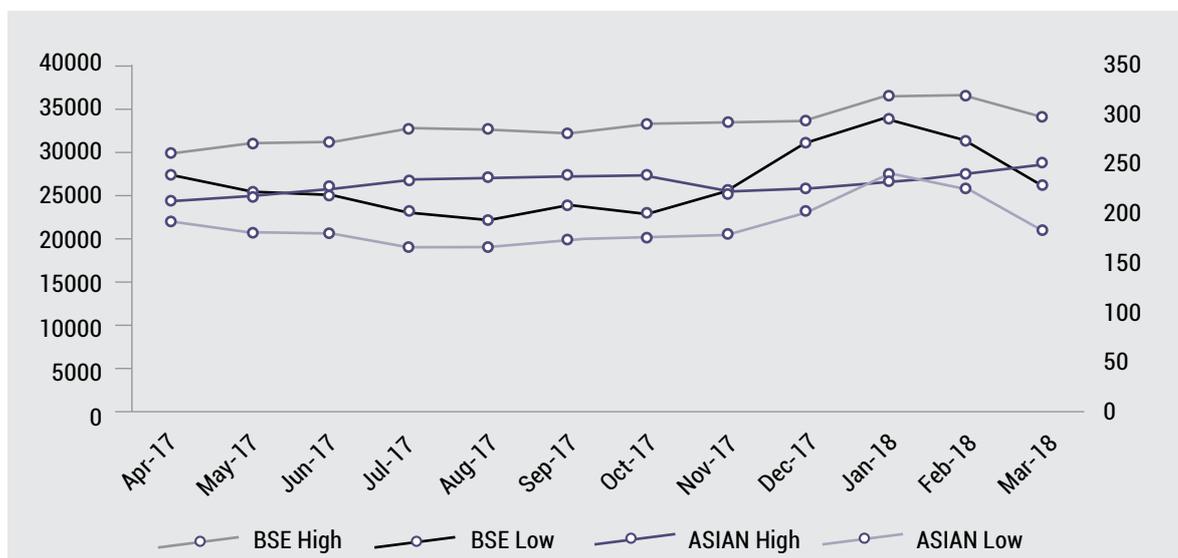
#### vii. ISIN Code in NSDL and CDSL for Equity Shares: INE276G01015

#### viii. Corporate identity number (CIN) of the Company: L23200HR1992PLC052501

## Report on Corporate Governance (Contd.)

### 10. Performance of the share price of the Company in comparison to the BSE Sensex:

#### ASIAN HIGH LOW VS BSE SENSEX HIGH LOW



### 11. Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.

102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank

Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020

Phone No. 0265 – 2356573, 2356794 Fax No. : 0265-2226216

E-mail: vadodara@linkintime.co.in

Website : www.linkintime.co.in

### 12. Share transfer system:

As on June 30, 2018, 98.17% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Link Intime India Pvt. Ltd. at the above mentioned address.

Transfer of shares in physical form is normally processed within fifteen days from the date of receipt, if the documents are complete in all respects.

SEBI has decided that securities of listed companies can be transferred only in dematerialised form, from a cut-off date, to be notified.

### 13. Shareholding as on March 31, 2018:

#### a. Distribution of equity shareholding as on March 31, 2018:

No. of Shares	No. of Share holders	Percentage to shareholders	Total No. of Shares	Percentage to Capital
Up to – 500	8072	79.75	1479074	3.88
501 - 1000	1045	10.32	835563	2.19
1001 – 2000	425	4.20	652017	1.71
2001 – 3000	189	1.87	483559	1.27
3001 – 4000	68	0.67	243506	0.64
4001 - 5000	72	0.71	339652	0.89
5001 - 10000	115	1.14	861554	2.26
10001 and above	136	1.34	33179519	87.14
<b>Total</b>	<b>10122</b>	<b>100</b>	<b>38074444</b>	<b>100.00</b>

## Report on Corporate Governance (Contd.)

b. Categories of equity shareholders as on March 31, 2018:

Category	No. of Shares	% of Total Capital
<b>A. Promoters Holding</b>		
a. Indian Promoters (PAC)	2,25,72,600	59.29
b. Foreign Promoter	--	--
<b>B. Non Promoters Holding</b>		
a. Mutual Funds	1,63,930	0.43
b. Foreign Portfolio Investors	66,613	0.17
c. Bodies Corporate	11,41,663	3.00
d. Indian Public	73,89,660	19.41
e. Clearing Members	1,51,764	0.40
f. Non Residents Indians	61,85,929	16.25
g. Director or Director's Relative	17,500	0.05
h. HUF	3,84,785	1.01
<b>Total</b>	<b>3,80,74,444</b>	<b>100</b>

c. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Percentage of shares held in physical and dematerialised form as on March 31, 2018:

Sr. No.	Electronic / Physical	Mode of Holding %
1.	NSDL	15.24
2.	CDSL	60.31
3.	Physical	24.45
<b>Total</b>		<b>100.00</b>

Note: During the quarter ended March 31, 2018, the Company has allotted 45,00,000 equity shares on March 20, 2018 and 4,100,000 equity shares on March 23, 2018, upon conversion of warrants. The Company is in process of filing Corporate Action for credit of said shares in demat accounts of respective shareholders and therefore show in physical holding.

d. The Company has not issued any GDRs / ADRs or any convertible instrument.

e. Plant locations: The Company has no plant.

f. Address for Correspondence

**LINK INTIME INDIA PVT. LTD.**

102 & 103, Shangrila Complex,  
1st Floor, Opp. HDFC Bank  
Near Radhakrishna Char Rasta,  
Akota, Vadodara – 390 020  
Phone No. 0265 – 2356573, 2356794  
Fax No. 0265 – 2356791  
E-mail : vadodara@linkintime.co.in

**SECRETARIAL DEPT.**

Asian Oilfield Services Ltd.  
Unit No. 1110 , 11th Floor,  
JMD Megapolis, Sector 48,  
Sohna Road, Gurugram, Haryana - 122018  
Phone No. 0124-4256145  
Fax No. 0124-6606406  
Email : secretarial@asianoilfield.com

## Declaration Regarding Compliance By Board Members And Senior Management Personnel With The Company's Code Of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Whole-time Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Mumbai,  
Date: August 1, 2018

Ashutosh Kumar  
Whole-time Director & CEO  
DIN 06918508

### CEO/CFO CERTIFICATION

The Board of Directors,  
Asian Oilfield Services Limited  
Gurugram.

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief;
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Asian Oilfield Services Limited

Place: Mumbai  
Date: August 1, 2018

Ashutosh Kumar  
Whole-time Director & CEO  
(DIN 06918508)

Sumit Maheshwari  
CFO

## Practicing Company Secretaries' Certificate on Corporate Governance

To the members of

Asian Oilfield Services Limited

We have examined the compliance of the conditions of Corporate Governance by Asian Oilfield Services Limited (the Company) for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and the Listing Regulations applicable for the respective periods as mentioned above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Vyas & Associates  
Practicing Company Secretaries

Jayesh Vyas  
Proprietor

Place : Vadodara

Date : August 1, 2018



## FINANCIAL

## SECTION

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# Independent Auditor's Report

To the Members of

Asian Oilfield Services Limited

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of Asian Oilfield Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

## OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2018, and its loss, its cash flows and the changes in equity for the year ended on that date.

## OTHER MATTER

9. The Company had prepared separate sets of statutory standalone financial statements for the years ended March 31, 2017 and March 31, 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated May 22, 2017 and June 13, 2016, respectively. These standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

## Independent Auditor's Report (Contd.)

- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 30, 2018 as per Annexure II expressed an unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 17.1 and Note 30(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N / N500013

Rakesh R. Agarwal  
Partner  
Membership No.: 109632

Place: Mumbai  
Date: May 30, 2018

## Annexure I

### to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the standalone financial statements for the year ended 31 March 2018

#### ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head "Property, plant and equipment") are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

## Annexure I

### to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the standalone financial statements for the year ended 31 March 2018 (Contd.)

- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of any dispute, are as follows:

#### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (in lacs)	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	95.52	-	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)
		29.17	-	Assessment Year 2010-11	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid and provided by the Company during the year in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

- (xiv) During the year, the Company has made preferential allotment/ private placement of equity shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.

Annexure I to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the standalone financial statements for the year ended 31 March 2018

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

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

Rakesh R. Agarwal  
Partner  
Membership No.: 109632

Place: Mumbai  
Date: May 30, 2018

# Annexure I I

## Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### ANNEXURE II

1. In conjunction with our audit of the standalone financial statements of **Asian Oilfield Services Limited** ("the Company") as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

# Balance Sheet

## as at March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	5,846.56	3,203.46	2,512.28
Intangible assets	4	129.29	137.64	8.73
<b>Financial assets</b>				
Investments	5	652.04	651.81	651.81
Loans	6	3.37	2.91	18.63
Other financial assets	7	868.34	3,389.19	684.62
Income tax assets	8	544.60	360.87	350.75
Other non-current assets	9	7.58	18.45	13.69
		<b>8,051.78</b>	<b>7,764.33</b>	<b>4,240.51</b>
<b>Current assets</b>				
Inventories	10	187.68	157.39	315.58
<b>Financial assets</b>				
Trade receivables	11	5,023.99	2,255.68	1,000.68
Cash and cash equivalents	12	263.76	644.73	711.51
Bank balances other than above	13	1,634.75	205.04	243.31
Loans	6	4,180.42	4,383.05	887.26
Other financial assets	7	1,834.03	1,641.03	400.88
Other current assets	14	1,768.26	316.18	235.50
		<b>14,892.89</b>	<b>9,603.10</b>	<b>3,794.71</b>
<b>Total assets</b>		<b>22,944.67</b>	<b>17,367.43</b>	<b>8,035.22</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	3,807.44	2,607.44	2,232.44
Other equity		9,639.01	8,071.91	(500.34)
		<b>13,446.45</b>	<b>10,679.35</b>	<b>1,732.10</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	537.23	-	-
Provisions	17	2.97	-	7.70
		<b>540.20</b>	<b>-</b>	<b>7.70</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	449.34	5,249.37	2,692.83
Trade payables	18	4,901.86	774.12	903.50
Other financial liabilities	19	2,940.91	619.17	2,579.01
Provisions	17	513.46	-	1.53
Other current liabilities	20	152.45	45.42	118.55
		<b>8,958.02</b>	<b>6,688.08</b>	<b>6,295.42</b>
		<b>22,944.67</b>	<b>17,367.43</b>	<b>8,035.22</b>

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Balance Sheet referred to in our audit report of even date

For Walker Chandio &amp; Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Naresh Chandra Sharma

Chairman

(DIN-00054922)

Place: Mumbai

Date: May 30, 2018

Ashutosh Kumar

Director and Chief Executive Officer

(DIN:06918508)

Shweta Jain

Company Secretary

(ACS-23368)

# Statement of profit and loss

## for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME :</b>			
Revenue from operations	21	9,566.28	4,341.83
Other income	22	661.48	436.30
<b>Total Income</b>		<b>10,227.76</b>	<b>4,778.13</b>
<b>EXPENSES :</b>			
Oilfield services related expenses	23	7,257.34	1,765.91
Employee benefits expense	24	1,676.98	1,082.01
Finance costs	25	573.72	459.82
Depreciation and amortisation expense	26	748.30	526.06
Other expenses	27	1,053.91	1,486.71
<b>Total expenses</b>		<b>11,310.25</b>	<b>5,320.51</b>
<b>Loss before exceptional items and tax</b>		<b>(1,082.49)</b>	<b>(542.38)</b>
Exceptional items [gain/(loss)]	28	(985.22)	645.02
<b>(Loss)/ profit before tax</b>		<b>(2,067.71)</b>	<b>102.64</b>
<b>Tax expense</b>			
Current Tax	8	-	20.52
Deferred Tax		-	-
<b>(Loss)/ profit for the year (A)</b>		<b>(2,067.71)</b>	<b>82.12</b>
<b>Other Comprehensive income</b>			
<b>Items no to be re-classified subsequently to profit &amp; loss (net of tax)</b>			
(Loss)/ gain on fair value of defined benefit plans as per actuarial valuation		(3.16)	2.62
Income tax effect on above		-	-
<b>Other comprehensive (loss)/ income for the year, net of tax (B)</b>		<b>(3.16)</b>	<b>2.62</b>
<b>Total comprehensive (loss) / income for the year, net of tax (A+B)</b>		<b>(2,070.87)</b>	<b>84.74</b>
<b>Earnings per equity share of face value of INR 10 each</b>	29		
Basic		(7.32)	0.36
Diluted		(7.32)	0.31

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok &amp; Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Naresh Chandra Sharma

Chariman

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

Ashutosh Kumar

Director and Chief Executive Officer

(DIN:06918508)

Shweta Jain

Company Secretary

(ACS-23368)

# Cash Flow Statement

## for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(2,067.71)	102.64
<b>Adjustments for non cash items and items considered separately</b>		
Depreciation and amortisation expense	748.30	526.06
Interest expense	449.66	429.47
Interest on income tax refund	(2.59)	-
Provision for doubtful debts	22.17	510.18
Sundry balances written off	14.47	-
Liabilities/ provisions written back	(28.09)	(117.17)
Expense/ (income) disclosed as exceptional items	985.22	(645.02)
Unwinding of interest on security deposits	13.85	(9.82)
Provision for doubtful deposits	-	69.60
Interest income	(616.64)	(312.13)
Write down of inventories	1.52	16.09
Provision for employee stock option	37.97	-
Operating profit/(loss) before working capital changes	(441.87)	569.90
<b>Adjustments for changes in working capital:</b>		
(Increase)/ Decrease in trade receivables	(2,525.14)	(1,765.19)
(Increase)/ Decrease in other assets	(2,593.10)	(294.13)
(Increase)/ Decrease in inventories	(31.81)	142.10
Increase/ (Decrease) in other liabilities	1,535.65	(1,412.12)
Increase/ (Decrease) in trade and other payables	4,127.74	(129.38)
Increase/ (Decrease) in provisions	513.26	(4.77)
	1,026.60	(3,463.49)
<b>Cash generated from/ (used in) operations</b>	<b>584.73</b>	<b>(2,893.59)</b>
Direct taxes paid (net of refunds received)	183.73	(10.40)
<b>Net cash generated from/(used in) operating activities</b>	<b>768.46</b>	<b>(2,903.99)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,366.81)	(1,213.53)
Purchase of intangible assets	(16.24)	(132.62)
Investment in joint venture	(0.23)	-
Maturity/ (increase) in fixed deposits (not considered as cash and cash equivalents)	982.43	(2,755.90)
Interest received	448.87	255.19
Interest on income tax refund	2.59	-
Decrease/ (Increase) in loans to related parties (net)	336.45	(3,493.92)
<b>Net cash (used in) investing activities</b>	<b>(1,612.94)</b>	<b>(7,340.78)</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including securities premium)	3,600.00	8,612.50
Proceeds from conversion from warrants	1,200.00	250.00
Inter corporate deposit taken	3,455.00	8,500.00
Inter corporate deposit repaid	(7,155.00)	(4,800.00)
Proceeds from/ (repayments of) long-term borrowings (net)	1,246.65	-
Proceeds from/ (repayments of) short-term borrowings (net)	(1,100.03)	(1,143.46)
Interest paid	(783.11)	(1,241.05)
Net cash generated from financing activities	<b>463.51</b>	10,177.99
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	<b>(380.97)</b>	(66.78)
Cash and cash equivalents at the beginning of the year	644.73	711.51
Cash and cash equivalents at the end of the year (Refer Note 12)	<b>263.76</b>	644.73

**Notes:-**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
- Additions to property, plant and equipment include movements of capital advances and capital creditors during the year.

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Cash Flow Statement referred to in our report of even date.

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

**Naresh Chandra Sharma**

*Chariman*

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

**Ashutosh Kumar**

*Director and Chief Executive Officer*

(DIN:06918508)

**Shweta Jain**

*Company Secretary*

(ACS-23368)

## Statement of changes in equity for the year ended March 31, 2018

### A. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount
	(in Lacs)	(in Lacs)
Equity shares as at April 1, 2016	223.24	2,232.44
Add: Warrants converted during the year	25.00	250.00
Add : Equity shares issued during the year [refer note 15(f)]	12.50	125.00
Equity shares as at March 31, 2017	260.74	2,607.44
Add : Warrants converted during the year [refer note 15(g)]	120.00	1,200.00
<b>Equity shares as at March 31, 2018</b>	<b>380.74</b>	<b>3,807.44</b>

### B. OTHER EQUITY

(All amounts in Lacs, unless otherwise stated)

Particulars	Money received against share warrants	Reserves and surplus				Total other equity
		Capital reserve	Securities premium reserves	Outstanding employee stock options	Retained earnings	
As at April 1, 2016	-	445.78	6,706.95	-	(7,653.07)	(500.34)
Profit for the year	-	-	-	-	82.12	82.12
Other comprehensive income for the year	-	-	-	-	2.62	2.62
Money received against share warrants [refer note 15(g)]	6,800.00	-	-	-	-	6,800.00
Conversion of warrants into equity shares	(2,000.00)	-	1,750.00	-	-	(250.00)
Issue of equity share [refer note 15(f)]	-	-	1,937.50	-	-	1,937.50
As at March 31, 2017	4,800.00	445.78	10,394.45	-	(7,568.33)	8,071.91
Loss for the year	-	-	-	-	(2,067.71)	(2,067.71)
Other comprehensive loss for the year	-	-	-	-	(3.16)	(3.16)
Recognition of share based expenses	-	-	-	37.98	-	37.98
Money received against share warrants [refer note 15(g)]	4,800.00	-	-	-	-	4,800.00
Conversion of warrants into equity shares [refer note 15(g)]	(9,600.00)	-	8,400.00	-	-	(1,200.00)
<b>As at March 31, 2018</b>	<b>-</b>	<b>445.78</b>	<b>18,794.45</b>	<b>37.98</b>	<b>(9,639.20)</b>	<b>9,639.01</b>

### NATURE AND PURPOSE OF RESERVES

#### (i) Capital reserve

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

#### (ii) Securities premium account

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## Consolidated **Statement of changes in equity** for the year ended March 31, 2018 (Contd.)

### (iii) Outstanding employee stock options

The Company has established equity settled share based payment plan for certain categories of employees of the Company. This reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration.

### (iv) Retained earnings

Retained earnings represents the accumulated profits / losses made by the Company over the years.

Notes 1 to 42 form an integral part of the standalone financial statements

This is the Statement of changes in equity referred to in our audit report of even date

For **Walker Chandio & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

**Naresh Chandra Sharma**

*Chariman*

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

**Ashutosh Kumar**

*Director and Chief Executive Officer*

(DIN:06918508)

**Shweta Jain**

*Company Secretary*

(ACS-23368)

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018

### CORPORATE INFORMATION

Asian Oilfield Services Limited (the "Company" or "AOSL") is a Public Limited Company domiciled in India. The Company having CIN L23200HR1992PLC052501, is incorporated under the provisions of the Companies Act, 1956 and is listed on the Bombay Stock Exchange (BSE). The Company is an oilfield service Company and reservoir imaging company, offering a suite of geophysical services specialising in land and well seismic services and operation and maintenance services for oilfields. The Company has expanded its activities through its foreign subsidiaries to cater to the international markets. The registered office of the Company is located at Unit No. 1110, 11th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurugram-122018 (Haryana).

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year

ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). These financial statements for the year ended March 31, 2018 are the first Financial Statements prepared in accordance with Ind AS. Refer to note 41 for information on how the Company has adopted Ind AS. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value and defined benefit obligations measured at fair value. The financial statements are presented in Indian Rupee, which is also the Company's functional currency.

#### Operating cycle and current, non-current classification

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Foreign currency transactions and balances

#### Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

#### Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Treatment of Exchange Difference

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

### Revenue Recognition

#### Revenue from oilfield services

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.

Revenue includes the invoiced value of services provided during the year less discounts and customer claim towards delay in completion of work, if any. Service income is recognised when the service is imparted and the right to receive is established.

Revenue is derived from providing on operations & maintenance service on offshore platform and 2D seismic survey (including data capturing and installing vibrator points) and is recognised upon imparting of service and/or stage of completion.

Rental income is accounted on time-proportion basis. Other income is recognised as and when due or received, whichever is earlier.

Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitrations

#### (ii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### (iii) Dividends

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### Taxes

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(i) Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

(ii) Deferred tax:

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

The accounting policy for borrowing costs is set out in note below. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Intangible assets

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

Intangible assets are amortised over their estimated useful life of 6 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### Inventories

Inventories of stores and consumables are stated at cost. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of weighted average method.

### Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits with banks, short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

### Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

### Employee stock option scheme

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the

vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

### Leases - Company as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2016, the date of inception is deemed to be April 1, 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis as escalation in lease arrangements are for expected inflationary cost.

### Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

liabilities at FVTPL are recognised immediately in statement of profit and loss.

### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

### Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

### Financial assets measured at FVTPL

#### Debt instrument

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is

classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

#### Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Contingencies

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognised in the period in which the change occurs.

#### Employee Benefits

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### Defined Contribution Plan

The Company pays contribution to the provident fund and Employee state insurance corporation which is administered by respective Government authorities. The Company has no further payment obligations once the contributions have been paid. The Contributions are recognised as employee benefit expense in the statement of profit and loss to the year it pertains.

### Defined Benefit Plan

**Gratuity:** The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Cost for past services is recognised on a straight line basis over the average period until the amended benefits become vested.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and the terms of Government bonds are consistent with the currency and estimated term of defined benefit obligation.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the

exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

### Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

# Summary of significant accounting policies

## and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### Judgements

#### (i) Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Company has also used appendix C of Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

#### (ii) Deferred Income Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

### Estimates

#### (i) Useful lives of various assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013.

#### (ii) Current Income Taxes

The tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

#### (iii) Expected Credit Loss

Refer note for Impairment of financial assets mentioned in financial instruments above.

#### (iv) Accounting for Defined Benefit Plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

#### (v) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

## 2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

### Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from April 1, 2018.

The standard permits two possible methods of transition:

- i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ii) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

### Appendix B of Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

Description	(All amounts in Lacs, unless otherwise stated)									
	Freehold Land	Building	Oilfield equipment	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Vessels	Total	
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>										
Gross carrying value (at deemed cost)										
As at April 1, 2016	7.95	11.49	2,404.90	4.87	6.88	18.53	55.47	2.19		2,512.28
Additions	-	-	1,162.08	-	5.04	42.40	4.00	-		1,213.52
As at March 31, 2017	7.95	11.49	3,566.98	4.87	11.92	60.93	59.47	2.19		3,725.80
Additions	-	-	3,353.51	-	3.18	10.11	-	-		3,366.80
As at March 31, 2018	7.95	11.49	6,920.49	4.87	15.10	71.04	59.47	2.19		7,092.60
Depreciation										
As at April 1, 2016	-	-	-	-	-	-	-	-		-
Depreciation charge	-	0.30	487.42	1.15	3.40	8.99	20.82	0.26		522.34
As at March 31, 2017	-	0.30	487.42	1.15	3.40	8.99	20.82	0.26		522.34
Depreciation charge	-	0.30	680.54	1.10	3.69	21.45	16.38	0.26		723.72
As at March 31, 2018	-	0.59	1,167.96	2.25	7.10	30.44	37.19	0.51		1,246.04
Net carrying value										
As at April 1, 2016	7.95	11.49	2,404.90	4.87	6.88	18.53	55.47	2.19		2,512.28
As at March 31, 2017	7.95	11.20	3,079.56	3.72	8.52	51.94	38.65	1.93		3,203.46
As at March 31, 2018	7.95	10.90	5,752.53	2.62	8.00	40.60	22.28	1.68		5,846.56
<b>4. INTANGIBLE ASSETS</b>										
(All amounts in Lacs, unless otherwise stated)										
Particulars										Total
Gross carrying value (at deemed cost)										
As at April 1, 2016							8.73			8.73
Additions							132.62			132.62
As at March 31, 2017							141.35			141.35
Additions							16.24			16.24
As at March 31, 2018							157.59			157.59
Amortisation										
As at April 1, 2016							-			-
Amortisation							3.72			3.72
As at March 31, 2017							3.72			3.72
Amortisation							24.58			24.58
As at March 31, 2018							28.30			28.30
Net carrying value										
As at April 1, 2016							8.73			8.73
As at March 31, 2017							137.64			137.64
As at March 31, 2018							129.29			129.29

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>5. INVESTMENTS</b>			
<b>Non-current</b>			
Investments in unquoted equity shares, fully paid up (carried at deemed cost)			
i) In subsidiary companies outside India			
1,000 (March 31, 2017: 1,000, April 1, 2016: 1,000) : Equity shares of AOSL Petroleum Pte Limited, US \$ 0.735 each	0.31	0.31	0.31
3,675 (March 31, 2017: 3,675, April 1, 2016: 3,675) : Equity shares of Asian Oilfield & Energy Services DMCC, AED 1,000 each	620.23	620.23	620.23
ii) In joint venture in India			
2,300 (March 31, 2017: Nil, April 1, 2016: Nil) : Equity shares of Optimum Oil & Gas Private Limited, INR 10 each (refer note 5.1 below)	0.23	-	-
	<b>620.77</b>	<b>620.54</b>	<b>620.54</b>
<b>Investment in subsidiaries, other than in shares</b>			
Corporate guarantee given in favour of Asian Oilfield & Energy Services DMCC	31.27	31.27	31.27
	<b>652.04</b>	<b>651.81</b>	<b>651.81</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	652.04	651.81	651.81

**Note 5.1:** On November 13, 2017, the Company, acquired 49% of the total equity shares of Optimum Oil & Gas Private Limited, a India based Company, engaged in the exploring the opportunity as Oil and gas service provider. The total consideration for the said acquisitions was INR 0.49 Lacs. On January 24, 2018, the Company disposed 26% of the aforesaid equity stake in Optimum Oil & Gas Private Limited for an aggregate consideration of INR 0.26 Lacs.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>6. LOANS</b>			
<b>Non-current</b>			
Unsecured, considered good			
Security deposits	3.37	2.91	18.63
Unsecured, considered doubtful			
Security deposits	-	14.32	14.32
Inter - corporate loan	-	698.08	698.08
Less: Provision for doubtful loan and deposits	-	(712.40)	(712.40)
	<b>3.37</b>	<b>2.91</b>	<b>18.63</b>
<b>Current</b>			
Unsecured, considered good			
Security deposits	139.33	5.53	3.67
Loans to related parties (refer note 36)	4,041.09	4,377.52	883.59
	<b>4,180.42</b>	<b>4,383.05</b>	<b>887.26</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>7. OTHER FINANCIAL ASSETS</b>			
<b>Non-current</b>			
Retention money	-	108.71	128.71
In fixed deposit accounts - with maturity of more than 12 months*	868.34	3,280.48	486.31
Custom duty refundable	-	69.60	69.60
Less: Provision against doubtful receivables	-	(69.60)	-
	<b>868.34</b>	<b>3,389.19</b>	<b>684.62</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	868.34	3,280.48	486.31
<b>Current</b>			
Interest accrued on loans and deposits	359.76	191.99	135.05
Unbilled revenue	1,470.37	1,446.61	261.62
Employee advances			
Unsecured, considered good	3.90	2.43	4.21
Unsecured, considered doubtful	-	0.77	0.77
Less: provision for doubtful employee advances	-	(0.77)	(0.77)
	<b>1,834.03</b>	<b>1,641.03</b>	<b>400.88</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>8. INCOME TAX ASSETS</b>			
Income tax receivable	544.60	360.87	350.75
	<b>544.60</b>	<b>360.87</b>	<b>350.75</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current income tax	-	20.52
<b>Effective tax reconciliation</b>		
(Loss)/profit before tax	(2,067.72)	102.64
Enacted tax rate in India	25.75%	30.90%
Expected income tax expense	(532.44)	31.72
Expenses not deductible in determining taxable profit	234.86	195.60
Expenses deductible in determining taxable profit	(9.19)	(5.73)
Effect of tax pertaining to prior years	-	20.52
Losses carried forward/(adjusted) on which deferred tax is not created	306.77	(221.59)
Tax expense for the year	-	20.52

The Company has not recognised deferred tax asset as it is not probable to have future taxable profit. The Company has prudently decided not to recognise deferred tax assets on the business losses of INR 5,577.26 Lacs and unabsorbed depreciation of INR 2,773.49 Lacs as at March 31, 2018. This business losses can be carried forwarded 8 years from the respective years whereas unabsorbed depreciation can be carried forwarded indefinitely and have no expiry dates.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>9. OTHER NON-CURRENT ASSETS</b>			
Prepaid expenses	7.58	7.60	1.02
Assets towards gratuity obligation (Also, refer note 35.2.i)	-	10.85	12.67
	<b>7.58</b>	<b>18.45</b>	<b>13.69</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>10. INVENTORIES</b>			
Stores and spares	187.68	157.39	315.58
	<b>187.68</b>	<b>157.39</b>	<b>315.58</b>

Write-downs of inventories to net realisable value during the year amounted to INR 1.51 Lacs (March 31, 2017: INR 16.09 Lacs) and is included in 'Stores and consumables consumed'.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>11. TRADE RECEIVABLES</b>			
Unsecured, considered good	5,023.99	2,255.68	1,000.68
Unsecured, considered doubtful	231.18	673.33	163.15
Less: provision for doubtful trade receivables	(231.18)	(673.33)	(163.15)
	<b>5,023.99</b>	<b>2,255.68</b>	<b>1,000.68</b>

Note: There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>12. CASH AND CASH EQUIVALENTS</b>			
Balances with banks			
In current accounts	55.44	640.71	696.49
In deposit accounts*	200.13	0.13	0.13
Cash on hand	7.14	3.89	14.89
Investment in highly liquid fund	1.05	-	-
	<b>263.76</b>	<b>644.73</b>	<b>711.51</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	200.13	-	-

There are no repartition restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	1,634.75	205.04	243.31
	<b>1,634.75</b>	<b>205.04</b>	<b>243.31</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	1,634.75	205.04	243.31

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>14. OTHER CURRENT ASSETS</b>			
Balance with government authorities	722.94	112.12	58.60
Prepaid expenses	241.94	67.69	52.90
Advance to suppliers			
Unsecured, considered good	803.38	136.37	113.98
Unsecured, considered doubtful	163.84	22.65	22.65
Less: Provision for doubtful advance to suppliers	(163.84)	(22.65)	(22.65)
Advance to others	-	-	10.02
	<b>1,768.26</b>	<b>316.18</b>	<b>235.50</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>15. EQUITY SHARE CAPITAL</b>			
(a) Authorised :			
Equity shares of INR 10 each	5,000.00	5,000.00	5,000.00
50,000,000, (March 31, 2017: 50,000,000, April 1, 2016: 50,000,000) equity shares INR 10 each			
(b) Issued, Subscribed and Fully Paid-up			
Equity shares of INR 10 each	3,807.44	2,607.44	2,232.44
38,074,444, (March 31, 2017: 26,074,444, April 1, 2016: 22,324,444) equity shares INR 10 each			

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
Equity shares as at April 1, 2016	223.24	2,232.44
Add: Warrants converted during the year	25.00	250.00
Add : Equity shares issued during the year [refer note 15(f)]	12.50	125.00
Equity shares as at March 31, 2017	260.74	2,607.44
Add: Warrants converted during the year	120.00	1,200.00
Add : Equity shares issued during the year	-	-
Equity shares as at March 31, 2018	<b>380.74</b>	<b>3,807.44</b>

(d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(e) Details of equity shareholders holding more than 5% shares in the Company:

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
Equity Share						
Oilmax Energy Private Limited (Holding Company)	225.73	59.29%	150.73	57.81%	-	-
Samara Capital Partners Fund I Limited	-	-	-	-	125.73	56.32%

The above information is furnished as per the shareholders register as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 15. EQUITY SHARE CAPITAL (CONTD.)

