

# Walker Chandiook & Co LLP

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## **Review Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of Asian Oilfield Services Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Asian Oilfield Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in Note 3(a) to the accompanying unaudited consolidated financial results, the Company's trade receivables, short-term loans and advances and long-term loans and advances as at 31 December 2016 include Rs. 1,318.31 lacs, 104.05 lacs and 118.71 lacs respectively (as at 31 March 2016: 1,141.08 lacs, 104.05 lacs and 128.71 lacs respectively, and as at 30 September 2016: 1,300.38 lacs, 104.05 lacs and 118.71 lacs respectively and as at 31 December 2015: Rs. 348.42 lacs, Rs. 104.05 lacs and Rs. 168.84 lacs respectively) being considered good and recoverable by the management. However, in the absence of sufficient appropriate evidence, we are unable to comment upon the recoverability of the aforesaid trade receivables, short-term loans and advance and long-term loans and advances, and the consequential impact, if any on the accompanying unaudited consolidated financial results. Our audit opinion on the consolidated financial statements for the year ended 31 March 2016 and our review report on the



unaudited consolidated financial results for the quarter ended 30 September 2016 and quarter and nine months ended 31 December 2015 were also qualified in respect of this matter.

4. Based on our review conducted as above and upon consideration of the review reports of other auditors, except for the effects of qualification as described in the previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 3(b) to the accompanying unaudited consolidated financial results which describes the uncertainty related to outcome of legal case filed by the Company in relation to liquidated damages/penalties claimed by a customer after serving a show cause notice for termination of contract. These matters are pending litigation with District Court, Jorhat. Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been recorded in unaudited consolidated financial results. Our opinion is not qualified in respect of these matters.
6. We did not review the interim financial results of two subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of Rs. 1,535.67 lacs and Rs. 1,549.21 lacs for the quarter and period ended 31 December 2016 respectively, net profit/(loss) after tax (after eliminating intra-group transactions) of Rs. 296.64 lacs and (Rs. 1,332.69) lacs for the quarter and period ended 31 December 2016 respectively and total assets of Rs. 21,883.66 lacs as at 31 December 2016. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



per **Anamitra Das**

Partner

Membership No. 062191

**Place:** Kolkata

**Date:** 10 February 2017

**PART I**  
**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016** (Rs. In lacs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income from operations</b>						
a) Sales from Operations	1,663.36	309.06	1,203.11	2,899.68	7,106.78	7,766.76
<b>Total Income from operations</b>	<b>1,663.36</b>	<b>309.06</b>	<b>1,203.11</b>	<b>2,899.68</b>	<b>7,106.78</b>	<b>7,766.76</b>
<b>2. Expenses</b>						
a) Employee benefits expense						
b) Operating expenses	543.21	253.33	624.83	1,356.61	1,590.18	1,746.10
c) Depreciation and amortisation expense	554.57	175.25	882.02	1,069.01	5,203.68	6,601.25
d) Other expenses	366.55	372.42	440.48	1,147.25	1,341.26	1,777.81
<b>Total Expenses</b>	<b>308.60</b>	<b>1,446.17</b>	<b>959.54</b>	<b>2,081.00</b>	<b>1,362.81</b>	<b>1,786.81</b>
<b>3. Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>						
	(109.57)	(1,938.11)	(1,703.76)	(2,754.18)	(2,391.15)	(4,145.21)
4. Other income	68.92	57.03	21.74	127.76	198.22	2,852.42
<b>5. Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>						
	(40.65)	(1,881.08)	(1,682.02)	(2,626.42)	(2,192.93)	(1,292.79)
6. Finance costs	212.64	256.35	322.56	727.04	772.74	1,089.18
<b>7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>						
	(253.28)	(2,137.43)	(2,004.58)	(3,353.47)	(2,965.67)	(2,381.97)
8. Exceptional Items - net credit / (charge)	-	-	-	1,374.38	(1.00)	-
<b>9. Profit/(Loss) from Ordinary Activities Before Prior Period Items and Tax (7+8)</b>						
	(253.28)	(2,137.43)	(2,004.58)	(1,979.10)	(2,966.67)	(2,381.97)
10. Prior Period Item	-	1,025.17	-	-	-	138.27
<b>11. Profit/(Loss) from Ordinary Activities Before Tax</b>						
	(253.28)	(1,112.26)	(2,004.58)	(1,979.10)	(2,966.67)	(2,520.25)
12. Tax expense	-	-	-	-	181.14	185.31
<b>13. Net Profit/(Loss) from Ordinary Activities After Tax (11-12)</b>						
	(253.28)	(1,112.26)	(2,004.58)	(1,979.10)	(3,147.81)	(2,705.55)
14. Extraordinary Items - net credit / (charge)	-	-	-	-	-	-
<b>15. Net Profit/(Loss) for the period (13+14)</b>						
	(253.28)	(1,112.26)	(2,004.58)	(1,979.10)	(3,147.81)	(2,705.55)
16. Paid up Equity Share Capital (face value Rs. 10 per share)	2,232.44	2,232.44	2,232.44	2,232.44	2,232.44	2,232.44
17. Reserves excluding Revaluation Reserve as per Balance Sheet	-	-	-	-	-	(1,225.76)
<b>18.i Earnings Per Share (EPS) before extraordinary items (of Rs. 10/- each) (not annualised):</b>						
(a) Basic - Rs.	(1.13)	(4.98)	(8.98)	(8.87)	(14.10)	(12.12)
(b) Diluted - Rs.	(1.12)	(4.98)	(8.98)	(8.78)	(14.10)	(12.12)
<b>18.ii Earnings Per Share (EPS) after extraordinary items (of Rs. 10/- each) (not annualised):</b>						
(a) Basic - Rs.	(1.13)	(4.98)	(8.98)	(8.87)	(14.10)	(12.12)
(b) Diluted - Rs.	(1.12)	(4.98)	(8.98)	(8.78)	(14.10)	(12.12)



