UNLEASHING THE VALUE RESIDENT IN OUR BUSINESS

Asian
Oilfield Services

ASIAN OILFIELD SERVICES LIMITED
19TH ANNUAL REPORT, 2011-12

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

ACROSS THE PAGES...

Some of the world's largest oil fields are in a state of decline. The world needs more oil to grow.

These two statements underline a critical need to find more oil deposits.

Asian Oilfield Services is engaged in providing reservoir imaging services to customers across Asia.

Helping them locate oil and strengthen the efficiency of their drilling operations.

Vision

Asian Oilfield Services aims to be recognised and respected for the quality of its products, efficiency of its operations, customer satisfaction and goodwill generated from its service.

Our Company, employees and shareholders shall grow and prosper by gaining the loyalty of customers and market-share.

Core values

Trust: We shall conduct our business with customers, stakeholders and employees with integrity, honesty and transparency.

Quality: We shall constantly implement industry-wide practices while shunning poor ones, and keep incorporating the latest technologies to improve the quality of our products and services.

Performance: We shall strive to deliver our services most efficiently and competitively by employing a highly motivated workforce, assets of the highest standards upgraded with the latest technology and implementing the best processes and systems in the industry.

Teamwork: We shall share ideas, resources and talents and help each other in achieving our common aim of maximising stakeholder value and customer satisfaction.

Milestones

1992

Incorporated as Asian Oilfield Services Limited

1995

- The Company came with public issue in March 13, 1995
- Commenced rig operations

1997

Commenced shot-hole drilling operations

1998

Executed first seismic survey contract

2003

Executed 2D seismic contract for Premier Oil

Our business

- Incorporated in1992, Asian Oilfield Services is engaged in providing geophysical, drilling and well services to customers – leveraging their rich experience of two decades.
- The management of the Company was acquired by Samara Capital, an entrepreneurially run India focused private equity firm which invests in Emerging Indian Companies (EICs) –that are poised for rapid transformation, have strong entrepreneurial minded management team and a favorable industry context.
- The Company's shares are listed and actively traded on the Bombay Stock Exchange.
- The Company enjoyed a market capitalisation of Rs. 457 million as on March 31, 2012
- The Company is headquartered in Vadodara and its corporate office in Gurgaon and until now has provided services across the Indian subcontinent.

Our services

Asian Oilfield Services provides a comprehensive portfolio which includes the following:

- 2D and 3D seismic data acquisition
- Seismic data processing
- Topography survey
- Core drilling for mineral and CBM exploration
- Wire line logging
- Directional core drilling for shallow horizons

Our performance, 2011-12

- Gross income stood at Rs. 458.05 million against Rs. 672 million in 2010-11
- EBIDTA stood at Rs.(16.75) million against Rs. 99.37 million in 2010-11
- Reported a net loss of Rs. 90.44 million (Rs. 68.29 million in 2010-11)
- Net worth stood at Rs. 831.92 million against Rs. 922.36 million in 2010-11.
- Gross block stood at Rs. 663.99 million against Rs. 645.82 million in 2010-11

2007

Executed 2D seismic contract in North East India

2008

Samara Capital invested in the Company

2010

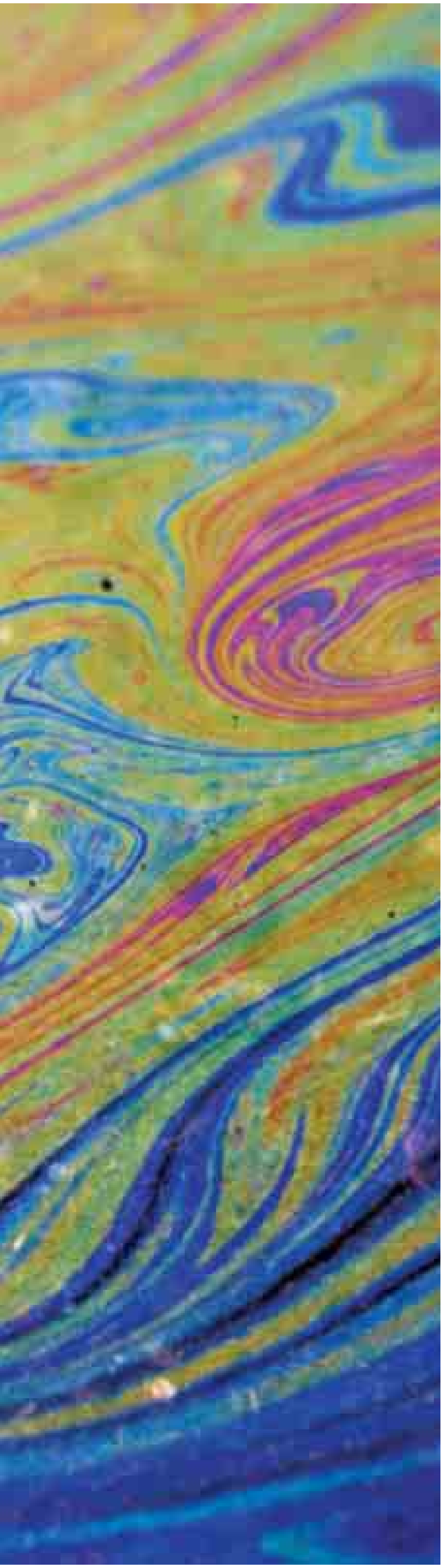
- Successfully executed first 3D seismic contract
- Commenced mineral coring operations

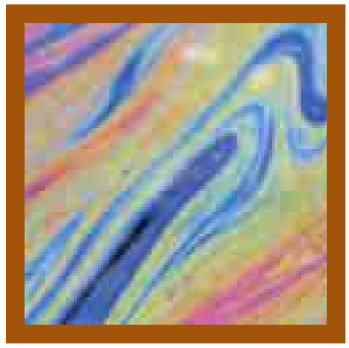
2011

Restructured the Company with a new executive team

2012

- Initiated CBM coring and drilling business
- Embarked on a new strategy to globalise its business





FROM DATA CAPTURE TO RESERVOIR IMAGING.

FOR NEARLY TWO DECADES, ASIAN OILFIELD WAS AN INDIAN SEISMIC DATA ACQUISITION, PROCESSING AND INTERPRETATION COMPANY.

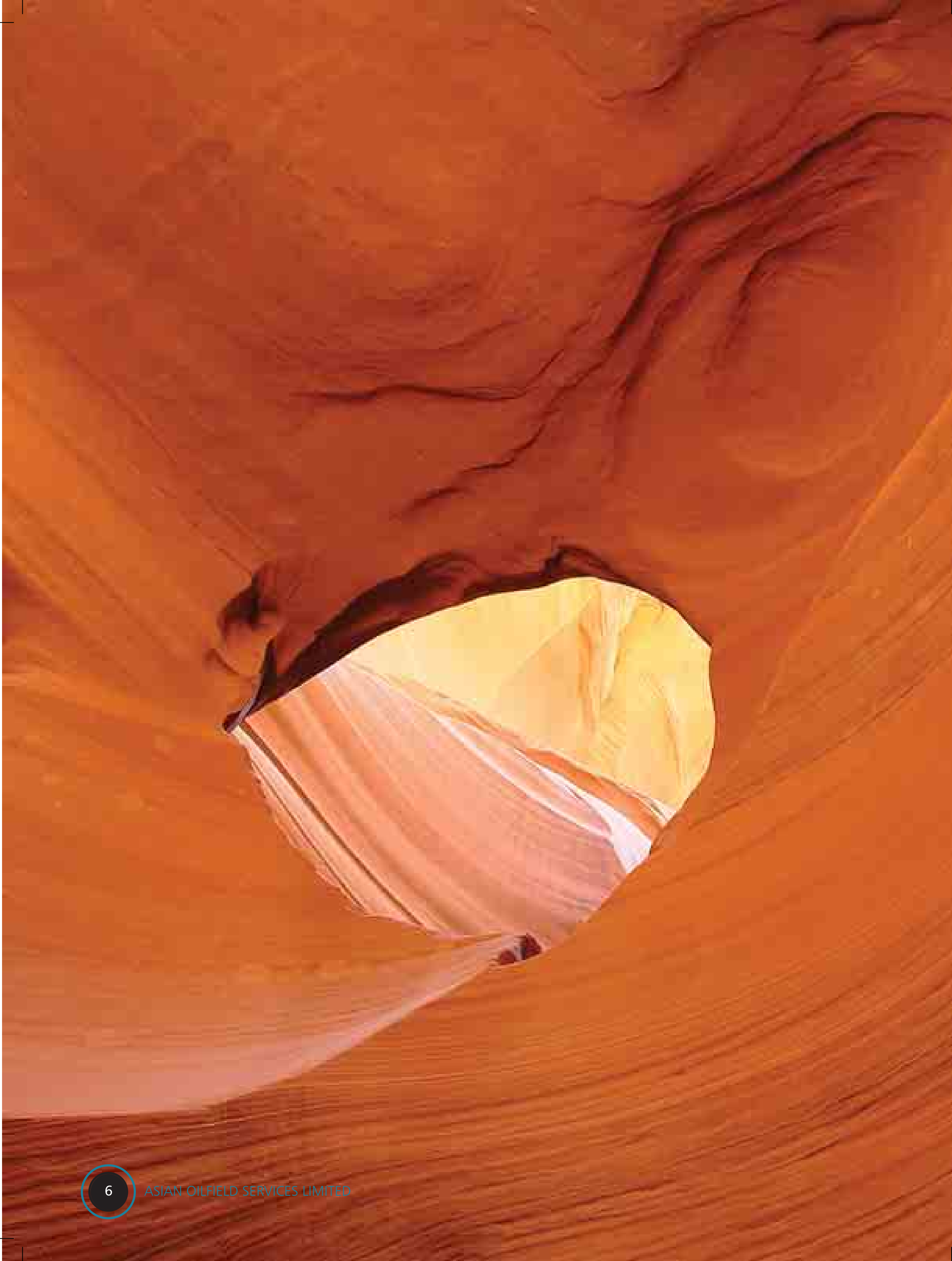
In 2010, Samara Capital acquired a controlling stake of the management of the Company with a view to position the Company as a holistic services organisation.

The Company recognised the increasing need among upstream customers to engage vendors who do not just provide seismic data but process, analyze and interpret this data with the objective to guide informed drilling decision making.

On the one hand, the Company is extending from mere data capture to reservoir imaging. On the other, the Company has restructured its management with qualified professionals and processes.

The result is that the Company is now present across the value chain: from data acquisition to interpretation and processing.

Helping enhance the value of the customer's spending.



FROM A COUNTRY TO A CONTINENT.

FOR NEARLY TWO DECADES, ASIAN OILFIELD WAS LARGELY FOCUSED ON SEISMIC EXPLORATION OPPORTUNITIES COMING OUT OF INDIA.

The new management restructured the Company's focus to capitalise on sectoral opportunities across Asia.

There is a growing focus on oil exploration in Asia for the following reasons:

- Significant oil sector investments in Asia
- Significant opportunities opening up in Asian countries
- A number of governments realizing that the imported cost of oil is affecting their country's balance of payments with a need to decrease the import of oil.

Asian Oilfields will focus on Asia's geo-strategic and energy-rich regions on the one hand and vibrant dynamic economies on the other.

FROM ASSET-HEAVY TO ASSET-LIGHT.

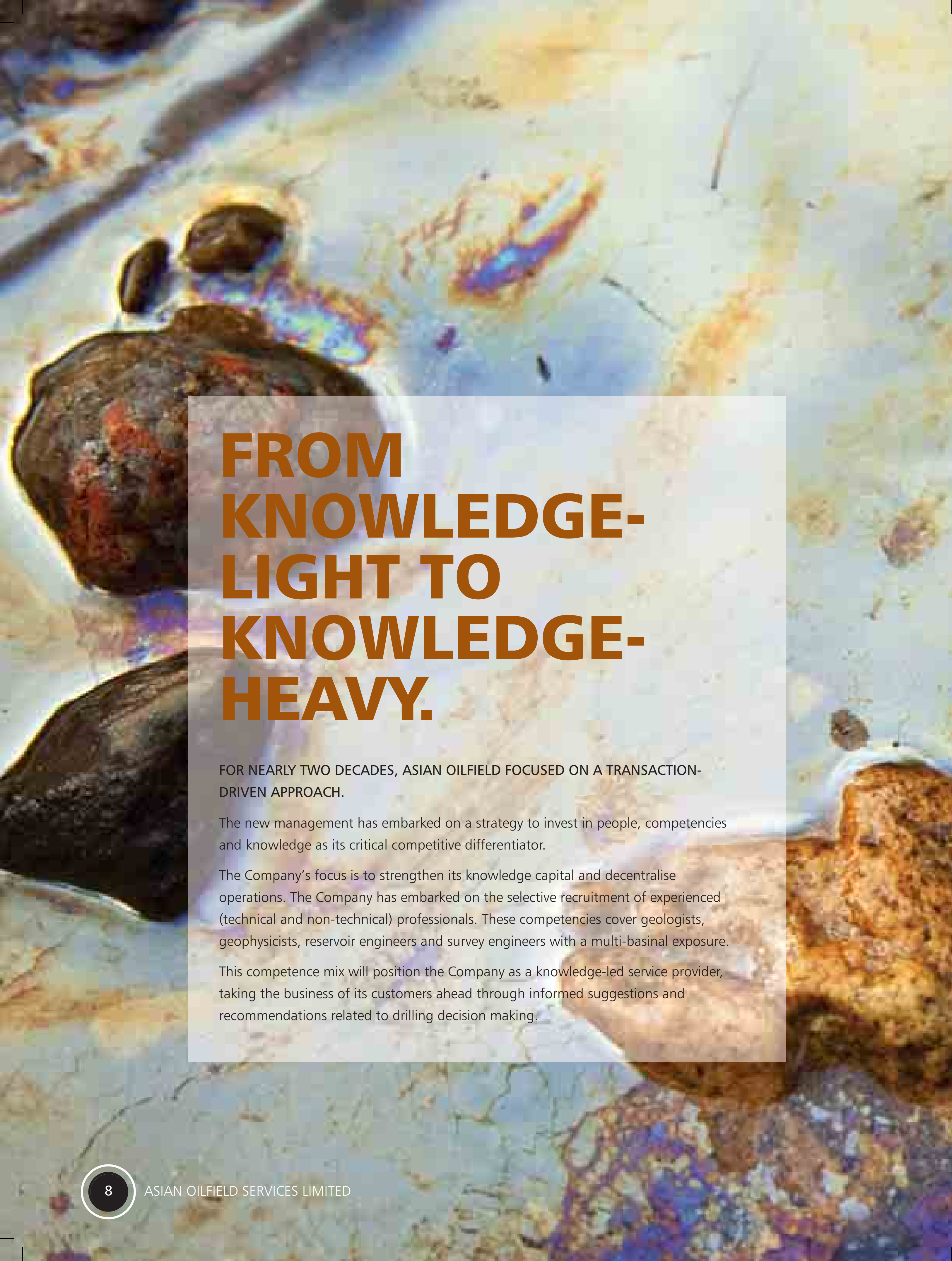
FOR NEARLY TWO DECADES, ASIAN OILFIELD INVESTED IN ITS GROSS BLOCK IN A TECHNOLOGY-EVOLVING BUSINESS, MAKING IT VULNERABLE TO CHANGES BEYOND ITS CONTROL.