- (f) During the year ended March 31, 2017, the Company had allotted 12.50 lakh shares at an issue price of INR 165 each, par value of INR 10 per share, security premium of INR 155 per share on preferential basis to a non-resident investor. With respect to aforesaid allotment, the Company had received entire subscription money amounting to INR 2,062.50 Lacs (including premium of INR 1,937.50 Lacs) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (g) The Company allotted, on preferential basis, 10,000,000 equity warrants to the promoter and 4,500,000 equity warrants to a non-resident ("allottees") in December 2016, convertible into equity shares of INR 10 each at the option of allottees any time within 18 months post allotment at an issue price of INR 80 each. In this regard, the Company received INR 5,800 Lacs in the previous year being 50% of the subscription amount as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, during the year ended March 31, 2018, the Company received INR 3,000 Lacs being the balance 50% allotment money from the promoter with respect to 7,500,000 equity warrants and received INR 1,800 Lacs from non-resident allottee with respect to 4,500,000 equity warrants and allotted equivalent number of equity shares against the same upon the option of conversion being exercised by the allottees.
- (h) No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been bought back during the last five years.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>16. BORROWINGS</b>			
<b>Non-current</b>			
Secured			
Term loan from bank (refer note i below)	1,246.65	-	-
Less: Current maturities of long-term borrowings (refer note 19)	(709.42)	-	-
	<b>537.23</b>	-	-
Current			
Secured			
Working loan facility from banks (refer note ii below)			
Overdraft facility from bank	449.34	449.37	-
Cash credits from bank	-	-	442.83
Unsecured			
Inter corporate deposits (refer note iii below)	-	4,800.00	2,250.00
	<b>449.34</b>	<b>5,249.37</b>	<b>2,692.83</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Net debt reconciliation</b>		
Cash and cash equivalents	263.76	644.73
Current borrowings (including interest accrued)	(449.35)	(5,582.82)
Non-current borrowings (including current maturities)	(1,246.65)	-
<b>Net debt</b>	<b>(1,432.24)</b>	<b>(4,938.09)</b>

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net Debt as at 1 April 2017</b>	644.73	-	(5,582.82)	<b>(4,938.09)</b>
Cash Flow	(380.97)	(1,246.65)	4,800.03	<b>3,172.47</b>
Interest expense	-	(77.79)	(371.87)	<b>(449.66)</b>
Interest paid	-	77.79	705.31	<b>783.11</b>
<b>Net Debt as at March 31, 2018</b>	<b>263.76</b>	<b>(1,246.65)</b>	<b>(449.35)</b>	<b>(1,432.24)</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 16. BORROWINGS (CONTD.)

#### Terms of Borrowing:

##### (i) Term Loan from bank

Term loan from bank is repayable in ten equal quarterly instalments till December 2019. Interest rate charged is 6 month LIBOR + 1.90%. The loan is secured by 5,234,297 equity shares of the Holding Company and second pari pasu charge over Company's all current assets and moveable fixed assets. Further, Company is required to maintain debt service reserve account of INR 200 Lacs.

##### (ii) Working capital loans from banks

Company has availed two overdraft facilities from State Bank of India, both secured by pledged of fixed deposits and as repayable on demand.

(a) first facility carries an interest rate of 9% p.a

(b) another facility carries an interest rate of 8% p.a

As at April 1, 2016, Company had cash credit facility availed from State Bank of India which was discontinued by the Company on January 11, 2017 which carried a rate of interest of 16.70 % per annum at monthly rests and was repayable on demand (sanctioned limit: INR 600 Lacs). This cash credit facility was primarily secured by hypothecation of all chargeable current assets of the Company and was guaranteed by letter of comfort from Samara Capital Partners Fund I Limited, Mauritius till October 24, 2016. The collateral security for this cash credit facility were:

(a) Exclusive charge by way of equitable mortgage over the Company's office premises situated at 701/704, Manubhai tower, 7th floor, B/wing, Sayajaigung, Baroda measuring 2056 Sq. feet. The same is now pledged as collateral security for availing non-fund based sanction limit of INR 1,000 Lacs, from State Bank of India.

(b) Exclusive charge by way of equitable mortgage over shop no. 29 , Payal Co-op Housing society, Sayajaigung, Baroda, belonging to the Company and measuring 260 sq. feet. The same is pledged as collateral security for availing non-fund based sanction limit of INR 1,000 Lacs, from State Bank of India.

(c) Pledge of 22,000,000 shares of the Company owned by Samara Capital Partners Fund I Limited upto 15 November 2016. The same number of shares owned by Oilmax Energy Private Limited are pledged as collateral security for availing non-fund based sanction limit of INR 1,000 Lacs from State Bank of India.

(d) First charge by way of hypothecation over the fixed assets including plant and machinery and oilfield equipment and excluding those items covered under (a) and (b) above. The same are pledged as collateral security for availing non-fund based sanction limit of INR 1,000 Lacs from State Bank of India.

(e) Pledge over the term deposit receipts of INR 509.00 Lacs including accrued interest thereof up to 24 October 2016.

##### (iii) Inter corporate deposits

(a) The Company has no outstanding intercorporate deposits as at March 31, 2018.

(b) As at March 31, 2017, the Company has outstanding inter-corporate deposits from:

- Oilmax Energy Private Limited amounting to INR 3,700 Lacs, repayable on demand and carried rate of interest of 10.00 % per annum.
- Thriveni Earthmovers Private Limited amounting to INR 1,100 Lacs, repayable on demand and carried rate of interest of 15.00 % per annum.

(c) As at April 1, 2016, the Company has outstanding inter-corporate deposits from:

- Global Coal and Mining Private Limited amounting to INR 1,150 Lacs, repayable on demand and carried rate of interest of 16.00 % per annum.
- Thriveni Earthmovers Private Limited amounting to INR 1,100 Lacs, repayable on demand and carried rate of interest of 15.00 % per annum.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>17. PROVISIONS</b>			
<b>Non-current</b>			
Compensated absences	-	-	7.70
Gratuity (refer note 35.2.i)	2.97	-	-
	<b>2.97</b>	-	<b>7.70</b>
<b>Current</b>			
Compensated absences	-	-	1.53
Provision for settlement of litigation (refer note 17.1)	512.98	-	-
Gratuity (refer note 35.2.i)	0.48	-	-
	<b>513.46</b>	-	<b>1.53</b>

17.1 The Company had an ongoing legal case with one of its customer for which the matter was pending before the Jorhat District Court which has directed the matter to the Outside Expert Conciliation Committee. The Company received recommendation dated March 7, 2018 from Outside Expert Conciliation Committee which has been accepted by both the parties and accordingly provision aggregating INR 512.98 Lacs has been made towards this matter.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>18. TRADE PAYABLES</b>			
Total outstanding dues of Micro, Small and Medium Enterprises	18.63	10.83	-
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	4,309.72	307.86	903.50
Payable to related parties (Refer note 36)	573.51	455.43	-
	<b>4,901.86</b>	<b>774.12</b>	<b>903.50</b>

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information as available with the Company and the details of amount outstanding due to them are as given below:

(a) The principal amount and the interest due thereon remaining unpaid to any Supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	18.63	10.83	-
Interest due on above	-	0.16	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	0.16	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.16	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>19. OTHER FINANCIAL LIABILITIES</b>			
<b>Current</b>			
Current maturities of long term borrowings (Refer Note 16)	709.42	-	-
Interest accrued but not due on inter corporate deposits	-	333.44	1,145.02
Security deposit	186.14	-	200.00
Liability for capital goods	1,840.81	95.26	1,059.71
Employee related payables	204.54	190.31	174.28
Others	-	0.16	-
	<b>2,940.91</b>	<b>619.17</b>	<b>2,579.01</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>20. OTHER CURRENT LIABILITIES</b>			
Advance from others	-	-	27.96
Statutory dues payable	139.14	45.42	77.69
Deferred subcontracting income	13.31	-	-
Financial guarantee obligation	-	-	12.90
	<b>152.45</b>	<b>45.42</b>	<b>118.55</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>21. REVENUE FROM OPERATIONS</b>		
Revenue from oilfield services	9,566.28	4,341.83
	<b>9,566.28</b>	<b>4,341.83</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>22. OTHER INCOME</b>		
Interest income on financial assets measured at amortised cost	616.64	312.13
Interest income on income tax refund	2.59	-
Liabilities/provisions written back	28.09	117.17
Miscellaneous income	14.16	7.00
	<b>661.48</b>	<b>436.30</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>23. OILFIELD SERVICES RELATED EXPENSES</b>		
Sub-contracting charges	5,415.69	192.41
Stores and consumables consumed	118.62	164.68
Camp establishment and maintenance	153.72	106.61
Machinery hire charges	899.74	454.04
Vehicle hire charges	238.88	188.66
Fuel rig expenses	39.24	66.59
Labour charges	252.28	315.53
Freight expenses	55.00	58.46
Power and fuel	46.60	18.30
License expenses	11.72	41.17
Repairs and maintenance		
- plant and machinery	10.16	21.10
Other operational expenses	15.69	138.36
	<b>7,257.34</b>	<b>1,765.91</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1,558.49	1,033.48
Contribution to provident and other funds (refer note 35.2.ii)	65.70	28.68
Employee stock option expenses (refer note 35.2.iii)	37.97	-
Staff welfare	14.82	19.85
	<b>1,676.98</b>	<b>1,082.01</b>

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>25. FINANCE COSTS</b>		
Interest expense on:		
- financial liabilities carried at amortised cost	449.66	429.47
- delayed payment of statutory dues	0.33	2.90
- others	-	5.81
Bank charges	123.73	21.64
	<b>573.72</b>	<b>459.82</b>

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>26. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment (refer note 3)	723.72	522.34
Amortisation of intangible assets (refer note 4)	24.58	3.72
	<b>748.30</b>	<b>526.06</b>

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>27. OTHER EXPENSES</b>		
Advertisement and business promotion expenses	58.93	3.63
Rent (Also, refer note 31)	135.55	109.37
Rates and taxes	28.22	-
Travelling and conveyance	229.59	134.58
Printing and stationery	8.53	13.50
Membership and subscription charges	1.36	0.20
Telephone and internet expenses	12.48	17.30
Insurance	55.79	51.53
Security expenses	38.59	23.93
Legal and professional charges (Also, refer note below)	383.72	263.97
Directors sitting fees	7.10	9.50
Repairs and maintenance		
- building	20.53	23.22
- others	19.31	13.11
Provision for doubtful debts	22.17	510.18
Provision for doubtful deposits	-	69.60
Net loss on foreign currency transactions	1.46	214.19
Sundry balances written off	14.47	-
Miscellaneous expenses	16.11	28.90
	<b>1,053.91</b>	<b>1,486.71</b>
<b>Note: Details of payments to auditors</b>		
As auditor:		
Statutory Audit	22.50	16.00
Certification and other matters	1.00	0.85
Re-imburement of expenses	1.95	3.36
	<b>25.45</b>	<b>20.21</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>28. EXCEPTIONAL ITEMS [GAIN/(LOSS)]</b>		
Current trade receivables written off	(10.02)	-
Other non-current financial assets written off	(89.38)	-
Provision for doubtful advances (other current assets)	(163.84)	-
Allowance on trade receivables on account of settlement with a customer	(209.00)	-
Provision for settlement of litigation (Refer note 17.1)	(512.98)	-
Inter corporate deposits written back on account of full and final settlement with the lenders	-	645.02
	<b>(985.22)</b>	<b>645.02</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>29. EARNINGS/(LOSS) PER SHARE</b>		
(Loss)/profit attributable to equity holders of the Company for basic and diluted earnings used as numerator - (A)	(2,067.71)	82.12
Weighted average number of equity shares outstanding during the year for Basic EPS (in Lacs) - (B)	282.33	226.02
Add: Effect of equity warrants which are dilutive	-	34.79
Weighted average number of equity shares outstanding during the year for Diluted EPS (in Lacs) - (C)	282.33	260.81
Basic earning/(loss) per share (INR) - (A)/(B) (face value INR 10 each)	(7.32)	0.36
Diluted earning/(loss) per share (INR) - (A)/(C) (face value INR 10 each)	(7.32)	0.31

Note : Impact of 36,754 shares to be issued under employees stock option is anti-dilutive and hence these shares have been excluded while computing diluted earning per share for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>30. CONTINGENT LIABILITIES AND COMMITMENTS</b>			
<b>Contingent liabilities</b>			
(a) Towards corporate guarantees given to the bank for a loan availed by a subsidiary company (till 24 March 2017)	-	-	2,903.32
(b) Demand for income tax contested by the Company (in respect of AY 2008-09 and AY 2010-11)	124.69	351.16	351.16
	<b>124.69</b>	<b>351.16</b>	<b>3,254.48</b>

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various authorities.

### 31. LEASES

The Company has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable and non cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 27.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 31. LEASES (CONTD.)

The details of non-cancellable operating leases contracted by Company, but not recognised as liabilities in the financial statements are as below:

Particulars	(All amounts in Lacs, unless otherwise stated)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Minimum Lease Payment</b>			
Not Later than one year	9.95	10.85	-
Later than one year but not later than five years	-	9.95	-
Later than five years	-	-	-
<b>Lease expense recognised in Statement of Profit and Loss</b>	<b>135.55</b>	<b>109.37</b>	<b>103.42</b>

### 32. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Table showing carrying amount and fair values of financial assets and liabilities by category.

As at March 31, 2018	Notes	Financial instruments by category			Total Carrying value
		FVTPL	FVOCI	Amortised cost	
<b>Financial assets</b>					
Trade receivables	11	-	-	5,023.99	5,023.99
Cash and cash equivalents	12	1.05	-	262.71	263.76
Other bank balance	13	-	-	1,634.75	1,634.75
Loans	6	-	-	4,183.79	4,183.79
Other financial assets	7	-	-	2,702.37	2,702.37
<b>Total financial assets</b>		<b>1.05</b>	<b>-</b>	<b>13,807.61</b>	<b>13,808.66</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16, 19	-	-	1,695.99	1,695.99
Trade payables	18	-	-	4,901.86	4,901.86
Other financial liabilities	19	-	-	2,231.49	2,231.49
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>8,829.34</b>	<b>8,829.34</b>

As at March 31, 2017	Notes	Financial instruments by category			Total Carrying value
		FVTPL	FVOCI	Amortised cost	
<b>Financial assets</b>					
Trade receivables	11	-	-	2,255.68	2,255.68
Cash and cash equivalents	12	-	-	644.73	644.73
Other bank balance	13	-	-	205.04	205.04
Loans	6	-	-	4,385.96	4,385.96
Other financial assets	7	-	-	5,030.22	5,030.22
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>12,521.63</b>	<b>12,521.63</b>
<b>Financial liabilities</b>					
Borrowings	16	-	-	5,249.37	5,249.37
Trade payables	18	-	-	774.12	774.12
Other financial liabilities	19	-	-	619.17	619.17
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>6,642.66</b>	<b>6,642.66</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 32. FAIR VALUE MEASUREMENTS (CONTD.)

As at March 31, 2016	Notes	Financial instruments by category			Total Carrying value
		FVTPL	FVOCI	Amortised cost	
<b>Financial assets</b>					
Trade receivables	11	-	-	1,000.68	1,000.68
Cash and cash equivalents	12	-	-	711.51	711.51
Other bank balance	13	-	-	243.31	243.31
Loans	6	-	-	905.89	905.89
Other financial assets	7	-	-	1,085.50	1,085.50
<b>Total financial assets</b>		-	-	<b>3,946.89</b>	<b>3,946.89</b>
<b>Financial liabilities</b>					
Borrowings	16	-	-	2,692.83	2,692.83
Trade payables	18	-	-	903.50	903.50
Other financial liabilities	19	-	-	2,579.01	2,579.01
<b>Total financial liabilities</b>		-	-	<b>6,175.34</b>	<b>6,175.34</b>

As at March 31, 2018	Level 1	Level 2	Level 3
	<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>		
<b>Financial assets</b>			
Investment in highly liquid fund	1.05	-	-
<b>Total</b>	<b>1.05</b>	<b>-</b>	<b>-</b>

#### Valuation technique used to determine fair value

Quoted prices (unadjusted) in active markets for financial instruments.

#### Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, employee advances, unbilled revenue, loans, current security deposit and working capital loan, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposit has been calculated based on the cash flows discounted using the current lending rate.

The fixed deposit and non-current borrowing are placed with highly rated banks at fair interest rate, and their carrying values approximates fair value.

### 33. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Companies risk management is done in close co-ordination with the board of directors and focuses on actively securing the Companies short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits.

The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly.

The Company trades with recognized and credit worthy third parties. It is the Companies policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an on-going basis with the result that the Companies exposure to bad debts is not significant. An impairment analysis is performed at each reporting date on an individual basis for major clients. Also the Company does not enter into sales transaction with customers having credit loss history.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 33. FINANCIAL RISK MANAGEMENT (CONTD.)

There are no significant credit risks with related parties of the Group. Adequate expected credit losses are recognised as per the assessments.

Ageing of trade receivable	Days past dues			Total
	0-180	180-365	Above 365	
As at March 31, 2018	4,835.06	-	188.93	5,023.99
As at March 31, 2017	2,160.06	-	95.62	2,255.68
As at April 1, 2016	882.31	-	118.37	1,000.68

Moment in the allowances for financial and other assets is as under:

(i) Reconciliation of loss allowance provision for loans, other financial assets and other assets

Reconciliation of loss allowance	Amount
Loss allowance as at April 1, 2016	735.82
Add/(Less) Changes in loss allowance due to	
Additional provision during the year	69.60
Write - offs	-
Loss allowance as at 31 March 2017	805.42
Add/(Less) Changes in loss allowance due to	
Additional provision during the year	141.19
Write - offs	(782.77)
<b>Loss allowance as at March 31, 2018</b>	<b>163.84</b>

(ii) Reconciliation of loss allowance for trade receivable

Reconciliation of loss allowance	Amount
Loss allowance as at April 1, 2016	163.15
Add/(Less) Changes in loss allowance	
Additional provision during the year	510.18
Loss allowance as at 31 March 2017	673.33
Add/(Less) Changes in loss allowance	
Additional provision during the year	22.17
Write - offs	(464.32)
<b>Loss allowance as at March 31, 2018</b>	<b>231.18</b>

#### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

#### Maturities of financial liabilities:

The tables below analyse the Companies financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 33. FINANCIAL RISK MANAGEMENT (CONTD.)

As at March 31, 2018	< 3 months	3-6 Months	6-12 months	1-2 years	>2 years	Total
Borrowings	445.97	357.09	352.94	540.00	-	1,695.99
Trade payables	4,901.86	-	-	-	-	4,901.86
Other financial liabilities	1,408.91	636.44	200.00	-	-	2,245.35
	<b>6,756.73</b>	<b>993.53</b>	<b>552.94</b>	<b>540.00</b>	<b>-</b>	<b>8,843.20</b>
As at March 31, 2017	< 3 months	3-6 Months	6-12 months	1-2 years	>2 years	Total
Borrowings	449.37	4,800.00	-	-	-	5,249.37
Trade payables	774.12	-	-	-	-	774.12
Other financial liabilities	190.47	428.70	-	-	-	619.17
	<b>1,413.46</b>	<b>5,228.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,642.16</b>
As at March 31, 2016	< 3 months	3-6 Months	6-12 months	1-2 years	>2 years	Total
Borrowings	442.83	2,250.00	-	-	-	2,692.83
Trade payables	903.50	-	-	-	-	903.50
Other financial liabilities	174.28	2,204.73	200.00	-	-	2,579.01
	<b>1,520.61</b>	<b>4,454.73</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>6,175.34</b>

#### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Companies income or the value of its holdings of financial instruments.

#### Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Companies functional currency. The Companies operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

The Companies exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	Currency unit	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
<b>Financial assets</b>							
Loans	USD	52.44	3,409.59	67.53	4,377.53	13.32	883.59
Trade receivables	USD	41.29	2,684.63	-	-	-	-
Cash and cash equivalents	USD	0.02	1.28	-	-	-	-
	Erbil Iraqi Dinar	0.02	0.11	-	-	-	-
Other financial assets	USD	0.43	27.80	0.07	4.35	0.40	26.21
			<b>6,123.41</b>		<b>4,381.88</b>		<b>909.80</b>
<b>Financial liabilities</b>							
Trade payables	USD	8.82	573.52	7.02	455.43	16.04	1,064.05
Other financial liabilities	USD	28.24	1,837.12	-	-	-	-
			<b>2,410.64</b>		<b>455.43</b>		<b>1,064.05</b>
<b>Net exposure</b>			<b>3,712.77</b>		<b>3,926.45</b>		<b>(154.25)</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 33. FINANCIAL RISK MANAGEMENT (CONTD.)

#### Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*	Movement in Rate	Impact on Profit before tax, increase by*	Impact on Other Equity*
USD	4.16%	154.45	154.45	4.09%	160.59	160.59

\*Holding all other variables constant

An equal and opposite impact would be experienced in the event of decrease by a similar percentage.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Companies exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates.

The Companies investments in fixed deposits are at fixed interest rates.

The exposure of the Companies borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowing	1,246.65	-	-
Fixed rate borrowing	449.34	5,249.37	2,692.83
	<b>1,695.99</b>	<b>5,249.37</b>	<b>2,692.83</b>

(All amounts in Lacs, unless otherwise stated)

Sensitivity	Movement in Rate	Year ended March 31, 2018	"Year ended March 31, 2017"
Below is the sensitivity of profit after tax and other equity to changes in interest rates:			
Impact in statement of profit and loss (prior to tax)	0.50%	6.23	-

An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

#### Price risk:

The Companies exposure to price risk arises from investments in debt fund held by the Company and classified in the balance sheet as fair value through profit and loss except investments in subsidiaries. However, Company has insignificant value of investment in debt funds and hence the exposure to change in price risk is also insignificant.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 34. CAPITAL MANAGEMENT

The Company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Total 'equity' as shown in the balance sheet, including non-controlling interest

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total borrowings	1,695.99	5,249.37	2,692.83
Total equity	13,446.45	10,679.35	1,732.10
<b>Net debt to equity ratio</b>	<b>0.13</b>	<b>0.49</b>	<b>1.55</b>

#### Loan Covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- 1) Total Debt to EBITDA ratio shall not exceed 1.5x (applicable on the consolidated financial statements of the Company).
- 2) Funded facilities (both working capital and term loan) not to exceed INR 5,000 Lacs excluding the RBL term loan facility of INR 1,800 Lacs and Non-funded credit facilities not to exceed INR 5,000 Lacs (applicable on the consolidated financial statements of the Company).
- 3) Total outside liabilities to tangible net worth ratio shall not exceed 1.1x (applicable on the standalone financial statements of the Company).

### 35. EMPLOYEE BENEFITS

#### 1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, incentives and allowances, short terms compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the year in which the employee renders the related service.

#### 2. Long term employee benefits

##### (i) Defined benefit plan

##### Gratuity :

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

#### A. Obligations and assets

Movement in the present value of projected benefit obligation for gratuity

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
At the beginning of the year	16.61	23.01
Interest cost	1.25	1.84
Current service cost	11.95	5.95
(Benefit paid directly by the employer)	(4.49)	(10.44)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.63)	1.04
Actuarial (gains)/losses on obligations - due to experience	3.26	(5.06)
Actuarial (gains)/losses on obligations - due to Demographic Assumption	-	0.27
<b>At the end of the year</b>	<b>27.95</b>	<b>16.61</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 35. EMPLOYEE BENEFITS (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Movement in the fair value plan assets :</b>		
Opening fair value of plan assets	27.45	35.68
Expected return on plan assets	2.07	2.86
Contributions by employer	-	0.48
Benefits paid	(4.49)	(10.44)
Actuarial gains / [ losses ]	(0.53)	(1.13)
<b>Closing fair value of plan assets</b>	<b>24.50</b>	<b>27.45</b>
<b>Actual return on plan assets:</b>		
Expected return on plan assets	2.07	2.85
Actuarial [losses]/ gains on plan assets	(0.53)	(1.13)
<b>Actual return on plan assets</b>	<b>1.54</b>	<b>1.72</b>

#### B. Amount recognised in the statement of profit and loss

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost	(0.82)	(1.01)
Current service cost	11.95	5.95
<b>Net impact as employee benefit expenses in profit and loss</b>	<b>11.13</b>	<b>4.94</b>
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.63)	1.04
Actuarial (gains)/losses on obligations - due to experience	3.26	(5.06)
Actuarial (gains)/losses on obligations - due to Demographic Assumption	-	0.27
Actuarial (gains)/ losses on plan assets	0.53	1.13
<b>Net impact as other comprehensive income before tax</b>	<b>3.16</b>	<b>(2.62)</b>

#### C. Amount recognised in the balance sheet

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present value of obligations as at year end	27.95	16.60	23.01
Fair value of plan assets as at year end	24.50	27.45	35.68
<b>Net Asset/(Liability) recognised</b>	<b>(3.45)</b>	<b>10.85</b>	<b>12.67</b>
Current asset/(liability)	(0.48)	-	-
Non Current asset/(liability)	(2.97)	10.85	12.67
<b>Asset information</b>			
Group Scheme of LIC	100%	100%	100%
Expected Employer's Contribution for the next year	17.43	11.58	7.28

Number of active members are 316 (31 March 2017 : 220, April 1, 2016: 196).

Weighted average duration of the projected benefit obligation for gratuity is 16.78 years (March 31, 2017 : 16.78 years; April 1, 2016 : 16.46 years).

#### D. The defined benefit obligations shall mature after year end as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1st following year	0.48	0.29
2nd following year	0.75	0.26
3rd following year	0.63	0.35
4th following year	0.65	0.34
5th following year	0.84	0.65
sum of years 6 to 10	24.60	14.72

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 35. EMPLOYEE BENEFITS (CONTD.)

#### E. Assumptions

The actuarial calculations used to estimate commitments and expenses in respect of gratuity is based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Rate of discounting - Indicative Government security referenced rate of interest	7.71	7.53
Rate of salary increase	5	5
Rate of employee turnover	2	2
Mortality rate during employment - Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate table.	100	100

#### F. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate (0.5% Movement Increase)	(1.16)	(1.76)
Discount Rate (0.5% Movement Decrease)	1.28	1.93
Future Salary Growth (0.5% Movement Increase)	1.30	1.97
Future Salary Growth (0.5% Movement Decrease)	(1.19)	(1.82)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

#### (ii) Defined contribution plan

##### (a) Provident fund and employee's state insurance corporation

The Company pays fixed contribution to the provident fund and employee's state insurance corporation entities in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities, and the Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year that related employee services are received.

Contribution to defined contribution plan recognised as employee benefit expenses

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution towards Provident Fund (PF)	48.11	19.49
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	17.59	9.19
	<b>65.70</b>	<b>28.68</b>

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 35. EMPLOYEE BENEFITS (CONTD.)

(b) Compensated absences

The Company does not have any liability towards compensated leaves as at March 31, 2018 (31 March 2017 - Nil, April 1, 2016 - INR 9.23 Lacs).

(iii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on August 23, 2017. Under the scheme, Company granted 174,302 stock option with exercise price of INR 165 per share on August 24, 2017. The options scheme would vest in two years from the grant date and exercise of such vested options would be done subsequently in maximum of three tranches.