**Notes :**

- 1) The above unaudited consolidated financial results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on 10 February 2017.
- 2) The consolidated accounts of Asian Oilfield Services Limited (the "Company") and its subsidiaries (the "Group") have been prepared as per Accounting Standard (AS) 21 on Consolidated Financial Statements.
- 3) As regards Auditor's observations in their review report on the above results:
- a) As at 31 December 2016, the Company has certain long outstanding trade receivables, short term loans and advances and long term loans and advances amounting to Rs. 1,318.31 lacs, Rs 104.05 lacs and Rs 118.71 lacs respectively (as at 31 March 2016: Rs. 1,141.08 lacs, Rs.104.05 lacs and Rs. 128.71 lacs respectively). The Company is reasonably certain that the same are recoverable in near future, hence no provision is required for the same.
- b) The Company had entered into a contractual agreement with a customer, ONGC, to provide 3D seismic services and has recorded revenue and receivables amounting to INR 406 lacs till 31 December 2016 against the services already delivered. The Company was not able to complete the project in time and the customer show caused the Company as to why it should not levy liquidated damages amounting to INR 333 lacs and invoke bank guarantee of INR 512.98 lacs per its entitlement under the contract. This resulted in a legal case between the Company and the customer as the Company believes there are valid grounds for delay. The Company also obtained injunction order from Guwahati High Court restraining ONGC from invoking bank guarantee. The matter is presently pending before the Jorhat Court which has directed the matter to conciliation committee based on the submission made by ONGC to the Court. Based on legal advice, the Company has not recorded provision in relation to liquidated damages and bank guarantee given to the customer.
- 4) The Consolidated Financial Results include the financial results of the subsidiaries; Asian Oilfield & Energy Services DMCC - U.A.E. and AOSL Petroleum Pte Ltd - Singapore.
- 5) The Company has opted to publish Consolidated financial results. The reviewed standalone results of the Company for the above mentioned periods are available on Company's website [www.asianoilfield.com](http://www.asianoilfield.com). Key standalone financial information is given below:

Particulars	(Rs. In lacs)					
	Quarter ended			Nine months ended		Year ended
	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from operations	127.73	309.06	346.93	1,364.05	346.93	936.26
Loss before tax	(466.48)	(154.80)	(1,030.89)	(476.09)	(1,777.25)	(2,758.46)
Net loss	(466.48)	(154.80)	(1,030.89)	(476.09)	(1,958.39)	(2,939.59)

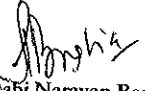
- 6) During the quarter ended 31 December 2016, the following change in the capital structure of the Company has taken place :

The Company allotted 14,500,000 equity warrants convertible into equal shares of 10 each at the option of the allottees at any time within 18 months after the allotment at an issue price of Rs 80 each on preferential basis to the promoter and a non-resident investor. In this regard, the Company received Rs. 5,800 lacs being 50% of the subscription amount as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said warrants shall be converted into equity shares on the exercise of the conversion rights by the allottees. The balance 50% of the issue price shall be payable by the allottees in tranches or lumpsum on or before exercise of the entitlement attached to warrants to subscribe for equity shares.

- 7) As per Accounting Standard (AS) 17 "Segment Reporting", the Company's business falls within a single business segment viz. "Seismic data acquisition and its related services".

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

for ASIAN OILFIELD SERVICES LIMITED

  
Rabi Narayan Bastia  
Director

DIN: 05233577

Place : Mumbai

Date : 10 February, 2017