The new management has embarked on a strategy to reduce the cost of asset engagement as its first step towards competitiveness.

The Company is leveraging the benefit of low-cost leasable assets in an industry currently marked by relatively low asset utilisation on the one hand and technology changes on the other. Besides, this approach will make it possible for the Company to lease assets across international geographies, reducing the turnaround time in responding to new orders and reducing logistic costs.

When the business acquires a critical mass, the Company will graduate to asset ownership and investment in cutting-edge technologies. This will enable the Company to generate a superior return on its gross block on the one hand and keep its assets relevant across the years.

This approach will make it possible for the Company to survive industry downtrends and maximise its rebound during industry recoveries.



FROM KNOWLEDGE-LIGHT TO KNOWLEDGE-HEAVY.

FOR NEARLY TWO DECADES, ASIAN OILFIELD FOCUSED ON A TRANSACTION-DRIVEN APPROACH.

The new management has embarked on a strategy to invest in people, competencies and knowledge as its critical competitive differentiator.

The Company's focus is to strengthen its knowledge capital and decentralise operations. The Company has embarked on the selective recruitment of experienced (technical and non-technical) professionals. These competencies cover geologists, geophysicists, reservoir engineers and survey engineers with a multi-basinal exposure.

This competence mix will position the Company as a knowledge-led service provider, taking the business of its customers ahead through informed suggestions and recommendations related to drilling decision making.

FROM THE SIMPLE TO THE CHALLENGING.

FOR NEARLY TWO DECADES, ASIAN OILFIELD FOCUSED ON ANY ASSIGNMENTS THAT CAME ITS WAY.

The new management has embarked on a strategy to embrace challenging assignments with the objective to reinforce its positioning as a specialised solution provider.

The Company possesses a rich experience in the understanding of diverse Indian terrains - from the plains to deserts to the north east hills.

The Company derives over one-third of its revenues from North-East India, marked by challenging topography. It encompasses an experience in some of the most inhospitable, highly forested, challenging terrains and multi-basinal regions like Mizoram, Nagaland and Godavari, among others. The Company has demonstrated an ability to deliver completed projects within schedule in densely populated areas with minimal environmental disruption. This proven competence in difficult terrains provides the Company with an edge in overseas contract bidding.

FROM COMPLACENCE TO COMPLIANCE.

FOR NEARLY TWO DECADES, ASIAN OILFIELD RESPONDED TO THE STATUTORY REQUIREMENTS OF THE DAY.

The new management has embarked on a strategy to comply with emerging statutory requirements that makes it future-ready across countries.

The Company focused on benchmarking its operational delivery in line with the challenging Health, Safety and Environment (HSE) standards of the developed countries.

The Company appointed a senior HSE executive; it created a separate HSE vertical to meet international quality, health and safety standards. The Company instituted stringent HSE management processes and practices. It evaluates the health, safety and environment risk associated with its operations and mitigates risks through industry-wide best quality and HSE practices benchmarked to prevailing legal and regulatory requirements.

Besides, the Company protects the green cover, builds infrastructure for local communities, optimises the use of explosives and protects the earth's cover.

The Company provides its employees with training (25 hours of mandatory training) to reconcile safety and high performance

The Company, through proactive planning, regular monitoring, execution of safety and quality in its operations, aims to sustain a culture of zero accidents.

FROM TRADITION TO TECHNOLOGY.

FOR NEARLY TWO DECADES, ASIAN OILFIELD INVESTED IN PREVAILING TECHNOLOGIES.

The new management has embarked on a strategy to invest in cutting-edge technologies with the objective to emerge as an industry leader.

The Company embarked on an investment in wireless seismic technology, the first such instance in India, which makes Asian the preferred choice for its customers. The Company intends to complement this with an investment in software and competencies.

As a result of this technology investment, the Company expects to reduce the average number of field operators, strengthening its productivity.

OVERVIEW

"AT ASIAN OILFIELD, WE ARE CREATING A KNOWLEDGE-HEAVY, ASSET-LIGHT RESERVOIR IMAGING ORGANISATION"

Rahul Talwar, *CEO and Wholetime Director,* explains the vision of the new management in creating a profitable Asian Oilfield Services

For two decades, Asian Oilfield was been engaged in the business of seismic survey and data interpretation with modest success. To enable the Company to realise the opportunities provided by its growing sector and the potential of its resident intellectual capital, Samara Capital, a private equity investment firm, acquired a majority stake in Asian Oilfield and assumed management control from 2010.

As a result, the year 2011-12 represents an inflection point in the existence of the Company and this annual report, the first under the new management.

In this report, I have attempted to provide a sweeping overview of why Samara Capital sought to buy out the interest of the erstwhile management, the experience that it brings to the Company and how it intends to restructure the Company's business model with the objective to unleash the most extensive value in the shortest possible time in the most sustainable way.

A differentiated Company

Business model: At Asian Oilfield, it would be simplistic to pursue the conventional models of most companies in the business, warranting a considerable investment in assets in the anticipation of generating business. We recognise that the principal cause of failure of a number of companies engaged in our business has been a predominant preference for debt-financed assets. Our business model will be dictated by an asset-light approach that leverages the availability of low-cost leasable crews and assets until our business acquires the critical mass to justify expenditure in captive complete ownership.

Consultant: At Asian Oilfield, we recognise that a relatively asset-light approach needs to be complemented by a knowledge-heavy strategy. In a mature business space marked by a relative absence of innovation, competitive advantages can be built only around an interplay of superior technology and differentiated knowledge. So while most conventional players focus on data capture and delivery, the restructured Asian Oilfield will provide data interpretation services that empower customers to decide whether to drill or look elsewhere. In doing so, we expect to graduate from the delivery of a service to a solution that takes the customer's business ahead, to evolve from a vendor to a consultant, and to transform from a seismic data company into a reservoir management organisation.

Wider footprint: At Asian Oilfield, even as we have been in existence for more than two decades in the growing space of seismic survey and data interpretation, providing an array of services to national oil companies, it could make only modest headway on account of the fragmented nature of the Indian market and corresponding regulatory limitations. As a prominent differentiator, the restructured Asian

THE YEAR 2012 REPRESENTS AN INFLECTION POINT IN THE EXISTENCE OF THE COMPANY

Oilfield will service global and particularly Asian opportunities as opposed to a strictly Indian focus.

Global yet local: At Asian Oilfield, we recognise that most seismic data capture and interpretation companies leverage a model wherein a centralised headquarter manages dispersed remote operations. As a result, a number of decisions are taken independent of the local ground, political and regulatory realities. Our restructured organisation will be adequately decentralised, monitored through modern IT tools but progressively delegated to enhance a spirit of entrepreneurship and cost management within organisational budgets and guidelines. This federal structure will enable the Company to manage a number of concurrent sites without proportionately scaling the organisation. In turn, a management restructuring from single line reporting to a product line structure, covering various verticals, will enhance business clarity and accountability.

Technology: At Asian Oilfield, we recognise the dangers arising from a significant investment in assets on the one hand and technology obsolescence on the other. As a future-proofing initiative, we intend to invest in cutting-edge technologies that have not yet made their presence felt in India. In our opinion, this differentiated technology ownership will attract deal flow, clients, superior delivery and repeat business.

Re-branding: At Asian Oilfield, we have re-branded our identity -- logo to websites -- to communicate that whereas the name and business may be the same, there has been a change in management, intent and strategic direction. Our Company is now being positioned as an imaging organisation as opposed to a conventional data acquisition function. Our Company is being positioned around an Asian personality with a global aspiration.

Outlook

The outlook for the seismic data analysis industry continues to be robustly bullish for a good reason: there is a growing demand for hydrocarbons the world over, slowdown or no slowdown. Even as the world is passing through a slowdown, oil prices only recently strengthened, indicating that oil prices will post a sharp recovery the moment global economies revive. We expect a long-term bullishness in oil and petroleum products on account of a long-term productivity decline in some of the world's largest oil wells (situated in Saudi Arabia), the relative absence of new oil finds, a rising price of oil, a growing incidence of unviable oil wells coming back on stream and a corresponding need for the re-imaging of these (and other new) wells.

The Company is at the right place at the right time:

- In South East Asia, even as several seismic data companies are defaulting on their deliverables, we possess a combination of no debt, relatively light asset structure and a corporate hunger to succeed. We also expect to see a sharp increase in oil exploration, a scenario we expect to capitalise on through bidding in partnership with oil and gas exploration companies.
- In Middle East, we entered into alliances with local companies to bid for increased projects arising out of enhanced exploration spends

Asian Oilfield possessed a reasonable order book of Rs. 28 cr as on March 31, 2012. The Company is bidding for new contracts in domestic and overseas markets.

Even as the Company is engaged in bidding for a number of contracts, the peak order book in our business is usually witnessed at the end of second quarter, before the field season commences in October. Due to the large ticket size of contracts in our business, even a nominal hit rate could potentially transform the Company's financials starting from the current financial year.

This scenario provides us with the optimism to generate enhanced revenues, enhancing value in the hands of those who own shares in our Company.

Sincerely,

Rahul Talwar
CEO and Wholetime Director

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

The global environment turned adverse in September 2011, following the turmoil in the euro zone and doubts about the US economy provoked by rating agencies. Capital flows to developing countries declined by almost half in 2011. Europe appeared to have entered a recession, while growth in several major developing countries (Brazil, India, South Africa, Turkey and to a lesser extent Russia) slowed partly due to domestic policy tightening. Despite relatively strong activity in the US and Japan, global economic trade declined. Global GDP grew 3.9% in 2011 compared with 5.3% in 2010.

As per World Economic Outlook, global economic growth is expected to slow to 3.3% in 2012, largely because the euro area economy is expected to enter into a mild recession in 2012, owing to a rise in sovereign yields, bank de-leveraging and additional fiscal consolidation.

GDP growth %

Particulars	2010	2011	2012 (E)	2013(E)
World output	5.3	3.9	3.5	4.1
Advanced economies	3.2	1.6	1.4	2.0
Emerging and developing economies	7.5	6.2	5.7	6.0
Euro Area	1.9	1.4	-0.3	0.9

(Source: IMF)

Indian economy

The Indian economy grew 6.5% in 2011-12 against 8.4% in 2010-11, largely due to weakening industrial growth.

Economic snapshot

(%)

Sector	2010-11	2011-12
Agriculture and allied activities	7.0	2.8
Mining and quarrying	5.0	(0.9)
Manufacturing	7.6	2.5
Electricity gas and water supply	3.0	7.9
Construction	8.0	5.3
Trade, hotels, transport, storage and communication	11.1	9.9
Financing, insurance, realty and business services	10.4	9.6
Community, social and personal services	4.5	5.8
GDP at factor cost	**8.4**	**6.5**

(Source: MOSPI)

Global oil and gas sector

Dated Brent averaged US$ 111.26 per barrel in 2011, increasing 40% from the 2010 level. The loss of Libyan supplies early in the year, combined with smaller disruptions in a number of other countries, hardened prices despite a large increase in production among other OPEC members following the Libyan outages and a release of strategic stocks from International Energy Agency member-countries.

Global oil consumption grew by a below-average 0.6 million barrels per day (b/d), or 0.7%, to reach 88 million b/d. This was again the weakest global growth rate among fossil fuels.

OECD consumption declined by 1.2% (600,000 b/d), the fifth decrease in the past six years, reaching the lowest level since 1995. Outside the OECD, consumption grew by 1.2 million b/d, or 2.8%. Despite strong oil prices, oil consumption growth was below average in producing regions of the Middle East and Africa due to regional unrest. China again recorded the largest increment to global consumption growth (+505,000 b/d, +5.5%) although the growth rate was below the 10-year average. Middle distillates were again the fastest-growing refined product category by volume, for the seventh time in the past 10 years.

Annual global oil production increased by 1.1 million b/d, or 1.3%. Virtually, the entire net growth was in OPEC, with large increases in Saudi Arabia (+1.2 million b/d), the UAE, Kuwait and Iraq, offsetting the loss of Libyan supply (-1.2 million b/d). Output reached record levels in Saudi Arabia, the UAE and Qatar.

Non-OPEC output was broadly flat, with increases in the US, Canada, Russia and Colombia while offsetting continued declines in mature provinces such as the UK and Norway, as well as unexpected outages in a number of other countries. The US (+285,000 b/d) had the largest increase among non-OPEC producers for the third consecutive year. Driven by continued strong growth in onshore production of shale liquids, US output reached the highest level since 1998.

Global refinery crude runs increased by a below-average 375,000 b/d, or 0.5%. Non-OECD countries accounted for the entire net increase, rising by 685,000 b/d. While OECD throughput declined by 310,000 b/d, US throughput increased (+110,000 b/d) and the US became a net exporter of refined products for the first time on record. Global refinery capacity utilisation fell to 81.2% as global refining capacity increased by 1.4 million b/d (+1.5%), outpacing growth in throughputs for the fifth time in six years.

Global oil trade in 2011 grew by 2%, or 1.1 million b/d. At 54.6 million b/d, trade accounted for 62% of global consumption, up from 58% a decade ago. China accounted for around two-thirds of the growth in trade last year, with net imports (6 million b/d) increasing by 13%. The US net imports were 29% below their 2005 peak. The Middle Eastern countries accounted for 81% of the growth in exports last year. While crude oil accounted for 70% of global trade in 2011, refined products accounted for two-thirds of the growth in global trade last year.

Proven reserves of oil

	At end 1991 Thousand million barrels	At end 1991 Thousand million barrels	At end 1991 Thousand million barrels
Total North America	123.2	230.1	217.8
Total S. and Central America	74.6	98.8	324.7
Total Europe and Eurasia	76.8	102.4	139.5
Total Middle East	660.8	698.7	765.6
Total Africa	60.4	96.8	132.7
Total Asia Pacific	37.0	40.5	41.7
Total World	1032.7	1267.4	1622.1
India	6.1	5.5	5.8

(Source: BP Statistical Review of World Energy, June 2012)

Oil production

(Thousand barrels daily)

	2007	2008	2009	2010	2011	Change 2011 over 2010
Total North America	13631	13122	13471	13880	14301	3.0%
Total S. and Cent. America	6982	7104	7229	7293	7381	1.3%
Total Europe and Eurasia	17753	17537	17703	17629	17314	-1.8%
Total Middle East	25219	26320	24633	25314	27690	9.3%
Total Africa	10263	10284	9792	10114	8804	-12.8%
Total Asia Pacific	7881	7969	7903	8251	8086	-2.0%
Total World	81729	82335	80732	82480	83576	1.3%
India	**769**	**767**	**756**	**827**	**858**	**3.9%**

(Source: BP Statistical Review of World Energy, June 2012)

Oil consumption

(Thousand barrels daily)

	2007	2008	2009	2010	2011	Change 2011 over 2010
Total North America	25070	23841	22945	23491	23156	-1.4%
Total S. and Cent. America	5582	5786	5763	6079	6241	2.9%
Total Europe and Eurasia	19984	20002	19123	19039	18924	-0.6%
Total Middle East	6895	7270	7510	7890	8076	1.8%
Total Africa	3006	3150	3243	3377	3336	-1.4%
Total Asia Pacific	25783	25720	26047	27563	28301	2.7%
Total World	86321	85768	84631	87439	88034	0.7%
India	**2835**	**3068**	**3267**	**3332**	**3473**	**3.9%**

(Source: BP Statistical Review of World Energy, June 2012)

Indian oil and gas sector

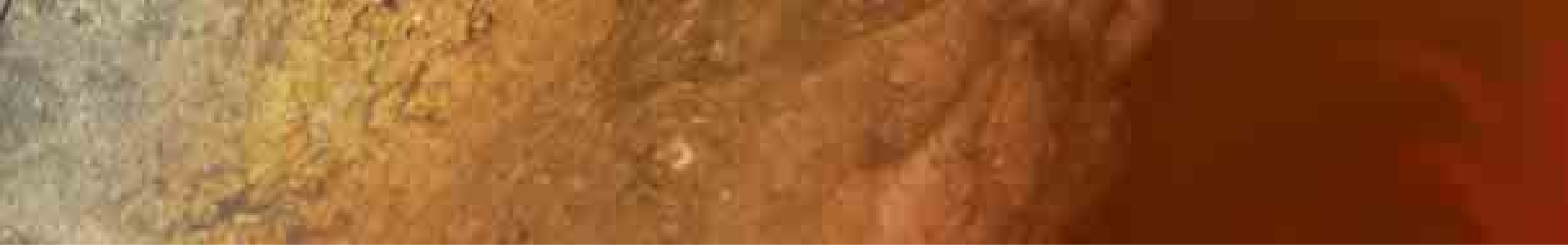
Riding on a growing economy, India is a significant consumer of oil and natural gas. The country is Asia's third-largest oil consumer and the world's fifth-largest energy consumer. According to the International Energy Agency (IEA), hydrocarbons account for the majority of India's energy consumption while coal and oil satisfy about two-thirds of the same. Natural gas accounts for a 7% share, which is expected to increase with the discovery of new gas deposits. The country has 5.8 billion barrels of proven oil reserves with an average oil production of 815,000 b/d.