The details of activity under the ESOP scheme are summarised below:

The expense recognised for employee services received during the year is shown in the following table:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from equity-settled share-based payment transactions	37.97	-
	<b>37.97</b>	-

Movements during the year

The following table illustrates the number and exercise price of, and movements in, share options during the year:

(All amounts in Lacs, unless otherwise stated)

Particulars	Number	Exercise price
Option granted during the year	1.74	165.00
Outstanding at March 31, 2018	<b>1.74</b>	<b>165.00</b>

The following tables list the inputs to the models used for the employees' stock option plan

(All amounts in Lacs, unless otherwise stated)

Particulars	As at 31 March 2018
Exercise price	165.00
Grant date	24-Aug-17
Vesting date	24-Aug-19
Expiry date	24-Aug-19
Dividend yield (%)	-
Expected price volatility (%)	58.51%
Risk-free interest rate (%)	6.35%
Expected life of share options (years)	2.00
Share price at grant date (INR)	181.80
Model used	Black Scholes

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 36. RELATED PARTY DISCLOSURES

#### Name of related parties

##### a) Holding Company

Oilmax Energy Private Limited (w.e.f. November 16, 2016)

##### b) Subsidiary Company

AOSL Petroleum Pte Limited

Asian Oilfield & Energy Services DMCC

##### c) Step down subsidiary Company

Ivorene Oil Services Nigeria Limited (vide Share Transfer Agreement dated 8 February 2017, Ivorene became subsidiary of Asian Oilfield & Energy Services DMCC)

##### d) Joint venture

Optimum Oil & Gas Private Limited (vide Share Purchase Agreement dated November 10, 2017)

##### e) Individuals having significant influence over the Company by virtue of owning indirect interest in the voting power

**Mr. Kapil Garg - Director of Holding Company**

**Ms. Ritu Garg - Director of Holding Company**

##### f) Key Management Personnel

Mr. Rohit Agarwal - Whole Time Director (w.e.f. August 5, 2016)

Mr. Ashutosh Kumar - Chief Executive Officer (w.e.f. March 1, 2017)

Mr. Gaurav Gupta - Director

Mr. Rabi Narayan Bastia - Director

Mr. Ajit Kapadia - Independent Director (upto 16 January 2018)

Mr. Naresh Chandra Sharma - Independent Director

Mr. Kadayam Ramanathan Bharat - Independent Director

Ms. Anusha Mehta - Independent Director

Ms. Shweta Vaibhav Jain - Company Secretary (w.e.f 13 February 2018)

Ms. Kanika Bhutani - Company Secretary (upto 31 January 2018)

Mr. Ashwin Khandke - Whole Time Director (upto April 21, 2016)

Mr. Rahul Jain - Chief Financial Officer\* ^ (September 1, 2016 to February 16, 2018)

\*The Company did not have any Chief Financial Officer from September 18, 2015 till August 31, 2016.

^The Company did not have any Chief Financial Officer from 16 February 2018 till March 31, 2018.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 36. RELATED PARTY DISCLOSURES (CONTD.)

#### B. Transactions with related parties :

(All amounts in Lacs, unless otherwise stated)

Sl. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	<b>Nature of relation/nature of transaction</b>		
<b>1</b>	<b>Holding Company</b>		
	Allotment of equity shares (in numbers)	7,500,000	15,072,000
	Loan taken during the year	3,455.00	8,500.00
	Repayment of loan	7,155.00	4,800.00
	Interest on loan taken	294.35	370.49
	Subscription received towards equity warrants	3,000.00	5,000.00
<b>2</b>	<b>Subsidiaries</b>		
	<b>1. AOSL Petroleum PTE Limited</b>		
	Loan to subsidiary	-	481.38
	Repayment of loan	29.89	450.34
	Advances given	-	35.71
	Advance repaid	-	(33.78)
	Interest on loan advanced	31.70	40.72
	<b>2. Asian Oilfield &amp; Energy Services DMCC</b>		
	Loan to Subsidiary	-	3,839.07
	Repayment of above loan	968.44	112.70
	Advances given	555.24	93.05
	Rental expense	-	427.93
	Reimbursement of expenses on behalf of subsidiary	-	28.52
	Advance repaid	648.94	74.96
	Interest on loan advanced	302.17	128.98
	Guarantee revoked	-	2,903.32
<b>3</b>	<b>Joint venture</b>		
	Investment in shares	0.23	-
	Loan to joint venture	631.50	-
	Interest on loan advanced	11.25	-
		-	-
<b>4</b>	<b>Key Managerial Personnel</b>		
	Remuneration	-	-
	Sitting Fees	269.94	117.03
	Reimbursement of expenses	7.10	9.50
<b>5</b>	<b>Individuals having significant influence</b>		
	Rent expense	100.00	56.00

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 36. RELATED PARTY DISCLOSURES (CONTD.)

#### C. Balances with related parties

(All amounts in Lacs, unless otherwise stated)

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>1</b>	<b>Holding Company - Oilmax Energy Private Limited</b>			
	Loan taken	-	3,700.00	-
	Accrued interest on loan taken	-	333.44	-
<b>2</b>	<b>Subsidiary - AOSL Petroleum Pte Limited</b>			
	Investment in equity shares	0.31	0.31	0.31
	Unsecured Loan given	313.55	348.76	428.71
	Interest receivable	2.53	0.04	-
<b>3</b>	<b>Subsidiary - Asian Oilfield &amp; Energy Services DMCC</b>			
	Investment in equity shares	620.23	620.23	620.23
	Unsecured Loan given	3,096.04	4,028.77	454.88
	Trade Payable	573.51	455.43	-
	Interest receivable	25.27	4.30	26.17
	Guarantee given for the loan taken	-	-	0.03
<b>4</b>	<b>Joint venture - Optimum Oil &amp; Gas Private Limited</b>			
	Investment	0.23	-	-
	Unsecured Loan given	631.50	-	-
		-	-	-
<b>5</b>	<b>Key Managerial Personnel</b>			
	Payable	5.77	1.10	0.16
	Advances	-	0.21	-
<b>6</b>	<b>Individuals having significant influence</b>			
	Payable	4.32	-	-

#### D. Remuneration paid to KMP

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	269.94	117.03
Post employment benefits	0.88	-

### 37. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency unit	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
<b>Assets</b>							
Loans	USD	52.44	3,409.59	67.53	4,377.53	13.32	883.59
Trade receivables	USD	41.29	2,684.63	-	-	-	-
Cash and cash equivalents	USD	0.02	1.28	-	-	-	-
	Erbil Iraqi Dinar	0.02	0.11	-	-	-	-

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 37. UN-HEDGED FOREIGN CURRENCY EXPOSURES: (CONTD.)

	Currency unit	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Other financial assets	USD	0.43	27.80	0.07	4.35	0.40	26.21
			6,123.41		4,381.88		909.80
<b>Liabilities</b>							
Trade payables	USD	8.82	573.52	7.02	455.43	16.04	1,064.05
Other financial liabilities	USD	28.24	1,837.12	-	-	-	-
			2,410.64		455.43		1,064.05
			3,712.77		3,926.45		(154.25)

### 38. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of inadequate profits, Company is not liable to make any CSR expenditure for the year.

### 39. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors on May 30, 2018.

### 40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between March 31, 2018 and the date of authorisation of these standalone financial statements.

### 41. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1 April 2017, with a transition date of April 1, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented.

Further, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101.

#### A. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

##### Deemed cost of property, plant and equipment

The Company has opted para D7 AA and accordingly considered the Indian GAAP carrying value of property, plant and equipments and intangible assets as deemed cost as at transition date.

##### Deemed cost of investments

The Company has opted to continue with the carrying values measured under the Indian GAAP and use that carrying value as the deemed cost for investment in subsidiaries on the date of transition to Ind AS.

##### De-recognition of financial assets and liabilities

The Company has elected to apply de-recognition requirements for financial assets and liabilities under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist on the date of transition to Ind AS. Further, the Company has opted para B8C and accordingly considered fair value of the financial asset at the transition date as the amortised cost of that financial assets.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018 (Contd.)

### 41. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (CONTD.)

#### Estimates

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS except as a part of transition where estimates for impairment of financial assets based on expected credit loss model were required by Ind AS and not required by Indian GAAP.

#### B. Reconciliation between Indian GAAP and Ind AS

##### (i) Reconciliation of equity as at March 31, 2017 and April 1, 2016

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
<b>Equity as per Indian GAAP</b>		<b>10,648.16</b>	<b>1,736.21</b>
<b>Effect of transition to Ind AS:</b>			
Impact of recognising financial assets initially at fair value, and subsequently at amortised cost	2	(0.09)	-
Impact of recognising financial guarantees initially at fair value, and subsequently at higher of amortised value and expected credit loss	1	31.28	18.37
Impact of prior period item that is now accounted for retrospectively		-	(22.48)
<b>Equity as per Ind AS</b>		<b>10,679.35</b>	<b>1,732.10</b>

##### (ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2017
<b>Net profit as per Indian GAAP</b>		<b>49.45</b>
<b>Effect of transition to Ind AS:</b>		
Impact of recognising financial guarantees initially at fair value, and subsequently at higher of amortised value and expected credit loss	1	12.91
Impact of recognising financial assets initially at fair value, and subsequently at amortised cost	2	(0.09)
Impact of remeasurement of defined benefit obligations reclassified to other comprehensive income	3	(2.63)
Impact of prior period item that is now accounted for retrospectively		22.48
<b>Net profit before OCI as per Ind AS</b>		<b>82.12</b>
<b>Other comprehensive income</b>		
Remeasurement of the defined benefit plans (net of tax)	3	2.62
<b>Total comprehensive income as per Ind AS</b>		<b>84.74</b>

#### C. Notes to first time adoption of Ind AS

##### 1. Financial Guarantee

Under the Indian GAAP, financial guarantee given was disclosed as a contingent liability.

Under Ind AS, financial guarantee contracts are considered as financial liabilities and are measured at initially at fair value. Subsequently, it is measured at higher of (i) an amount initially recognised less the cumulative amount of income recognised under Ind AS or (ii) amount of loss as per requirements of Expected Credit Loss.

##### 2. Security deposit

Under the Indian GAAP, interest free refundable security deposits are recorded at their transaction value. Under Ind AS, such deposits are initially recognised at fair value as financial assets. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent and recognised as rent expenses over the lease term on a straight line basis. Financial assets are subsequently measured at amortised cost and finance income is recognized using effective interest rate method.

3. Other comprehensive income

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the Indian GAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

4. Effect of Ind AS adoption on statement of cash flow for the year ended March 31, 2017

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the Indian GAAP.

#### 42. SEGMENT INFORMATION

(a) The Company is principally engaged in a single business segment, viz. "Oilfield services".

(b) Revenue by region of domicile of customer's location

	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from external customers		
India	5,910.62	4,319.58
Outside India	3,655.66	22.25
<b>Total revenue from operations (Refer note 21)</b>	<b>9,566.28</b>	<b>4,341.83</b>

(c) Revenue derived from the major customers is as follows:

	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	3,655.66	3,409.63
Revenue from top three customers	9,566.28	4,341.83

For the year ended March 31, 2018, three (March 31, 2017 : three) customers, individually accounted for more than 10% of the revenue.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Naresh Chandra Sharma

Chairman

(DIN-00054922)

Place: Mumbai

Date: May 30, 2018

Ashutosh Kumar

Director and Chief Executive Officer

(DIN:06918508)

Shweta Jain

Company Secretary

(ACS-23368)

# Independent Auditor's Report

To the Members of

Asian Oilfield Services Limited

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Asian Oilfield Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its joint venture are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and joint venture covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

## BASIS FOR QUALIFIED OPINION

8. As described in Note 44 of the accompanying consolidated financial statements, the Group's trade receivables amounting to INR 163.67 Lacs outstanding as at March 31, 2018 in books of AOSL Petroleum Pte Limited ('APPL'), a subsidiary of the Holding Company, is considered as fully recoverable by the management. However, such balance should have been provided for as at March 31, 2018 as stated in the Basis of Qualified Opinion paragraph in the audit report dated May 17, 2018 on the subsidiary financial statements, issued by an independent firm of Chartered Accountants registered in Singapore, and reproduced by us as under:

"Included in other receivable is an amount of USD 251,636 long outstanding. We are of the opinion that the Company should provide for impairment loss against the balance".

## Independent Auditor's Report (Contd.)

### QUALIFIED OPINION

9. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group and its joint ventures as at March 31, 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### EMPHASIS OF MATTERS

10. We draw attention to Note 45(a), Note 45(b) and Note 45(c) of the accompanying consolidated financial statements and the following emphasis of matters included in the audit opinion on the financial statements of Asian Oilfield & Energy Service DMCC ('ADMCC'), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants registered in Dubai vide its report dated May 26, 2018, and reproduced by us as under:
- (i) "Accounts payable amounting to USD 200,000 (INR 130.09 Lacs) have been written back as other income which are subject to confirmation."
  - (ii) "Other current assets amounting to USD 373,500 (INR 242.94 Lacs) towards accrued service income from the customer is subject to confirmation."
  - (iii) "We have relied on certificate of physical verification of assets received from an independent audit firm which has conducted physical verification of the property, plant & equipment lying at various project locations in India & who also certifies its carrying amount."

Our opinion on the consolidated financial statements is not modified in respect of these matters.

### OTHER MATTERS

- (iv) We did not audit the financial statements of three subsidiaries, whose financial statements/financial information reflect total assets of INR 8,961.61 Lacs and net assets of INR 1,372.26 Lacs as at March 31, 2018, and total revenues of INR 14,544.34 Lacs and net cash outflow of INR 1,537.39 Lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it

relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Further these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by, and the reports of the, other auditors.

- (v) The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR 0.23 Lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements has not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to this joint venture, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statements is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

- (vi) The Holding Company had prepared separate sets of consolidated financial statements for the year ended March 31, 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have also been audited by us.

Our opinion is not modified in respect of this matter.

## Independent Auditor's Report (Contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (vii) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, that:
- a) We have sought and except for the effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the effects of the matter described in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the financial statements of APPL, a subsidiary of the Holding Company.
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) The matters described in paragraphs 8 and 10 under the Basis for Qualified Opinion/ Emphasis of Matters paragraphs, in our opinion, may have an adverse effect on the functioning of APPL and ADMCC, subsidiaries of the Holding Company.
  - f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company covered under the Act, none of the directors of the Holding Company, is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to APPL, a subsidiary of the Holding Company.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its joint venture covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:
    - a. Except for the effects of the matter described in paragraph 8 of the Basis for Qualified Opinion paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture, as detailed in Note 31(b) and Note 44 to the consolidated financial statements;
    - b. The Group and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture company covered under the Act during the year ended March 31, 2018;
    - d. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandio & Co LLP  
 Chartered Accountants  
 Firm Registration No. 001076N / N500013

Rakesh R. Agarwal  
 Partner  
 Membership No.: 109632

Place: Mumbai  
 Date: May 30, 2018

# Annexure I

## to the Independent Auditor's Report of even date to the members of Asian Oilfield Services Limited, on the consolidated financial statements for the year ended 31 March 2018

### ANNEXURE I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Asian Oilfield Services Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, which is a Company covered under the Act, as at that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Board of Directors of the Holding Company, which is a Company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, as aforesaid.]

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### OPINION

8. In our opinion, the Holding Company, which is a Company covered under the Act, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Walker Chandio & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

## Consolidated Balance Sheet as at 31st March, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	9,681.54	7,952.90	9,455.81
Intangible assets	4	328.17	387.20	84.86
<b>Financial assets</b>				
Investments	5	-	-	-
Loans	6	4.43	4.67	18.63
Other financial assets	7	868.34	3,389.19	684.62
Income tax assets	8	544.60	360.87	350.75
Other non-current assets	9	7.58	18.45	13.69
		<b>11,434.66</b>	<b>12,113.28</b>	<b>10,608.36</b>
<b>Current assets</b>				
Inventories	10	187.68	157.39	567.05
<b>Financial assets</b>				
Trade receivables	11	6,161.37	2,751.21	4,291.00
Cash and cash equivalents	12	822.66	2,709.28	722.54
Bank balances other than above	13	1,634.75	205.04	243.31
Loans	6	773.17	7.69	8.33
Other financial assets	7	2,049.39	2,640.88	379.95
Other current assets	14	2,185.86	346.40	239.93
		<b>13,814.88</b>	<b>8,817.89</b>	<b>6,452.11</b>
<b>Total assets</b>		<b>25,249.54</b>	<b>20,931.17</b>	<b>17,060.47</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	3,807.44	2,607.44	2,232.44
Other equity		10,245.67	5,571.75	(1,248.24)
		<b>14,053.11</b>	<b>8,179.19</b>	<b>984.20</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	1,431.58	891.54	1,787.39
Provisions	17	2.98	-	7.70
		<b>1,434.56</b>	<b>891.54</b>	<b>1,795.09</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	449.34	6,643.89	4,354.47
Trade payables	18	5,461.94	3,542.83	2,755.53
Other financial liabilities	19	3,149.38	1,590.72	7,091.93
Other current liabilities	20	152.45	70.08	77.71
Provisions	17	513.46	-	1.53
Current tax liabilities	21	35.30	12.92	-
		<b>9,761.87</b>	<b>11,860.44</b>	<b>14,281.18</b>
<b>Total equity and liabilities</b>		<b>25,249.54</b>	<b>20,931.17</b>	<b>17,060.47</b>

Notes 1 to 48 form an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Naresh Chandra Sharma

Chariman

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

Ashutosh Kumar

Director and Chief Executive Officer

(DIN:06918508)

Shweta Jain

Company Secretary

(ACS-23368)

## Consolidated **Statement of profit and loss** for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME :</b>			
Revenue from operations	22	22,222.29	12,431.62
Other income	23	352.40	389.44
<b>Total income</b>		<b>22,574.69</b>	<b>12,821.06</b>
<b>EXPENSES :</b>			
Oilfield services related expenses	24	12,421.53	5,657.07
Employee benefits expense	25	3,692.53	2,253.32
Finance costs	26	634.07	768.27
Depreciation and amortisation expense	27	1,702.68	1,513.00
Other expenses	28	2,039.21	6,348.28
<b>Total expenses</b>		<b>20,490.02</b>	<b>16,539.94</b>
<b>Profit / (loss) before exceptional items, share of loss of joint venture and tax</b>		<b>2,084.67</b>	<b>(3,718.88)</b>
Exceptional items [gain/(loss)]	29	(1,034.11)	1,918.94
<b>Profit / (loss) before share of loss of joint venture and tax</b>		<b>1,050.56</b>	<b>(1,799.94)</b>
Share of loss of joint venture		(0.23)	-
<b>Profit / (loss) before tax</b>		<b>1,050.33</b>	<b>(1,799.94)</b>
<b>Tax expense</b>			
Current Tax	8	20.17	20.52
Deferred Tax		-	-
<b>Profit / (loss) for the year (A)</b>		<b>1,030.16</b>	<b>(1,820.46)</b>
<b>Other comprehensive income</b>			
<b>Items not to be re-classified subsequently to profit &amp; loss</b>			
(Loss) / gain on fair value of defined benefit plans		(3.16)	2.62
Income tax effect on above		-	-
<b>Items to be re-classified subsequently to profit &amp; loss</b>			
Exchange difference on translation of foreign operations		8.94	45.11
Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>5.78</b>	<b>47.73</b>
<b>Total comprehensive income/(loss) for the year (A+B)</b>		<b>1,035.94</b>	<b>(1,772.73)</b>
<b>Attributable to:</b>			
Owners of the Company		1,035.94	(1,772.73)
Non-controlling interests		-	-
<b>Earnings per equity share of face value of INR 10 each</b>	30		
Basic (in INR)		3.65	(8.05)
Diluted (in INR)		3.64	(8.05)

Notes 1 to 48 form an integral part of the consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

**Naresh Chandra Sharma**

Chariman

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

**Ashutosh Kumar**

Director and Chief Executive Officer

(DIN:06918508)

**Shweta Jain**

Company Secretary

(ACS-23368)

## Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before tax		1,050.33		(1,799.94)
<b>Adjustments for non cash items and items considered separately</b>				
Depreciation and amortisation expense	1,702.68		1,513.00	
Interest expense	490.78		635.19	
Interest income	(283.40)		(129.52)	
Liabilities/provision written back	(33.86)		(259.71)	
Provision for doubtful debts	22.17		510.18	
Provision for doubtful deposits	-		69.60	
Impairment of property, plant and equipment	-		270.99	
Loss on sale of property, plant and equipment	-		209.61	
Unrealised loss on foreign currency transactions	(39.37)		319.61	
Sundry balances written off	14.47		-	
Current trade receivables written off	10.02		3,079.50	
Other non-current financial assets written off	89.38		-	
Impairment of other current financial assets	998.12		-	
Allowance on trade receivables on account of settlement with a customer	209.00		-	
Provision for settlement of litigation	512.98		-	
Trade payables and inter corporate deposits written back	(949.23)		(1,918.94)	
Provision for doubtful advances	163.84		-	
Write down of inventories	1.52		16.09	
Provision for employee stock option	37.97	2,947.07	-	4,315.60
Operating profit before working capital changes		<b>3,997.40</b>		<b>2,515.66</b>
<b>Adjustments for changes in working capital:</b>				
(Increase)/decrease in trade receivables	(3,651.36)		(2,119.50)	
(Increase)/decrease in inventories	(31.81)		393.57	
(Increase) in other assets	(411.69)		(4,988.61)	
Decrease in trade payable	2,868.33		2,706.24	
Decrease in provisions	383.30		253.10	
Increase/(decrease) in other liabilities	(239.18)	(1,082.41)	(564.67)	(4,319.88)
Cash generated from / (used in) operations		2,914.99		(1,804.21)
Direct taxes paid (net of refunds received)		(181.52)		(17.72)
<b>Net cash generated from/(used in) operating activities</b>		<b>2,733.47</b>		<b>(1,821.93)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital creditors)	(1,623.43)		(1,330.75)	
Receipt from disposal of property plant and equipment	-		961.90	
Addition to intangible assets under development	(16.24)		(328.92)	
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(1,429.71)		38.27	
Interest income received	139.09		56.01	

## Consolidated Cash Flow Statement for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inflow on purchase of a subsidiary	-	196.75
Net cash (used in) investing activities	(2,930.29)	(406.74)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	1,246.63	-
Repayment of long-term borrowings	(726.60)	(5,040.68)
Proceeds from short-term borrowings	-	2,732.25
Repayment of short-term borrowings	(6,194.55)	(442.83)
Proceeds from issue of equity share capital (including securities premium)	3,600.00	8,612.50
Proceeds from conversion of warrants	1,200.00	250.00
Interest paid	(824.22)	(1,940.94)
<b>Net cash (used in)/ from financing activities</b>	<b>(1,698.74)</b>	<b>4,170.30</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,895.56)</b>	<b>1,941.63</b>
Cash and cash equivalents at the beginning of the year	2,709.28	722.54
Effect of foreign exchange differences	8.94	45.11
<b>Cash and cash equivalents at the end of the year</b>	<b>822.66</b>	<b>2,709.28</b>

**Notes:**

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
- Additions to property, plant and equipment include movements of capital advances and capital creditors during the year.

Notes 1 to 48 form an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

**Naresh Chandra Sharma**

Chariman

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

**Ashutosh Kumar**

Director and Chief Executive Officer

(DIN:06918508)

**Shweta Jain**

Company Secretary

(ACS-23368)

## Consolidated **Statement of changes in equity** for the year ended March 31, 2018

### A. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount
	(in Lacs)	(in Lacs)
Equity shares as at April 1, 2016	223.24	2,232.44
Add: Warrants converted during the year	25.00	250.00
Add : Equity shares issued during the year [Refer note 15(f)]	12.50	125.00
Equity shares as at March 31, 2017	260.74	2,607.44
Add : Warrants converted during the year [Refer note 15(g)]	120.00	1,200.00
<b>Equity shares as at March 31, 2018</b>	<b>380.74</b>	<b>3,807.44</b>

### B. OTHER EQUITY

(All amounts in Lacs, unless otherwise stated)

Particulars	Money received against share warrants	Reserves and surplus				Other comprehensive income	Total other equity
		Capital reserve	Securities premium account	Outstanding employee stock options	Retained earnings	Foreign currency translation reserve	
As at 1 April 2016	-	445.78	6,706.95	-	(8,400.97)	-	(1,248.24)
Loss for the year	-	-	-	-	(1,820.46)	-	(1,820.46)
Exchange difference on foreign currency translation	-	-	-	-	-	45.11	45.11
Remeasurement of net defined benefit assets/ liability	-	-	-	-	2.62	-	2.62
Gain from business acquisition (Refer note 37)	-	105.22	-	-	-	-	105.22
Money received against share warrants [Refer note 15(g)]	6,800.00	-	-	-	-	-	6,800.00
Conversion of warrants into equity shares	(2,000.00)	-	1,750.00	-	-	-	(250.00)
Issue of equity share [(Refer note 15(f)]	-	-	1,937.50	-	-	-	1,937.50
As at 31 March 2017	4,800.00	551.00	10,394.45	-	(10,218.81)	45.11	5,571.75
Profit for the year	-	-	-	-	1,030.16	-	1,030.16
Exchange difference on foreign currency translation	-	-	-	-	-	8.94	8.94
Remeasurement of net defined benefit assets/ liability	-	-	-	-	(3.16)	-	(3.16)
Recognition of share based expenses	-	-	-	37.97	-	-	37.97
Money received against share warrants [Refer note 15(g)]	4,800.00	-	-	-	-	-	4,800.00
Conversion of warrants into equity shares [Refer note 15 (g)]	(9,600.00)	-	8,400.00	-	-	-	(1,200.00)
<b>As at 31 March 2018</b>	<b>-</b>	<b>551.00</b>	<b>18,794.45</b>	<b>37.97</b>	<b>(9,191.81)</b>	<b>54.06</b>	<b>10,245.67</b>

## Consolidated **Statement of changes in equity** for the year ended March 31, 2018 (Contd.)

### NATURE AND PURPOSE OF RESERVES

**(i) Capital reserve**

The Group recognises profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve. It further includes gain from business acquisitions.

**(ii) Securities premium account**

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(iii) Outstanding employee stock options**

The Company has established equity settled share based payment plan for certain categories of employees of the company. This reserve is used to recognise the value of equity settled share based payments provided to employee, including key management personnel, as part of their remuneration.

**(iv) Retained earnings**

Retained earnings represents the accumulated profits / losses made by the Group over the years.

**(v) Foreign currency translation reserve**

Foreign currency translation reserve represents the unrealised gains and losses on account of translation of foreign subsidiaries into the presentation currency of the parent entity.

Notes 1 to 48 form an integral part of the consolidated financial statements.

This is the Consolidated Statement of changes in equity referred to in our audit report of even date

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

*Partner*

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

**Naresh Chandra Sharma**

*Chariman*

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

**Ashutosh Kumar**

*Director and Chief Executive Officer*

(DIN:06918508)

**Shweta Jain**

*Company Secretary*

(ACS-23368)

# Summary of significant accounting policies

## and other explanatory information to the consolidated financial statements for the year ended 31 March 2018

### 3. CORPORATE INFORMATION

Asian Oilfield Services Limited (the "Company" or "AOSL") is a public limited company domiciled in India. The Company having CIN L23200HR1992PLC052501, is incorporated under the provisions of the erstwhile Companies Act, 1956 and is listed on the Bombay Stock Exchange (BSE). The Company, together with its subsidiaries (hereafter, the "Group") is engaged in oilfield services and reservoir imaging, offering a suite of geophysical services specialising in land and well seismic services and operation and maintenance services for oilfields. The registered office of the Company is located at Unit No. 1110, 11th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurugram-122018 (Haryana).

#### 1) Significant Accounting Policies

##### Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015. The financial statements for all periods upto and including year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended March 31, 2018 are the first financial statements prepared by the Group in accordance with Ind AS. Refer note 47 for information on how the Group adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in schedule III to the act. Based on the nature of services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non – current classification of assets and liabilities.

The Group's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

##### Principles of consolidation

The financial statements have been prepared on the following basis:

##### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and

has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de consolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

##### b) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

##### Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

##### c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### d) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities. If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

e) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

f) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

### Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the group becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

### i) Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The group does not have any assets classified as FVTOCI.

#### Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

### ii) Financial assets measured at FVTPL

#### Debt instrument

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Equity Investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group decides to classify the same either as at FVTOCI or FVTPL. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
  - the group has transferred substantially all the risks and rewards of the asset, or
  - the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### iii) Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL. Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

### Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

The Group identifies and determines the cost of each component / part of the property, plant and equipment separately, if the component / part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining property, plant and equipment.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at April 1, 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. April 1, 2016.

### Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at April 1, 2016 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. April 1, 2016.

### Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on addition to / deduction from assets during the year is provided on pro-rata basis. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain categories of plant and machinery in respect of which life has been assessed, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

Tangible Assets	Useful life
Buildings – Non factory	60 years
Buildings – Temporary structure	3 years
Vessels	13 years
Oilfield equipment	1 to 10 years
Vehicles	8 or 10 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer equipment	3 or 10 years

Intangible assets (computer software) are amortised over their estimated useful life of 6 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### Employee Benefits

#### i) Defined contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

#### ii) Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Group also provides for gratuity which is a defined benefit plan the liabilities of which are determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss

in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

#### iii) Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

### Inventories

Inventories of stores and consumables are stated at cost. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of weighted average method.

### Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

### Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset"

### Foreign currency transactions and balances

#### i) Functional and presentation currency

The consolidated financial statements are presented in currency INR, which is also the functional currency of the parent company. In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation.

#### ii) Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

#### iii) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### iv) Treatment of exchange difference

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

#### v) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the date of the balance sheet
2. income, expenses and cash flow items are translated at average exchange rates for the respective periods; and
3. All resulting exchange differences are recognised in OCI.

When a subsidiary is disposed off, in full, the relevant amount is transferred to the Statement of Profit and Loss. However, when change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instrument designated as hedges of such investment, are recognised in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

### Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

#### i) Revenue from oilfield services

Revenue includes the invoiced value of services provided during the year less discounts and customer claim towards delay in completion of work, if any. Service income is recognised when the service is imparted and the right to receive is established.