During 2011-12, crude oil production was recorded at 38.087 million metric tonnes (MMT), of which onshore production was 18.024 million metric tonnes (MMT) and offshore production was 20.063 million metric tonnes (MMT).

(Source: Ministry of Petroleum and Natural Gas)

The Indian oil and gas sector is among six core industries and has substantial forward integration with the entire economy. The petroleum and natural gas industry in India attracted foreign direct investment (FDI) worth US$ 3,338.75 million from April 2000 to March 2012, according to the data provided by Department of Industrial Policy and Promotion (DIPP).

In March 2012, the Indian government announced the results of the NELP IX licensing round. Of the 34 blocks on offer, only 16 blocks were awarded licenses. State-run oil companies dominated the tender, obtaining operating rights for almost half



of the awarded blocks. Also significant is the number of unsuccessful bids for deepwater blocks. India could hold its first shale licensing round by end-2013, according to Prime Minister Manmohan Singh.

Oil price regulation

In India, a large proportion of the international oil price increase has traditionally been absorbed by the government (and shared with public sector oil producing and retailing companies). The objectives for regulation of oil prices were three-fold:

(a) to protect the domestic economy from volatility in international oil prices

(b) to provide merit goods to all households – clean cooking fuels like LPG, natural gas and kerosene to replace the use of biomass-based fuels such as firewood and dung

(c) to protect poor consumers so that they may obtain kerosene (through PDS) and LPG at affordable rates.

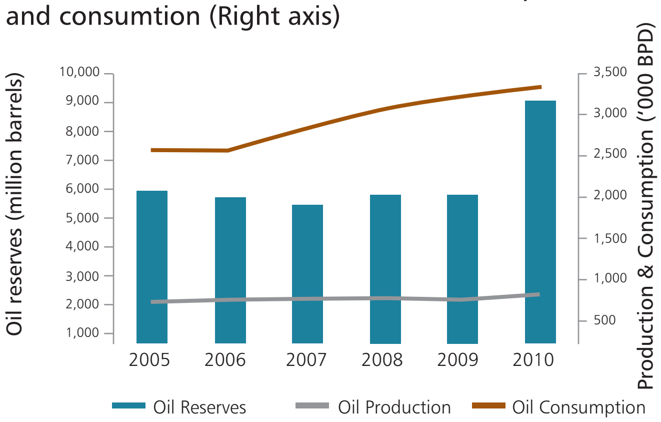
In recent years, there has been a change in the oil pricing policy with a move towards market-determined oil prices. The extent of price regulation varies across products in the oil basket, with minimum control existing for petrol and very little pass-through for LPG and kerosene.

The domestic price of oil is administered, which is essentially a policy decision, and thereby determines the degree of pass-through of the change in international prices to domestic oil prices. The third channel of transmission of oil price shock considered here is the fiscal channel. In the absence of a complete pass-through, an international oil price increase will raise the subsidy on oil and therefore the revenue expenditure of the government. A rise in the international price of oil will entail higher revenue receipts owing to an increase in ad valorem tax collections on oil and petroleum products that will have to be netted out to arrive at the net addition to oil subsidies given by the government.

The major issues faced by the oil and gas sector in India are:

- Limited participation by foreign companies in the Indian upstream sector
- Upstream skills, technology and equipment shortage
- In many cases, companies which have been competing with aggressive Chinese counterparts to acquire assets abroad have to lose out to competition due to the slow speed of clearances and decision making process in place to make large investment decisions
- Indian companies are sometimes also constrained by a lack of opportunity tracking resources and networks that can spot opportunities early on and pass it on to other companies

Balance recoverable oil reserves (Left axis), production and consumtion (Right axis)



Outlook

According to Business Monitor International (BMI)'s India Oil and Gas Report, India's average oil and liquids production for 2012 is assumed by BMI to be 1.03 mn barrels per day (b/d). We are predicting 1.11mn b/d of peak production in 2015, which we expect will decline to 1.04 mn b/d by 2021. Given a forecast consumption of 4.95mn b/d, implied 2021 oil imports are put at 3.96 mn b/d. BMI's demand outlook suggests consumption of an estimated 3.28 mn b/d in 2011 will rise steadily to 4.09 mn b/d by 2016.

Seismic services

Seismic data is generated by using vibrations to capture a two-dimensional or three-dimensional picture of the rock layers beneath the surface. The interpretation of seismic data allows the scientist to make an estimated picture of the rocks beneath the surface without drilling or digging trenches.

Traditionally, seismic data is used to develop geologic models of structure and stratigraphy. This interpretation process is qualitative in nature. Quantitative interpretation of reservoir properties uses seismic amplitude information to infer rock and fluid properties. The necessary calibration information comes from well-data, which has to be carefully and closely integrated with seismic data.

Importance of seismic services

Seismic services are an integral part of the global oil supply. The importance of energy supplied by oil globally makes seismic services that much more important. Modern day seismic services have improved significantly, satisfying the ever-growing demand. Seismic service companies are good examples of platforms where world-class hardware and software are made to work in sync to achieve successful results. Modern-day softwares generate 2D and 3D data points, making it more convenient for engineering to be able to say with a degree of certainty if a location has oil underground while modern-day drilling equipment makes it convenient for drilling the oil out of the ground.

Growth drivers of seismic services

A combination of high oil prices, improved extraction technologies, increasing global energy demands and supply concerns (including declining production, depleting production fields, maturing reservoirs and increasingly more difficult frontier exploration that is deeper, more complex and more remote) – is creating new opportunities for growth in the advanced oil and gas exploration technologies market.

Increase in global spending: The oil and gas exploration technologies market is going to be vitally important and will develop over the next ten years. Research shows that global spending in 2011 on advanced oil and gas exploration technologies totalled US$ 10.17 bn, driving the growth of seismic services.

Technological innovation: Today, technological innovation allows a more efficient management of fields and a better evaluation of exploration prospects, reducing the need to drill numerous exploratory wells, thus saving money and minimising environmental damage. As the need to find new oil and gas deposits increases, the exploration industry will be relentlessly driven towards the use of more advanced surveying methods, including seismic 2D, 3D and 4D imaging, Controlled Source Electromagnetics (CSEM) and remote sensing techniques.

Challenges: Though the industry will be faced with the restraints of proving the effectiveness of some of the new technologies commercially, while overcoming environmental concerns and confronting a weak global economy, the advanced oil and gas exploration technologies market is likely to provide substantial opportunities for potential investors.

Seismic services market outlook

Experts point out the growth in requirements to the quality of provided services. It is expected that for major projects in data processing and interpretation, segment leadership will be taken by the companies applying and developing new scientific technologies and growing computing power. Market players are interested in carrying out work on the shelf. However, the exploration on the shelf will be economically profitable for oil companies only in the case of sufficient state policy in exploration, including favourable conditions for obtaining licenses and conducting projects in collaboration with foreign specialists.

Experts agree that in the short-term, the prices of seismic services will return to the pre-crisis level. 3D-works are becoming more popular due to the fact that many oil companies completed 2D seismic surveys on their fields. This will cause an increase in volumes of orders for 3D seismic in the future. Later, following the growth of the field works, a volume increase in demand for data interpretation and processing is expected.

BOARD OF DIRECTORS

Naresh Chandra Sharma

Chairman – Non-Executive Independent Director

Mr. Naresh Chandra Sharma is a postgraduate in English Literature with 11 years of experience in serving boards of several companies including LIC Housing Finance, IFCI, Tata Chemicals Ltd., Punjab Tractors Ltd., Mukand Ltd., Jenson & Nicholson Ltd., Delhi Stock Exchange Association Ltd, among others. He previously worked with LIC of India from 1965 (AAO) till 2002 (Managing Director). He also joined the Sahara Group as CEO and Director of their start up venture 'Sahara India Life Insurance Co. Ltd' in October 2003 and occupied that position till March 2010.

Avinash Manchanda

Managing Director

Mr. Avinash Manchanda has been associated with the Company since inception and was appointed as Whole-time Director with effect from February 1, 1993 and then promoted as CEO and Managing Director of the Company. He holds a bachelor's degree in Technology and D.I.I.T from Indian Institution of Technology, Kharagpur and possesses over 36 year's of vast and varied experiences in industrial management with 26 years of extensive experience only in oilfield-related services.

Rahul Talwar

Whole-time Director

Mr. Rahul Talwar is B.E (Electronics and Communication) and has undergone the International Marketing Program for executives at INSEAD in Fontainebleau, France, Berkeley-Nanyang Advanced Management Program at Haas Business School and Berkeley and Executive MBA from the Nanyang Business School with emphasis on leadership and finance. He possesses a rich two-decade experience in the oil and natural gas sector and has worked for Schlumberger and PSG Companies in various regional/global roles in the seismic industry.

D.E. Ilavia

Non-Executive Independent Director

Mr. D.E. Ilavia is a B.Com with 37 years experience in banking and finance. He served the Central Bank of India for 33 years as an Officer, Branch Manager and Regional Manager and finally retired as Chief Internal Auditor, Audit Zone, Nagpur.

Sumeet Narang

Promoter Director

Mr. Sumeet Narang holds a postgraduate degree in Business Administration from the Harvard Business School. He also earned a Masters degree in Business from Indian Institute of Management, Lucknow B.E. in Mechanical Engineering from Indian Institute of Technology (IIT). Prior to founding Samara Capital in late 2006, Sumeet briefly worked at Goldman Sachs, New York, in their Proprietary Investments Group. He also has experience with Citigroup's private equity business in India and Citigroup's Corporate & Investment Banking business.

Gautam Gode

Promoter Director

Mr. Gautam Gode is a graduate from Princeton University and MBA from Indian Institute of Management, Ahmedabad, has had more than 14 years of experience in origination and working on deals spanning M&A, private equity, equity capital markets, distressed debt, structured fund raising and derivatives coving gamut of industries – technology, pharmaceuticals, cement, textiles, infrastructure, oil and gas, telecom and power. At present, he is associated with Samara Capital in the capacity of Managing Director. He has consented to act as a Director of the Company.

Sanjay Bhargava

Promoter Director

Mr. Sanjay Bhargava is a B.Tech from Indian Institute of Technology (IIT) Kanpur and has a PG diploma in Business Finance, ICFAI University and has over 25 years experience in manufacturing, industrials and real estate (RE) businesses. Prior to joining Samara Capital as a Managing Director, he was with M/s Bombay Burmah Trading Corporation Ltd., (BBTCL) a Wadia Group Company, as an Executive Vice President and COO from November, 2006 to September, 2010, with responsibilities for business development. He was instrumental in the acquisition and integration of auto component companies, setting up of the real estate business for BBTCL, formulation of its key RE projects and other Wadia Group companies. He was also COO of the Building Products Business (laminates) of BBTCL. He has managed industrial gases, catalysts and specialty chemical businesses in his prior stints with M/s Inox Air Products Ltd. as Chief Executive and M/s Parekh Platinum Ltd. as General Manager and was able to significantly increase volumes, profitability and the bandwidth of the businesses. He commenced his career with ICI in manufacturing and techno-commercial roles in ICI's fertilisers and catalysts businesses. He was also responsible for HSE and quality assessment aspects of the catalysts business.

Ajit Kapadia

Non-Executive Independent Director

Mr. Ajit Kapadia is B.Sc., M.Chem. Engineering, P.G. Business Management, USA in 1963.

In 1963, Mr. Ajit Kapadia joined Girdler Corporation in Louisville as a process engineer involved in design of fertilizer plants and Methanol. In 1966, he joined Fluor Corporation in Houston, Texas and got the first exposure to Hydrocarbon processing and especially natural gas processing. In 1971 Mr. Kapadia joined Engineers India Ltd. With EIL, Mr.Kapadia had full involvement with Bombay High's development plan and especially with natural gas processing and transportation. In 1982, he was appointed as the Head of the Gas Task Force, a group formed by Petroleum Ministry to review the entire country's natural gas availability and utilization pattern. In 1984, Ajit Kapadia was appointed as the first Director (Planning) with GAIL(India)Ltd. After three years at GAIL, he joined Hindustan Oil Exploration Company Limited (HOEC) and was invited to join the Board as the Managing Director. He has spent seventeen years establishing HOEC as the first private sector oil company in India. After retirement from HOEC in 2003, Mr.Kapadia continues to be Sr. Advisor to HOEC. He is also member of advisory board of IDFC-PE and Vice Chairman of Centre for Fuel Studies & Research, a non-government, not-for-profit organisation.

Statutory Section

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report and the audited accounts for the year ended March 31, 2012.

1. Financial Highlights :

(Rs. in million)

	March 31, 2012	March 31, 2011
Gross Income	458.05	672.00
Operating Profit / (Loss) before Depreciation & Interest	(16.75)	99.37
Depreciation	85.15	86.27
Profit before interest, tax and exceptional items	(101.90)	13.10
Interest	23.44	9.97
Profit / (Loss) before Tax and exceptional items	(125.34)	3.13
Exceptional Item	7.39	69.81
Tax expenses	(42.29)	1.55
Net Loss after tax and exceptional items for the period from continuing operation	90.44	68.23

2. Dividend:

In view of loss, the Board regrets its inability to recommend payment of dividend to the Shareholders.

3. Operations in Retrospect:

During the year under review, revenue from operations dipped by 31.84% to Rs. 458.05 million as against Rs. 672.00 million in the corresponding period of the previous year. The Company's loss before tax stood at Rs.125.34 million as compared to a profit of Rs.3.13 million in the previous year, whereas the Loss after Tax rose to Rs.90.44 million as compared to a loss of Rs.68.23 million registered in the previous year.

4. Operational highlights

During the year under review, the Company secured two new contracts from Jubilant Oil & Gas Private Limited for acquisition and processing of seismic data in their operational blocks in Manipur and from Oil and Natural Gas Corporation Limited for seismic job services for their operational blocks in western onshore.Also, the Company secured a second extension of an existing contract for seismic data acquisition from Jubilant Oil & Gas Private Limited for their operational blocks in Tripura.

In its mineral drilling activity, the Company introduced directional drilling technology for Indian Metals & Ferro Alloys Limited (IMFA) and Hindustan Zinc Limited (HZL) in Mineral Drilling and completed drilling and geophysical logging of ten core holes successfully for Oil and Natural Gas Company Limited (ONGC) in complex sub-surface geological formation, where other contractors failed to complete a single hole under the same contract. The

Company was able to operate its rigs efficiently reducing downtime and ensuring better supply chain management. Mineral core drilling experience of the company paved the way for CBM drilling. The company secured a contract from Reliance Industries Limited during the year, despite competition from three experienced competitors. Innovativetechniquesused for non-coring portion up to depths of 400m resulted in substantial cost saving. The Company completed eight wells in less than six months ahead of deadline, resulting in extensionof contract. The Company now qualifies for all future exploratory drilling andgeophysical logging tenders released by Government and private companies

5. Future Outlook :

Over the past five years India's economy has continued to grow at a moderate pace despite slowdown in major global economies. The Indian economy grew at a rate of 8.2% in the Eleventh Five Year Plan fuelled by strong domestic demand, increased investment in infrastructure and strong capital inflows. However, in the past year the growth rate has tapered off. In FY 2011-12, the GDP grew at 6.9% as against 8.4% in FY 2010-11.

High oil prices shaved off much of the nation's GDP growth rate.More than half of India's total export earnings went into buying petroleum, particularly, crude imports in 2011-12, thereby seriously impacting the country's overall economy. For the past five years, the petroleum imports have been equivalent to almost 40 per cent of the total exports made by India in the past six years. For the year, 2011-12, the figure is at an astonishing high of 51.2 per cent. The crude oil imports have not increased only because of price increase in the last several years. In quantitative terms also, these imports have shown a rising trend. The quantity of petroleum imports has increased from 82 million tonnes in 2002-03 to 164 million tons in 2010-11. Simultaneously, the average price of crude oil has also been rising over the years barring 2009-10.

However, with the crude prices falling in the international market, the equation is expected to change in the on-going financial year of 2012-13.

In the long term, the growth story remains intact with India entering a phase of significant demographic divide, rising urbanization, growing consumerism and increasing infrastructure investment. Under the current scenario, the Twelfth Five Year Plan (2012-17) is being developed to support a growth of 8%. Assuming normal monsoons, robust industrial growth and resilient performance of the service sector, GDP in FY 2012-13 is expected to grow about 7%.

The growing demand for oil is expected to fuel investment by oil exploration companies resulting in business opportunities for companies in the seismic data acquisition processing and interpretation space.

6. Board of Directors :

Mr. Sumeet Narang and Mr. Dali E. Ilavia retire by rotation and being eligible, offer themselves for reappointment.

Mr. Rahul Talwar, the President and CEO was appointed as an Additional Director at the meeting the Board of Directors held on May 21, 2012. He has been appointed as the Whole time Director for a period of 3 years, effective from May 21, 2012, on the terms and conditions as are enumerated in the Agreement, subject to the approval of the Shareholders .

A brief note on Directors being appointed / re-appointed are furnished in the accompanying notice calling the Annual General Meeting as required under Clause 49(IV) (G) of the Listing Agreement entered in to with Bombay Stock Exchange Ltd.

7. Directors' Responsibility Statement :

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that

i) the applicable accounting standards have been followed in the preparation of the annual accounts.

ii) accounting policies have selected and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the Company's state of affairs at the end of the financial year and of the loss of the Company for the year under review.

iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the Company's Assets and preventing and detecting fraud and other irregularities.

iv) the Annual Accounts have been prepared on a 'going concern' basis.

8. Management Discussion and Analysis :

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., Management Discussion and Analysis Report is given separately, forming part of this Report.

9. Corporate Governance :

A separate section titled "Corporate Governance" including a certificate from the Practicing Company Secretary confirming the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and form part of this report.

10. Report on Corporate Social Responsibility :

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility.

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 is aware of the environmental impact of its operations and it continually strives to reduce such impact.

The Company respects human rights, values its employees and invests in technologies and solutions for economic growth. The Company has initiated to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations.

11. Health Safety and Environment (HSE):

Asian Oilfield Services Limited has put emphasis on HSE as its prime focus in the business. The company's HSE Management system (HSE-MS) has been reinforced and rolled out with new initiatives. The HSE-MS is used to establish Company-wide safety management objectives, guiding principles and processes.

The company has a stringent policy / motto of "NO ONE GETS HURT" which in turn drives our employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities where we operate. The Company's commitment to excellence in HSE is embedded in the company's core values while at the same time ensuring the highest standards of safety and environment protection in our operations.

12. Subsidiary Companies and Consolidated Financial Statements :

The Company has two Wholly Owned Subsidiaries Companies under the names of M/s. AOSL Petroleum Pte. Ltd, Singapore and M/s. Asian Offshore Pvt. Ltd.(incorporated on October 18, 2011) There has been no material change in the nature of business of the subsidiary companies. A statement containing brief financial details of the subsidiary companies, are included in the Annual Report.

As required under the Listing Agreements with the Bombay Stock Exchange Ltd., a Consolidated Financial Statement of the Company and its subsidiaries, are attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2012, is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company for inspection at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiary companies to any member on demand.

13. Dematerialization of Shares :

The Company has been allotted ISIN No. INE276G01015 for its Equity Shares by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Members are requested to Dematerialize Shares held by them for their convenience.

14. Audit Committee :

In compliance of Section 292A of the Companies Act, 1956 an Audit Committee has been constituted with Mr. Naresh Chandra Sharma, Mr. Dali E. Ilavia and Mr. Ajit Kapadia, the Independent Directors and Mr. Gautam Gode, the Promoter Director as its members and it performed inter-alia, various functions as required in terms of the said provisions.

15. Statutory Disclosures :

i) Personnel:

Information under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Shareholders interested in obtaining this information may write to the Company Secretary at the Registered Office of the Company.

ii) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and out go, is given in the enclosed Annexure - A.

16. Employees Stock Option Scheme (ESOS) :

During the year, no new options have been granted under the ESOS.

17. Auditors, Audit Report and Audited Accounts :

The Auditors M/s. Deloitte Haskins & Sells, retire at the conclusion of the ensuing Annual General Meeting, but being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein, are self-explanatory and therefore, do not call for any further comments.

18. Public Deposits :

During the period under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956 .

19. Listing of Securities :

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE). The annual listing fee for the financial year 2012-13 has been paid to BSE.

20. Insurance :

All the properties of the Company are adequately insured against fire and other risks.

21. Appreciations :

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 Shareholders, in furthering the interest of the Company.

For and on behalf of the Board,

Date : May 30, 2012
Place : Mumbai

Naresh Chandra Sharma
Chairman

Annexure – A

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

The particular as prescribed under Section 217 (1) (e) of the Companies Act, 1956 are appended hereto and forms part of the report :-

(A) Conservation Of Energy:

(a) Energy conservation is an on going process and there is a continuous effort to create awareness and motivate the employees to conserve energy. The various measures taken by the Company are as under :-

1. Wherever possible local power connections were tapped and the running of generators is minimal.
2. Inefficient engines have been replaced with new ones for the efficient and economic running.
3. All the engines are maintained properly to keep the fuel consumption minimal.
4. Running of automobiles is controlled by reducing trips wherever possible, and locating the working crew close to work spot.

(b) Additional investment and proposals for reduction of consumption of energy :-

1. Utilisation of energy sources with over capacity is limited / zeroed.
2. Additional manpower is deployed for maintenance of the equipment to optimize their utilization.
3. Induction of new equipment contributed to reduction of number of existing operating unit for the same output.

(c) Impact of the above measures :-

With the implementation of the various energy conservation measures, energy cost has reduced and consequently there is an positive impact on the cost of service.

(B) Technology Absorption:

(a) Research and Development (R&D) :

1. **Specific area in which R&D carried out by the Company :**

   No new technologies have been introduced during the year under review, however, the Company intends to deploy the same at relevant point of time.
2. **Benefits derived as a result of R & D:** Nil
3. **Future plan of action:** The Company is in process of streamlining the operations and improving productivity per unit per man operation.
4. **Expenditure on R & D:** Nil

(b) **Technology Absorption, Adaptation & Innovation :**

1. Efforts made toward technology absorption, adaptation & innovation.
   a) Indigenous development of drilling units, modules have been adapted.
   b) International standard has been observed in the adoption and manufacture of new items, drilling technology is indigenous.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

   Improved quality, time efficiency and cost reduction.
3. In case of imported technology following information is furnished below :
   - **Technology imported:** Nil
   - **Year of Import:** Nil
   - **Has technology been fully absorbed:** N.A.
   - **If not fully absorbed, areas where this has not taken place, reason and future plans of action.:** N.A.

(C) FOREIGN EXCHANGE EARNING & OUTGO:

Sr.No.	Particulars		2011-12	2010-11
a.	Foreign Exchange Earnings Seismic Survey and other related Charges	:	Rs. 2,982,162	Rs. Nil
b.	Foreign Exchange outgo towards	:		
	(i) Traveling expenses	:	Rs. 2,090,652	Rs. 837,600
	(ii) Capital goods	:	Rs. 37,988,691	Rs. 78,770,605
	(iii) Revenue Payment	:	Rs. 15,774,977	Rs. 35,048,443

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Ltd., the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

1. Company's philosophy on Code of Corporate Governance.

Asian Oilfield Services Limited'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.

2. Board of Directors

(i) As on March 31, 2012, the Company has Seven Directors with Managing Director, Three Non Executive Promoter Directors and three Non Executive Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange Ltd. with Non-Executive Chairman and two other Non Executive Independent Directors on the Board.

(ii) None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors.

(iii) 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 companies are given herein below. Other directorships do not include directorships of private limited companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders Grievance Committees.

Name Directors	Category of Directors	No. of Board Meeting Attended during 2011-12	Whether attended last A.G.M	No. of Directorship in other domestic public companies	No. of Committee membership	
					Chairman	Member
Naresh Chandra Sharma	Chairman -Non Executive Independent	5	Yes	3	–	3
Avinash Manchanda	Managing Director & Promoter	5	Yes	–	–	–
Sumeet Narang	Promoter Non Executive	3	No	1	–	–
Gautam Gode	Promoter Non Executive	1	No	–	–	–
Ajit Kapadia	Non Executive Independent	4	No	4	–	1
Sanjay Bhargava	Promoter Non Executive	5	Yes	–	–	–
Dali E. Ilavia	Non Executive Independent	2	Yes	–	–	–

(iv) Five Board 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 11, 2011, May 26, 2011, August 10, 2011, November 9, 2011 and February 13, 2012. The necessary quorum was present for all the meetings.

(v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(vi) During the year 2011-12, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(vii) Scheduling and selection of Agenda items for Board Meetings :

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings.

(viii) Post meeting follow-up mechanism :

The important decisions taken at the Board/Committee meetings are promptly communicated to the concerned departments. Action Taken Report on the decisions/minutes of the previous meeting is placed at the succeeding meeting of the Board/Committee for information and record.

3. Audit Committee :

(i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956.

(ii) The terms of reference of the Audit Committee are broadly as under :

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :

  - changes in accounting policies and practices and reasons for the same ;

  - major accounting entries involving estimates based on the exercise of judgment by the management ;

  - qualification in draft Audit Report ;

  - significant adjustments arising out of audit findings ;

  - compliance with listing and other legal requirements relating to financial statements ;

  - the going concern assumption;

  - compliance with accounting standards ;

  - disclosure of related party transactions.

- 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 utilized 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.
- Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
- Discussion with Internal Auditors about any significant findings and

follow-up thereon.

- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders and Shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower Mechanism.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
- Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

(iii) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function) representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

(iv) 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 2011-12	
		Held	Attended
Mr. Naresh Chandra Sharma	Chairman, Independent, Non Executive	4	4
Mr. Dali E. Ilavia	Independent, Non Executive	4	2
Mr. Ajit Kapadia	Independent, Non Executive	4	3
Mr. Gautam Gode	Promoter Director, Non Executive	4	–

(vi) Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows :

May 26, 2011, August 10, 2011, November 9, 2011 and February 13, 2012.

The necessary quorum was present for all the meetings.

4. Remuneration / Compensation Committee :

(i) The Company has a Remuneration Committee of Directors.

(ii) The broad terms of reference of the Remuneration Committee are as under :

- To approve the annual remuneration plan of the Company ;
- To approve the remuneration payable to the Managing Director;
- To approve the remuneration performance incentive payable to the Senior Executives of the Company.
- To consider and approve vesting of Employee Stock Option.
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

(iii) Remuneration Policy is directed towards rewarding performance, based on the review of achievements. The remuneration policy is in consonance with the existing Industry practice.

(iv) The composition of the Remuneration Committee and the details of meetings attended by its members are given below :

Name	Category of Director	Number of Meetings during the year 2011-12	
		Held	Attended
Mr. Ajit Kapadia	Chairman, Independent, Non Executive	2	2
Mr. Dali E. Ilavia	Independent, Non Executive	2	1
Mr. Naresh Chandra Sharma	Independent, Non Executive	2	2
Mr. Sumeet Narang	Promoter Director, Non Executive	2	1

(iv) Meetings of the Remuneration / Compensation Committee were held on May 26, 2011 and October 3, 2011.

(v) During the year, no new options have been granted under the ESOS. The disclosures in respect of ESOS as required under Clause 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, have been made in the Directors' Report

(vi) The remuneration paid to the Managing Director was recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting and by the Shareholders at the Annual General Meeting.

(vii) Details of Remuneration paid to Managing Director during 2011-12:

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended March 31, 2012 paid to Mr. Avinash Manchanda, the Managing Director are as follows :

(in Rs.)

Managing Director	
Salary	42,00,000
Total	42,00,000

Mr. Avinash Manchanda, the Managing Director is not related to any Director. Mr. Avinash Manchanda was appointed as Managing Director for a period of 5 years with effect from February 01, 2008, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

(viii) Details of sitting fees paid to Non-Executive Directors for the year ended March 31, 2012 :

Non-Executive Directors do not draw any remuneration but they were paid sitting fees @ Rs.10,000/- per Board Meeting and Rs.5,000/- per Committee Meetings of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and Rs.2,500/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee, till November 8, 2011.

Effective from November 12, 2011, Sitting fees to Non Executive Directors have been increased to Rs.20,000/- per Board Meeting, Rs.10,000/- per Committee Meeting of Audit Committee, Remuneration / Compensation Committee, Shareholders' Grievance Committee and Management Committee and Rs.5,000/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee.