Revenue is derived from providing on operations and maintenance service on offshore platform and 2D seismic survey (including data capturing and installing vibrator points) and is recognised upon imparting of service and/or stage of completion.

#### ii) Oilfield services including maintenance services

Revenue from services is recognised in the period in which services are rendered on milestone basis. Service income comprising operation and maintenance services is recognised as per the terms of the agreement.

#### iii) Rental income

Rental income is accounted on time-proportion basis.

#### iv) Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### v) Dividend income

Revenue is recognised when the right to receive dividend is established.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### Taxes

Income tax expense comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

#### i) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the applicable income tax rate for each jurisdiction. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

#### ii) Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the group will pay normal income tax during the specified period.

### Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The

arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2016, the date of inception is deemed to be April 1, 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

### Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

### Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

### Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### Contingencies

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognised in the period in which the change occurs.

### Share Based Payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

### Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### Key accounting estimates and judgements

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### Critical estimates and judgements

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

### Judgements

#### (i) Leases

The Group has evaluated each lease agreement for its classification between finance lease and operating lease. The Group has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Group has also used appendix C of Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

- fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- the arrangement conveys a right to use the asset.

#### (ii) Deferred Income Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the entity's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the entity operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

### Estimates

#### (i) Useful lives of various assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period.

#### (ii) Current Income Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

#### (iii) Expected Credit Loss

Refer note for Impairment of financial assets mentioned in financial instruments above.

#### (iv) Accounting for Defined Benefit Plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

#### (v) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

### 2) Standards issued but not yet effective

#### Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Group from April 1, 2018.

The standard permits two possible methods of transition:

- i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- ii) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch - up approach)

The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

#### Appendix B of Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Description	Freehold land	Building	Oilfield equipment	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Vessels	Total
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>									
Gross carrying value (at deemed cost)									
As at April 1, 2016	7.95	11.49	9,179.61	4.87	16.60	98.53	134.54	2.22	9,455.81
Additions	-	-	1,459.16	-	5.04	42.40	4.00	-	1,510.60
Addition on acquisition of subsidiary	-	-	6.51	18.40	19.13	2.64	13.39	-	60.07
Disposals	-	-	(1,773.43)	-	-	-	-	-	(1,773.43)
Adjustments (foreign exchange difference)	-	-	(182.44)	-	0.13	(2.71)	1.10	-	(183.92)
As at March 31, 2017	7.95	11.49	8,689.41	23.27	40.90	140.86	153.03	2.22	9,069.09
Additions	-	-	3,353.49	0.54	4.43	10.52	-	-	3,368.98
Adjustments (foreign exchange difference)	-	-	(104.78)	0.01	2.32	3.86	21.71	-	(76.88)
As at March 31, 2018	7.95	11.49	11,938.12	23.82	47.65	155.24	174.73	2.22	12,361.22
<b>Depreciation</b>									
As at April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation charge	-	0.30	1,418.86	1.15	4.13	32.01	29.72	0.26	1,486.42
On assets acquired on acquisition	-	-	6.51	18.40	19.13	2.64	10.71	-	57.39
Accumulated depreciation on disposals	-	-	(601.92)	-	-	-	-	-	(601.92)
Impairment (Refer note below)	-	-	184.58	-	9.10	6.19	71.11	-	270.98
Adjustments (foreign exchange difference)	-	-	(94.93)	-	0.02	(1.96)	0.19	-	(96.68)
As at March 31, 2017	-	0.30	913.11	19.55	32.38	38.88	111.73	0.26	1,116.19
Depreciation charge	-	0.30	1,563.86	1.10	3.69	41.50	16.38	0.26	1,627.09
Adjustments (foreign exchange difference)	-	-	(98.05)	0.10	2.51	7.45	24.39	-	(63.60)
As at March 31, 2018	-	0.59	2,378.91	20.75	38.58	87.83	152.50	0.52	2,679.68
<b>Net carrying value</b>									
As at April 1, 2016	7.95	11.49	9,179.61	4.87	16.60	98.53	134.54	2.22	9,455.81
As at March 31, 2017	7.95	11.20	7,776.31	3.72	8.52	101.98	41.30	1.96	7,952.90
As at March 31, 2018	7.95	10.90	9,559.21	3.07	9.07	67.41	22.24	1.70	9,681.54

**Note:**

During the year ended March 31, 2017, the Group recorded an impairment loss of INR 270.98 Lacs (under the head "other expenses") relating to its property, plant and equipment (INR 184.58 Lacs under oilfield equipment, INR 15.29 Lacs under office and computer equipment and INR 71.11 Lacs under vehicles) in a subsidiary company, Asian Oilfield and Energy Services DMCC, Dubai. The property, plant and equipment were in Iraq where the subsidiary company no longer has any presence and considering the high transportation cost of importing these property, plant and equipment in India, the same were impaired.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)		
Description	Computer softwares	Total
<b>4. INTANGIBLE ASSETS</b>		
<b>Gross carrying value (at deemed cost)</b>		
As at April 1, 2016	84.86	84.86
Additions	336.72	336.72
Adjustments (foreign exchange difference)	(9.60)	(9.60)
As at March 31, 2017	411.98	411.98
Additions	16.24	16.24
Adjustments (foreign exchange difference)	1.00	1.00
<b>As at March 31, 2018</b>	<b>429.22</b>	<b>429.22</b>
<b>Amortisation</b>		
As at April 1, 2016	-	-
Amortisation	26.58	26.58
Adjustments (foreign exchange difference)	(1.80)	(1.80)
As at March 31, 2017	24.78	24.78
Amortisation	75.59	75.59
Adjustments (foreign exchange difference)	0.68	0.68
<b>As at March 31, 2018</b>	<b>101.05</b>	<b>101.05</b>
<b>Net carrying value</b>		
As at April 1, 2016	84.86	84.86
As at March 31, 2017	387.20	387.20
<b>As at March 31, 2018</b>	<b>328.17</b>	<b>328.17</b>

(All amounts in Lacs, unless otherwise stated)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>5. INVESTMENTS</b>			
<b>Non-current</b>			
Investment valued at deemed cost, fully paid up			
Investment in equity shares			
In joint venture in India	0.23	-	-
Less: Share of loss for the year	(0.23)	-	-
	-	-	-

The Group has investments in joint venture as below: (Refer note 5.1 below)

Name of the joint venture	Optimum Oil & Gas Private Limited
Country of incorporation and principal place of business	India
Principal activity	Oil and gas service provider

(All amounts in Lacs, unless otherwise stated)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Proportion of ownership interests held by the Group	23%	-	-

5.1 On November 13, 2017, the Group acquired 49% of the equity shares of Optimum Oil & Gas Private Limited, a India based Company engaged in the exploring the opportunity as Oil and gas service provider. The total consideration for the said acquisitions was ₹ 0.49 Lacs. On January 24, 2018, the Group disposed 26% of the aforesaid equity stake in Optimum Oil & Gas Private Limited for an aggregate consideration of ₹ 0.26 Lacs.

The investment in above mentioned joint venture is accounted for using the equity method in accordance with Ind AS 28, Investments in Associates and Joint Ventures.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

Summarised financial information for joint venture are set out below:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at acquisition date
Non-current assets	0.85	-
Current assets	627.86	0.50
<b>Total assets</b>	<b>628.71</b>	<b>0.50</b>
Non-current liabilities	0.06	0.06
Current liabilities	644.52	0.79
<b>Total liabilities</b>	<b>644.59</b>	<b>0.85</b>
<b>Net assets</b>	<b>(15.88)</b>	<b>(0.35)</b>
Equity share capital	1.00	1.00
Other equity	(16.88)	(1.35)
<b>Net equity</b>	<b>(15.88)</b>	<b>(0.35)</b>

Group has provided for its share of losses of Optimum Oil & Gas Private Limited to the extent of its investment in the joint venture. No liability is recognised for additional losses, as the Group has not incurred any legal or constructive obligations on behalf of the Optimum Oil & Gas Private Limited.

Statement of Profit and Loss of joint venture for the year ended March 31, 2018

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018
Revenue	7.50
Employee benefit expense	0.60
Interest expenses	11.25
Other administrative expenses	11.13
Depreciation and amortisation	0.11
Tax expense	-
<b>Total comprehensive loss for the year</b>	<b>(15.59)</b>

**Notes:**

No dividends were received from joint venture during the year ended March 31, 2018.

The group had no contingent liabilities or capital commitments relating to its interest in joint venture as at March 31, 2018.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>6. LOANS</b>			
<b>Non-current</b>			
Unsecured, considered good			
Security deposits	4.43	4.67	18.63
Unsecured, considered doubtful			
Security deposits	-	14.32	14.32
Inter - corporate loan	-	698.08	698.08
Less: Provision for doubtful loan and deposits	-	(712.40)	(712.40)
	<b>4.43</b>	<b>4.67</b>	<b>18.63</b>
<b>Current</b>			
Unsecured, considered good			
Security deposits	141.67	7.69	8.33
Loans to related parties (Refer note 39)	631.50	-	-
	<b>773.17</b>	<b>7.69</b>	<b>8.33</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>7. OTHER FINANCIAL ASSETS</b>			
<b>Non-current</b>			
Retention money	-	108.71	128.72
In fixed deposit accounts - with maturity of more than 12 months*	868.34	3,280.48	486.30
Custom duty refundable	-	69.60	69.60
Less: Provision against doubtful receivables	-	(69.60)	-
	<b>868.34</b>	<b>3,389.19</b>	<b>684.62</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees and other commitments	868.34	3,280.48	486.31
<b>Current</b>			
Interest accrued on loans and deposits	331.95	187.64	114.12
Unbilled revenue	1,713.31	2,450.78	261.62
Employee advances			
Unsecured, considered good	4.13	2.46	4.21
Unsecured, considered doubtful	-	0.77	0.77
Less: provision for doubtful employee advances	-	(0.77)	(0.77)
	<b>2,049.39</b>	<b>2,640.88</b>	<b>379.95</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>8. INCOME TAX ASSETS</b>			
Income tax receivable	544.60	360.87	350.75
	<b>544.60</b>	<b>360.87</b>	<b>350.75</b>

The following table provides the details of income tax assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016:

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax receivable	544.60	360.87	350.75
Current tax payable (Refer note 21)	35.30	12.92	-
Net balance	<b>509.30</b>	<b>347.95</b>	<b>350.75</b>

Gross movement in current tax asset/(liability) for the years ended March 31, 2018 and March 31, 2017 is as follows:

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net income tax asset at the beginning	347.95	350.75
Income tax paid	181.52	17.72
Current income tax expense	(20.17)	(20.52)
Net current income tax asset at the end	<b>509.30</b>	<b>347.95</b>
<b>Income tax expense in the Statement of Profit and loss comprises:</b>		
Current income tax	20.17	20.52
Deferred tax	-	-
	<b>20.17</b>	<b>20.52</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 8. INCOME TAX ASSETS (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Effective tax reconciliation:</b>		
Profit / (loss) before tax	1,050.33	(1,799.94)
Enacted tax rate in India	25.75%	30.90%
Expected income tax expense	270.46	(556.18)
Expenses not deductible in determining taxable profit	264.85	-
Expenses deductible in determining taxable profit	(9.90)	-
Effect of tax pertaining to prior years	-	20.52
Effect of difference tax rate in countries in which group operates	(672.86)	-
Losses carried forward/(adjusted) on which deferred tax is not created	167.62	-
<b>Tax expense for the year</b>	<b>20.17</b>	<b>20.52</b>

The Group has not recognised deferred tax asset as it is not probable to have future taxable profits in the countries which are not in tax free zones.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>9. OTHER NON-CURRENT ASSETS</b>			
Prepaid expenses	7.58	7.60	1.02
Assets towards gratuity obligation	-	10.85	12.67
	<b>7.58</b>	<b>18.45</b>	<b>13.69</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>10. INVENTORIES</b>			
Stores and spares	187.68	157.39	567.05
	<b>187.68</b>	<b>157.39</b>	<b>567.05</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>11. TRADE RECEIVABLES</b>			
Unsecured, considered good	6,161.37	2,751.21	4,291.00
Unsecured, considered doubtful	231.18	673.33	163.15
Less: provision for doubtful trade receivables	(231.18)	(673.33)	(163.15)
	<b>6,161.37</b>	<b>2,751.21</b>	<b>4,291.00</b>

Note: There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>12. CASH AND CASH EQUIVALENTS</b>			
Balances with banks			
In current accounts	612.86	2,703.96	705.46
In deposit accounts*	200.13	0.13	0.13
Cash on hand	8.62	5.19	16.95
Investment in highly liquid fund	1.05	-	-
	<b>822.66</b>	<b>2,709.28</b>	<b>722.54</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees, other commitments	200.13		

There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
In fixed deposit accounts - with original maturity of more than 3 months less than 12 months*	1,634.75	205.04	243.31
	<b>1,634.75</b>	<b>205.04</b>	<b>243.31</b>
*Balances with banks to the extent held as margin money or collateral against the borrowings, guarantees, other commitments	1,634.75	205.04	243.31

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>14. OTHER CURRENT ASSETS</b>			
Balance with government authorities	722.95	112.12	58.59
Prepaid expenses	264.60	97.92	57.34
Advance to suppliers			
Unsecured, considered good	1,198.31	136.36	113.98
Unsecured, considered doubtful	163.84	22.65	22.65
Less: provision for doubtful advance to suppliers	(163.84)	(22.65)	(22.65)
Advances to others			
Unsecured, considered good	-	-	10.02
	<b>2,185.86</b>	<b>346.40</b>	<b>239.93</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>15. EQUITY SHARE CAPITAL</b>			
(a) <b>Authorised :</b>			
Equity shares of INR 10 each	5,000.00	5,000.00	5,000.00
50,000,000 (March 31, 2017: 50,000,000, April 1, 2016: 50,000,000) equity shares INR 10 each			
(b) <b>Issued, Subscribed and Fully Paid-up</b>			
Equity shares of INR 10 each	3,807.44	2,607.44	2,232.44
38,074,444 (March 31, 2017: 26,074,444 April 1, 2016: 22,324,444) equity shares INR 10 each			

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

(All amounts in Lacs, unless otherwise stated)

Particulars	Number of shares	Amount
Equity shares as at April 1, 2016	223.24	2,232.44
Add: Warrants converted during the year	25.00	250.00
Add : Equity shares issued during the year [Refer note 15(f)]	12.50	125.00
Equity shares as at March 31, 2017	260.74	2,607.44
Add: Warrants converted during the year [Refer note 15(g)]	120.00	1,200.00
Equity shares as at March 31, 2018	<b>380.74</b>	<b>3,807.44</b>

(d) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 15. EQUITY SHARE CAPITAL (CONTD.)

(e) Details of equity shareholders holding more than 5% shares in the Company:

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding	No. of Shares (in Lacs)	% of holding
Oilmax Energy Private Limited	225.73	59.29%	150.73	57.81%	-	-
Samara Capital Partners Fund I Limited	-	-	-	-	125.73	56.32%

The above information is furnished as per the shareholders register as on March 31, 2018, March 31, 2017 and April 1, 2016, respectively.

- (f) During the year ended March 31, 2017, the Company had allotted 12.50 Lacs shares at an issue price of INR 165 each, par value of INR 10 per share, security premium of INR 155 per share on preferential basis to a non-resident investor. With respect to aforesaid allotment, the Company had received entire subscription money amounting to INR 2,062.50 Lacs (including premium of INR 1,937.50 Lacs) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (g) The Company allotted, on preferential basis, 10,000,000 equity warrants to the promoter and 4,500,000 equity warrants to a non-resident ("allottees") in December 2016, convertible into equity shares of INR 10 each at the option of allottees any time within 18 months post allotment at an issue price of INR 80 each. In this regard, the Company received INR 5,800 Lacs being 50% of the subscription amount as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, during the year ended March 31, 2018, the Company received INR 3,000 Lacs being the balance 50% allotment money from the promoter with respect to 7,500,000 equity warrants and received INR 1,800 Lacs from non-resident allottee with respect to 4,500,000 equity warrants and allotted equivalent number of equity shares against the same upon the option of conversion being exercised by the allottees.
- (h) No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been bought back during the last five years.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>16. BORROWINGS</b>			
<b>Non-current</b>			
<b>Secured</b>			
Term loan from bank (Refer note a(i) below)	1,246.64	-	2,916.29
<b>Unsecured</b>			
Term loan from bank (Refer note a(ii) below)	894.36	1,620.97	1,988.90
Inter corporate deposits (Refer note d below)	-	-	1,756.46
	<b>2,141.00</b>	<b>1,620.97</b>	<b>6,661.65</b>
Less: Current maturities of long-term borrowings (Refer note 19)	(709.42)	(729.43)	(4,874.26)
	<b>1,431.58</b>	<b>891.54</b>	<b>1,787.39</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
<b>Secured (repayable on demand)</b>			
Working loans facility from banks (Refer note b below)			
Overdraft from bank	449.34	449.37	-
Cash credit from bank	-	-	442.83
<b>Unsecured (repayable on demand)</b>			
Inter corporate deposits (Refer note c below)	-	6,194.52	3,911.64
	<b>449.34</b>	<b>6,643.89</b>	<b>4,354.47</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 16. BORROWINGS (CONTD.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Net debt reconciliation</b>		
Cash and cash equivalents	822.66	2,709.28
Current borrowings (including interest accrued)	(449.34)	(6,977.33)
Non-current borrowings (including current maturities)	(2,141.00)	(1,620.97)
<b>Net debt</b>	<b>(1,767.68)</b>	<b>(5,889.02)</b>

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
<b>Net debt as at March 31, 2017</b>	2,709.28	(1,620.97)	(6,977.33)	<b>(5,889.02)</b>
Cash flow	(1,895.56)	(1,246.62)	6,921.15	3,778.98
Interest expense	-	(77.79)	(412.99)	(490.78)
Interest paid	-	77.79	746.43	824.22
Effect of foreign exchange differences	8.94	-	-	8.94
<b>Net debt as at March 31, 2018</b>	<b>822.67</b>	<b>(2,867.59)</b>	<b>277.26</b>	<b>(1,767.66)</b>

#### Terms of borrowing:

##### (a) Term Loan from bank

- (i) Term loan from bank outstanding as at March 31, 2018, is repayable in ten equal quarterly instalments till December 2019. Interest rate charged is 6 month LIBOR + 1.90%. The loan is secured by 5,234,297 Lacs equity shares of Oilmax Energy Private Limited and second pari pasu charge over Company's all current assets and moveable fixed assets. Further, the holding company is required to maintain debt service reserve account of INR 200 Lacs.
- (ii) Unsecured loan for the year ended March 31, 2018 of INR 894.36 Lacs (March 31, 2017: INR 1620.96 Lacs; April 1, 2016: 1,988.90 Lacs) from Export-Import bank of United States is repayable in twelve monthly installments (March 2019) and carries rate of interest of 4% per annum.

##### (b) Working capital loan from bank:

The Group has two overdraft facilities from State Bank of India, both secured by pledge of fixed deposits and as repayable on demand.

- (a) first facility carries an interest rate of 9% p.a
- (b) another facility carries an interest rate of 8% p.a

As at April 1, 2016, Group had cash credit facility availed from State Bank of India which was discontinued by the Group on January 11, 2017 which carried a rate of interest of 16.70 % per annum at monthly rests and was repayable on demand (sanctioned limit: INR 600.00 Lacs). This cash credit was primarily secured by hypothecation of all chargeable current assets of the Company and was guaranteed by letter of comfort from Samara Capital Partners Fund I Limited, Mauritius till October 24, 2016. The collateral security for this cash credit facility were:

- (a) Exclusive charge by way of equitable mortgage over the Company's office premises situated at 701/704, Manubhai tower, 7th floor, B/wing, Sayajaigung, Baroda measuring 2056 Sq. feet. The same is now pledged as collateral security for availing non-fund based sanction limit of INR 1,000.00 Lacs from State Bank of India.
- (b) Exclusive charge by way of equitable mortgage over shop no. 29 , Payal Co-op Housing society, Sayajaigung, Baroda, belonging to the Company and measuring 260 sq. feet. The same is now pledged as collateral security for availing non-fund based sanction limit of INR 1,000.00 Lacs from State Bank of India.
- (c) Pledge of 22,000,000 shares of the Company owned by Samara Capital Partners Fund I Limited upto November 15, 2016. The same number of shares owned by Oilmax Energy Private Limited are now pledged as collateral security for availing non-fund based sanction limit of INR 1,000.00 Lacs from State Bank of India.
- (d) First charge by way of hypothecation over the fixed assets including plant and machinery and oilfield equipment and excluding those items covered under (a) and (b) above. The same are now pledged as collateral security for availing non-fund based sanction limit of INR 1,000.00 Lacs from State Bank of India.
- (e) Pledge over the term deposit receipts of INR 509.00 Lacs including accrued interest thereof up to October 24, 2016.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 16. BORROWINGS (CONTD.)

(c) Inter corporate deposits - Current

- (i) The Company has no outstanding intercorporate deposits as at March 31, 2018
- (ii) As at March 31, 2017, the Company has outstanding inter-corporate deposits from
- Oilmax Energy Private Limited amounting to INR 3,700.00 Lacs, repayable on demand and carried rate of interest of 10.00% per annum.
  - Thriveni Earthmovers Private Limited amounting to INR 1,100.00 Lacs, repayable on demand and carried rate of interest of 15.00% per annum.
  - Samara Capital Partner Fund I Limited amounting to INR 1,394.52 Lacs, repayable on June 30, 2017 and was a interest free loan.
- (iii) As at April 1, 2016, the Company has outstanding inter-corporate deposits from
- Global Coal and Mining Private Limited amounting to INR 1,150.00 Lacs repayable on demand and carried rate of interest of 16.00% per annum.
  - Thriveni Earthmovers Private Limited amounting to INR 1,100.00 Lacs repayable on demand and carried rate of interest of 15.00% per annum.
  - Samara Capital Partners Fund I Limited amounting to INR 1,661.64 Lacs repayable on June 30, 2016 and carried rate of interest of 10.00% per annum.

(d) Inter corporate deposits - Non current

As at April 1, 2016, the Group had outstanding inter-corporate deposits from Samara Capital Partners Fund I Limited amounting to INR 1,756.45 Lacs repayable on June 30, 2016 carried rate of interest of 10% per annum.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>17. PROVISIONS</b>			
<b>Non-current</b>			
Compensated absences	-	-	7.70
Gratuity	2.98	-	-
	<b>2.98</b>	-	<b>7.70</b>
<b>Current</b>			
Compensated absences	-	-	1.53
Gratuity	0.48	-	-
Provision for settlement of litigation (Refer Note 17.1)	512.98	-	-
	<b>513.46</b>	-	<b>1.53</b>

17.1 The Group had an ongoing legal case with one of its customers for which the matter was pending before the Jorhat District Court which has directed the matter to the Outside Expert Conciliation Committee. The Group received recommendation dated March 7, 2018 from Outside Expert Conciliation Committee which has been accepted by both the parties and accordingly provision aggregating INR 512.98 Lacs has been made towards this matter.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>18. TRADE PAYABLES</b>			
Total outstanding dues of Micro, Small and Medium Enterprises	18.63	10.83	-
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	5,443.31	3,532.00	2,755.53
	<b>5,461.94</b>	<b>3,542.83</b>	<b>2,755.53</b>

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information as available with the Group and the details of amount outstanding due to them are as given below:

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) The principal amount and the interest due thereon remaining unpaid to any Supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	18.63	10.83	-
Interest due on above	-	0.16	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	0.16	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.16	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-	-

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>19. OTHER FINANCIAL LIABILITIES</b>			
<b>Current</b>			
Current maturities of long term borrowings (Refer Note 16)	709.42	729.43	4,874.26
Interest accrued but not due on inter corporate deposits	-	333.44	1,639.19
Security deposit	186.14	-	200.00
Liability for capital goods	1,840.81	95.26	-
Employee related payables	413.00	428.88	378.48
Others	-	3.71	-
	<b>3,149.38</b>	<b>1,590.72</b>	<b>7,091.93</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>20. OTHER CURRENT LIABILITIES</b>			
Statutory dues payable	139.14	70.08	77.71
Deferred subcontracting income	13.31	-	-
	<b>152.45</b>	<b>70.08</b>	<b>77.71</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>21. CURRENT TAX LIABILITIES</b>			
Current tax payable	35.30	12.92	-
	<b>35.30</b>	<b>12.92</b>	<b>-</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>22. REVENUE FROM OPERATIONS</b>		
Revenue from oilfield services	22,222.29	12,431.62
	<b>22,222.29</b>	<b>12,431.62</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>23. OTHER INCOME</b>		
Interest income on financial assets measured at amortised cost	283.40	129.52
Interest income on income tax refund	2.59	-
Liabilities/provisions written back	33.86	259.71
Miscellaneous income	32.55	0.21
	<b>352.40</b>	<b>389.44</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>24. OILFIELD SERVICES RELATED EXPENSES</b>		
Sub-contracting charges	5,453.85	192.41
Stores and consumables consumed	1,205.16	497.71
Camp establishment and maintenance	153.72	102.19
Machinery hire charges	133.54	26.11
Vehicle hire charges	238.88	204.70
Fuel rig expenses	39.24	66.59
Labour charges	252.28	315.91
Freight expenses	55.00	67.61
Power and fuel	46.60	2.83
License expenses	16.84	41.17
Repairs and maintenance		
- plant and machinery	14.69	19.82
Service charges	4,796.04	3,981.67
Other operational expenses	15.69	138.35
	<b>12,421.53</b>	<b>5,657.07</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	3,574.04	2,201.18
Contribution to provident & other funds (Refer Note 36.i)	65.70	28.68
Employee stock option expenses (Refer Note 36.ii)	37.97	-
Staff welfare	14.82	23.46
	<b>3,692.53</b>	<b>2,253.32</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>26. FINANCE COSTS</b>		
Interest expense on:		
- financial liabilities carried at amortised cost	490.78	629.38
- delayed payment of statutory dues	0.33	2.90
- others	-	5.81
Bank charges	142.96	130.17
	<b>634.07</b>	<b>768.27</b>

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>27. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment (Refer Note 3)	1,627.09	1,486.42
Amortisation of intangible assets (Refer Note 4)	75.59	26.58
	<b>1,702.68</b>	<b>1,513.00</b>

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>28. OTHER EXPENSES</b>		
Advertisement and business promotion expenses	58.93	3.63
Rent (Refer Note 32)	138.17	125.81
Rates and taxes	28.22	0.91
Travelling and conveyance	554.78	264.30
Printing and stationery	9.75	14.30
Membership and subscription charges	1.36	2.35
Telephone and internet expenses	96.22	24.52
Insurance	69.70	53.99
Security expenses	38.59	23.93
Legal and professional charges	895.31	1,343.62
Bad debts	-	3,079.50
Directors sitting fees	7.10	9.50
Repairs and maintenance		
- building	20.53	10.65
- others	22.05	34.05
Provision for doubtful debts [net of write off INR 464.82 Lacs (Previous year :Nil)]	22.17	510.18
Provision for doubtful deposits	-	69.60
Net loss on foreign currency transactions	3.00	266.69
Impairment of property, plant and equipment	-	270.99
Loss on sale of property, plant and equipment	-	209.61
Sundry balances written off	14.47	-
Miscellaneous expenses	58.86	30.18
	<b>2,039.21</b>	<b>6,348.28</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>29. EXCEPTIONAL ITEMS [GAIN/(LOSS)]</b>		
Current trade receivables written off	(10.02)	-
Other non-current financial assets written off	(89.38)	-
Impairment of other current financial assets	(998.12)	-
Allowance on trade receivables on account of settlement with a customer	(209.00)	-
Provision for settlement of litigation (Refer note 17.1)	(512.98)	-
Trade payables and inter corporate deposits written back	949.23	1,918.94
Provision for doubtful advances (other current assets)	(163.84)	-
	<b>(1,034.11)</b>	<b>1,918.94</b>

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>30. EARNINGS/(LOSS) PER SHARE</b>		
Profit / (loss) attributable to equity holders of the Group for basic and diluted earnings used as numerator - (A)	1,030.16	(1,820.46)
Weighted average number of equity shares outstanding during the year for Basic EPS (in Lacs) - (B)	282.33	226.02
Add: Effect of shares to be issued under employees stock option which are dilutive	0.37	-
Weighted average number of equity shares outstanding during the year for Diluted EPS (in Lacs) - (C)	282.70	226.02
Basic earning/(loss) per share (INR) - (A)/(B) (face value INR 10 each)	3.65	(8.05)
Diluted earning/(loss) per share (INR) - (A)/(C) (face value INR 10 each)	3.64	(8.05)

Note : Impact of 3,479,452 shares to be issued under conversion of equity warrants is anti-dilutive and hence these shares have been excluded while computing diluted earning per share for the year ended March 31, 2017.

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>31. CONTINGENT LIABILITIES AND COMMITMENTS</b>			
<b>Contingent liabilities</b>			
(a) Employee visa guarantee	1.06	1.59	1.62
(b) Demand for income tax contested by the Group (in respect of AY 2008-09 and AY 2010-11)	124.69	351.16	351.16
	<b>125.75</b>	<b>352.75</b>	<b>352.78</b>

It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various authorities.