Details of sitting fees paid to Non Executive Directors during the year 2011-2012 are given below :

Name of Director	Sitting Fees paid (in Rs.)
Mr. Dali E. Ilavia	75,000
Mr. Naresh Chandra Sharma	105,000
Mr. Ajit Kapadia	85,000

(ix) Details of shares of the Company held by the Directors and their relative as on March 31, 2012 are given below:

Name	No. of Shares
Mr. Avinash Manchanda	8,846
Mrs. Neelam Manchanda Jointly with Mr. Avinash Manchanda	1,01,000

5. Shareholders' Grievance Committee.

(i) The Company has a Shareholders' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non receipt of balance sheet, non receipt of declared dividend, issue of Duplicate Share Certificate, change of address, dematerialisation of shares etc.

(ii) The Committee oversees the performance of the Secretarial Department and the working of M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of services to the investors.

(iii) The Committee monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992.

(iv) Two Meetings of Shareholders' Grievance Committee, were held during the year. The dates on which the said meetings were held are as follows :

May 26, 2011 and August 10, 2011.

(v) The composition of the Shareholder's Grievance Committee and the details of meetings attended by its members are given below:

Name	Category of Director	Number of Meetings during the year 2011-12	
		Held	Attended
Mr. Dali E. Ilavia	Chairman, Independent, Non Executive	2	2
Mr. Naresh Chandra Sharma	Independent, Non Executive	2	2
Mr. Ajit Kapadia	Independent, Non Executive	2	1

(vi) Mr. Mukesh Khanna, the Company Secretary and Mr. Anil Davadkar the Manager - Secretarial Services, have been appointed as the Compliance Officers.

(vii) During the year under review, no complaint received by the Company and no requests for transfer and/or requests for dematerialization were pending for approval as on March 31, 2012.

6. Share Transfer Committee

Share Transfer Committee consists of Mr. Dali E.Ilavia, the Non Executive Independent Director as the Member and Mr. Avinash Manchanda, the Managing Director, as its Chairman.

Number of pending share transfers

As the shares are compulsorily traded in demat mode, the transfer of which gets effected electronically through NSDL and CDSL depository. The approval of the Company is required for transfer of shares which are in physical mode. As on March 31, 2012, no share transfer request was pending. All the Share Transfers and other requirement have been completed during the year in the stipulated time period.

7. Board / Committee Meeting and procedure :

a) Institutionalized decision-making process :

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring decision by the Board , the Company has placed in a defined procedure for meeting of the Board of Directors and Committees thereof in an informed and efficient manner.

b) Scheduling and selection of Agenda items for Board / Committee Meetings :

i) The meetings are convened by giving appropriate notice, preferably seven days, to the concerned Directors, Statutory Auditors, Stock Exchange and other invitees. The detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decisions at the meetings.

ii) The agenda papers are prepared by the Secretarial Department and circulated amongst the Board Members and other invitees to the meeting.

iii) Where it is not practicable to attach any document or the agenda is sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the permission of the Chair and after a consensus is formed. Sensitive / confidential subject matters are discussed at the meeting even without written material being circulated.

iv) The meetings are usually held either at Mumbai or Vadodara for the convenience of majority of the Directors.

v) The members of the Board have complete access to all information of the Company.

c) Briefing the Board:

At the beginning of each Meeting of the Board, the Managing Director and / or Chief Executive Officer, briefs the Board Members about the operational status on sites and key developments relating to the Company 's operational sites.

d) Recording minutes of proceedings at the Board :

Minutes of the proceedings of each Board / Committee meeting are recorded and entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting and are signed by the Chairman. The minutes of the Board Meeting is placed before the next Board Meeting for its approval and confirmation.

e) Compliance :

The Board ensures compliance of all applicable provisions of the Companies Act, 1956 , SEBI Guidelines, Listing Agreement and other statutory requirements pertaining to capital market.

f) Information placed before the Board of Directors, inter alia , includes :

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly results of the Company.
- Minutes of meetings of Board and other Committee of the Board.
- Presentation by the Whole time Director / CEO with regard to future plans of the Company.
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Major investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources / Industrial Relations front.
- Compliance Certificate of any regulatory , statutory nature.
- Short term investment of surplus funds.
- Information relating to major legal disputes.
- All other significant events / information.

8. General Body Meetings:

(A) General Meeting

(a) Annual General Meetings:

Particulars of the last three Annual General Meeting held and Special Resolution passed thereat , are as under.

Date	Time	Place	Special Resolution
10-08-2011	3.30 p.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	i) Increase in remuneration of Mr. Miten Manchanda, the GM – Seismic Support Service, holding place of profit in the Company.
			ii) Alteration of Articles by removing Articles 205 to 232 from the Articles of Association
13-09-2010	11.00 a.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	Employee Stock Option Scheme
18-12-2009	3.00 p.m.	Auditorium of Vanijya Bhavan Central Gujarat Chamber of Commerce, Race Course, Baroda.	Increase in remuneration of Mr. Miten Manchanda, the Vice President – Business Development, holding place of profit in the Company.

(B) Postal Ballot

No postal Ballot was conducted during the year 2011-2012. Presently the Company does not have any proposal that requires a postal ballot.

9. Disclosures :

(i) Related Party Transactions, comprising of contracts or arrangements with the Promoters or other Companies/entities in which the Directors are interested, are entered in the Register of Contracts and placed before Board Meeting as per Section 301 of the Companies Act, 1956, wherever applicable. None of the transactions with any of the related parties were in conflict with the interest of the Company.

(ii) There were no instances of non-compliance and no strictures and penalties have been imposed on the Company by the Bombay Stock Exchange or SEBI or any statutory authorities, on any matters related to capital markets, during the last three years.

10. Compliance of mandatory requirements :

The Company has complied with the mandatory requirements of Clause 49 of the listing agreement and a certificate from Mr. Jayesh Vyas, the Practicing Company Secretary, regarding compliance of conditions of Corporate Governance has been obtained.

11. Compliance of non-mandatory requirements :

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are extensively published in newspapers and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. The Company addressed various risks and its policy on risk management. As regards the other non mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

The Company adopted the following non-mandatory requirement on Corporate Governance recommended under Clause 49 of the Listing Agreement.

a) Remuneration / Compensation Committee :

The Remuneration / Compensation Committee of Directors is comprised of three Non-Executive Independent Directors.

b) Whistleblower policy :

The Company is in the process of formulating a Whistleblower Policy.

c) As on date, the Company had not adopted other non-mandatory requirements mentioned in Clause 49 of the listing agreement.

Risk management:

The Company addressed various risks and its policy on risk management is provided in the Management discussion and analysis report provided elsewhere in this Annual Report.

Management Discussion and Analysis :

The management discussion and analysis report forms part of this Annual Report.

Code of conduct :

The Company obtained a declaration from the Wholetime Director confirming compliance of code of conduct.

CEO / CFO certifications

The required certifications in pursuance of Clause 49 of Listing Agreement from Mr. Sudhir Kumar, the Chief Financial Officer, who is looking after finance function of the Company , is given at the end this report.

12. Means of Communication:

- **Quarterly Results:** The Quarterly Results are published in accordance with the provisions of the listing agreement. The results are published in English newspaper and in Gujarati news paper.
- **Website :** The Company's website www.asianoilfield.com contains a separate dedicated section called "Investor Relations" where latest shareholders' information is available.

  The full Annual Reports for past Financial Years and past quarterly results with Code of Conduct and Ethics for Board of Directors and Senior Management Personnel, are made available on the website in a user-friendly and downloadable form.
- **Email ID:** secretarial@asianoilfield.com
- **Annual Report:** Annual Report containing notice and agenda of the Annual General Meeting, Audited Annual Accounts, Directors' Report , Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report.

13. General Shareholder information :

All the required information has been furnished under the head "Shareholders' Information."

For and on behalf of the Board,

Date : May 30, 2012
Place : Mumbai

Rahul Talwar
CEO & Whole Time Director

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, Non Executive Directors and Executive Directors, which is also available on the Company's web site.

I confirm that the Company has , in respect of the financial year ended 31st March, 2012 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.

For the purpose of this declaration, Senior Management Team means the Chief Executive Officer, Chief Finance Officer, the Company Secretary and other employees in the Executive Vice President cadre on 31st March, 2012.

For and on behalf of the Board,

Date : May 30, 2012
Place : Mumbai

Rahul Talwar
CEO & Whole Time Director

Report of Practicing Company Secretary on Corporate Governance

To
The Members,
Asian Oilfield Services Limited,
Vadodara.

We have examined the compliance of conditions of Corporate Governance by Asian Oilfield Services Limited, for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee and the Company.

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

For **Jayesh Vyas & Associates**
Practicing Company Secretaries

Place : Mumbai
Date : May 30, 2012

Jayesh Vyas
Proprietor
Membership No. FCS-5072 : C.P.No.1790

CERTIFICATE

To,
The Board of Directors,
Asian Oilfield Services Ltd.
Vadodara.

This is to certify that;

We have reviewed financial statements and the Cash Flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief :

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

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,

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee,

– Significant changes in Internal Control during the year;

– Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

– instances of significant fraud of which they 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.

Date : May 30, 2012
Place : Mumbai

Sudhir Kumar
Chief Financial Officer

Secretarial Audit Report

The Board of Directors
Asian Oilfield Services Ltd.

We have examined the registers, records, books and papers of Asian Oilfield Services Limited (AOSL) (the Company) having its registered office at 7th Floor, B-Wing, Manubhai Tower, Sayajigunj, Baroda – 390 020 and having Corporate Identity Number (CIN) L23200GJ1992PLC017254, as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period from April 1, 2011 to March 31, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers and records as required under the provisions of the Act and the Rules made thereunder and the entries therein have been duly recorded.
2. The Company has duly filed the forms, returns and documents with the Registrar of Companies, Gujarat/Ministry of Corporate Affairs and other authorities as required under the Act and Rules made thereunder.
3. All the requirements relating to the meetings of Board of Directors, Committee of Directors and Shareholders as well as relating to the minutes of the proceedings thereat have been complied with.
4. The Board of Directors of the Company is duly constituted.
5. The Directors of the Company have made all the required disclosures under Sections 299, 305 and 274(1)(g) of the Act. Pursuant to the disclosures made by the Directors, the Company has complied with the prescribed requirements.
6. The issue of capital and securities is in conformity with the requirements of the Act. The issues of share certificate and the transfer and transmission thereof have been registered properly.
7. The Company has obtained all the necessary approvals from the Directors, Shareholders and other authorities as required under the Act.
8. The Company has complied with all the provisions of the listing agreements with Bombay Stock Exchange Limited.
9. The Company has framed an insider trading code called 'AOSL Share Dealing Code' strictly on the lines of model code prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended and the same has been implemented during the year under review. Mr. Mukesh Khanna, Company Secretary and Mr. Anil Davadkar, the Manager-Secretarial Services, acts as the Compliance Officers.
10. The Company has complied with the disclosure requirements of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011and SEBI (Prohibition of Insider Trading) Regulations, 1992.
11. The Company has complied with the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to the extent applicable during the year under review.

For **Jayesh Vyas & Associates**
Practicing Company Secretaries

Place : Mumbai
Date : May 30, 2012

Jayesh Vyas
Proprietor
Membership No. FCS-5072 : C.P.No.1790

SHAREHOLDERS' INFORMATION

This section inter alia provides information pertaining to the Corporation, its shareholding pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. 9 of Annexure IC to Clause 49 of the listing agreements relating to Corporate Governance.

1. Annual General Meeting Details:

At 11.00 a.m. on Tuesday, the 14th August, 2012, at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002.

2. Financial Year:

The Company follows 1st April to 31st March every year as its financial year.

3. Details of Book Closures

The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, the August 4, 2012 to Tuesday, the August 14, 2012, (both the days inclusive).

4. Dividend payment Date:

Not applicable

5. Financial Calendar.

Nature of Meeting	Purpose	Probable Date
Audit Committee / Board Meeting	To review and approve the un-audited financial results of the Company for the quarter ending June 30, 2012, with limited review by the Auditors of the Company.	By the Second week of August, 2012
Audit Committee / Board Meeting	To review and approve un-audited financial results of the Company for the quarter / half-year ending September 30, 2012, with limited review by the Auditors of the Company.	By the Second week of November, 2012
Audit Committee / Board Meeting	To review and approve the un-audited financial results of the Company for the quarter / Nine Months' ending December 31, 2012, with limited review by the Auditors of the Company.	By the Second week of February, 2013
Audit Committee / Board Meeting	To review and approve inter alia the, Audited financial results of the Company for the year ending March 31, 2013 .	By the Fourth week of May 2013

6. Listing of Equity Shares on: The Bombay Stock Exchange Ltd.

Stock Code: 530355

ISIN Code: INE276G01015

7. Stock Market Data :

High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd. during each month in the last financial year ended 31st March, 2012 is as under :

Months	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
April, 2011	62.50	43.35	252,324
May, 2011	59.90	46.05	74,155
June, 2011	58.60	47.00	221,457
July, 2011	61.20	49.00	259,669
August, 2011	60.50	45.60	102,541
September, 2011	54.25	47.00	406,643
October, 2011	50.40	43.80	57,264
November, 2011	52.00	35.00	88,816
December, 2011	42.00	24.25	65,684
January, 2012	42.00	28.00	90,034
February, 2012	40.80	33.20	67,702
March, 2012	29.85	23.60	60,691

8. 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

9. Share Transfer System

Presently, the Share Transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company are approving transfer of securities under the supervision and control of the Company Secretary, subject to placing of a summary statement of transfer / transmission, etc. of securities of the Company at meetings of the said Committee.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories, i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Limited (CDSL) within 21 days except few cases.

10. Distribution of Shareholding as on March 31, 2012.

No. of Shares	No. of Share holders	Percentage to share holders	Total No. of Shares	Percentage to Capital
Upto - 500	8,425	83.74	1,664,083	10.86
501 - 1000	891	8.86	737,236	4.81
1001 - 2000	345	3.43	532,399	3.47
2001 - 3000	131	1.30	335,703	2.19
3001- 4000	51	0.51	188,360	1.23
4001 - 5000	58	0.58	280,138	1.83
5001 - 10000	86	0.85	636,248	4.15
10001 and above	74	0.74	10,950,277	71.46
Total	10061	100.00	15,324,444	100.00

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

11. Distribution of Shareholding Pattern as on March 31, 2012 :

Category	No. of Shares	% of Total Capital
A. Promoters Holding		
a. Indian Promoters	409,846	2.67
b. Foreign Promoter	5,566,700	36.33
B. Non Promoters Holding		
a. Foreign Institutional Investors	879,100	5.74
b. Mutual Fund	22,641	0.15
b. Bodies Corporate	1,467,887	9.58
c. Indian Public	6,666,296	43.50
d. Non Residents Indians	169,489	1.11
e. Clearing Members	142,485	0.93
Total	15,324,444	100

12. Dematerialisation of Shares as on March 31, 2012 :

Sr.No.	Electronic / Physical	Mode of Holding %
1.	NSDL	81.33
2.	CDSL	13.16
3.	Physical	5.51
Total	100.00	

About 14,480,769 (94.49%) Equity Shares of the Company have been Dematerialised. The Equity Shares of the Company are compulsorily and actively traded in Electronic form at Bombay Stock Exchange Ltd. which ensure good liquidity for the investors.