### 32. LEASES

The Group has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable and non cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the statement of profit and loss under 'Rent' in note 28.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

The details of non-cancellable operating leases contracted by Group, but not recognised as liabilities in the financial statements are as below:

Particulars	(All amounts in Lacs, unless otherwise stated)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Minimum lease payment</b>			
Not later than one year	9.95	10.85	-
Later than one year but not later than five years	-	9.95	-
Later than five years	-	-	-
<b>Lease expense recognised in statement of profit and loss</b>	<b>138.17</b>	<b>125.81</b>	<b>143.70</b>

### 33. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Table showing carrying amount and fair values of financial assets and liabilities by category

As at March 31, 2018	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	6,161.37	6,161.37
Cash and cash equivalents	12	1.05	-	821.61	822.66
Bank balances other than above	13	-	-	1,634.75	1,634.75
Loans	6	-	-	777.60	777.60
Other financial assets	7	-	-	2,917.73	2,917.73
<b>Total financial assets</b>		<b>1.05</b>	<b>-</b>	<b>12,313.07</b>	<b>12,314.11</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	2,590.34	2,590.34
Trade payables	18	-	-	5,461.94	5,461.94
Other financial liabilities	19	-	-	2,439.96	2,439.96
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>10,492.24</b>	<b>10,492.24</b>

As at March 31, 2017	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	2,751.21	2,751.21
Cash and cash equivalents	12	-	-	2,709.28	2,709.28
Bank balances other than above	13	-	-	205.04	205.04
Loans	6	-	-	12.36	12.36
Other financial assets	7	-	-	6,030.07	6,030.07
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>11,707.95</b>	<b>11,707.95</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	8,264.86	8,264.86
Trade payables	18	-	-	3,542.82	3,542.82
Other financial liabilities	19	-	-	861.29	861.29
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>12,668.97</b>	<b>12,668.97</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 33. FAIR VALUE MEASUREMENTS (CONTD.)

As at March 31, 2016	Notes	Financial instruments by category			
		FVTPL	FVOCI	Amortised cost	Carrying value
<b>Financial assets</b>					
Trade receivables	11	-	-	4,291.00	4,291.00
Cash and cash equivalents	12	-	-	722.54	722.54
Bank balances other than above	13	-	-	243.31	243.31
Loans	6	-	-	26.96	26.96
Other financial assets	7	-	-	1,064.58	1,064.58
<b>Total financial assets</b>		-	-	<b>6,348.39</b>	<b>6,348.39</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	16,19	-	-	11,016.12	11,016.12
Trade payables	18	-	-	2,755.53	2,755.53
Other financial liabilities	19	-	-	2,217.67	2,217.67
<b>Total financial liabilities</b>		-	-	<b>15,989.32</b>	<b>15,989.32</b>

As at March 31, 2018	Level 1	Level 2	Level 3
	<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>		
<b>Financial assets</b>			
Investment in highly liquid fund	1.05	-	-
<b>Total</b>	<b>1.05</b>	<b>-</b>	<b>-</b>

#### Valuation technique used to determine fair value

Quoted price (unadjusted) in active markets for financial instruments

#### Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, employee advances, unbilled revenue, loans, current security deposit and working capital loan, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposit has been calculated based on the cash flows discounted using the current lending rate.

The fixed deposit and non-current borrowing are placed with highly rated banks at fair interest rate, and their carrying values approximates fair value.

### 34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the group is exposed to and how the group manages the risk and the related impact in the financial statements. The Groups risk management is done in close co-ordination with the board of directors and focuses on actively securing the Groups short, medium and long-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below:

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from trade receivables, bank deposits and other financial assets.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits.

The Group periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly.

The Group trades with recognised and credit worthy third parties. It is the Groups policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an on-going basis with the result that the Groups exposure to bad debts is not significant. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. Also, the Group does not enter into sales transaction with customers having credit loss history.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 34. FINANCIAL RISK MANAGEMENT (CONTD.)

There are no significant credit risks with related parties of the Group. Adequate expected credit losses are recognised as per the assessments.

Ageing of trade receivable	Days past dues			Total
	0-180	180-365	Above 365	
As at March 31, 2018	5,763.43	10.28	618.84	6,392.55
As at March 31, 2017	2,491.76	542.77	390.01	3,424.54
As at April 1, 2016	2,923.60	1,249.03	281.52	4,454.15

#### Reconciliation of loss allowance provision for loans, other financial assets and other assets

Reconciliation of loss allowance	Amount
Loss allowance as at April 1, 2016	735.82
Add/(Less) Changes in loss allowance due to	
Additional provision during the year	69.60
Loss allowance as at March 31, 2017	805.42
Add/(Less) Changes in loss allowance due to	
Additional provision during the year	141.19
Write - offs during the year	(782.77)
<b>Loss allowance as at March 31, 2018</b>	<b>163.84</b>

Reconciliation of provision for trade receivable	Amount
Loss allowance as at April 1, 2016	163.15
Add/(Less) Changes in loss allowance	
Additional provision during the year	510.18
Loss allowance as at March 31, 2017	673.33
Add/(Less) Changes in loss allowance	
Additional provision during the year	22.17
Write - offs during the year	(464.32)
<b>Loss allowance as at March 31, 2018</b>	<b>231.18</b>

#### Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Group closely monitors its liquidity position and maintains adequate source of funding.

#### Maturities of financial liabilities:

The tables below analyse the Groups financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2018	Repayable on demand	Less than 1 Year	1-2 years	>2 years	Total
Borrowings (including current maturities of long term borrowings)	449.34	706.65	1,434.34	-	2,590.34
Trade payables	-	5,461.94	-	-	5,461.94
Other financial liabilities	-	2,453.81	-	-	2,453.81
	<b>449.34</b>	<b>8,622.40</b>	<b>1,434.34</b>	<b>-</b>	<b>10,506.08</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 34. FINANCIAL RISK MANAGEMENT (CONTD.)

As at March 31, 2017	Repayable on demand	Less than 1 Year	1-2 years	>2 years	Total
Borrowings (including current maturities of long term borrowings)	6,643.89	1,620.97	-	-	8,264.85
Trade payables	-	3,542.83	-	-	3,542.83
Other financial liabilities	-	766.03	95.26	-	861.29
	<b>6,643.89</b>	<b>5,929.83</b>	<b>95.26</b>	-	<b>12,668.97</b>

As at March 31, 2016	Repayable on demand	Less than 1 Year	1-2 years	>2 years	Total
Borrowings (including current maturities of long term borrowings)	4,354.47	6,661.65	-	-	11,016.12
Trade payables	-	2,755.53	-	-	2,755.53
Other financial liabilities	-	2,217.67	-	-	2,217.67
	<b>4,354.47</b>	<b>11,634.86</b>	-	-	<b>15,989.32</b>

#### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and debt prices will affect the Group's income or the value of its holdings of financial instruments.

#### Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Groups functional currency. The Group operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Group.

The Group's significant exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

As at March 31, 2018	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Total Amount in INR
<b>Financial assets</b>					
Trade receivables	17.49	1,137.37	-	-	1,137.37
Cash and cash equivalents	4.38	284.80	1,311.75	275.39	560.20
Loans	0.05	3.41	-	-	3.41
Other financial assets	3.74	243.16	-	-	243.16
	<b>25.66</b>	<b>1,668.74</b>	<b>1,311.75</b>	<b>275.39</b>	<b>1,944.13</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	13.75	894.36	-	-	894.36
Trade payables	6.33	411.77	7,358.88	1,545.36	1,957.13
Other financial liabilities	31.45	2,045.59	-	-	2,045.59
	<b>51.53</b>	<b>3,351.71</b>	<b>7,358.88</b>	<b>1,545.36</b>	<b>4,897.07</b>
<b>Net exposure</b>	<b>(25.87)</b>	<b>(1,682.97)</b>	<b>(6,047.13)</b>	<b>(1,269.97)</b>	<b>(2,952.94)</b>

As at March 31, 2017	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Total Amount in INR
<b>Financial assets</b>					
Trade receivables	7.52	487.39	38.75	8.14	495.53
Cash and cash equivalents	29.33	1,901.73	758.88	159.36	2,061.09
Loans	0.06	3.92	-	-	3.92
Other financial assets	15.49	1,004.19	-	-	1,004.19
	<b>52.40</b>	<b>3,397.24</b>	<b>797.63</b>	<b>167.50</b>	<b>3,564.74</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	46.51	3,015.48	-	-	3,015.48
Trade payables	51.14	3,315.97	226.49	47.56	3,363.54
Other financial liabilities	1.53	99.17	61.50	12.92	112.08
	<b>99.18</b>	<b>6,430.62</b>	<b>288.00</b>	<b>60.48</b>	<b>6,491.10</b>
<b>Net exposure</b>	<b>(46.78)</b>	<b>(3,033.38)</b>	<b>509.63</b>	<b>107.02</b>	<b>(2,926.36)</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 34. FINANCIAL RISK MANAGEMENT (CONTD.)

As at April 1, 2016	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Total Amount in INR
<b>Financial assets</b>					
Trade receivables	52.57	3,290.32	-	-	3,290.32
Cash and cash equivalents	0.19	11.63	-	-	11.63
Loans	0.15	9.11	-	-	9.11
Other financial assets	0.08	5.28	-	-	5.28
	<b>52.98</b>	<b>3,316.33</b>	-	-	<b>3,316.33</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities of long term borrowings)	106.43	6,661.64	-	-	6,661.64
Trade payables	29.21	1,828.42	-	-	1,828.42
Other financial liabilities	11.16	698.37	-	-	698.37
	<b>146.80</b>	<b>9,188.43</b>	-	-	<b>9,188.43</b>
<b>Net exposure</b>	<b>(93.82)</b>	<b>(5,872.10)</b>	-	-	<b>(5,872.10)</b>

#### Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Year ended March 31, 2018			Year ended March 31, 2017		
	Movement in rate	Impact on Profit before tax increase by*	Impact on other equity*	Movement in rate	Impact on Profit before tax increase by*	Impact on other equity*
USD	4.16%	(70.01)	(70.01)	4.09%	(124.07)	(124.07)
Others	4.16%	(52.83)	(52.83)	4.09%	4.38	4.38

\*Holding all other variables constant

An equal and opposite impact would be experienced in the event of decrease by a similar percentage.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Groups exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates.

The Groups investments in fixed deposits are at fixed interest rates.

The exposure of the Groups borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(All amounts in Lacs, unless otherwise stated)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowing	1,246.64	-	-
Fixed rate borrowing	1,343.70	8,264.85	11,016.12
	<b>2,590.34</b>	<b>8,264.85</b>	<b>11,016.12</b>

Sensitivity	(All amounts in Lacs, unless otherwise stated)		
	Movement in rate	Year ended March 31, 2018	Year ended March 31, 2017
Below is the sensitivity of profit or loss and equity to changes in interest rates:			
Impact in statement of profit and loss (prior to tax)	0.50%	6.23	-

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 34. FINANCIAL RISK MANAGEMENT (CONTD.)

An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

#### Price risk:

The Group exposure to price risk arises from investments in debt fund held by the Group and classified in the balance sheet as fair value through profit and loss. However, Group has insignificant value of investment in debt fund and hence the exposure to change in price risk is also insignificant.

### 35. CAPITAL MANAGEMENT

The Group objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Total 'equity' as shown in the balance sheet, including non-controlling interest

Particulars	(All amounts in Lacs, unless otherwise stated)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total borrowings	2,590.34	8,598.30	12,655.31
Total equity	14,053.11	8,179.19	984.20
Net debt to equity ratio	0.18	1.05	12.86

#### Loan covenants:

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- 1) Total Debt to EBITDA ratio shall not exceed 1.5x (applicable on the Consolidated financial statements of the Group)
- 2) Funded facilities (both working capital and term loan) not to exceed INR 5,000 Lacs excluding the RBL term loan facility of INR 1,800 Lacs and Non-funded credit facilities not to exceed INR 5,000 Lacs (applicable on the Consolidated financial statements of the Group)
- 3) Total outside liabilities to tangible net worth ratio shall not exceed 1.1x (applicable on the standalone financial statements of the Company)

### 36. EMPLOYEE BENEFITS

#### (i) Provident fund and employee's state insurance corporation

The Group pays fixed contribution to the provident fund and employee's state insurance corporation entities in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities, and the Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year that related employee services are received.

Contribution to defined contribution plan recognised as employee benefit expenses:

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution towards Provident Fund (PF)	48.11	19.49
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	17.59	9.19
	<b>65.70</b>	<b>28.68</b>

#### ii) Share-based payment transactions

The Company has instituted 'Employees' Stock Option Plan' under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on August 23, 2017. Under the scheme, Company granted 174,302 stock option with exercise price of INR 165 per share on August 24, 2017. The options scheme would vest in two years from the grant date and exercise of such vested options would be done subsequently in maximum of three tranches.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 36. EMPLOYEE BENEFITS (CONTD.)

The details of activity under the ESOP scheme are summarised below:

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Year ended March 31, 2018	Year ended March 31, 2017
The expense recognised for employee services received during the year is as under:	37.97	-
Expense arising from equity-settled share-based payment transactions	37.97	-

#### Movements during the year

The following table illustrates the number and exercise price of, and movements in, share options during the year:

Particulars	(All amounts in Lacs, unless otherwise stated)	
	Number	Exercise price
Granted during the year	1.74	165.00
Outstanding at March 31, 2018	1.74	165.00

The following are the inputs to the models used for the employees' stock option plan:

Particulars	As at 31 March 2018
	Exercise price (INR)
Grant date	24-Aug-17
Vesting date	24-Aug-19
Expiry date	24-Aug-19
Dividend yield (%)	-
Expected price volatility (%)	58.51%
Risk-free interest rate (%)	6.35%
Expected life of share options (years)	2
Share price at grant date (INR )	181.8
Model used	Black Scholes

### 37. BUSINESS COMBINATION

On 8 February 2017, the Group, through its wholly owned subsidiary Asian Oilfield & Energy Services DMCC acquired 99.99% of the equity shares of a non-listed Nigeria based Company, 'Ivorene Oil Services Nigeria Limited' engaged in the activities of operating and maintaining offshore and onshore production and processing vessels, platforms, rigs and other facilities. The total consideration for the said acquisitions was INR 20.92 Lacs, which was settled in cash.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	Fair value recognised on acquisition
	Trade receivable
Cash and cash equivalents	217.67
Net property plant and equipment	2.68
Current loans	2,741.73
Trade payables	(2,795.71)
Other current liabilities	(51.34)
<b>Net identifiable assets at fair value</b>	<b>126.14</b>
Purchase consideration	(20.92)
Gain from business acquisition (included in capital reserve in the statement of changes in equity)	105.22
<b>Cash flow on acquisition</b>	
Purchase consideration paid	20.92
Net cash acquired	217.67
<b>Net cash inflow on acquisition (included in investing activities)</b>	<b>238.58</b>

There were no contingent consideration arrangement involved in relation to above acquisition.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 37. BUSINESS COMBINATION (CONTD.)

The transaction costs related to the above acquisition have been included in the Consolidated Statement of Profit and Loss. There were no acquisitions in the year ended March 31, 2018.

### 38. THE SUBSIDIARIES AND JOINT VENTURE CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Subsidiaries				% ownership interest		
Name of the Company	Principal activities	Country of Incorporation	With effect from	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Asian Oilfield & Energy Services DMCC	Oil & Gas Services	Dubai	November 16, 2016	100.00	100.00	100.00
AOSL Petroleum Pte Limited	Oil & Gas Services	Singapore	November 16, 2016	100.00	100.00	100.00
Ivorene Oil Services Nigeria Limited	Oil & Gas Services	Nigeria	08 February 2017	99.99	99.99	-

Joint venture

Optimum Oil and Gas Private Limited (refer note 5)

### 39. RELATED PARTY DISCLOSURES

#### A. Name of the related party and nature of the related party relationship :

##### a) Holding Company

Oilmax Energy Private Limited (w.e.f. November 16, 2016)

##### b) Joint Venture

Optimum Oil & Gas Private Limited (vide Share Purchase Agreement dated November 10, 2017)

##### c) Individuals having control or significant influence over the Company by virtue of owning indirect interest in the voting power

Mr. Kapil Garg - Director of Holding Company

Ms. Ritu Garg - Director of Holding Company

##### d) Key Management Personnel

Mr. Rohit Agarwal - Whole Time Director (w.e.f. August 5, 2016)

Mr. Ashutosh Kumar - Chief Executive Officer (w.e.f. March 1, 2017)

Mr. Gaurav Gupta - Director

Mr. Rabi Narayan Bastia - Director

Mr. Ajit Kapadia - Independent Director (upto January 16, 2018)

Mr. Naresh Chandra Sharma - Independent Director

Mr. Kadayam Ramanathan Bharat - Independent Director

Ms. Anusha Mehta - Independent Director

Ms. Shweta Vaibhav Jain - Company Secretary (w.e.f February 13, 2018)

Ms. Kanika Bhutani - Company Secretary (upto January 31, 2018)

Mr. Ashwin Khandke - Whole Time Director (upto April 21, 2016)

Mr. Rahul Jain Chief Financial Officer\* (September 1, 2016 to February 16, 2018)

\*The Company did not have any Chief Financial Officer from September 18, 2015 till August 31, 2016.

^The Company does not have any Chief Financial Officer from February 16, 2018 till March 31, 2018.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 39. RELATED PARTY DISCLOSURES (CONTD.)

#### B. Transactions with related parties :

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Nature of relation/nature of transaction</b>		
<b>Holding Company</b>		
Allotment of equity shares (in numbers)	7,500,000	15,072,000
Loan taken during the year	3,455.00	8,500.00
Repayment of loan	7,155.00	4,800.00
Interest on loan taken	294.35	370.49
Subscription received towards equity warrants	3,000.00	5,000.00
Consultancy charges paid	-	301.90
<b>Joint Venture -</b>		
Investment in equity shares	0.23	-
Loan given	631.50	-
Interest on loan given	11.25	-
<b>Key Managerial Personnel</b>		
Remuneration	269.94	117.03
Sitting fees	7.10	9.50
Reimbursement of expenses	13.95	9.20
Individuals having significant influence		
Rent expense	100.00	56.00

#### C. Balances with related parties

(All amounts in Lacs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Nature of Relation/Nature of balance</b>			
<b>Holding Company</b>			
Loan taken	-	3,700.00	-
Accrued interest on loan taken	-	333.44	-
<b>Joint Venture</b>			
Investment in equity shares	0.23	-	-
Unsecured loan given	631.50	-	-
<b>Key Managerial Personnel</b>			
Payable	5.77	1.10	0.16
Advances	-	0.21	-
Individuals having significant influence			
Payable	4.32	-	-

#### D. Remuneration paid to KMP

(All amounts in Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	269.94	117.03
Post employment benefits	0.88	-

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 40. UN-HEDGED FOREIGN CURRENCY EXPOSURES:

The year-end foreign currency exposures that have not been hedged by a derivative instruments or otherwise are given below:

As at March 31, 2018	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Amount in Iraqi Dinar	Amount in INR
<b>Financial assets</b>						
Trade receivables	17.49	1,137.37	-	-	-	-
Cash and cash equivalents	4.38	284.80	1,311.75	275.39	0.20	0.11
Loans	0.05	3.41	-	-	-	-
Other financial assets	3.74	243.16	-	-	-	-
	<b>25.66</b>	<b>1,668.74</b>	<b>1,311.75</b>	<b>275.39</b>	<b>0.20</b>	<b>0.11</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of long term borrowings)	13.75	894.36	-	-	-	-
Trade payables	6.33	411.77	7,358.88	1,545.36	-	-
Other financial liabilities	31.45	2,045.59	-	-	-	-
	<b>51.53</b>	<b>3,351.71</b>	<b>7,358.88</b>	<b>1,545.36</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>(25.87)</b>	<b>(1,682.97)</b>	<b>(6,047.13)</b>	<b>(1,269.97)</b>	<b>0.20</b>	<b>0.11</b>

As at March 31, 2017	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Amount in Iraqi Dinar	Amount in INR
<b>Financial assets</b>						
Trade receivables	7.52	487.39	38.75	8.14	-	-
Cash and cash equivalents	29.33	1,901.73	758.88	159.36	-	-
Loans	0.06	3.92	-	-	-	-
Other financial assets	15.49	1,004.19	-	-	-	-
	<b>52.40</b>	<b>3,397.24</b>	<b>797.63</b>	<b>167.50</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of long term borrowings)	46.51	3,015.48	-	-	-	-
Trade payables	51.14	3,315.97	226.49	47.56	-	-
Other financial liabilities	1.53	99.17	61.50	12.92	-	-
	<b>99.18</b>	<b>6,430.62</b>	<b>288.00</b>	<b>60.48</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>(46.78)</b>	<b>(3,033.38)</b>	<b>509.63</b>	<b>107.02</b>	<b>-</b>	<b>-</b>

"As at April 1, 2016"	Amount in USD	Amount in INR	Amount in Naira	Amount in INR	Amount in Iraqi Dinar	Amount in INR
<b>Financial assets</b>						
Trade receivables	52.57	3,290.32	-	-	-	-
Cash and cash equivalents	0.19	11.63	-	-	-	-
Loans	0.15	9.11	-	-	-	-
Other financial assets	0.08	5.28	-	-	-	-
	<b>52.98</b>	<b>3,316.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of long term borrowings)	106.43	6,661.64	-	-	-	-
Trade payables	29.21	1,828.42	-	-	-	-
Other financial liabilities	11.16	698.37	-	-	-	-
	<b>146.80</b>	<b>9,188.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>(93.82)</b>	<b>(5,872.10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 41. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In view of inadequate profits, the Company is not liable to make any CSR expenditure for the year.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 42. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors on May 30, 2018.

### 43. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between March 31, 2018 and the date of authorisation of these consolidated financial statements.

44. AOSL Petroleum Pte. Limited ("APPL"), a subsidiary company, has certain current trade receivables of INR 163.67 Lacs as at March 31, 2018. APPL's management is reasonably certain that this amount is recoverable in near future and hence no provision is required for the same.

45. a) Asian Oilfield & Energy Services DMCC ("ADMCC"), a subsidiary company, has written back INR 130.09 Lacs towards current trade payable (included under exceptional items) during the year ended March 31, 2018, which is subject to confirmation. In the opinion of ADMCC's management, consequential adjustments, if any, arising out of such confirmation/ reconciliation are not expected to be material.
- b) ADMCC's other financial assets as at March 31, 2018 include amount of INR 242.94 Lacs towards accrued service income from the customer, which is subject to confirmation. In the opinion of ADMCC's management, consequential adjustments, if any, arising out of such confirmation/ reconciliation are not expected to be material.
- c) ADMCC's management had appointed an independent audit firm for carrying out the physical verification of its property, plant and equipment lying at various project sites in India and also for certifying the carrying value. In the opinion of ADMCC's management, no events or circumstances have occurred that indicate the carrying amounts of property, plant and equipment may not be recoverable.

### 46. Additional information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/ Associates

Name of entity consolidated	(All amounts in Lacs, unless otherwise stated)					
	Net assets i.e. total assets minus total liabilities		Share in Profit / [Loss]		Share in other Comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit [Loss]	Amount	As % of Consolidated OCI	Amount
<b>Parent Company</b>						
Asian Oilfield Services Limited	95.68%	13,446.45	(200.7%)	(2,067.72)	(54.68%)	(3.16)
<b>Subsidiaries - Foreign</b>						
AOSL Petroleum Pte Limited	(7.7%)	(1,076.04)	(10.8%)	(111.72)	-	-
Asian Oilfield & Energy Services DMCC	16.55%	2,325.81	307.88%	3,171.62	154.65%	8.94
Ivorene Oil Services Nigeria Limited	0.96%	134.90	3.72%	38.31	-	-
<b>Subtotal</b>	<b>105.54%</b>	<b>14,831.12</b>	<b>100.03%</b>	<b>1,030.48</b>	<b>100.00%</b>	<b>5.78</b>
Inter-Company elimination and consolidation adjustment	(5.5%)	(777.79)	0.01%	0.13	-	-
<b>Joint venture (Indian)</b>						
(Investment as per equity method)						
Optimum Oil & Gas Private Limited	0.00%	(0.23)	(0.02%)	(0.23)	-	-
<b>Grand total</b>	<b>100.00%</b>	<b>14,053.11</b>	<b>100.00%</b>	<b>1,030.16</b>	<b>100.00%</b>	<b>5.78</b>

### 47. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Group, be applied retrospectively and consistently for all financial years presented.

Further, in preparing these Ind AS financial statements, the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 47. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (CONTD.)

- A. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

#### Deemed cost of property plant and equipment

The Group has opted para D7 AA and accordingly considered the Indian GAAP carrying value of property, plant and equipments and intangible assets as deemed cost as at transition date.

#### De-recognition of financial assets and liabilities

The Group has elected to apply de-recognition requirements for financial assets and liabilities under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist on the date of transition to Ind AS. Further, the Group has opted para B8C and accordingly considered fair value of the financial asset at the transition date as the amortised cost of that financial assets.

#### Business Combinations

Business Combinations that occurred before transition date were not restated retrospectively in accordance with Ind AS 103, Business Combinations. The carrying amounts of assets acquired and liabilities assumed as part of past business combinations that arose from such transactions as they were determined under the Indian GAAP are considered their deemed cost under Ind AS at the date of transition.

#### Cumulative translation differences

The Group has deemed the cumulative translation differences for foreign operations at the date of transition to be zero. Adjustments to give effect to this are recorded against opening equity. After the date of transition, translation differences arising on translation of foreign operations are recognised in other comprehensive income and included in a separate 'Foreign currency translation reserve' within equity.

#### Estimates

Upon an assessment of the estimates made under Indian GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS except as a part of transition where estimates for impairment of financial assets based on expected credit loss model were required by Ind AS and not required by Indian GAAP.

- B. Reconciliation between Indian GAAP and Ind AS

- (i) Reconciliation of equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Equity as per Indian GAAP		8,179.28	1,006.68
Effect of transition to Ind AS:			
Impact of recognising financial assets initially at fair value, and subsequently at amortised cost	1	(0.09)	-
Impact of prior period item that is now accounted for retrospectively		-	(22.48)
<b>Equity as per Ind AS</b>		<b>8,179.19</b>	<b>984.20</b>

- (ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	As at March 31, 2017
Net loss as per Indian GAAP		(1,840.23)
Effect of transition to Ind AS:		
Impact of recognising financial assets initially at fair value, and subsequently at amortised cost	1	(0.09)
Impact of prior period item that is now accounted for retrospectively		22.48
Impact of remeasurement of defined benefit obligations reclassified to other comprehensive income	2	(2.62)
<b>Net loss before other comprehensive income as per Ind AS</b>		<b>(1,820.46)</b>
Other comprehensive income		
Impact of remeasurement of defined benefit obligations	2	2.62
Exchange differences in translating the financial statements of foreign operations	2	45.11
<b>Total comprehensive loss as per Ind AS</b>		<b>(1,772.73)</b>

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2018 (Contd.)

### 47. FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (CONTD.)

#### C. Notes to first time adoption of Ind AS

##### 1. Security deposit

Under the Indian GAAP, interest free refundable security deposits are recorded at their transaction value. Under Ind AS, such deposits are initially recognised at fair value as financial assets. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent and recognised as rent expenses over the lease term on a straight line basis. Financial assets are subsequently measured at amortised cost and finance income is recognised using effective interest rate method.

##### 2. Other comprehensive income

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability and exchange differences in translating the financial statements of foreign operations are recognised in other comprehensive income instead of profit and loss. Under the Indian GAAP, these re-measurements were forming part of the statement of profit and loss for the year.

##### 3. Effect of Ind AS adoption on statement of cash flow for the year ended March 31, 2017

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the Indian GAAP.

### 48. SEGMENT INFORMATION

(a) The Group is principally engaged in a single business segment, viz. "Oilfield services".

(b) Revenue by region of domicile of customer's location

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from external customers		
India	9,566.28	4,341.83
Outside India	12,656.01	8,089.79
Total revenue from operations (Refer Note 22)	22,222.29	12,431.62

(c) Revenue derived from the major customers is as follows:

(All amounts in Lacs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	12,656.00	6,351.00
Revenue from top three customer	19,837.01	11,499.43

For the year ended March 31, 2018, four (March 31, 2017 : five) customers, individually accounted for more than 10% of the revenue.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Rakesh R. Agarwal

Partner

Membership No.: 109632

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Naresh Chandra Sharma

Chariman

(DIN:00054922)

Place: Mumbai

Date: May 30, 2018

Ashutosh Kumar

Director and Chief Executive Officer

(DIN:06918508)

Shweta Jain

Company Secretary

(ACS-23368)

# Manager's report

## Asian Oilfield & Energy Services DMCC

### MANAGER'S REPORT

The manager of the company has pleasure in submitting this report along with the financial statements of Asian Oilfield & Energy Services DMCC, Dubai Multi Commodities Centre, Dubai (U.A.E.) for the year ended March 31, 2018.

### LEGAL STATUS AND SHAREHOLDER:

Asian Oilfield & Energy Services DMCC is incorporated and registered as a free zone company with limited liability with Dubai Multi Commodities Centre Authority in the emirate of Dubai (U.A.E.) under service license no. DMCC-32446 and having registration no. DMCC3462.

M/s Asian Oilfield Services Limited, a public limited company registered under certificate of incorporation no. 04-17254 and company identification no. L23200HR1992PLC052501 with Registrar of Companies, National Capital Territory of Delhi, Haryana, India is the sole shareholder of the company as at the reporting date holding share capital of AED 3,675,000/- (3,675 shares of AED 1,000/- each), equivalent to USD 1,000,000/-. The registered address of M/s Asian Oilfield Services Limited is unit no. 1110, 11th floor, JMD Megapolis, Sector-48, Sohna road, Gurgaon-122018, India.

### OPERATIONS OF THE COMPANY:

The company is licensed to carry on the activity of providing services in onshore & offshore oil and gas field and was principally engaged in same activity during the year under review.