13. Plant locations : The Company has no plants.

14. Address of Correspondence for Shareholders' Grievances relating to Shares

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.
7th Floor, B-Wing, Manubhai
Tower, Sayajigunj,
Vadodara - 390020
PhoneNo.0265–2362071, 2362292
Fax No. (0265) – 2226216
Email : secretarial@asianoilfield.com

15. Permanent Account Number (PAN) for Security Transaction.

The shareholders, who are holding shares in the physical form, are requested to furnish the attested copies of their PAN to Link Intime India Pvt. Ltd. , the Registrar and Share Transfer Agent. This is in view of the direction of SEBI, making PAN as the sole identification number for all security transactions in line with the KYC norms. Based on the said directive, the shareholders, holding physical shares are requested to produce the PAN document as stated above, which shall form a part of the details of shareholders of the Company.

For and on behalf of the Board,

Date : May 30, 2012
Place : Mumbai

Rahul Talwar
CEO & Whole Time Director

Financial Section

Auditors' Report

To
The Member of
ASIAN OILFIELD SERVICES LIMITED

1. We have audited the attached Balance Sheet of ASIAN OILFIELD SERVICES LIMITED ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) 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;

   (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2012, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.117364W

Gaurav Shah
Partner
Membership No.35701

Place: Vadodara
Date: May 30, 2012

Annexure to the Auditors' report

(Referred to in paragraph 3 of our report of even date)

i) In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

   b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

ii) In respect of its inventories:

   a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

   b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) Based on our review and per the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of its inventories and the discrepancies noticed, which were not material, on physical verification have been properly adjusted in the books of account.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained under the said Section.

vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period.

vii) In our opinion, the internal audit functions carried out during the period by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the Company's class of business.

ix) According to the information and explanations given to us in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Assessment Dues	CIT (Appeals)	FY 2008-09	30.53
Income Tax Act, 1961	Assessment Dues	CIT (Appeals)	FY 2007-08	132.36

x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses in the current financial year but not in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provision of any special statute applicable to chit fund is not applicable to the Company.

xiv) According to the information and explanation's given to us, the Company is not dealing or trading in any shares, securities, debentures and other investments.

xv) According to the information and explanation's given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.

xvi) Based on our audit procedures and according to the information and explanations given to us, the term loans taken during the year have been applied for the purpose they were obtained.

xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.

xx) As informed to us, during the year covered by our audit report, the Company has not raised any money by way of public issue.

xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company have been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.117364W

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

Balance Sheet as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	153,244,440	153,244,440
(b) Reserves and surplus	4	678,679,933	769,120,969
2. Non-current liabilities			
(a) Long-term borrowings	5	26,000,000	68,000,000
(b) Deferred tax liabilities (Net)		1,005,708	43,378,689
(c) Long-term provisions	6	329,764	2,792,765
3. Current liabilities			
(a) Short-term borrowings	7	132,348,687	–
(b) Trade payables	8	75,630,933	91,743,204
(c) Other current liabilities	9	68,281,777	94,448,112
(d) Short-term provisions	10	2,784,896	2,538,547
Total		1,138,306,138	1,225,266,725
II. ASSETS			
Non-current assets			
1. (a) Fixed assets			
(i) Tangible assets	11	391,053,750	416,113,898
(ii) Intangible assets		–	–
(iii) Capital work-in-progress		650,000	41,841,723
(b) Non-current investments	12	131,059	31,059
(c) Long-term loans and advances	13	6,316,564	12,917,905
2. Current assets			
(a) Current investments	14	107,865,500	40,016,550
(b) Inventories		34,865,241	23,199,278
(c) Trade receivables	15	185,853,341	253,248,978
(d) Cash and cash equivalents	16	269,427,419	319,416,488
(e) Short-term loans and advances	17	67,571,065	77,024,428
(f) Other current assets	18	74,572,199	41,456,418
Total		1,138,306,138	1,225,266,725
See accompanying notes forming part of the financial statements	24		

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)

Particulars	Note No.	2011-12	2010-11
I. Revenue from operations (Gross)	19	453,416,710	705,772,411
Less : Service Tax		39,088,120	64,444,052
Net revenue from operations		**414,328,590**	**641328,359**
II. Other income	20	43,725,156	30,673,982
III. Total Revenue (I + II)		**458,053,746**	**672,002,341**
IV. Expenses:			
Employee benefits expense	21	110,773,927	106,507,140
Finance costs	22	23,435,239	9,968,594
Depreciation and amortization expense	11	85,149,037	86,267,030
Other expenses	23	364,031,407	466,128,265
Total expenses		**583,389,610**	**668,871,029**
V. Profit before exceptional and extraordinary items and tax (III-IV)		**(125,335,864)**	**3,131,312**
VI. Exceptional items		7,394,471	69,807,577
VII. Profit before tax (V- VI)		(132,730,335)	(66,676,265)
VIII. Tax expense:			
(1) Deferred tax		(42,372,980)	1,565,563
(2) Income Tax - Earlier Year		–	(43,393)
(3) Wealth Tax		83,681	28,745
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)		**(90,441,036)**	**(68,227,180)**
X. Earnings per equity share:			
(1) Basic		(5.90)	(4.45)
(2) Diluted		(5.90)	(4.45)
See accompanying notes forming part of the financial statements	24		

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma *Chairman*	**A C Manchanda** *Managing Director*
Mukesh Khanna *Company Secretary*	**Sudhir Kumar** *Chief Financial Officer*

Place : Vadodara
Date : May 30, 2012

Cash Flow Statement for the period ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit before Tax as per Profit & Loss Account		(132,730,335)		(66,676,265)
Adjusted for:				
Interest and finance charges	23,435,239		9,968,594	
Dividend received	(9,173,275)		(3,623,097)	
Profit on Sale of Fixed Assets (net)	106,219		(384,821)	
Depreciation	85,149,037		86,267,030	
Interest income from Bank and Others	(28,040,622)		(6,187,327)	
Unrealised Gain due to Foreign Exchange Fluctuation	(152,509)		106,973	
Provision for Doubtful Debts	16,837,735		69,842,106	
		88,161,824		155,989,458
Operating Profit before Working Capital Changes		(44,568,511)		89,313,193
Adjusted for:				
Inventories	(11,665,963)		(23,199,278)	
Sundry debtors	56,932,931		(159,406,258)	
Loans and advances	(22,094,370)		194,452,594	
Current liabilities	(44,495,258)		37,911,042	
		(21,322,660)		49,758,100
Cash Generated from Operations		(65,891,172)		139,071,293
Taxes paid (net of refunds)		1,570,296		(1,388,385)
Net Cash used in Operating Activities		**(64,320,875)**		**137,682,908**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(19,338,386)		(138,597,219)
Proceeds from the sale of Asset		335,000		1,097,125
Purchase of investments		(445,770,964)		(40,047,609)
Sale of investments		376,911,940		171,994,982
Investment in Subsidiary		(100,000)		–
Dividend Income received		9,173,275		3,623,097
Interest Income received		24,025,467		4,190,320
Net Cash used in Investing Activities		**(54,763,668)**		**2,260,696**

Cash Flow Statement *(Contd.)* for the year ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	–	110,159,726
Proceeds / (Repayment) of Borrowings	(42,159,726)	(65,961)
Interest and finance charges paid	(23,435,239)	(9,968,594)
Net Cash used in Financing Activities	(65,594,965)	100,125,171
Net Increase / (Decrease) in Cash and Cash Equivalents	**(184,679,508)**	**240,068,775**
Opening Balance of Cash and Cash Equivalents	319,416,488	79,347,713
Closing Balance of Cash and Cash Equivalents	**134,736,980**	**319,416,488**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

	As at March 31, 2012	As at March 31, 2011
Cash on Hand	1,105,062	2,003,873
Balances with Scheduled Banks		
– on current accounts	1,449,658	1,923,703
– on margin money accounts	135,656,096	61,300,752
– on fixed deposit accounts	131,216,603	220,000,000
– on cash credit accounts	(134,690,439)	34,188,160
	134,736,980	319,416,488

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Notes forming part of Financial Statements

Note 1 CORPORATE INFORMATION

Asian Oilfield Services Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in providing geophysical, drilling and well services to its customer. The Registered Office of the Company is located at 7th Floor, B Wing, Manubhai Tower, Sayajigunj, Vadodara, Gujarat – India.

Note 2 SIGNIFICANT ACCOUNT POLICIES

A. Accounting Convention

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with generally accepted accounting principles in India and the Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and relevant provisions of the Companies Act, 1956.

B. Use of Estimates

The preparation of financial statements require estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C. Fixed Assets and Depreciation

All fixed assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

Depreciation on fixed assets is provided on Straight Line Method at the rates and the manner mentioned in the Schedule XIV of the Companies Act, 1956, where such rates are lower than the rates determined on the basis of management estimates of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-data basis.

D. Intangible Assets and Amortization

Intangibles are stated at cost of acquisition less accumulated amortization. Cost of computer software is being amortised over a period of six years.

E. Foreign Currency Transactions

Transactions in Foreign Exchange, other than those covered by forward contracts are accounted for at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are translated at the yearend rates. The resultant exchange differences are recognised in the profit and loss account. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

F. Investments

Investments are classified into Current and Long Term investments. Long-term investments are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

G. Inventories

Inventories of stores and consumables are stated at lower of cost and net realisable value. Inventories of mining business being used/usable more than a period of 1 year is charged as consumption over its consumption/usage period on a pro-data basis. Mining inventory is estimated to be consumed /usable over 36 months from the procurement of such inventory. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO)

H. Employee Stock Option Scheme

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of the shares, at the date of grant of option under the Employee Stock Option Scheme, over the exercise price is treated as employee compensation and the same is amortised over the vesting period of the stock options.

I. Employee Benefits

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with

Note 2 SIGNIFICANT ACCOUNT POLICIES *(Contd.)*

actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

J. CENVAT Credit

CENVAT Credit availed on capital goods are reduced from the cost of capital goods. CENVAT claimed on service is reduced from the cost of such services. The unutilized CENVAT balance is shown as asset in loans and advances.

K. Revenue Recognition

a. Services
Revenue from services is recognised in the period in which services are rendered on percentage completion method.

b. Interest
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c. Dividend
Revenue is recognised when the right to receive dividend is established.

L. Taxes on Income

Tax expense comprises of current tax and deferred tax. Provision of current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

M. Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser, are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the period of lease.

N. Borrowing Costs

Borrowing costs are attributable to the acquisition of qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognized as expense for the period.

Notes forming part of Financial Statements

Note 2 SIGNIFICANT ACCOUNT POLICIES *(Contd.)*

O. Earnings per share

Basic earnings per share are calculated considering the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

P. Provisions, Contingent liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the notes. A contingent asset is neither recognised nor disclosed in the financial statements.

(Amount in ₹)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Note 3 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹ 10 each	15,324,444	153,244,440	15,324,444	153,244,440
Subscribed & fully Paid up				
Equity Shares of ₹ 10 each	15,324,444	153,244,440	15,324,444	153,244,440
Subscribed but not fully Paid up				
Equity Shares of ₹ 10 each	–	–	–	–
Total	**15,324,444**	**153,244,440**	**15,324,444**	**153,244,440**

i. Movement of Share during the year

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,324,444	10.00	–	–
Shares Issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	15,324,444	10.00	–	–

ii. Shareholder holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share				
Samara Capital Partners Fund I Ltd.	5,566,700	36%	5,566,700	36%

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 4 RESERVES & SURPLUS		
a. Capital Reserves		
Opening Balance	44,578,226	44,578,226
(+) Current Year Transfer	–	–
(-) Written Back in Current Year	–	–
Closing Balance	44,578,226	44,578,226
b. Securities Premium Account		
Opening Balance	590,194,704	590,194,704
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons	–	–
Premium on Redemption of Debentures	–	–
For Issuing Bonus Shares	–	–
Closing Balance	590,194,704	590,194,704
c. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	134,348,039	202,575,219
(+) Net Profit/(Net Loss) For the current year	(90,441,036)	(68,227,180)
(+) Transfer from Reserves	–	–
(–) Proposed Dividends	–	–
(–) Interim Dividends	–	–
(–) Transfer to Reserves	–	–
Closing Balance	43,907,003	134,348,039
Total	678,679,933	769,120,969

Note 5 LONG TERM BORROWINGS		
Secured		
(a) Term loans		
From banks	26,000,000	68,000,000
Total	26,000,000	68,000,000

Note:

Term Loan from State Bank of India was taken during the financial year 2010 -11 and carries interest 5% above State Bank of India base rate (effective interest rate 12.5% p.a.) maturing on 30th September, 2013. The loan is repayable in 30 monthly installments of ₹35 lakhs for the first 25 installments and balance 5 installments of ₹ 45 lacs along with interest, from the date of loan. Term loans are secured by way of hypotecation of all fixed assets acquired out of the loan. The said loans are futher secured by way of equitable mortgage of office premise and shop situated at Baroda. Further, the loan has been guaranteed by the personal guarantee of the Managing Director of the Company.

Note 6 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Leave Encashment	329,764	2,792,765
Total	329,764	2,792,765

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 7 SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
from banks	132,348,687	–
Total	132,348,687	–

Note:

1. Cash Credit from Banks is secured by hypothecation of all chargeable current assets of the Company and pledge of TDR. Further, the loan has been guaranteed by the personal guarantee of the Managing Director of the Company. Cash Credit is repayable on demand and carries rate of interest of 12.5% p.a.
2. Overdraft facility is secured against fixed deposits. Overdraft facility is repayable on demand and carries rate of interest of 11.5% p.a.