The financial highlights of the company are as below:

	Amount in U.S. Dollars (USD)	
	2017-18	2016-17
Revenue	20,825,723/-	12,718,184/-
Gross profit	5,753,252/-	1,835,386/-
Net profit/(loss)	4,921,292/-	(2,653,708/-)
Total liabilities	3,499,764/-	9,908,767/-
Equity & shareholder's funds	7,476,458/-	4,173,808/-

### RESULTS & DIVIDEND:

Net profit for the year amounted to USD 4,921,292/- (previous year incurred net loss of USD 2,653,708/-).

Opening balance of accumulated losses is set off against current year net profits & balance net profits are proposed to be carried forward as retained earnings.

### MANAGEMENT'S RESPONSIBILITIES & ACKNOWLEDGEMENTS:

We confirm that management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), implementing DMCC Company Regulations 2003 and applicable provisions of Memorandum & Articles of Association of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.

### EVENTS OCCURRING AFTER THE REPORTING DATE:

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.

### AUDITORS:

The company's auditor, M/s Kothari Auditors and Accountants, Dubai (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2018-19 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For Asian Oilfield & Energy Services DMCC

**Vinod Khatod**  
*Manager*

May 26, 2018  
 Dubai, United Arab Emirates

# Independent auditor's report

## for the year ended March 31, 2018

To the shareholder of

Asian Oilfield & Energy Services DMCC

Dubai Multi Commodities Centre, Dubai (U.A.E.)

### OPINION:

We have audited the financial statements of Asian Oilfield & Energy Services DMCC, Dubai Multi Commodities Centre, Dubai (U.A.E.) ('the company'), which comprise the statement of financial position as at 31st March 2018, and the statement of comprehensive income, statement of changes in equity & shareholder's funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31st March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs).

### BASIS FOR OPINION:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Dubai (U.A.E.), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER:

Without qualifying our opinion, we would like to state that:

- Other current assets amounting to USD 373,500/- towards accrued service income from the customer is subject to confirmation.
- Accounts payable amounting to USD 200,000/- have been written back as other income which are subject to confirmation.
- We have relied on certificate of physical verification of assets received from an independent audit firm which has conducted physical verification of the property, plant & equipment lying at various project locations in India & who also certifies its carrying amount.

### OTHER MATTER:

- The enclosed financial statements are standalone financial statements since as represented to us, the financial statements of company's subsidiary shall be consolidated directly by the company's parent.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), implementing DMCC Company Regulations 2003 and applicable provisions of the Memorandum & Articles of Association of the company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements can be found at Kothari Auditors & Accountants website at <http://www.kothariauditors.com/standards-commercial-company-laws-dubai.html>. This description forms part of our independent auditor's report.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

Further, we report that:

- we have obtained all the information we considered necessary for the purpose of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of DMCC Company Regulations 2003 and of its Memorandum & Articles of Association of the company;
- the company has maintained proper books of account and the financial statements are in agreement therewith;
- the financial information included in the manager's report is consistent with the books of accounts of the company;
- the company has not purchased or invested of any shares during the financial year ended 31st March 2018;
- note 4.1 to the financial statements discloses material related party transactions, and the terms under which they were conducted;
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the company has contravened, during the financial year ended 31st March 2018, any of the applicable provisions of DMCC Company Regulations 2003 and of its Memorandum & Articles of Association which would materially affect its activities or its financial position as at 31st March 2018.

**Kothari Vipul R.**

Ministry of Economy Registration No. 159

Kothari Auditors & Accountants

May 26, 2018

Dubai, United Arab Emirates

# Statement of financial position

## as at 31st March, 2018

Particulars	Note no.	Amount in U.S. Dollars (USD)	
		March 31, 2018	March 31, 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & bank balances	5	4,28,057	29,24,015
Deposits, prepayments & advances	6	12,41,748	15,99,511
Amounts due from related party	7	14,27,896	11,96,569
Accounts receivables	8	14,96,975	5,00,065
		<b>45,94,676</b>	<b>62,20,160</b>
<b>Non-current assets</b>			
Investments in subsidiary	9	32,258	32,258
Property, plant & equipment	Sch-1	63,49,288	78,30,157
		<b>63,81,546</b>	<b>78,62,415</b>
<b>Total assets employed</b>		<b>1,09,76,222</b>	<b>1,40,82,575</b>
<b>LIABILITIES, EQUITY &amp; SHAREHOLDER'S FUNDS:</b>			
<b>Current liabilities</b>			
Loan from banks & financial institutions	10	13,75,000	11,25,000
Accounts payable	11	17,25,463	47,21,787
Loans & advances from others	12	-	21,50,749
Provisions, accruals & other liabilities	13	3,99,301	5,36,231
		<b>34,99,764</b>	<b>85,33,767</b>
<b>Non-current liabilities</b>			
Loan from banks & financial institutions	10	-	13,75,000
		-	13,75,000
<b>Total liabilities</b>		<b>34,99,764</b>	<b>99,08,767</b>
<b>Equity &amp; shareholder's funds</b>			
Share capital	14	10,00,000	10,00,000
Reserves & surplus	15	25,75,734	(23,45,558)
<b>Equity</b>		<b>35,75,734</b>	<b>(13,45,558)</b>
Loan from shareholder	Sch-2	48,00,351	62,21,767
Shareholder's current account	Sch-3	(8,99,627)	(7,02,401)
<b>Equity &amp; shareholder's funds</b>		<b>74,76,458</b>	<b>41,73,808</b>
<b>Total liabilities, equity &amp; shareholder's funds</b>		<b>1,09,76,222</b>	<b>1,40,82,575</b>

The attached note nos. 1 to 29 and schedule nos. 1 to 3 form an integral part of these financial statements. Auditor's report is on page nos. 3 & 4. The shareholder has approved and authorised the manager for the issuance of these financial statements on May 26, 2018.

## Statement of comprehensive income for the year ended March 31, 2018

Amount in U.S. Dollars (USD)

Particulars	Note no.	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
Revenue	16	2,08,25,723	1,27,18,184
Direct costs	17	(1,50,72,471)	(1,08,82,798)
Gross profit		57,53,252	18,35,386
Other income	18	16,49,913	22,01,483
Impairment of accounts receivables	8	-	(45,90,116)
Administrative costs	19	(3,52,377)	(6,54,333)
Finance costs	20	(5,78,381)	(6,51,255)
Other expenses	21	(15,51,115)	(7,94,873)
<b>Net profit/(loss)</b>		<b>49,21,292</b>	<b>(26,53,708)</b>

The attached note nos. 1 to 29 and schedule nos. 1 to 3 form an integral part of these financial statements. Auditor's report is on page nos. 3 & 4. The shareholder has approved and authorised the manager for the issuance of these financial statements on May 26, 2018.

## Statement of changes in equity & shareholder's fund for the year ended March 31, 2018

Amount in U.S. Dollars (USD)

Particulars	Share capital	Accumulated (losses)/Retaine earnings	Loan from shareholder	Shareholder's current account	Total
As at 31.03.2016	10,00,000	3,08,150	7,25,262	(16,10,767)	4,22,645
Net (loss)	-	(26,53,708)	-	-	(26,53,708)
Net movements	-	-	54,96,505	9,08,366	64,04,871
<b>As at March 31, 2017</b>	<b>10,00,000</b>	<b>(23,45,558)</b>	<b>62,21,767</b>	<b>(7,02,401)</b>	<b>41,73,808</b>
As at March 31, 2017	10,00,000	(23,45,558)	62,21,767	(7,02,401)	41,73,808
Net profit	-	49,21,292	-	-	49,21,292
Net movements	-	-	(14,21,416)	(1,97,226)	(16,18,642)
<b>As at March 31, 2018</b>	<b>10,00,000</b>	<b>25,75,734</b>	<b>48,00,351</b>	<b>(8,99,627)</b>	<b>74,76,458</b>

The attached note nos. 1 to 29 and schedule nos. 1 to 3 form an integral part of these financial statements. Auditor's report is on page nos. 3 & 4.

# Statement of cash flows

## for the year ended March 31, 2018

Particulars	Note no.	Amount in U.S. Dollars (USD)	
		01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net profit/(loss)		49,21,292	(26,53,708)
Adjustments for:			
Reversal of earlier year provisions		(49,260)	(2,09,398)
Accounts payable balance written back		(6,22,122)	(19,01,900)
Loan from others written back		(8,50,749)	-
Interest income		(1,11,327)	(90,185)
Loss on disposal of property, plant & equipment		-	3,12,434
Depreciation on property, plant & equipment		14,80,869	14,96,612
Impairment of accounts receivables		-	45,90,116
Impairment of property, plant & equipment		-	4,03,916
Finance costs		5,78,381	6,51,255
<b>Cash generated from operations</b>		<b>53,47,084</b>	<b>25,99,142</b>
<b>NET CHANGES IN OPERATING ASSETS &amp; LIABILITIES:</b>			
Decrease(increase) in deposits, prepayments & advances		3,57,763	(15,86,009)
(Increase) in accounts receivables		(9,96,910)	(3,81,504)
Decrease in inventories		-	3,79,104
(Decrease)increase in accounts payable		(23,74,202)	25,98,496
(Decrease) in provisions, accruals & other liabilities		(87,670)	(1,92,288)
<b>Net cash generated from operations</b>		<b>22,46,065</b>	<b>34,16,941</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
(Increase) in amounts due from related party		(2,31,327)	(2,70,184)
(Increase) in investments in subsidiary		-	(32,258)
(Addition) to property, plant & equipment		-	(7,47,024)
Sale of property, plant & equipment		-	14,33,755
(Decrease)increase in loans & advances to others		(13,00,000)	21,50,749
Interest income		1,11,327	90,185
<b>Net cash (used in)/generated from investing</b>		<b>(14,20,000)</b>	<b>26,25,223</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
(Decrease) in borrowings from banks & financial institutions		-	(5,50,507)
(Decrease) in loan from banks & financial institutions		(11,25,000)	(5,32,944)
(Decrease) in amounts due to related party		-	(39,53,388)
(Decrease)increase in loan from shareholder		(14,21,416)	16,50,572
(Decrease)increase in shareholder's current account		(1,97,226)	9,08,366
(Outflow) of finance costs		(5,78,381)	(6,51,255)
<b>Net cash (used in) financing</b>		<b>(33,22,023)</b>	<b>(31,29,156)</b>
(Deficit)/surplus for the year		(24,95,958)	29,13,008
Cash & cash equivalents at beginning of year		29,24,015	11,007
Cash & cash equivalents at end of year	5	4,28,057	29,24,015
Non-cash transactions	22		

The attached note nos. 1 to 29 and schedule nos. 1 to 3 form an integral part of these financial statements.  
Auditor's report is on page nos. 3 & 4.

# Notes to the financial statements

## for the year ended March 31, 2018

### 1 LEGAL STATUS AND ACTIVITY:

- 1.1 Asian Oilfield & Energy Services DMCC is incorporated and registered as a free zone company with limited liability with Dubai Multi Commodities Centre Authority in the emirate of Dubai (U.A.E.) under service license no. DMCC-32446 and having registration no. DMCC3462.
- 1.2 M/s Asian Oilfield Services Limited, a public limited company registered under certificate of incorporation no. 04-17254 and company identification no. L23200HR1992PLC052501 with Registrar of Companies, National Capital Territory of Delhi, Haryana, India is the sole shareholder of the company as at the reporting date holding share capital of AED 3,675,000/- (3,675 shares of AED 1,000/- each, equivalent to USD 1,000,000/-). The registered address of M/s Asian Oilfield Services Limited is unit no. 1110, 11th floor, JMD Megapolis, Sector-48, Sohna road, Gurgaon-122018, India.
- 1.3 The principal place of business is Unit no. 2H-08-71, Floor no. 8, Building no. 2, Plot no. 550-554 J&G, DMCC, Dubai (U.A.E.) and registered address is Post Box no. 128051.
- 1.4 The company is licensed to carry on the activity of providing services in onshore & offshore oil and gas field and was principally engaged in same activity during the year under review.

### 2 BASIS OF PREPARATION:

#### 2.1 Statement of compliance:

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB).

#### 2.2 Basis of measurement:

These financial statements have been prepared under going concern assumption and historical cost convention.

#### 2.3 Basis of accounting & coverage:

The company follows the accrual basis of accounting except for statement of cash flows which is presented on cash basis. Under accrual basis, transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to the financial statements enclosed cover the period 1st April 2017 to 31st March 2018. Previous year financial statements are for the period 1st April 2016 to 31st March 2017 and have been regrouped wherever necessary.

#### 2.4 Functional & presentation currency:

The financial statements are presented in United States Dollars (USD), which is also the company's functional

currency. All financial information presented in USD has been rounded off to the nearest US Dollar.

#### 2.5 Use of estimates & judgments:

The preparation of combined financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments have been considered, which are material in nature, in preparation of financial statements.

##### - Useful lives of property, plant & equipment:

The company follows the group accounting policy for determining the useful lives, salvage value and thus the depreciation rates of the items of property, plant & equipments. The company reviews the estimated lives and salvage value on the periodic basis (as per group accounting policies) and depreciation charge would be adjusted when the management believes that they differ from previous estimates.

##### - Impairment of accounts receivables:

Accounts receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivables is created if same is outstanding for beyond normal credit terms & doubtful.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

#### 3.1 Property, plant & equipment:

Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

# Notes to the financial statements

## for the year ended March 31, 2018 (Contd.)

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life of various assets is as follows:

Machinery & tools	106 months
Office equipment	74 – 190 months
Vehicles	126 months

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These are recognised under 'other income or expense' in the statement of comprehensive income.

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

### 3.2 Financial instruments:

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument.

Accounting policy relevant to each type of financial instrument is as follows:

#### - Cash & cash equivalents:

Cash & cash equivalents for the purpose of cash flow statement comprise of balances with banks in current accounts.

#### - Accounts receivables:

Accounts receivables are amounts due from customers towards providing services in the ordinary course of business. Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivables. A reserve for impairment of accounts receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to original terms of the

accounts receivables.

#### - Accounts payable:

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

#### - Other financial assets:

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

#### - Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is de-recognised either when:

- the rights to receive cash flows from the asset have expired or
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the group intends to settle on a net basis.

### 3.3 Impairment of non-financial assets:

At each reporting date, the company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

### 3.4 Impairment of financial assets:

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;

- For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Reversal of impairment losses is recognised in prior years and is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

### 3.5 Leases:

Leases are classified as finance lease, when substantially all the risk and reward of ownership are transferred to lessee. All other leases are operating lease.

#### - Operating lease:

Lease payments under operating lease are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term. Generally the company's operating leases are for annual duration and hence company is not exposed to any operating lease obligations.

### 3.6 Employee benefits:

Employee benefits, if any, have been provided for in accordance with the contractual terms with the employees, but are however subject to minimum of UAE Labour Law requirements. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

### 3.7 Provisions & contingencies:

Provisions are recognised when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

### 3.8 Revenue recognition:

Revenue is recognized when it is probable that the economic benefit will flow to the company and the

revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.

Revenue includes the invoiced value of services provided during the year less discounts and customer claim towards delay in completion of work, if any. Service income is recognized when the service is imparted and the right to receive is established.

Rental income is accounted on time-proportion basis. Other income is recognised as and when due or received, whichever is earlier.

### 3.9 Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

### 3.10 Foreign currency transactions:

- a. Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.

- b. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the rates prevailing on the date of transaction or the determination of fair value respectively.
- c. Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.

## 4 OTHER SIGNIFICANT DISCLOSURES:

### 4.1 Related party transactions:

The company enters into transactions with another company and person that fall within the definition of a related party as per the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

The management & shareholder considers that the terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the company had transactions during the year under review comprises of the shareholder, key management personnel & group companies as stated hereunder:

Name of related parties	Control	Relationship
Asian Oilfield Services Limited, India	Shareholder	Parent company
Samara Capital Partners Fund I Limited, Mauritius*	Common control	Group company
AOSL Petroleum Pte. Ltd, Singapore	Common control	Group company
Ivorene Oil Services Nigeria Limited, Nigeria	99.99% control	Subsidiary
Oilmax Energy Private Limited	Common control	Ultimate parent company
Mr. Pradeep Devraj Vaswani <sup>1</sup>	Manager	Key management personnel
Mr. Rahul Talwar <sup>2</sup>	Director	Key management personnel
Mr. Vinod Khatod	Manager	Key management personnel
Mr. Avinash Dilip Tawde	Director	Key management personnel
Mr. Pritam Prafulchandra Karde <sup>3</sup>	Director	Key management personnel
Mr. Vasudev Devagiri <sup>3</sup>	Director	Key management personnel

\*Transactions with Samara Capital Partners Fund I Limited are included upto November 16, from the date on which it ceased to be a related party.

1Mr. Pradeep Devraj Vaswani ceased to be the company's manager w.e.f. September 9, 2016.

2Mr. Rahul Talwar ceased to be the company's director w.e.f. August 5, 2016.

3Mr. Pritam Prafulchandra Karde ceased to be the company's director with Mr. Vasudev Devagiri appointed as a new director of the company w.e.f. March 31, 2017.

During the year under review, following transactions were entered into with related parties:

Nature of transaction	Amount in U.S. Dollars (USD)	
	2017-18	2016-17
<b>Other transaction:</b>		
- Reimbursement of expenses incurred by shareholder	Nil/-	180,313/-
- Interest on amounts due from group company	111,327/-	90,185/-
- Interest on loan from shareholder	468,584/-	193,072/-
- Rental income charged to parent company	1,188,000/-	660,000/-
- Consultancy charges to ultimate parent company	Nil/-	450,000/-
- Service charges paid to subsidiary	7,532,791/-	5,284,679/-
<b>Compensation to key management personnel:</b>		
- Manager's remuneration & benefits	53,913/-	49,017/-
- Director's remuneration & benefits	Nil/-	181,257/-

**Amounts due from related party:**

Amounts due from related party is bearing interest @ 10.00% p.a. (previous year @ 10.00% p.a.).

**Loan from shareholder:**

Loan from shareholder is long term in nature, without any fixed repayment schedule and bears interest @ 9.00% p.a. (previous year @ 9.00% p.a.).

**Shareholder's current account:**

Balance in shareholder's current account represents amount (withdrawn) by the shareholder. Said balance is long term in nature and free of interest.

**4.2 Financial, capital risk management & fair value information:**

**4.2.1 Credit, liquidity & market rate risk:**

**Credit risk:**

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

Out of the total balance in bank of USD 428,057/- (previous year USD 2,924,015/-), an amount equivalent to USD Nil/- (previous year USD 478/-) was lying in Turkiye Is Bankasi A.S.'s Erbil - Iraq branch.

The exposure to credit risk on trade receivables and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the company's management. However 100% of total accounts receivables were outstanding from 1 customers (previous year 100% from 2 customers) and hence the company has concentration of accounts receivables and consequent risk to that extent.

**Liquidity risk:**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's assets are sufficient to cover its financial obligations.

The company's management is confident of settling the liabilities as and when it falls due, with project revenue cash generation and infusion by the shareholder as and when required.

The table below summarizes the maturity profile of the company's financial liabilities on contractual undiscounted payments.

As on 31st March 2018	Amount in U.S. Dollars (USD)			Total
	Less than 6 months	6 months to 1 year	More than 1 year	
Loan from bank & financial institutions	687,500	687,500	-	1,375,000
Accounts payable	1,709,661	15,802	-	1,725,463
Provisions, accrual & other liabilities	324,694	74,607	-	399,301
<b>Total</b>	<b>2,721,855</b>	<b>777,909</b>	<b>-</b>	<b>3,499,764</b>

Amount in U.S. Dollars (USD)				
As on 31st March 2017	Less than 6 months	6 months to 1 year	More than 1 year	Total
Loan from bank & financial institutions	525,000	600,000	1,375,000	2,500,000
Accounts payable	3,884,679	837,108	-	4,721,787
Loans & advances from others	300,000	1,850,749	-	2,150,749
Provisions, accrual & other liabilities	529,856	6,375	-	536,231
<b>Total</b>	<b>5,239,535</b>	<b>3,294,232</b>	<b>1,375,000</b>	<b>9,908,767</b>

#### Market risk:

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

#### - Interest rate risk:

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

In the previous year, bank overdraft carried interest @ EIBOR + 3%.

Interest @ 9.00% p.a. (previous year @ 9.00% p.a.) are payable on loan from shareholder.

Interest @ 10.00% p.a. (previous year @ 10.00% p.a.) is receivable on amounts due from related party.

#### - Currency risk:

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United States Dollar (USD) only. However the company is exposed to following foreign currency risk:

	2017-18	2016-17
Liabilities denominated in INR	4,529,867/-	120,000,000/-

#### Other risks:

#### - Revenue risk:

94.30% of revenue was generated from 1 customer only (previous year 94.81% from 1 customer) and hence the company has concentration of revenue & consequent risk to that extent.

#### 4.2.2 Capital management:

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions.

#### 4.2.3 Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

## Notes to the financial statements

### for the year ended March 31, 2018 (Contd.)

Amount in U.S. Dollars (USD)

Particulars	March 31, 2018	March 31, 2017
<b>5. CASH &amp; BANK BALANCES/CASH &amp; CASH EQUIVALENTS:</b>		
Balance with banks in current accounts	4,28,057	29,24,015
	<b>4,28,057</b>	<b>29,24,015</b>

Amount in U.S. Dollars (USD)

Particulars	March 31, 2018	March 31, 2017
<b>6. DEPOSITS, PREPAYMENTS &amp; ADVANCES:</b>		
Deposits	1,907	2,722
Prepayments	23,065	46,904
Advance to suppliers	8,42,500	-
Loans & advances to staff	341	29
Other current assets	3,73,935	15,49,856
	<b>12,41,748</b>	<b>15,99,511</b>
Movement in reserve for impairment of other current assets is as follows:		
Balance at the beginning of the year	-	-
Provided for the year	15,48,731	-
(Utilised) during the year	(15,48,731)	-
Balance at the end of the year	-	-

Deposits include AED 6,000/-, equivalent to USD 1,634/- (previous year AED 9,000/-, equivalent to USD 2,449/-) placed with Dubai Multi Commodities Centre Authority towards employee visa guarantees.

Other current assets includes amount of Nil/- (previous year 1,548,731/-) towards reimbursement of expenses from customer, which has been invoiced in subsequent period.

Amount in U.S. Dollars (USD)

Particulars	March 31, 2018	March 31, 2017
<b>7. AMOUNTS DUE FROM RELATED PARTY:</b>		
Due from group company	14,27,896	11,96,569
	<b>14,27,896</b>	<b>11,96,569</b>

Amounts due from related party carries interest @ 10.00% p.a. (previous year @ 10.00% p.a.) and includes accrued interest of 201,512/- (previous year 90,185/-).

Amount in U.S. Dollars (USD)

Particulars	March 31, 2018	March 31, 2017
<b>8. ACCOUNTS RECEIVABLES:</b>		
Trade receivables	14,96,975	5,00,065
	<b>14,96,975</b>	<b>5,00,065</b>
Age-wise analysis of accounts receivables is as follows:		
Outstanding for less than 3 months	14,96,975	2,47,400
Outstanding for more than 12 months	-	2,52,665
	<b>14,96,975</b>	<b>5,00,065</b>
Geographical analysis of accounts receivables is as follows:		
Due from Iraq	-	2,52,665
Due from Mauritius	14,96,975	2,47,400
	<b>14,96,975</b>	<b>5,00,065</b>
Movement in reserve for impairment of accounts receivables is as follows:		
Balance at the beginning of the year	-	-
Provided for the year	-	45,90,116
(Utilised) during the year	-	(45,90,116)
Balance at the end of the year	-	-

The company's exposure to credit risk relating to accounts receivables is mentioned in note no. 4.2.1.

## Notes to the financial statements

### for the year ended March 31, 2018 (Contd.)

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>9. INVESTMENTS IN SUBSIDIARY:</b>		
Investment in subsidiary	32,258	32,258
	<b>32,258</b>	<b>32,258</b>

Investment in subsidiary represents subscription to 99.99% of the paid up share capital of Ivorene Oil Services Nigeria Limited (9,999,999 fully paid up equity shares of NGN 1/- each, equivalent to USD 32,258/-).

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>10. LOAN FROM BANKS &amp; FINANCIAL INSTITUTIONS :</b>		
<b>Term loan</b>		
Opening balance	25,00,000	30,32,944
Received during the year	-	-
(Repaid) during the year	(11,25,000)	(5,32,944)
Closing balance	<b>13,75,000</b>	<b>25,00,000</b>
Due within one year	13,75,000	11,25,000
Due after one year	-	13,75,000
	<b>13,75,000</b>	<b>25,00,000</b>

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>11. ACCOUNTS PAYABLE:</b>		
Trade payables	-	12,68,264
Payable for expenses	1,27,993	1,18,844
Payables to subsidiary	15,97,470	30,84,679
Payables to ultimate parent company	-	2,50,000
	<b>17,25,463</b>	<b>47,21,787</b>

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>12. LOANS &amp; ADVANCES FROM OTHERS:</b>		
Loan from others	-	21,50,749
	-	<b>21,50,749</b>

Loan from others was free of interest.

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>13. PROVISIONS, ACCRUALS &amp; OTHER LIABILITIES:</b>		
Accrued expenses	16,483	1,68,289
Accrued staff salaries & benefits	3,20,499	3,67,942
Other liabilities	62,319	-
	<b>3,99,301</b>	<b>5,36,231</b>

Accrued staff salaries and benefits includes 74,607/- (previous year 74,607/-) payable to key management personnel.

Other liabilities represents provision made against legal expenses (refer note no. 23).

## Notes to the financial statements

### for the year ended March 31, 2018 (Contd.)

Amount in U.S. Dollars (USD)

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>14. SHARE CAPITAL:</b>		
Share capital	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>

Share capital comprises of 3,675 fully paid up equity shares of AED 1,000/- each totalling to AED 3,675,000/-, equivalent to USD 1,000,000/- (previous year 3,675 fully paid up equity shares of AED 1,000/- each totalling to AED 3,675,000/-, equivalent to USD 1,000,000/-).

Amount in U.S. Dollars (USD)

Particulars	Amount in U.S. Dollars (USD)	
	March 31, 2018	March 31, 2017
<b>15. RESERVES &amp; SURPLUS:</b>		
Retained earnings/Accumulated (losses)	25,75,734	(23,45,558)
	<b>25,75,734</b>	<b>(23,45,558)</b>

Amount in U.S. Dollars (USD)

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>16. REVENUE:</b>		
Revenue from oilfield services	2,08,25,723	1,27,18,184
	<b>2,08,25,723</b>	<b>1,27,18,184</b>

Amount in U.S. Dollars (USD)

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>17. DIRECT COSTS:</b>		
Inventories at the beginning of the year	-	3,79,104
Salaries, wages & other benefits	31,48,644	13,15,710
Transportation charges	-	20,870
Service charges	75,32,791	59,34,847
Consultancy expenses	7,43,102	7,37,387
Consumables tools	16,85,932	1,17,290
Overseas travelling expenses	5,03,437	1,68,381
Insurance expenses	20,561	3,467
Travelling & conveyance expenses	1,149	18,617
Other direct expenses	66,228	7,60,000
Depreciation on machinery, tools & vehicles	13,70,627	14,27,125
	<b>1,50,72,471</b>	<b>1,08,82,798</b>

Amount in U.S. Dollars (USD)

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>18. OTHER INCOME:</b>		
Interest income on amounts due from related party	1,11,327	90,185
Other miscellaneous income	16,455	-
Creditor balance written back	6,22,122	19,01,900
Loan from other written back	8,50,749	-
Reversal of earlier years provision	49,260	2,09,398
	<b>16,49,913</b>	<b>22,01,483</b>

## Notes to the financial statements

### for the year ended March 31, 2018 (Contd.)

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>19. ADMINISTRATIVE COSTS:</b>		
Office rent	4,066	14,002
Salaries & other staff related benefits	-	2,11,178
Manager's remuneration & benefits	53,913	49,017
Director's remuneration & benefits	-	1,81,257
Consultancy expenses	-	68,552
Communication expenses	1,32,104	11,034
Fees & charges	11,619	35,569
Office & other expenses	40,433	14,237
Depreciation on other property, plant & equipment	1,10,242	69,487
	<b>3,52,377</b>	<b>6,54,333</b>

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>20. FINANCE COSTS:</b>		
Bank charges	29,547	1,61,148
Bank interest	-	1,65,867
Interest on term loan	80,250	1,31,168
Interest on loan from shareholder	4,68,584	1,93,072
	<b>5,78,381</b>	<b>6,51,255</b>

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>21. OTHER EXPENSES:</b>		
Impairment of property, plant & equipment	-	4,03,916
Impairment of other current assets	15,48,731	-
Loss on disposal of property, plant & equipment	-	3,12,434
Foreign exchange loss - net	2,384	78,523
	<b>15,51,115</b>	<b>7,94,873</b>

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>22. NON-CASH TRANSACTIONS:</b>		
Sale of property, plant & equipment	-	14,33,755
(Decrease) in provisions, accruals & other liabilities	-	(4,34,504)
(Decrease) in accounts payable	-	(9,99,251)
(Decrease) in borrowings from banks & financial institutions	-	38,45,933
Increase in loan from shareholder	-	(38,45,933)
	-	-

## Notes to the financial statements

### for the year ended March 31, 2018 (Contd.)

#### 23. LEGAL CASE:

##### Case no. 7417/2016 in Dubai Courts:

A case was filed by Mr. Alaa El Din Ali Ali Zaid, an ex-employee against the company claiming AED 440,000/- towards labour rights. The case was heard in the Court of First Instance in Dubai and the verdict was in the company's favour.

The plaintiff has filed an appeal against the verdict before the Dubai Court of Appeal claiming an amount of AED 289,686/-. Said case was heard in the Court of Appeals in Dubai and the final verdict was issued on 16th November 2017 which was against the company. The company has provided for AED 128,644/- (equivalent to USD 35,024/-) in books.

##### Case no. 7414/2016 in Dubai Courts:

A case was filed by Mr. Tamer Mahmoud Ahmed Mohamed, an ex-employee against the company claiming AED 146,191/- towards arbitrary dismissal and severance pay. The case was heard in the Court of First Instance in Dubai and the verdict was against the company.

The company has, in consultation with its lawyers, gone for appeal against the verdict before the Dubai Court of Appeal. Said case was heard in the Court of Appeals in Dubai and the final verdict was issued on 10th October 2017 which was against the company. The company has provided for AED 100,252/- (equivalent to USD 27,295/-) in books.

Particulars	Amount in U.S. Dollars (USD)	
	01.04.2017 to March 31, 2018	01.04.2016 to March 31, 2017
<b>24. CONTINGENT LIABILITIES:</b>		
Employee visa guarantees	1,634	2,449

Except for the above and other ongoing business commitments against which the company expects no losses, there were no liabilities of contingent nature or on capital accounts outstanding as at reporting date.

#### 25. EVENTS OCCURRING AFTER THE REPORTING DATE:

There were no other significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.

## Schedules to the financial statements

### for the year ended March 31, 2018

Particulars	Amount in U.S. Dollars (USD)			
	Machinery & tools	Office equipment	Vehicles	Total
<b>SCHEDULE 1 - PROPERTY, PLANT &amp; EQUIPMENT:</b>				
<b>Cost:</b>				
As at March 31, 2017	1,21,90,558	7,16,992	1,39,361	1,30,46,911
Additions	-	-	-	-
As at March 31, 2018	1,21,90,558	7,16,992	1,39,361	1,30,46,911
<b>Accumulated depreciation:</b>				
As at March 31, 2017	45,41,989	2,37,479	33,370	48,12,838
For the year	13,70,627	1,10,242	-	14,80,869
As at March 31, 2018	59,12,616	3,47,721	33,370	62,93,707
<b>Accumulated impairment:</b>				
As at March 31, 2017	2,75,132	22,793	1,05,991	4,03,916
For the year	-	-	-	-
As at March 31, 2018	2,75,132	22,793	1,05,991	4,03,916
<b>Net value - March 31, 2018</b>	<b>60,02,810</b>	<b>3,46,478</b>	<b>-</b>	<b>63,49,288</b>
Net value - March 31, 2017	73,73,437	4,56,720	-	78,30,157

Property, Plant & equipment are lying at various project sites in India.

Particulars	Amount in U.S. Dollars (USD)	
	Asian Oilfield Services Limited	Total
<b>SCHEDULE 2 - LOAN FROM SHAREHOLDER:</b>		
As at 31.03.2016	7,25,262	7,25,262
Received during the year	54,77,993	54,77,993
(Repaid) during the year	(1,74,560)	(1,74,560)
Interest on loan account	1,93,072	1,93,072
<b>As at March 31, 2017</b>	<b>62,21,767</b>	<b>62,21,767</b>
As at March 31, 2017	62,21,767	62,21,767
(Repaid) during the year	(18,90,000)	(18,90,000)
Interest on loan account	4,68,584	4,68,584
<b>As at March 31, 2018</b>	<b>48,00,351</b>	<b>48,00,351</b>

Loan from Shareholder is long term in nature, without any fixed repayment schedule and bearing interest @ 9.00% p.a. (Previous year 9.00% p.a.).

Particulars	Amount in U.S. Dollars (USD)	
	Asian Oilfield Services Limited	Total
<b>SCHEDULE 3 - SHAREHOLDER'S CURRENT ACCOUNT:</b>		
As at 31.03.2016	(16,10,767)	(16,10,767)
Net movements	9,08,366	9,08,366
<b>As at March 31, 2017</b>	<b>(7,02,401)</b>	<b>(7,02,401)</b>
As at March 31, 2017	(7,02,401)	(7,02,401)
Net movements	(1,97,226)	(1,97,226)
<b>As at March 31, 2018</b>	<b>(8,99,627)</b>	<b>(8,99,627)</b>

Balance in shareholder's current account represents amount (withdrawn) by the shareholder. Said balance is long term in nature and free of interest.

**AOSL PETROLEUM PTE LTD**  
(Incorporated in Singapore)

**Statement by Directors**  
(Incorporated in Singapore)

The Directors have pleasure in presenting their report to the members together with the audited financial statements of AOSL Petroleum Pte Ltd ("the Company") for the financial year ended March 31, 2018.

**1. OPINION OF THE DIRECTORS**

In the opinion of the Board of Directors of the Company,

- (i) the financial statements which comprise the balance sheet as at March 31, 2018, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**2. DIRECTORS**

The Directors of the Company in office at the date of this report are:

Atul Bhoil

Teo Nancy

**3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during that year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

**4. DIRECTORS INTERESTS IN SHARES AND DEBENTURES**

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

**5. SHARE OPTIONS**

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

**6. AUDITORS**

M/s. S. Renganathan & Co., has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

Atul Bhoil

Teo Nancy

Singapore

May 17, 2018

# INDEPENDENT AUDITORS'

## Report to the Members of Aosl Petroleum Pte Ltd

### BASIS FOR A QUALIFIED OPINION

Included in other receivable is an amount of US\$ 251,636 long outstanding. We are of the opinion that the Company should provide for impairment loss against the balance.

### OPINION

We have audited the financial statements of **AOSL PETROLEUM PTE LTD** (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the above matter, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

### EMPHASIS OF MATTER

In our opinion, we draw attention to Note 17 to the financial statements. The Company's total liabilities exceeded its total assets by US\$ 1,654,672 (2017: US\$ 1,480,959). The appropriateness of the going concern assumption on which the financial statements of the Company are prepared is dependent on the continued financial support from its holding company. The holding company have agreed to continue providing financial support to the Company and not recall the amount until such time when the Company is financially solvent and also confirmed that if and when required additional funds will be made available to the Company in order for it to meet any liabilities which may fall due.

In forming our opinion, we have considered the adequacy of the disclosures of the above matter in the financial statements.

### BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS'

## Report to the Members of Aosl Petroleum Pte Ltd (Contd.)

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

On behalf of the Board of Directors

**S. Renganathan & Co.**  
*Public Accountants & Chartered  
Accountants, Singapore*

Singapore  
May 17, 2018

## Balance Sheet

as at March 31, 2018

Particulars	Notes	US\$	
		2018	2017
		US\$	US\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalent	4	7,394	7,718
Other Receivables	5	254,966	254,966
		<b>262,360</b>	<b>262,684</b>
<b>Non-Current Assets</b>			
Plant and Equipment	6	-	-
<b>Total Assets</b>		<b>262,360</b>	<b>262,684</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Payables	7	208,399	99,374
Other Payables	8	1,708,633	1,644,269
<b>Total Liabilities</b>		<b>1,917,032</b>	<b>1,743,643</b>
<b>NET (LIABILITIES)</b>		<b>(1,654,672)</b>	<b>(1,480,959)</b>
<b>EQUITY</b>			
Share Capital	9	735	735
Accumulated (Losses)		(1,655,407)	(1,481,694)
<b>Total Shareholders Equity</b>		<b>(1,654,672)</b>	<b>(1,480,959)</b>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

## Statement of Comprehensive Income

For the financial year ended March 31, 2018

Particulars	Notes	US\$	
		2018	2017
		US\$	US\$
<b>REVENUE</b>	2f	-	-
Other Operating Income	10	-	282
Administrative Expenses		(13,822)	(11,446)
Operating Expenses		(382)	(621)
(Loss) from the operations	11	(14,204)	(11,785)
Financial Cost		(159,509)	(150,915)
(Loss) before Tax		(173,713)	(162,700)
Taxation	12	-	-
<b>(Loss) after Tax</b>		<b>(173,713)</b>	<b>(162,700)</b>
Other Comprehensive Income (Net of Tax)		-	-
<b>Total Comprehensive (Loss)</b>		<b>(173,713)</b>	<b>(162,700)</b>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

## Statement of Changes in Equity

For the financial year ended March 31, 2018

			US\$
	Share Capital	Accumulated (Losses)	Total
Balance at March 31, 2016	735	(1,318,994)	(1,318,259)
Total Comprehensive (Loss) for the year	-	(162,700)	(162,700)
Balance at March 31, 2017	735	(1,481,694)	(1,480,959)
Total Comprehensive (Loss) for the year	-	(173,713)	(173,713)
<b>Balance at March 31, 2018</b>	<b>735</b>	<b>(1,655,407)</b>	<b>(1,654,672)</b>
The annexed accounting policies and explanatory notes form an integral part of the financial statements			

## Cash Flow Statement

For the financial year ended March 31, 2018

	US\$	
Particulars	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(173,713)	(162,700)
	<b>(173,713)</b>	<b>(162,700)</b>
Trade Payables	109,025	96,314
Other Payables	64,364	71,588
Cash generated from operations	173,389	167,902
Income Tax Refund / paid	-	-
<b>Net cash inflow from operating activities</b>	<b>(324)</b>	<b>5,202</b>
<b>Cash Flows From Investing Activities</b>	-	-
<b>Net cash outflow from investing activities</b>	-	-
<b>Cash Flows From financing Activities</b>	-	-
<b>Net cash outflow from financing activities</b>	-	-
<b>Net (decrease) in cash and cash equivalents held</b>	<b>(324)</b>	<b>5,202</b>
Cash and Cash Equivalents at the beginning of the year	7,718	2,516
<b>Cash and Cash Equivalents at the end of the year</b>	<b>7,394</b>	<b>7,718</b>
The annexed accounting policies and explanatory notes form an integral part of the financial statements		

# Notes to the Financial Statements

## For the financial year ended March 31, 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. CORPORATE INFORMATION

The Company (Registration Number: 200814431W) is incorporated in Singapore with its registered and the administration office at 192 Waterloo Street, #05-01 Skyline Building, Singapore 187966.

#### HOLDING COMPANY

The Company is now a subsidiary of Asian Oilfield Services Ltd, incorporated in India which is also the Company's ultimate holding company.

The financial statements are presented in United States dollars which is the also the Company's functional currency.

The principal activities of the Company are that of oil and gas exploration and investment holding.

There has been no significant change in the nature of this activity during the financial year.

The financial statements of the Company for the year ended March 31, 2018 were authorised for issue by the Board of Directors on May 17, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Societies Act and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed.

#### b. Changes in Accounting Policies

##### a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after May 1, 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the financial statements.

#### b) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after January 1, 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards:

The following standards that have been issued but not yet effective are as follows:

	Description	Effective for annual periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 115:	Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019
INT FRS 123:	Uncertainty over Income Tax Treatments	1 Jan 2019

Consequential amendments were also made to various standards as a result of these new/ revised standards.

The Company expect that the adoption of the above standards, will have no material impact on the financial statements in the period of initial application, except as described below:

##### i) FRS 109: Financial Instruments

FRS 109 introduces new requirement for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

FRS 109 is effective for annual periods beginning on or after January 1, 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company will be assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

ii) **FRS 115: Revenue from Contracts with Customers**

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

In June 2017, amendments to FRS 115 were issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company will be assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

iii) **FRS 116: Leases**

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying

asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

iv) **INT FRS 122: Foreign Currency Transactions and Advance Consideration**

This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

The Interpretations are effective from January 1, 2018.

On initial application, entities would have the option of applying the Interpretation either retrospectively or prospectively in accordance with FRS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The Company is currently assessing the impact.

c. **Property, Plant and Equipment**

a) **Measurement**

i) **Leasehold office premises**

Leasehold office premises are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss.

ii) **Other property, plant and equipment**

All other property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

### b) Components of costs

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

### c) Depreciation

Depreciation is calculated on the straight-line method and to write off the cost of the assets over their estimated useful lives as follows:-

	Years
Plant & Machinery	5 - 10
Office Equipment	3 - 5
Furniture & fittings	10

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at end of the each reporting period. The effects of any revision of the residual values and useful lives are included in the profit and loss statement for the financial year in which the changes arise.

### d) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the profit and loss statement during the financial year in which it is incurred.

### e) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit and loss statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

### d. Impairment of Non-financial Assets

At end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### e. Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### e.1. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the Company becomes a party to the contractual provision of the financial instruments. The Company classifies its financial assets as loans and receivable. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. There are no financial assets under the categories of at fair, value through profit and loss statement, available-for-sale and held-to-maturity.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

### a) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

### b) Loans and receivables

#### i) Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables. Trade and other receivables are measured at initial recognition at the fair value, and are subsequently measured at amortised cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

#### ii) Cash and bank balances

Cash and bank balances comprise cash on hand and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### c) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit and loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### d) Derecognition of financial assets

A financial asset is derecognised when:

- i) the Company transfer the contractual rights to receive the cash flows of the financial asset; or
- ii) the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or
- iii) the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form for a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

### e.2. Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and equity instrument. Financial liabilities within the scope of FRS 39 are

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

recognised on the statement of financial position when, and only when, the Company becomes party to contractual provisions of the financial instruments. The measurement of financial liabilities depends on their classification as either financial liabilities "at fair value through profit or loss" or "other financial liabilities at amortised costs".

### a) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

### b) Financial liabilities at amortised costs

#### i) Trade and other payables

Trade payable are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

### c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another form the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in the profit and loss statement.

### d) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

### f. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and for the rendering of services in

the ordinary course of the Company's activities. Amounts disclosed as revenue are net of goods and services tax, rebates and discounts.

### g. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates that have been enacted.

#### b) Deferred tax

Deferred income tax is provided, using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### h. Foreign Currency Transactions

#### a) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States dollars. Revenue and major operating expenses are primarily influenced by fluctuations in United States dollars. The financial statements are presented in United States dollars, which is the functional currency of the Company.

#### b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

### i. Provisions

Provisions are recognised when the Temple has a present obligation (legal or constructive) as a result of a past event, it is probable that the Temple will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### j. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

### k. Related Parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- b) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**Key management personnel is defined as follows:**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

### I. Events after the end of the Reporting Period

Events after the end of the reporting period that provide additional information about the Temple's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The carrying amount of the Company's income tax payable as at March 31, 2018 was Nil (2017: Nil).

### ii) Determination of functional currency

In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which the Company operate and process of determining sales prices. The Company measures foreign currency transactions in the functional currency of the Company.

### b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### i) Depreciation of property, plant and equipment

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The Company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the Company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the Company's result. The carrying amount of the Company's property, plant and equipment at March 31, 2018 was Nil (2017: Nil).

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### a) Critical judgement in applying the Company's accounting policies

In the application of the Company's accounting policies to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### i) Income taxes

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which

## Notes to the Financial Statements

### For the financial year ended March 31, 2018 (Contd.)

#### ii) Impairment of property, plant and equipment

The Company reviews the carrying amounts of the assets as at each end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

#### iii) Allowances for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses

accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in our customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful accounts.

At the end of the reporting period, the receivables are measured at fair value and their fair values might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimates uncertainty at the end of the reporting period. The carrying amount of trade and other receivables as at March 31, 2018 was US\$ 254,966 (2017: US\$ 254,966).

#### iv) Provisions

Provisions are recognised in accordance with the accounting policy, to determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

		US\$	
Particulars	2018	2017	
<b>4. CASH AND CASH EQUIVALENT</b>			
Cash at Bank	7,394	7,718	

The carrying values of these Cash and Cash Equivalents approximate their fair values and are denominated in United States dollars.

		US\$	
Particulars	2018	2017	
<b>5. OTHER RECEIVABLES</b>			
Deposit	3,330	3,330	
Amount due from Non-Related parties	251,636	251,636	
	<b>254,966</b>	<b>254,966</b>	

The amount due from related parties are interest free, unsecured and receivable on demand.

The carrying values of these other receivables approximate their fair values and are denominated in United States dollars.

				US\$	
Particulars	Plant & Machinery	Furniture & Fittings	Office Equipments	Total	
<b>6. PLANT AND EQUIPMENT - 2018</b>					
<b>Cost</b>					
As at 01/04/2017	-	-	-	-	
Additions	-	-	-	-	
<b>As at 31/03/2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Depreciation</b>					
As at 01/04/2017	-	-	-	-	
Charge for the year	-	-	-	-	
<b>As at 31/03/2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Book Value</b>					
<b>As at 31/03/2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Notes to the Financial Statements

### For the financial year ended March 31, 2018 (Contd.)

				US\$
Particulars	Plant & Machinery	Furniture & Fittings	Office Equipments	Total
<b>6. PLANT AND EQUIPMENT - 2017</b>				
<b>Cost</b>				
As at 01/04/2016	-	-	-	-
Additions	-	-	-	-
As at 31/03/2017	-	-	-	-
<b>Depreciation</b>				
As at 01/04/2016	-	-	-	-
Charge for the year	-	-	-	-
As at 31/03/2017	-	-	-	-
<b>Net Book Value</b>				
As at 31/03/2017	-	-	-	-

		US\$
Particulars	2018	2017
<b>7. TRADE PAYABLES</b>		
Accrued expenses	208,399	99,374

The carrying values of these accruals approximate their fair values and are denominated in United States dollars.

		US\$
Particulars	2018	2017
<b>8. OTHER PAYABLES</b>		
Amount due to holding Company	482,249	537,885
Amount due to related parties	1,226,384	1,106,384
	<b>1,708,633</b>	<b>1,644,269</b>

Amount due to holding Company and related parties are interest free, unsecured and repayable on demand.

The carrying values of these other payables approximate their fair values and are denominated in United States dollars.

				US\$
Particulars	No of Shares	Issued Share Capital	No of Shares	Issued Share Capital
	2018		2017	
<b>9. SHARE CAPITAL</b>				
Balance at 1st April	1,000	735	1,000	735
Balance at 31st March	1,000	735	1,000	735

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

		US\$
Particulars	2018	2017
<b>10. OTHER OPERATING INCOME</b> This is stated after charging/(crediting):		
Exchange gain	-	282

		US\$
Particulars	2018	2017
<b>11. NET INCOME FROM OPERATIONS</b> This is stated after charging/(crediting):		
Bank Charges	302	621
Interest Expenses	159,509	150,915

		US\$
Particulars	2018	2017
<b>12. INCOME TAX</b>		
Income Tax - Current Year	-	-

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate to profit

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

before income tax as a result of the following differences:

	2018	2017
Accounting (Loss)	(173,713)	(162,700)
Tax at the applicable tax rate of 17%	(29,531)	(27,659)
Tax effect of non-deductible expense	29,531	27,659
	-	-

The Company has tax loss carry forwards of US\$ 557,600 (2017: US\$ 557,600) and timing differences available for offsetting against future taxable income.

The realisation of the future income tax benefits from tax loss carry forwards and timing difference is available for an unlimited future year only if the Company derives future assessable income of a nature and of sufficient amount to enable the benefit of the deductions for the loss to be realised and the Company continues to comply with the conditions for deductibility imposed by the law including the retention of majority shareholders as defined. To the extent that tax benefits are utilised in the future from offsetting the tax loss carry forwards in respect of timing differences, provisions for deferred tax will be required for such timing differences.

### 13. RELATED PARTY TRANSACTIONS

The Company has significant transactions with related parties on terms agreed between the parties as follows:

	2018	2017
Interest paid to Related Party	(159,509)	(150,915)

All business transactions between the Company and other companies in which the directors have an interest were carried out at arm's length and charged on the same basis chargeable to other non-related companies.

### 14. FINANCIAL RISK MANAGEMENT POLICIES

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

#### Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

#### Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

# Notes to the Financial Statements

## For the financial year ended March 31, 2018 (Contd.)

### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed.

### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to holding Company and cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

#### (ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD).

### Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

### Analysis of financial instruments by remaining contractual maturities:

The table below summaries the maturity profile of the Company's financial assets and liabilities at the end of the year based on contractual undiscounted repayment obligations:

### Liquidity Risk

	31/03/2018			31/03/2017			US\$
	One year or less	Two to Five years	Total	One year or less	Two to Five years	Total	
<b>Financial Assets</b>							
Other Receivables	254,966	-	254,966	254,966	-	254,966	
Cash & Short-term	7,394	-	7,444	7,718	-	7,718	
<b>Total undiscounted financial assets</b>	<b>262,360</b>	<b>-</b>	<b>262,360</b>	<b>262,683</b>	<b>-</b>	<b>262,683</b>	
<b>Financial Liabilities</b>							
Trade & Other Payables	(1,708,633)	-	(1,708,633)	(1,734,523)	-	(1,734,523)	
<b>Total undiscounted financial liabilities</b>	<b>(1,708,633)</b>	<b>-</b>	<b>(1,708,633)</b>	<b>(1,734,523)</b>	<b>-</b>	<b>(1,734,523)</b>	
<b>Total net undiscounted financial (liabilities)</b>	<b>(1,446,273)</b>	<b>-</b>	<b>(1,446,273)</b>	<b>(1,471,840)</b>	<b>-</b>	<b>(1,471,840)</b>	

### Estimation of fair values

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

## Notes to the Financial Statements

### For the financial year ended March 31, 2018 (Contd.)

#### 15. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

**Cash and cash equivalents, other receivables and other payables**

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

**Trade receivables and trade payables**

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

#### 16. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended March 31, 2018 and March 31, 2017.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2017.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2018	2017
Net debt	1,909,638	1,735,925
Total Equity	(1,654,672)	(1,480,959)
Total Capital	254,966	254,966
Gearing Ratio	-	-

#### 17. GOING CONCERN

As at balance sheet date, the total liabilities exceeded its total assets by US\$ 1,654,672 (2017: US\$ 1,480,959). The financial statements have been prepared on a going concern basis based on the letter of support from the holding Company that financial support will continue to be available and not recall the balance until such time when the Company is financially solvent and confirm that if and when required adequate funds will be made available to the Company in order for it to meet any liabilities which may fall due.

The annexed detailed profit and loss account does not form part of the audited statutory accounts and therefore it is not covered by the auditors' report.

## Income and Expenditure Account

### For the financial year ended March 31, 2018

	US\$
<b>INCOME</b>	-
<b>LESS: EXPENSES</b>	
Audit Fees	6,000
Bank Charges	302
Interest Expense	159,509
Miscellaneous charges	80
Secretarial charges	6,322
Tax Agent Fees	1,500
<b>Total Expenses</b>	<b>(173,713)</b>
<b>(LOSS) FOR THE YEAR</b>	<b>(173,713)</b>

# Notice

Notice is hereby given that the 25th Annual General Meeting of the Members of Asian Oilfield Services Limited will be held on Tuesday, September 18, 2018 at 2.00 p.m. at Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurugram -122018, Haryana to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Vishnukumar Gupta (DIN 01189690), who retires by rotation and, being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. To appoint Mr. Kadayam Ramanathan Bharat (DIN: 00584367) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and any other rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Kadayam Ramanathan Bharat (DIN: 00584367), who was appointed as an Additional and Independent Director of the Company by the Board of Directors with effect from January 16, 2018 and who holds office up to the date of this 25th Annual General Meeting under Section 161(1) of the Act and Article 74 of the Articles of Association of the Company, and who is eligible for appointment under Section 160(1) of the Act and who has submitted a declaration that he meets the criteria for independence as required under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing with requisite deposit from a member, proposing his candidature for the office of Director, be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years with effect from January 16, 2018."

4. To appoint Mr. Ashutosh Kumar (DIN 06918508) as a Whole-time Director and Chief Executive Officer of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT in supersession of earlier resolution passed by the members at the 24th Annual General meeting of the Company held on September 8, 2017 and

pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to the approval of the Central Government, as may be required and such other permissions, sanction(s) authorities, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Ashutosh Kumar (DIN 06918508) as the Whole-time Director and Chief Executive Officer ("WTD & CEO") of the Company for a period of three years with effect from August 1, 2018 upon the remuneration and terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ashutosh Kumar."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to alter, revise and amend the terms and conditions of appointment and remuneration payable to Mr. Ashutosh Kumar, WTD & CEO, subject to the overall limits as specified in this resolution and in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V thereto and approval of the Central Government and other appropriate authorities, which may be obtained for the same."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all necessary and expedient, acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

5. To modify the terms of issue of Employees Stock Option Plan, 2017 to the employees of the Company and its holding and subsidiary companies:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of resolutions passed at the Extra-ordinary General Meeting of the Company held on March 21, 2017 and pursuant to the provisions of Section 62(1)(b), 67 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules made thereunder ("the Rules"), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employees benefits), Regulations, 2014 ("herein after referred to as the SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board

has constituted to exercise its powers, including the powers, conferred by this resolution), consent of shareholders of the Company, be and is hereby accorded to opt for issue of new equity shares up to 223,244 (Two Lakh Twenty Three Thousand Two Hundred and Forty Four) equity shares of the Company representing 1% of the paid up share capital, in one or more tranches, through primary issue (instead of secondary acquisition by the Trust) to the Employee Welfare Trust (hereinafter referred to as "Trust") for the purpose of implementation of Asian Oilfield Services Limited Employee Stock Option Plan 2017 (hereinafter referred to as the "AOSL ESOP 2017"/ "Plan") from time to time."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to the Trust set-up or to be set up by the Company in one or more tranches as per the relevant provisions prescribed by SEBI and Companies Act, 2013 for the purpose of subscription and/or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under AOSL ESOP 2017, or any other employee / plan or shares based on the following terms and conditions:

Maximum Amount of Loan that will be given to Trust	INR 36,835,260/- (Three Crores Sixty Eight Lakhs Thirty Five Thousand Two Hundred and Sixty)
Rate of Interest	Interest Free Loan
Purpose of Loan	To be utilized for subscription of shares to be allotted by the Company to ESOP Trust
Repayment terms	The trust shall repay the loan amount to the Company as and when the exercise price recovered from the employees from time to time upon exercise of the options."

"RESOLVED FURTHER THAT the Board of Directors of the Company [hereinafter referred to as "the Board" which term shall be deemed to include ESOP Compensation Committee of the Board ("ESOP Committee") and/or any persons authorized by the Board or ESOP Committee in this regard) be and is hereby authorized to make modifications, changes, variations, alterations or amendment in AOSL ESOP 2017 Scheme, settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act and Rules made thereunder, the Memorandum and Articles of Association of the Company, any other applicable laws and rules made thereunder, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

6. Approval of contract/arrangement for material related party transactions with related party:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings held on August 1, 2018 and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement (s)/ transaction(s) for rendering of services with Oilmax Energy Private Limited (Holding Company), a related party within the meaning of the Act on such terms and conditions as may be mutually agreed upon, up to a maximum amount of ₹ 300 crores from the financial year 2018-19 and onwards provided, however that contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

By order of the Board,  
For Asian Oilfield Services Limited

Archana Nadgouda  
Company Secretary

Place: Mumbai  
Date: August 1, 2018

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or members.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 6 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director are also annexed to the notice.
3. Members of the Company had approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N/N500013), as the Statutory Auditors at the 22nd Annual General Meeting of the Company held on September 28, 2015 which is valid till 27th Annual General Meeting. In accordance with the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
4. The Register of Members and Share Transfer Books of the Company will be closed on Wednesday, September 12, 2018 and Tuesday, September 18, 2018 (both days inclusive).
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
8. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants.
9. The Securities and Exchange Board of India ("SEBI") vide its circular dated 20th April, 2018 has mandated the registration of Permanent Account Number (PAN) and Bank Account details of all securities holders. Members holding shares in physical form are, therefore, can are requested to submit a self-attested copy of PAN Card and original cancelled cheque along with a covering letter to Link Intime, the Registrar and Share Transfer Agent (RTA). Members holding shares in electronic form are, therefore, requested to submit the aforesaid information to their Depository Participants with whom they are maintaining their demat accounts.
10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
11. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
12. The Notice of the AGM along with the Annual Report 2017-18 is being sent to all those persons who are members of the Company as on August 17, 2018. The Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. [www.asianoilfield.com](http://www.asianoilfield.com).
13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, other statutory registers and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection at the AGM.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / RTA.

15. The route map showing directions to reach the venue of the 25th AGM is annexed.

**16. Voting through electronic means :**

I. In compliance with provisions of Sections 108 & 110 of the Companies Act, 2013 read with Rules 22 and Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligation and Disclosure requirements) Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the 25th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Saturday, September 15, 2018 (9:00 am) and ends on Monday, September 17, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 11, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

VI. The process and manner for remote e-voting are as under :

A. Member whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:

i) Open the email and also open the PDF file 'AOSL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "AOSL e-voting.pdf".

ii) Launch an internet browser and open <https://www.evoting.nsd.com/>

iii) Click on Shareholder - Login.

iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.

v) Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.

vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.

vii) Select 'EVEN' of Asian Oilfield Services Limited.

viii) Now you are ready for e-voting as 'Cast Vote' page opens.

ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.

x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.

xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [cs.jayeshvyas@hotmail.com](mailto:cs.jayeshvyas@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):

- i. Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
  - ii. Please follow all steps from Sl. No. A (ii) to (xii) above, to cast vote.
- VII. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://evoting.nsdl.com> or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Limited at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone nos. +91 22 2499 4600/ +91 22 2499 4360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com) or contact at telephone no. 022-42441100.
- VIII. Login to the e voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X. The voting rights of members shall be as per the number of equity shares held by the Member(s) as on Tuesday, September 11, 2018, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- XI. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [secretarial@asianoilfield.com](mailto:secretarial@asianoilfield.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Jayesh Vyas of Jayesh Vyas & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.asianoilfield.com](http://www.asianoilfield.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By order of the Board,  
For Asian Oilfield Services Limited

Archana Nadgouda  
Company Secretary

Place: Mumbai  
Date: August 1, 2018

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

To appoint Mr. Kadayam Ramanathan Bharat (DIN: 00584367) as an Independent Director of the Company:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Kadayam Ramanathan Bharat (DIN 00584367) as an Additional Director and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from January 16, 2018 to January 15, 2023, subject to approval of the Members. Pursuant to Section 161 of the Act and Article 74 of the Articles of Association of the Company he holds office as Additional Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. Notice under Section 160(1) of the Act has been received from a member indicating its intention to propose Mr. Kadayam Ramanathan Bharat for the office of Director of the Company, along with requisite deposit.