Particulars	As at March 31, 2012	As at March 31, 2011
Note 8 TRADE PAYABLES		
Due To		
– Micro Enterprises & Small Enterprises	–	–
– Others	75,630,933	91,743,204
Total	75,630,933	91,743,204

Particulars	As at March 31, 2012	As at March 31, 2011
Note 9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	42,000,000	42,000,000
(b) Interest accrued and due on borrowings		
– Term Loan	869,225	159,726
– Others	2,341,752	–
(c) Other payables -		
Deposits	13,181,669	23,075,860
TDS Payable	3,125,805	3,948,636
Service Tax Payable	4,814,962	23,530,884
PF Payable	396,124	1,558,784
Advance from Customers	1,378,000	–
Other Current Liabilities	174,240	174,222
Total	68,281,777	94,448,112

Particulars	As at March 31, 2012	As at March 31, 2011
Note 10 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Bonus & Ex gratia	1,545,428	1,888,325
Leave Encashment (unfunded)	1,239,468	650,222
Total	2,784,896	2,538,547

Notes forming part of Financial Statements

Note 11 FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS Block (At Cost)				Depreciation				Net Block	
	As at 1 April 11	Addition	Sale or Transfer	As at March 31, 12	As at 1-Apr-11	Deductions/ Adjustments	For the period	As at March 31, 12	As at March 31, 12	As at March 31, 11
	a	b	c	d[a+b-c]	e	f	g	h[e-f+g]	i[d-h]	j[a-e]
Freehold Land	794,750	–	–	794,750	–	–	–	–	794,750	794,750
Building	1,830,195	444,764	–	2,274,959	499,829	–	65,249	565,078	1,709,881	1,330,366
Oilfield Equipment	272,625,439	57,926,358	244,447	330,307,350	66,365,979	84,399	33,285,356	99,566,936	230,740,414	206,259,461
Furniture & Fixture	1,891,236	50,623	–	1,941,859	1,250,146	–	65,454	1,315,600	626,259	641,089
Office Equipments	1,132,391	536,149	–	1,668,540	241,587	–	76,734	318,321	1,350,219	890,804
Vehicles	14,830,943	300,000	854,335	14,276,608	2,096,849	613,680	1,356,039	2,839,208	11,437,400	12,734,095
Computer	310,874,675	945,068	70,150	311,749,593	117,411,341	29,634	50,289,729	167,671,436	144,078,157	193,463,333
Vessels	–	327,147	–	327,147	–	–	10,477	10,477	316,670	–
Total	603,979,629	60,530,109	1,168,932	663,340,806	187,865,731	727,484	85,149,038	272,287,056	391,053,750	416,113,898
Previous Year	499,865,086	105,274,069	1,159,526	603,979,629	102,045,923	447,222	86,267,030	187,865,731	416,113,898	397,819,163

Particulars	As at March 31, 2012	As at March 31, 2011
Note 12 NON CURRENT INVESTMENTS		
Trade Investments		
Investment in Equity instruments	131,059	31,059
Total	**131,059**	**31,059**
Aggregate amount of unquoted investments	131,059	31,059

A. Details of Trade Investments

Sl No.	Name of the Body Corporate	Subsidiary/Associate /JV/Controlled Entity /Others	No. of Shares/ Units		Quoted/ Unquoted	Partly Paid/ fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes/No
			2012	2011			2012	2011	2012	2011	
(a)	Investement in Equity Instruments of Subsidiaries										
	1000 Ordinary shares of SGD 1 each, fully paid up in AOSL Petroleum Pte Ltd	31,059	1,000	1,000	Unquoted	Fully Paid up	100%	100%	31,059	31,059	Yes
	10000 Ordinary shares of Rs 10 each, fully paid up in Asian Offshore Private Limited	100,000	10,000	–	Unquoted	Fully Paid up	100%	–	100,000	–	Yes
	Total								131,059	31,059	

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 13 LONG TERM LONS & ADVANCES		
a. Security Deposits		
Unsecured, considered good	6,301,564	4,850,384
Less: Provision for doubtful deposits		
	6,301,564	**4,850,384**
b. Loans and advances to related parties		
Unsecured, considered good	15,000	8,067,521
Doubtful	7,394,471	
Less: Provision for doubtful loans and advances	(7,394,471)	–
	15,000	**8,067,521**
c. Inter - Corporate Loan		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	–	–
Total	**6,316,564**	**12,917,905**

Note 14 CURRENT INVESTMENTS		
Investments in Mutual Funds	107,865,500	40,016,550
Total	**107,865,500**	**40,016,550**
Book Value of Quoted Investments	–	–
Market Value of Quoted Investments	–	–
Book Value of Unquoted Investments	107,865,500	40,016,550

Note 15 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	–	–
Unsecured, considered good	143,782,597	223,460,562
Unsecured, considered doubtful	–	–
	143,782,597	223,460,562
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	–	–
Unsecured, considered good	42,070,744	29,788,416
Unsecured, considered doubtful	10,128,977	4,897,624
Less: Provision for doubtful debts	10,128,977	4,897,624
	42,070,744	29,788,416
Total	**185,853,341**	**253,248,978**

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 16 CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	1,105,062	2,003,873
Balances with banks		
– in Margin money	135,656,096	61,300,752
– in Current Account	1,449,658	36,111,863
Bank Fixed Deposits	131,216,603	220,000,000
Total	**269,427,419**	**319,416,488**

Particulars	As at March 31, 2012	As at March 31, 2011
Note 17 SHORT TERM LOANS & ADVANCES		
Unsecured, considered good		
Loan to Subsidiary - Asian Off Shore Pvt. Ltd.	188,195	–
Deposits	13,892,932	16,910,940
Prepaid Expenses	5,124,123	6,065,292
Employee Advances	441,880	494,935
Advance to suppliers	4,839,962	766,616
Income Tax receivable	41,195,573	42,849,550
Service Tax receivable	635,564	9,937,095
Other Advances	1,252,836	–
Total	**67,571,065**	**77,024,428**

Particulars	As at March 31, 2012	As at March 31, 2011
Note 18 OTHER CURRENT ASSETS		
Interest Accrued on Deposits	7,447,132	3,431,977
Accrued Service Income	67,125,067	38,024,441
Total	**74,572,199**	**41,456,418**

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 19 REVENUE FROM OPERATIONS		
Sale of services - Seismic Survey & Mining Related (Gross)	453,416,710	705,772,411
Less: Service Tax	39,088,120	64,444,052
Total	**414,328,590**	**641,328,359**
Note 20 OTHER INCOME		
Interest Income	28,040,622	6,187,327
Dividend Income	9,173,275	3,623,097
Rental Income	5,458,575	1,110,000
Exchange Rate Variance	152,509	14,068,001
Interest on IT Refund	840,181	226,488
Miscelleneous Income	59,994	5,459,069
Total	**43,725,156**	**30,673,982**
Note 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, Exgratia and Bonus	90,096,697	87,519,814
Contribution to Provident Fund and Other Funds	3,980,404	3,798,207
Staff Welfare Expenses	12,496,826	10,989,119
Remuneration to Directors	4,200,000	4,200,000
Total	**110,773,927**	**106,507,140**
Note 22 FINANCE COST		
– Bank	16,786,550	2,633,566
– Other	131,046	36,918
Bank Charges	6,517,643	7,298,110
Total	**23,435,239**	**9,968,594**

Notes forming part of Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 23 OTHER EXPENSES		
Operating Expenses		
Sub-contract Charges	71,564,456	157,829,094
Shot Hole Drilling Expenses	52,163,955	90,042,607
Stores and Consumables Consumed	38,418,899	51,673,574
Camp Establishment and Maintenance	6,781,200	3,728,811
Machinery Hire Charges	15,723,970	6,064,563
Tender Fees	261,212	128,068
Survey Expenses	35,212,484	12,908,014
Fuel Expenses Rig	16,837,713	15,630,383
Crop Compensation	2,428,668	470
Labour Charges	9,932,635	464,012
Administration & Other Expenses		
Business Promotion Expenses	1,361,325	777,611
Rent	5,307,094	4,119,290
Rates & Taxes	1,437,896	703,053
Travelling and Conveyance	42,699,687	50,856,687
Loss/ (Profit) on disposal of Asset	106,219	(384,821)
Printing and Stationery	974,620	1,048,456
Advertisement	64,415	66,413
Postage, Freight and Telephone Expenses	10,552,646	8,430,628
Insurance	4,759,486	4,025,395
Power and Fuel	760,964	829,351
Audit Fees	577,639	575,000
Legal and Professionals Charges	16,921,210	37,770,337
Provision for Doubtful Debts	5,231,353	–
Bad Debts	4,212,941	–
Provision for Doubtful Advances	–	34,528
Directors Sitting Fees	290,556	196,750
Repairs and Maintenance		
– Building	552,334	446,662
– Plant and Machinery	11,481,947	11,357,277
– Others	2,727,519	2,009,472
Donation	147,701	5,000
Miscellaneous Expenses	4,538,664	4,791,581
Total	**364,031,407**	**466,128,265**

Notes forming part of Financial Statements

1. **Contingent Liabilities**

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Outstanding balance on Bank Guarantees	182,785,839	143,032,923
Demand for Income Tax contested by the Company	16,289,283	14,871,198

2. **Dues of Micro, Small & Medium Enterprises**

The Company has not received any intimation from the suppliers regarding their status under the Micro Small and Medium Enterprises Act 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act, have not been given.

3. **Employee Stock Option Scheme**

The ESOS compensation committee of the Company at their meeting held on December 7, 2010 has granted 5, 77,683 stock options to the eligible employees (38), under the Employees Stock Option Scheme-2010 (ESOS-2010) at the exercise price of Rs.55.70 per option, being the latest available price on the stock exchange prior to the date of grant. The vesting of the option granted would be graded over a period of four years i.e. on December 15, 2011, October 1, 2012, October 1, 2013, October 1, 2014, with the exercise period being 2 years from the date of vesting. The Company has applied the intrinsic value method for accounting of such options.

Movement in the options during the year is as detailed below:

	2011-12	2010-11
Options outstanding at the beginning of the year	5, 77,683	Nil
Granted during the year	Nil	5, 77,683
Expired/Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Options exercisable at the end of the year	5, 77,683	5, 77,683

4. **Payment to Auditors**

(Amount in ₹)

	2011-12	2010-11
Taxation matters	810,705	413,625
Other services	256,448	110,300
Reimbursement of expenses	–	–
Total (including Service Tax)	1,067,153	523,925

5. **Information in respect of related parties**

During the year, the Company entered into transactions with related parties. List of related parties along with nature and volume of transaction and balance at March 31, 2012 are presented below:

a) Subsidiary	:	AOSL Petroleum Pte Ltd
	:	Asian Offshore Private Limited
b) Key Management Personnel	:	Mr. Avinash Manchanda- Managing Director
	:	Mr. Miten Manchanda - General Manager (Seismic Support Services)
c) Relatives of Key Management Personnel	:	Mr. Miten Manchanda- son of Mr. Avinash Manchanda
d) Associates	:	Nimit Finance Private Limited

Notes To Accounts

Transactions with Related Parties

The details of transactions with the related parties as defined in the Accounting Standard AS-18 Related Party Transactions notified under the Companies Act, 1956 are given below:

(Amount in ₹)

Sl No.	Nature of Relation/ Nature of Transaction		2011-12	2010-11
A.	**Subsidiary -**			
	1. AOSL Petroleum PTE LTD.			
	Investment/(sale of investment) on net basis		(6,73,050)	(20,39,19,408)
	2. Asian Offshore Private Limited			
	Investment/(sale of investment) on net basis		3,03,195	–
B.	**Balances with Related Parties**			
	a. Subsidiary - AOSL Petroleum Pte Ltd.			
	Investment in equity shares		31,059	31,059
	Other Long term loan	73,94,471		
	Less: Provision for Doubtful Advance	73,94,471	Nil	80,67,521
	b. Subsidiary - Asian Offshore private Limited			
	Investment in equity shares		1,00,000	–
	Other Long term loan		2,03,195	–
C.	**Remuneration to key managerial person and relative of key managerial person**			
	Executive Vice Chairman			
	Salaries		–	–
	Managing Director			
	Salaries		4,200,000	4,200,000
	Contribution to provident fund and other funds		–	–
			4,200,000	**4,200,000**
D.	**Relative of Key Managerial Person**			
	Salaries		1,921,300	1,515,162
	Contribution to provident fund and other funds		9,360	9,360
			1,930,660	1,524,522
	(The above figures do not include provision for leave encashment)			

6. **Segmental Reporting**

The Company has only two reportable segment of providing oilfield related services and hence no separate segment disclosure made.

7. **Leases**

The Company has various operating lease for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option.

8. **Employee Benefits**

a) **Defined Contribution Plan**

The Company makes Provident Fund and contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Company recognised Rs 1,736,180 (March 31, 2011: Rs. 1,564,094) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2012.

(Amount in ₹)

Sl No.	Particulars	2011-12 Gratuity	2010-11 Gratuity
I.	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	472,066	879,029
	b. Interest Cost	189,197	105,554
	c. Expected return on plan assets	(270,916)	103,883
	d. Actuarial (Gain)/Loss	(614,167)	95,053
	e. Addl. Charge/(write-back) on account of change in policy	–	–
	f. Net expense recognised in Profit & Loss Account	(223,820)	975,753
II.	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	2,162,257	1,319,422
	b. Current service cost	472,066	879,029
	c. Interest Cost	189,197	105,554
	d. Actuarial (Gain)/Loss	(614,167)	168,821
	e. Benefits paid	–	(310,569)
	f. PV of obligation as at the end of the year	2,209,352	2,162,257
III.	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	2,912,496	1,298,533
	b. Expected return on plan assets	270,916	103,883
	c. Acturial (Gain)/Loss	–	73,768
	d. Contributions	570,628	1,746,881
	e. Benefits paid	–	(310,569)
	f. Fair value of plan assets as at the end of the year	3,754,040	2,912,496
IV.	Net Assets/ Liabilities recognized in the Balance sheet		
	a. PV of obligation as at the end of the year	2,209,352	2,162,257
	b. Fair value of plan assets as at end of the year	3,754,040	2,912,496
	c. Net Liabilities/(Assets) recognised in the Balance sheet at year end	(1,544,688)	(750,239)
V.	Principal Actuarial Assumptions		
	a. Discount rate (per annum) (Refer Note-1)	8.75%	8.25%
	b. Expected return on plan assets (Per annum) (Refer Note2)	8.13%	8%
	c. Expected increase in salary costs (per annum (Refer Note-3)	5%	5%

Note:

a. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

b. As the investment is with the Insurance Company, list of investment is not available, so expected return is assumed to be available on risk free investment like PPF.

c. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

d. 100% of plan assets are invested in group gratuity scheme offered by LIC of India.

Notes To Accounts

9. Deferred Income Tax

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Depreciation	(47,320,748)	(54,703,981)
Deferred Tax Assets		
– Employee benefits	197,278	1,022,842
– Provision for doubtful debts	32,86,347	1,589,034
– Preliminary expenses written off	–	326,072
– Unabsorbed Depreciation / Business Loss	42,831,415	8,387,344
	(1,005,708)	**(43,378,689)**

10. Earnings Per Share

	2011-12	2010-11
Net Profit after tax for the year	(90,441,036)	(68,227,179)
Number of Equity Shares outstanding as at year end	15,324,444	15,324,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	15,324,444	15,324,444
Basic and Diluted Earning Per Shares (in Rs.)	(5.90)	(4.45)

11. Stores & Consumables Consumed

	2011-12	%	2010-11	%
Imported	5,855,927	11.69%	11,408,513	15.24%
Indigenous	44,228,935	88.31%	63,464,338	84.76%
Total	**50,084,862**	**100%**	**74,872,851**	**100%**

12. Value of imports during the year (CIF basis)

	2011-12	2010-11
Capital Goods	37,988,691	78,770,605
Stores and spares consumable	5,855,927	11,408,513

13. Expenditure in foreign currency during the year (on payment basis)

	2011-12	2010-11
Travelling Expenses	2,090,652	837,600
Contractual Expenses	7,828,398	21,332,127
Bank Charges	–	1,470,203

14. Earnings in foreign currency

	2011-12	2010-11
Export of services	–	–
Rental Income	2,982,162	–

Notes To Accounts

15. There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2012 (Previous year: Rs Nil).Details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Indian currency	
		2011-12	2010-11	2011-12	2010-11
Receivables	US Dollar	39,794	131,136	20,24,471	4,897,624
Payables	US Dollar	–	9,504	–	473,963
Advances	US Dollar	–	8,000	–	359,720
	GBP	–	24,160	–	1,754,318

16. **Current assets and loans and advances**

In the opinion of the Board of Directors the current assets, loans and advances have a value realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.

As a matter of prudence, Company has made provision of Rs. 73,94,571/- towards doubtful recovery of inter-corporate loan.