#### Brief profile of Mr. Kadayam Ramanathan Bharat:

Mr. Kadayam Ramanathan Bharat is a post graduate from Indian Institute of Management. He started his career at Citibank in 1983 straight out of business school. He joined CSFB in March 97 to set up the firms Equities business in India. In 2000, he was also entrusted with running the investment banking business for CSFB India. Bharat's other achievements in CSFB include motivating and managing an extremely successful team, structuring India's first offshore Equities derivative trade. Mr. K. R. Bharat, until December 2002 was Managing Director at Credit Suisse First Boston Securities India.

He was the youngest individual to become both vice president and a member of the management committee at Citibank. His achievements include starting trading in 'units' of the UTI to doing India's first ever GDR transaction (Grasim) and taking Citibank to the top 5 of the Merchant Banking league tables in India.

At present Mr. Bharat is the driving force behind Advent Advisory Services India Private Limited. He has over the last ten years, along with his partners built a reputation as one of the best value investors in the country. The team researches and invests in undervalued mid-cap companies. Over the last few years this team has virtually outperformed every category of investor in the country.

Mr. Bharat continues to hold office as Independent Director of the Company for a term of five years with effect from 16th January, 2018 not liable to retire by rotation. Mr. Bharat meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Kadayam Ramanathan Bharat has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Kadayam Ramanathan Bharat fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as Independent Director for a term of five years from January 16, 2018 to January 15, 2023.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kadayam Ramanathan Bharat as Director and an Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Mr. Kadayam Ramanathan Bharat, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Other than Mr. Kadayam Ramanathan Bharat himself, no other Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors commend the Resolution at Item No. 3 of the accompanying Notice for the approval of the members of the Company as an ordinary resolution.

### Item No. 4

To appoint Mr. Ashutosh Kumar (DIN 06918508) as a Whole-time Director and Chief Executive Officer of the Company:

As the members are aware, at the 24th Annual General Meeting of the Company held on September 8, 2017, the appointment of Mr. Ashutosh Kumar as Chief Executive Officer and Director was approved by the shareholders by passing Special Resolution, effective from March 1, 2017.

The Board of Directors at its meeting held on August 1, 2018 has appointed Mr. Ashutosh Kumar to the position of Whole-time Director and Chief Executive Officer and Director ("WTD& CEO") of the Company for a period of three years with effect from August 1, 2018 on the terms and conditions stated in the Agreement as approved and recommended by the Nomination and Remuneration Committee in terms of provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, subject to the approval of the Shareholders, Central Government and other authorities, if any, as may be required.

Mr. Ashutosh Kumar who is a qualified Electronics Engineer from Ranchi University and has around 3 decades of professional experience. He started his career in the year 1990 with ONGC. After successfully contributing towards the organization's growth & Development he then moved to join BG group as Assistant Manager Maintenance. He rose to the position of Project Director at BG. His last assignment at BG was implementation of fit for future processes in the 3 business units of BG in India i.e. BG E&P India Ltd., Gujarat Gas and Mahanagar Gas Ltd.

Mr. Ashutosh Kumar is not related to any other Director of the Company. A brief resume of Mr. Ashutosh Kumar as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as an Annexure to this Notice.

The Company has incurred a loss of Rs. 2,067.71 lakhs during the year 2017-18. However, the Company has been widening sphere of its operational activities in the sector and undertaking all possible measures, inter alia minimizing operational expenses to the extent possible, which would yield sizeable surplus in future time to come. All our efforts are also being taken to bring accountability in the Management, to increase efficiency at all level of Management and to motivate proven employees to excel their performance, which would ultimately fructify in coming years. Therefore the Company intends to comply with the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with provisions of Section II of Part II of Schedule V of the Companies Act, 2013, which inter alia prescribe that in case of no profits or inadequate profits, the Company can pay managerial remuneration exceeding the ceiling prescribed, subject to the following :-

- (i) The proposed payment of remuneration is approved by a resolution passed by the Board on the recommendation of the Nomination and Remuneration Committee of Directors.
- (ii) A special resolution to that effect has been duly passed by the shareholders at their General Meeting of the Company.
- (iii) There is no commission of default by the Company in repayment of any of its debts or interest payable thereon.
- (iv) Approval of Central Government, if required.

At the recommendation of Nomination and Remuneration Committee of Directors, the Board of Directors of the Company at its meeting held on August 1, 2018 has already approved and recommended to the shareholders for their approval, the appointment and payment of remuneration to Mr. Ashutosh Kumar as WTD & CEO of the Company. Further the Company has not made any default in repayment of any of its debts or interest payable thereon. The Board recommends the special resolution to the shareholders for consideration, as set out in accompanying notice.

The terms and conditions proposed (fixed by the Board of Directors at their meeting held on August 1, 2018) are keeping in line with the remuneration package being paid to the proven executives / director by the comparable companies, in the Industry

and to continue to encourage good professional managers with a sound career record to important position such as that occupied by Mr. Ashutosh Kumar, to excel in areas of operations, subject to the approval of the shareholders, Central Government and other authorities, if any.

The main terms and conditions of appointment of Mr. Ashutosh Kumar (hereinafter referred to as "WTD & CEO" are given below:

(Amount in ₹)	
Particulars	Per month
Basic Salary	₹ 350,000/-
HRA	₹ 175,000/-
Transportation Allowance	₹ 1,600/-
Special Allowance	₹ 536,257/-
Meal Allowance	₹ 750/-
<b>Reimbursement :</b>	
Medical Reimbursement	₹ 1,250/-
LTA Reimbursement	₹ 29,155/-
Uniform Reimbursement	₹ 1,500/-
Gross pay per month	₹ 1,095,512/-
CTC per month	₹ 1,166,667/-
CTC per Year	₹ 14,000,004/-

#### Compensation and Benefit:

- Medical Insurance: As per the policy applicable to the Officers of the Company as amended from time to time.
- Provident Fund, Superannuation and Gratuity: As per the scheme applicable to the Officers of the Company as amended from time to time.
- Leave: As per the leave policy applicable to the Officers of the Company as amended from time to time.
- Leave Travel Allowance: As per the policy applicable to the Officers of the Company as amended from time to time.
- Such other perquisites, benefits and allowances in accordance with the scheme applicable to the Officers of the Company as amended from time to time or as may be agreed by the Board.
- Mr. Ashutosh Kumar shall also be entitled to receive any performance Bonus if and when declared by the Board of Directors, i.e. ₹ 1,600,000/-

Mr. Ashutosh Kumar shall be reimbursed all entertainment expenses that he may incur for promotion of business or in the ordinary course of business of the Company.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the salary for the relevant period. The perquisites mentioned in the table above shall be based on actual amounts and excluded from the aforesaid perquisite limit.

**Minimum Remuneration:**

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay to Mr. Ashutosh Kumar remuneration by way of salary, allowances, perquisites as minimum remuneration, as agreed to by the Board of Directors and Mr. Ashutosh Kumar.

**Other terms and conditions:**

- a) The Board of Directors or Committees thereof shall be empowered, in their discretion, to revise / modify any of the terms of his appointment, within the limits stipulated by the Schedule V of the Companies Act, 2013, from time to time.
- b) Mr. Ashutosh Kumar shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to operations of the Company. He shall not be paid any sitting fee for attending meetings of the Board or Committees thereof.
- c) The appointment can be terminated by Mr. Ashutosh Kumar or the Company, by one party giving to the other 30 days' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.  
  
The Company may terminate this Agreement forthwith by notice in writing to Mr. Ashutosh Kumar if he shall become bankrupt or make any composition or arrangement with his creditors or if he shall cease to be a Director or shall commit a breach of any of the terms, conditions and stipulations herein contained and on his part to be observed and performed.
- d) The period of office of Mr. Ashutosh Kumar shall not be liable to determination by retirement of directors by rotation, during the tenure of his Whole-time Director. Mr. Ashutosh Kumar will not be entitled to sitting fees for Meetings of the Board/ Committees of the Board attended by him.
- e) Mr. Ashutosh Kumar shall during his term, abide by the provisions of the Asian Code of Conduct and the core policies in spirit and in letter and commit to assure its implementation.
- f) The agreement with Mr. Ashutosh Kumar is subject to the jurisdiction of the Courts of Mumbai.

The aforesaid information may be treated as an abstract of terms under the provisions of the Companies Act, 2013. The specified information while seeking approval/consent of the shareholders as required under Schedule V is listed out herein below:

**I. General Information:**

1. **Nature of Industry:** Oilfield Services

2. **Date of commencement of commercial operations:**

March 10, 1992

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

4. **Financial performance based on given indicators.**

Particulars	₹ In lakhs)	
	F.Y. 2017-18	F.Y 2016-17*
Gross Income- Turnover	10,227.76	4,778.13
Operating Profit / (Loss) before Interest & Depreciation, Tax and Exceptional items	239.53	443.50
Net Profit / (Loss) after Tax	(2,067.71)	82.12
Equity Capital (face value of Rs.10/-)	3807.44	2,607.44
Net Worth	13,446.45	10,679.35

\* Financial year 2016-17 have been restated to comply with Ind-AS and make it comparable

5. **Foreign Investments or collaborations if any:** The Company has two wholly owned subsidiary (WOS) in Singapore with a capital of SGD1000 only and Asian Oilfield & Energy Services DMCC, Dubai with a capital of AED 3675000 and one step down subsidiary Ivorene Oil Services Nigeria Ltd (subsidiary of Asian Oilfield & Energy Services DMCC) with a capital of 10,000,000 fully paid up equity shares of (Nigerian naira) NGN 1/- each, equivalent to USD 32,258/-.

**II. Information about the Appointee:**

1. **Background details:** Mr. Ashutosh Kumar who is a qualified Electronics Engineer from Ranchi University and has around 3 decades of professional experience. He started his career in the year 1990 with ONGC. After successfully contributing towards the organization's growth & Development he then moved to join BG group as Assistant Manager Maintenance. He rose to the position of Project Director at BG. His last assignment at BG was implementation of fit for future processes in the 3 business units of BG in India i.e. BG E&P India Ltd., Gujarat Gas and Mahanagar Gas Ltd. He is young, motivated, enthusiastic, creative and dynamic personality. He possesses good entrepreneur skills of managing business operation.
2. **Past remuneration drawn:** Remuneration paid to Mr. Ashutosh Kumar as Director and CEO of the Company for the last financial year 2017-18 was ₹ 15,279,510/-.

3. Recognition or awards: None
4. Job profile and his suitability: Overall management of operations of the Company at head quarters and on various project sites with responsibility of business development, subject to superintendence, direction and control of the Board of Directors of the Company.

Considering his vast experience in the field of Oil and Natural Gas Sector E & P Companies and possession of required competencies, Mr. Ashutosh Kumar is considered to be most suitable person for the job.

5. Remuneration proposed: ₹ 1,166,667/- per month, as stated in the explanatory statement herein above.
6. Comparative remuneration profile with respect to industry size of the Company, profile of the position and person: Taking into consideration of remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to the appointee is purely on the basis of merit keeping in view the profile of the appointee, responsibilities assigned to him and being shouldered by him, remuneration being paid by other comparable companies in the industry, industry remuneration benchmarks, Company's remuneration policy as finalised by Nomination and Remuneration Committee constituted by the Board.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any: Except the remuneration proposed, Mr. Ashutosh Kumar does not have any pecuniary relationship with the Company. There are no managerial personnel related to him.

### III. Other information:

1. Reasons of loss or inadequate: On account of increase in the interest burden, operating cost due to difficult terrain conditions and external factors such as demand recession, due to general economic slowdown inter alia volatile market conditions of oil and gas in international market condition depressing the sentiment and demand resultantly lowering/reducing the oil exploration activities in India and abroad, adversely affecting the Company's performance as a service provider to oil and natural gas industries.
2. Steps taken or proposed to be taken for improvement: Widening the sphere of activities, move into diverse geography, cost control, improving efficiency at project sites and undertaking the newer projects for providing reasonable margins, are few steps already undertaken.  
  
The Company, being a growth oriented and steady performer, the productivity and margins could sizably increase with all possible efforts of the Company.

3. Expected increase in productivity and profits in measurable terms: With heavy thrust of Government on Oil & Gas Industry, expected improvement in sentiment and demand of Oil and Gas domestically and globally, consequently improving the demand and revenues of Service providers in Oil & Gas Sectors, the Company foresees better future in coming years. However it is extremely difficult to predict profits in measurable terms.

### IV. Disclosures:

1. The remuneration package proposed to be given to Mr. Ashutosh Kumar is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel. The tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the shareholders in general meeting with a notice period of one month by either side.
2. Mr. Ashutosh Kumar is not holding securities of the Company. Further he was not related to any Director or Promoter of the Company at any time during the period of two years prior to his appointment as a WTD & CEO. The agreement between the Company and Mr. Ashutosh Kumar is available for inspection by the members of the Company at its Registered Office between 3.00 p.m. and 5.00 p.m. on any working day of the Company.

Except Mr. Ashutosh Kumar, being the appointee, none of the other Directors / Key Managerial Personnel / their relatives is in any way, concerned or interested, financially or otherwise in the Resolution set out at Item Nos. 4 of the Notice.

The Board recommends the resolutions at item no. 4 of the accompanying Notice for approval of members of the Company.

### Item No. 5

Modification to the terms of issue of Employees Stock Option Plan, 2017 to the employees of the Company and its holding and subsidiary companies:

Members had at an Extra-ordinary General Meeting of the Company held on March 21, 2017 consented to the 'Asian Oilfield Services Limited Employee Stock Option Plan 2017' (hereinafter referred to as the "AOSL ESOP 2017"/ "Plan") to grant up to 223,244 Employee Stock Options at ₹ 165.00/- per Stock Option being 1% of the paid-up Equity Share Capital of the Company as on 31 March 2016, to the permanent employees of the Company, its wholly owned subsidiaries and of any existing and future holding & subsidiary company(ies) of the Company, including directors (other than Promoters of the Company, Independent Directors

and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) exercisable into not more than 223,244 fully paid-up Equity Shares in the Company in aggregate of face value of Rs. 10 each, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan.

The Company vide its ESOP Compensation Committee has granted 174,302 stock options to 60 eligible employees of the Company, its subsidiaries and holding company. The Company has also received in-principle approval from the stock exchange for 223,244 equity shares of Rs.10/- each to be issued under AOSL ESOP 2017. As confirmed to the stock exchange in this regard, the Company seeks the approval of shareholders for the following:-

- a) Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both:

The Company shall issue & allot new equity shares up to 223,244 (Two Lakh Twenty Three Thousand Two Hundred and Forty Four) equity shares of the Company representing 1% of the paid up share capital, in one or more tranches through primary issue to the ESOP Trust.

- b) the amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

Particulars	Details
Maximum Amount of Loan that will be given to Trust	INR 36,835,260/- (Rupees Three Crores Sixty Eight Lakhs Thirty Five Thousand Two Hundred and Sixty Only)
Rate of Interest	Interest Free Loan
Purpose of Loan	To be utilized for subscription of shares to be allotted by the Company to ESOP Trust
Repayment terms	The Trust shall repay the loan amount to the Company as and when the exercise price recovered from the employees from time to time upon exercise of the options.

Consent of the members is being sought pursuant to Section 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, under the Plan.

The Board of Directors commend the Resolution at Item No. 5 of the accompanying Notice for the approval of the members of the Company as a special resolution.

#### Item No. 6

#### Approval of contract/arrangement for material related party transactions with related party:

The Company in its ordinary course of business and/or on arms' length basis undertakes contracts as an oil & gas industry service provider, of providing end to end services across the entire upstream value chain, including geophysical data acquisition (seismic), turnkey drilling, production facility construction (EPC) using the Build-Own-Operate-Transfer model and facility operation and maintenance (O&M). The Company provides integrated project management and/or a specific suite of bespoke solutions.

Oilmax Energy Private Limited, ("Oilmax") the holding company of the Company has been awarded 2 blocks namely CHARAIDED and DUARMARA in the DSF Round -1 of bidding. After approval of field development plan by Directorate General of Hydrocarbons (DGH) Oilmax proposes to bring the said blocks to production by financial year 2019-20 for which it is in the process of floating various tenders required for drilling, work over, sidetrack of wells, construction of production facilities and operations & management of production facilities. These include specialized services such as hiring of rig service, cementing services, logging services including mud logging and wireline logging, mud materials and services, waste disposal and ETP services. The Company is having extensive industry experience in providing the aforesaid services and therefore proposes to bid for these tender in its ordinary course of business and on arms' length pricing.

The Company has taken note that Oilmax falls in the category of a related party of the Company under Section 2(76) read with 188 of the Companies Act, 2013 and also under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Further the SEBI regulations require all material related party transactions to be approved by the shareholders through a special resolution and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transaction(s) entered into with Oilmax whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders through a special resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with Oilmax up to a maximum amount of Rs. 300 crores from the financial year 2018-19 and onwards.

Although the transaction is in the ordinary course of business and on arms' length basis approval of the shareholders under the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on these resolutions.

The relevant information is as follows:-

1. Name of the related party	Oilmax Energy Private Limited ("Oilmax")
2. Name of Director or KMP who is related	None
3. Nature of relationship	Oilmax is the holding company of the Company.
4. Nature of the transaction and material terms thereof including value	Rendering of services including but not limited to drilling fresh wells, sidetrack, work over of existing wells in the blocks, construction of production facilities and operations & management of production facilities depending on the requirement of Oilmax. These include specialized services such as hiring of rig service, cementing services, logging services including mud logging and wireline logging, mud materials and services, waste disposal and ETP services. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of the Company's business.
5. Period of transaction	Financial year 2018-19 onwards
6. Maximum amount of transactions that shall be entered into	The transactions to be entered into shall not exceed estimated aggregate contract value of Rs. 300 Crores.
7. The indicative base price / current contracted price and the formula for variation in the price if any	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 300 Crores.
8. Manner of determining the pricing to ascertain whether the same is on arms' length	The Company in its ordinary course of business undertakes such kinds of contracts for unrelated parties as well.
9. Business rationale for entering into such transaction	The drilling of wells, sidetrack and work over services to be rendered pursuant to these contracts/ arrangement will expand the business horizon of the Company into a new segment of business. The execution of these contracts will increase the creditability and credentials of the Company in the market. These contracts will also provide the work experience required for qualifying for tenders in the future.
10. Justification for such entering into such a contract	The Company in its ordinary course of business undertakes such kinds of contracts.

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on August 1, 2018 and have approved the proposed arrangements with the Oilmax and have also decided to seek approval of shareholders by way of special resolution pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board of Directors commend the Resolution at Item No. 6 of the accompanying Notice for the approval of the members of the Company as a special resolution.

By order of the Board,  
For Asian Oilfield Services Limited

Archana Nadgouda  
Company Secretary

Place: Mumbai  
Date: August 1, 2018

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

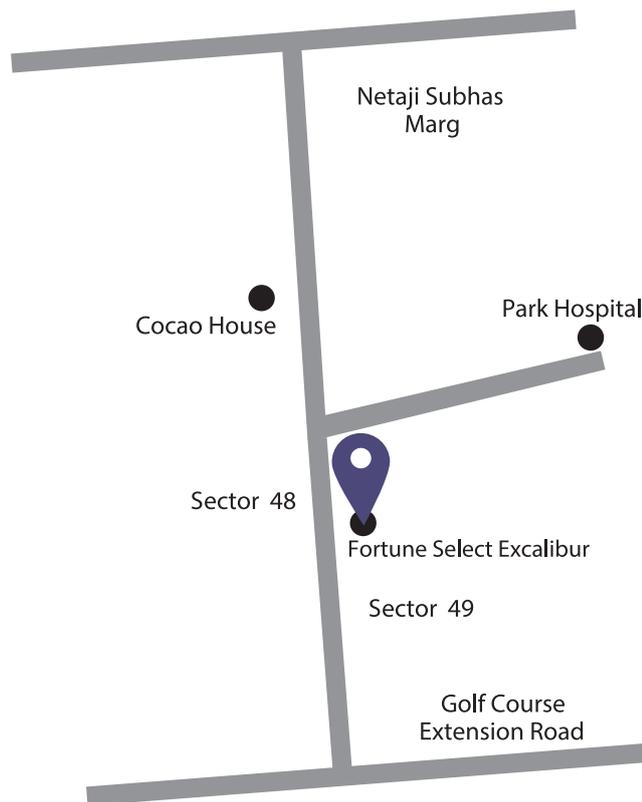
Particulars	Mr. Gaurav Gupta	Mr. Kadayam Ramanathan Bharat	Mr. Ashutosh Kumar
Date of Birth	May 22, 1982	June 23, 1962	August 10, 1964
Age (In years)	35	56	54
Date of Appointment	February 22, 2017	January 16, 2018	August 1, 2018
Qualifications	MBA from UK	Electronics Engineer from Ranchi University	Electronics Engineer from Ranchi University
Experience & expertise in specific functional areas	Wide experience in the field of finance & accounts, legal and business development	Wide business experience in investment banking, research and advisory services, equity capital markets.	Wide experience in the field of upstream oil and gas sector
Relationships between directors inter-se	None	None	None
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	None	i. BSR Advent Advisors Limited ii. 2020 Imaging India Limited	None
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee).	None	None	None
Number of shares held in the Company	None	None	None

**Note:** For other details such as number of meetings of the Board attended during the year, and key managerial remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors please refer to the Board's Report and the Corporate Governance Report.



ASIAN OILFIELD SERVICES LIMITED  
CIN : L23200HR1992PLC052501

## ROUTE MAP



**ASIAN OILFIELD SERVICES LIMITED**

CIN : L23200HR1992PLC052501

Regd. Office : Unit No. 1110 , 11th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurugram -122 018, Haryana.

Tel .No. : 91 0124 4256145, Fax. No. : 91 0124 6606406, Email: secretarial@asianoilfield.com

Website: asianoilfield.com

**ATTENDANCE SLIP**

I hereby record my / our presence at the 25th ANNUAL GENERAL MEETING of the Company held at Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurugram-122018, Haryana on Tuesday, September 18, 2018 at 2.00 p.m.

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

\_\_\_\_\_  
Full name of the Member ( IN BLOCK LETTERS )\_\_\_\_\_  
Full name of Proxy ( IN BLOCK LETTERS )\_\_\_\_\_  
Member's / Proxy's Signature

**Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM**

**ASIAN OILFIELD SERVICES LIMITED**

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FORM MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L23200HR1992PLC052501

Name of the Company: Asian Oilfield Services Ltd.

Registered Office : Regd. Office : Unit No. 1110 , 11th Floor, JMD Megapolis, Sector-48, Sohna Road, Gurugram-122 018, Haryana.

Name of the member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We being a member / members of \_\_\_\_ shares of the above named company, hereby appoint

1.	Name :	Address :
	E-mail Id	Signature : ....., or failing him
2.	Name :	Address :
	E-mail Id	Signature : ....., or failing him
3.	Name :	Address :
	E-mail Id	Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Tuesday, September 18, 2018 at 2.00 p.m. at Conference Hall, King Arthur-3, Hotel Fortune Select Excalibur, Main Sohna Road, Sector-49, Gurugram-122018, Haryana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 1) (Please mention no. of shares)	
		For	Against
<b>Ordinary Business :</b>			
1.	a) Adoption of the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and		
	b) Adoption of the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.		
2.	To appoint a Director in place of Mr. Gaurav Vishnukumar Gupta (DIN 01189690), who retires by rotation and, being eligible, offers himself for re-appointment.		
<b>Special Business :</b>			
3.	To appoint Mr. Kadayam Ramanathan Bharat (DIN: 00584367) as an Independent Director of the Company.		
4.	To appoint Mr. Ashutosh Kumar (DIN 06918508) as a Whole-time Director and Chief Executive Officer of the Company.		
5.	To modify the terms of issue of Employees Stock Option Plan, 2017 to the employees of the Company and its holding and subsidiary companies.		
6.	Approval of contract/arrangement for material related party transactions with related party.		

Signed this ..... day of ..... 2018

\_\_\_\_\_  
Signature of the member

\_\_\_\_\_  
Signature of the proxy holder(s)

Affix ₹ 1 Revenue Stamp
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Note :

1. The proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, you proxy will be entitled to vote in the manner as he/she may deem appropriate.





# Corporate information

## Board of Directors

Mr. Naresh Chandra Sharma	Chairman - Independent Director
Mr. Kadayam Ramanathan Bharat	Independent Director
Ms. Anusha Mehta	Independent Women Director
Dr. Rabi Narayan Bastia	Non Executive Director
Mr. Ashutosh Kumar (w.e.f. August 1, 2018)	Wholetime Director & CEO
Mr. Gaurav Vishnukumar Gupta	Non Executive Director
Mr. Rohit Agarwal (upto July 31, 2018)	Wholetime Director
Mr. Ajit C. Kapadia (upto January 16, 2018)	Independent Director

## Company Secretary

Ms. Archana Nadgouda

## Chief Financial Officer

Mr. Sumit Maheshwari

## Statutory Auditors

Walker Chandio & Co LLP  
Chartered Accountants

## Bankers

State Bank of India  
HDFC Bank Limited  
Axis Bank  
Ratnakar Bank Limited

## Internal Auditors

S. P. Chopra & Co.  
Chartered Accountants

## Registered Office

1110, 11th Floor, JMD Megapolis,  
Sector-48, Sohna Road  
Gurugram-122 018, Haryana, India  
Tel: 124-6606400, Fax: 124-4256146  
Email: mail@asianoilfield.com  
Web : www.asianoilfield.com

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
102 & 103 Shangrila Complex,  
1st Floor, Opposite HDFC Bank,  
Near Radhakrishna, Char Rasta, Akota,  
Vadodara - 390 020  
Tel: 0265-2356573 / 2356794  
Fax: 0256-2356791  
Email: vadodara@linkintime.co.in

## Corporate Office

3-A, Omkar Esquare, Chunabhatti Signal,  
Eastern Express Highway, Sion (East),  
Mumbai - 400 022

## Corporate Identity Number (CIN)

L23200HR1992PLC052501



**Asian Oilfield Services Limited**

1110, 11th Floor, JMD Megapolis, Sector-48, Sohna Road

Gurugram-122 018, Haryana, India

Tel: 124-6606400 | Fax: 124-4256146

Email: [mail@asianoilfield.com](mailto:mail@asianoilfield.com)

Web : [www.asianoilfield.com](http://www.asianoilfield.com)

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(Amount in Rs. lakhs except earnings per share)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Total income	22,574.69	22,574.69
	2.	Total Expenditure	20,490.02	20,653.69 (Refer II (a) below)
	3.	Net Profit/(Loss) After Tax	1,030.16	866.49 (Refer II (a) below)
	4.	Earnings Per Share (in Rs.)	Basic 3.65 Diluted 3.64	Basic 3.07 Diluted 3.06 (Refer II (a) below)
	5.	Total Assets	25,249.54	25,085.87 (Refer II (a) below)
	6.	Total Liabilities	11,196.43	11,360.10 (Refer II (a) below)
	7.	Net Worth	14,053.11	13,889.44 (Refer II (a) below)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a. Details of Audit Qualification:</b>			
	Independent Auditor's report on Financial Results (Consolidated):			
	As described in Note 7 to the consolidated financial results of the Group, trade receivable balance amounting to Rs 163.67 lakhs outstanding as at 31 March 2018 in books of AOSL Petroleum Pte Limited ('APPL'), a subsidiary of the Holding Company, is considered as fully recoverable by the management. However, such balance should have been provided for as at 31 March 2018 as stated in the Basis of Qualified Opinion paragraph in the audit report dated 17 May 2018 on the subsidiary financial statements, issued by an independent firm of Chartered Accountants registered in Singapore, and reproduced by us as under:			
	"Included in other receivable is an amount of USD 251,636 long outstanding. We are of the opinion that the Company should provide for impairment loss against the balance."			

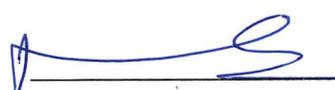
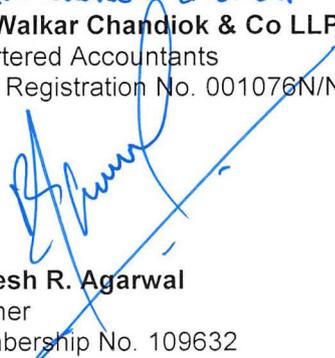
**Asian Oilfield Services Ltd.**  
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	<p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>
	<p><b>c. Frequency of qualification:</b> Qualification continuing from the year ended 31 March 2016</p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> AOSL Petroleum Pte. Limited ("APPL"), a subsidiary company, has certain current trade receivables of Rs. 163.67 lakhs as at 31 March 2018. APPL's management is reasonably certain that this amount is recoverable in near future and hence no provision is required for the same.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>(i) Management's estimation on the impact of audit qualification:</b> Not applicable</p> <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Not applicable</p> <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> Not applicable</p>
<p>III. Signatories:</p> <ul style="list-style-type: none"> <li>• CEO and Director / Wholetime Director</li> <li>• Audit Committee Chairman</li> <li>• Statutory Auditor</li> </ul> <p>Place : Mumbai Date : 30 May 2018</p>	<p>Mr. Ashutosh Kumar </p> <p>Mr. N.C. Sharma </p> <p><i>Walker Chandiook &amp; Co LLP</i> For <b>Walker Chandiook &amp; Co LLP</b> Chartered Accountants Firm Registration No. 001076N/N500013</p> <p> <b>Rakesh R. Agarwal</b> Partner Membership No. 109632</p>  

**Asian Oilfield Services Ltd.**

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