17. The Company prepares and presents its financial statements as per Revised Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended March 31, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped/re-classified to conform to the current year's classification.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No. 35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Statement pursuant to part IV of Schedule VI of the Companies Act, 1956 balance Sheet Abstract and Company's General business Profile

1. Registration Details

Registration No.	17254	State Code	04
Balance Sheet Date	31 (Date) 03 (Month) 2012 (Year)		

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus issue	NIL	Private Placement	NIL

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1138306	Total Assets	1138306
Sources of Funds			
Paid up Capital	153244	Reserves & Surplus	678680
Secured Loans	680000	Unsecured Loans	NIL
Share Warrants	NIL	Deferred Tax Liability	1006
Application of Funds			
Net Fixed Assets (including CWIP)	391704	Investments	107865
Net Current Assets	461108	Misc. Expenditure	NIL
Accumulated Losses	NIL		

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (including other income)	458054	Total Expenditure	590784
Profit/Loss Before Tax	–132730	Profit/Loss After Tax	–90441
Earning Per Share in ₹	–5.90	Dividend Rate (%)	NIL

5. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code (ITC Code)	NA
Product Description	OILFIELD SERVICES
Item Code	NA
Product Description	NA

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1.	Name of subsidiary	Asian Offshore Pvt. Ltd.	AOSL Petroleum Pte. Ltd.
2.	Financial year / period emend on	March 31, 2012	March 31, 2012
3.	No. of equity shares held by Asian Oilfield Services Limited in the subsidiary	10,000 Equity (of Rs.10 each fully paid up)	1,000 Equity (of SGD1 each fully paid up)
4.	Extent of interest of Asian Oilfield Services Limited in the capital of the subsidiaries	100%	100%
5.	Net aggregate amount of profits of the subsidiaries so far as it concerns the members of the Asian Oilfield Services Limited and is not dealt with in the Company's accounts:		
	(a) Profit/(Loss) for the financial year ended March 31, 2012 of the subsidiaries'	Rs. (-) 242,825	USD 5,418 [USD (-) (158,477]
	(a) Profit/(Loss) for the previous financial years of the subsidiaries' since it became a subsidiary of Asian Oilfield Services Limited	Rs. (-) 242,825	(-) USD 169,266
6.	Net aggregate amount of profits of the subsidiaries so far as dealt with or provision is made for those profit/(loss) in the accounts of Asian Oilfield Services Limited		
	(a) For the subsidiary's financial year ended March 31, 2012	Nil	Nil
	(a) For its previous financial years since it became a subsidiary of Asian Oilfield Services Limited	Nil	Nil

INFORMATION PERTAINING TO SUBSIDIARY COMPANY

Sl	Particulars	Asian Offshore Pvt. Ltd.	AOSL Petroleum Pte. Ltd.
1.	Share capital	100,000	31,059
2.	Reserves and surplus	242,825	(-) 7 370 069
3.	Total assets (investment)	114,450	1,000,027
4.	Total liabilities	114,450	1,000,027
5.	Turnover	Nil	597,309
6.	Profit/(Loss) before taxation	(-) 228,745	271,346
7.	Provision for taxation	14,080	12,329
8.	Proposed dividend	Nil	Nil

Note: Figures in Indian Rupees, wherever it appears in respect of overseas subsidiary, have been given only as additional information.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Consolidated Auditors' Report

To
The Board of Directors of
ASIAN OILFIELD SERVICES LIMITED

1. We have audited the attached Consolidated Balance Sheet of ASIAN OILFIELD SERVICES LIMITED ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2012 the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.603,199 as at March 31, 2012, total revenues of Rs. 597,309 and net cash outflows amounting to Rs. 418,494 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiary and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.117364W

Gaurav Shah
Partner
Membership No.35701

Place: Vadodara
Date: May 30, 2012

Consolidated Balance Sheet as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	153,244,440	153,244,440
(b) Reserves and surplus	4	669,784,592	761,750,900
2. Non-current liabilities			
(a) Long-term borrowings	5	26,000,000	68,000,000
(b) Deferred tax liabilities (Net)		1,019,788	43,378,689
(c) Long-term provisions	6	329,764	2,792,765
3. Current liabilities			
(a) Short-term borrowings	7	132,348,687	–
(b) Trade payables	8	84,768,810	92,014,720
(c) Other current liabilities	9	68,281,777	94,448,112
(d) Short-term provisions	10	2,797,225	2,538,547
Total		1,138,575,083	1,218,168,172
II. ASSETS			
Non-current assets			
1. (a) Fixed assets			
(i) Tangible assets	11	391,053,750	416,113,898
(ii) Intangible assets		–	–
(iii) Capital work-in-progress		650,000	41,841,723
(b) Long-term loans and advances	12	6,471,915	4,999,069
2. Current assets			
(a) Current investments	13	107,865,500	40,016,550
(b) Inventories		34,865,241	23,199,278
(c) Trade receivables	14	185,853,341	253,248,978
(d) Cash and cash equivalents	15	269,860,267	320,267,830
(e) Short-term loans and advances	16	67,382,870	77,024,428
(f) Other current assets	17	74,572,199	41,456,418
Total		1,138,575,083	1,218,168,172
See accompanying notes forming part of the financial statements	23		

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)

Particulars	Note No.	2011-12	2010-11
I. **Revenue from operations (Gross)**	18	453,416,710	705,772,411
Less: Service Tax		39,088,120	64,444,052
Net Revenue from operations		414,328,590	641,328,359
II. **Other income**	19	44,322,465	35,687,374
III. **Total Revenue (I + II)**		**458,651,055**	**677,015,733**
IV. **Expenses:**			
Employee benefits expense	20	110,773,927	106,507,140
Finance costs	21	23,446,711	10,052,819
Depreciation and amortization expense	11	85,149,037	86,267,030
Other expenses	22	364,574,642	478,280,226
Total expenses		**583,944,317**	**681,107,215**
V. **Profit before exceptional and extraordinary items and tax (III-IV)**		(125,293,262)	(4,091,482)
VI. **Exceptional items**		7,394,471	69,807,577
VII. **Profit before tax (V- VI)**		(132,687,733)	(73,899,059)
VIII. **Tax expense:**			
(1) Current tax		11,555	–
(2) Deferred tax		(42,358,900)	1,565,563
(3) Income Tax - Earlier Year		–	(43,393)
(4) Wealth Tax		83,681	28,745
IX. **Profit / (Loss) for the period from continuing operations (VII-VIII)**		**(90,424,069)**	**(75,449,974)**
X. **Earnings per equity share:**			
(1) Basic		(5.90)	(4.92)
(2) Diluted		(5.90)	(4.92)
See accompanying notes forming part of the financial statements	23		

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit/(Net Loss) before Tax	(132,687,733)	(73,899,059)
Adjusted for:		
(Profit)/Loss on Sale of Fixed Assets (net)	106,219	(384,821)
Depreciation	85,149,037	86,267,030
Interest Income from Banks and Others	(28,040,622)	(11,200,719)
Interest and Finance Charges	23,446,711	10,052,819
Unrealised Gain due to Foreign Exchange Fluctuation	(152,509)	106,973
Provision for Doubtful Debts	16,837,735	69,842,105
Dividend Income	(9,173,275)	(3,623,097)
Operating Profit before Working Capital Changes	(44,514,437)	77,161,231
Adjusted for:		
Trade and Other Receivables	34,347,040	(168,873,072)
Inventories	(11,665,963)	(23,199,278)
Trade Payables and Other Current Liabilities	(44,464,833)	37,915,059
	(66,298,193)	(76,996,060)
Less : Taxes paid (net of refunds)	1,570,296	(1,388,384)
Net Cash used in Operating Activities (A)	**(64,727,897)**	**(78,384,444)**
CASH FLOW ARISING FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and CWIP	(19,338,386)	(138,597,219)
Sale of Fixed Assets	335,000	1,097,125
Purchase of Investments (Subsidiary)	(100,000)	–
Purchase of Investments	(445,770,964)	(40,047,609)
Sale of Investments	376,911,940	383,477,405
Interest Income from Banks and Others	24,025,467	9,203,712
Dividend Income	9,173,275	3,623,097
Net Cash used in Investing Activities (B)	**(54,763,668)**	**218,756,511**

Consolidated Cash Flow Statement *(Contd.)* for the year ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOW ARISING FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Term Loans	(42,159,726)	110,093,765
Proceeds / (Repayment) of Working Capital Loans	–	–
Interest and Finance Charges	(23,446,711)	(10,052,819)
Net Cash used in Financing Activities (C)	**(65,606,437)**	**100,040,946**
Changes in Cash and Cash Equivalents (A+B+C)	**(185,098,002)**	**240,413,013**
Opening Balance of Cash and Cash Equivalents	**320,267,829**	**79,854,816**
Closing Balance of Cash and Cash Equivalents	**135,169,828**	**320,267,829**

Notes

1. The Cash Flow Statement reflects the combined cash flow pertaining to continuing and discontinuing operations.
2. These earmarked account balances with banks can be utilised only for the specific identified purposes.

	As at March 31, 2012	As at March 31, 2011
Cash on Hand	1,205,062	2,003,873
Balances With Scheduled Banks		
– in Current Accounts	1,782,506	2,775,044
– in Cash Credit Accounts	(134,690,439)	34,188,160
– in Deposit Accounts	266,872,699	281,300,752
	135,169,828	320,267,830

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Notes forming part of Consolidated Financial Statements

Note 1 CORPORATE INFORMATION

Asian Oilfield Services Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in providing geophysical, drilling and well services to its customer. The Registered Office of the Company is located at 7th Floor, B Wing, Manubhai Tower, Sayajigunj, Vadodara, Gujarat – India.

AOSL Petroleum Pte Ltd is incorporated in republic of Singapore is the wholly owned subsidiary of Asian Oilfield Services Limited. The Company is engaged in providing geophysical, drilling and well services to its customer. The Registered Office of the Company is located at 192 Waterloo Street #05-04 Skyline Building, Singapore

Asian Offshore Private Limited is a Private Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956 is wholly owned subsidiary of Asian Oilfield Services Limited. The Company is engaged in providing geophysical, drilling and well services to its customer. The Registered Office of the Company is located at IRIS Tech Park Sector-48 Sohna Road Gurgaon- India.

Note 2 SIGNIFICANT ACCOUNT POLICIES

Principles of Consolidation

The financial statements of the Company and its subsidiary (herein after referred to as "the Group") have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses, if any, have been fully eliminated in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average foreign exchange rate prevailing during the year. All assets and liabilities of the subsidiary company are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised as the foreign currency translation reserve.

Accounting Convention

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with historical cost convention.

Use of Estimates

The preparation of financial statements require estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

Fixed Assets and Depreciation

All fixed assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

Expenditure on assets, other than plant and machinery and furniture hired out to employees and at camp offices, is charged to revenue.

Machinery spares that can be used only in connection with an item of fixed assets and their use is expected to be irregular are capitalized and amortised over a period of 15 months on straight line basis. Replacement of such spares is charged to revenue.

Depreciation on fixed assets is provided on Straight Line Method at the rates and the manner mentioned in the Schedule XIV of the Companies Act, 1956, where such rates are lower than the rates determined on the basis of management estimates of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-data basis.

Intangible Assets and Amortization

Intangibles are stated at cost of acquisition less accumulated amortization. Cost of computer software is being amortised over a period of six years.

Note 2 SIGNIFICANT ACCOUNT POLICIES *(Contd.)*

Foreign Currency Transactions

Transactions in Foreign Exchange, other than those covered by forward contracts are accounted for at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are translated at the yearend rates. The resultant exchange differences are recognised in the profit and loss account. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Investments

Investments are classified into Current and Long Term investments. Long-term investments are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

Inventories

Inventories of stores and consumables are stated at lower of cost and net realisable value. Inventories of mining business being used/usable more than a period of 1 year is charged as consumption over its consumption/usage period on a pro-data basis. Mining inventory is estimated to be consumed /usable over 36 months from the procurement of such inventory. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO).

Employee Stock Option Scheme

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of the shares, at the date of grant of option under the Employee Stock Option Scheme, over the exercise price is treated as employee compensation and the same is amortised over the vesting period of the stock options.

Employee Benefits

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

CENVAT Credit

CENVAT Credit availed on capital goods are reduced from the cost of capital goods. CENVAT claimed on service is reduced from the cost of such services. The unutilized CENVAT balance is shown as asset in loans and advances.

Notes forming part of Consolidated Financial Statements

Note 2 SIGNIFICANT ACCOUNT POLICIES *(Contd.)*

Revenue Recognition

a. Services

Revenue from services is recognised in the period in which services are rendered on percentage completion method.

b. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c. Dividend

Revenue is recognised when the right to receive dividend is established.

Taxes on Income

Tax expense comprises of current tax and deferred tax. Provision of current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser, are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the period of lease.

Borrowing Costs

Borrowing costs are attributable to the acquisition of qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognized as expense for the period.

Earnings per share

Basic earnings per share are calculated considering the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

Provisions, Contingent liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the notes. A contingent asset is neither recognised nor disclosed in the financial statements.

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Note 3 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹ 10 each	15,324,444	153,244,440	15,324,444	153,244,440
Subscribed & fully Paid up				
Equity Shares of ₹ 10 each	15,324,444	153,244,440	15,324,444	153,244,440
Subscribed but not fully Paid up				
Equity Shares of ₹ 10 each	–	–	–	–
Total	15,324,444	153,244,440	15,324,444	153,244,440

i. Movement of Share during the year

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,324,444	10.00	–	–
Shares Issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	15,324,444	10.00	–	–

ii. Shareholder holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share				
Samara Capital Partners Fund I Ltd.	5,566,700	36%	5,566,700	36%

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 4 RESERVES & SURPLUS		
a. Capital Reserves		
Opening Balance	44,578,226	44,578,226
(+) Current Year Transfer	–	–
(–) Written Back in Current Year	–	–
Closing Balance	44,578,226	44,578,226
b. Securities Premium Account		
Opening Balance	590,194,704	590,194,704
Add : Securities premium credited on Share issue		
Less : Premium Utilised for various reasons	–	–
Premium on Redemption of Debentures	–	–
For Issuing Bonus Shares	–	–
Closing Balance	590,194,704	590,194,704
c. Foreign Currency Translation Reserve		
Arising on consolidation during the year	(915,231)	627,008
d. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	126,350,962	201,800,936
(+) Net Profit/(Net Loss) For the current year	(90,424,069)	(75,449,974)
(+) Transfer from Reserves	–	–
(–) Proposed Dividends	–	–
(–) Interim Dividends	–	–
(–) Transfer to Reserves	–	–
Closing Balance	35,926,893	126,350,962
Total	**669,784,592**	**761,750,900**

Particulars	As at March 31, 2012	As at March 31, 2011
Note 5 LONG TERM BORROWINGS		
Secured		
(a) Term loans		
From banks	26,000,000	68,000,000
Total	**26,000,000**	**68,000,000**

Note:

Term Loan from State Bank of India was taken during the financial year 2010 -11 and carries interest 5% above State Bank of India base rate (effective interest rate 12.5% p.a.), maturing on 30th September, 2013. The loan is repayable in 30 monthly installments of ₹ 35 lakhs for the first 25 installments and balance 5 installments of ₹ 45 lacs along with interest, from the date of loan. Term loans are secured by way of hypotecation of all fixed assets acquired out of the loan. The said loans are futher secured by way of equitable mortgage of office premise and shop situated at Baroda. Further, the loan has been guaranteed by the personal guarantee of the Managing Director of the Company.

Particulars	As at March 31, 2012	As at March 31, 2011
Note 6 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Leave Encashment	329,764	2,792,765
Total	**329,764**	**2,792,765**

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 7 SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
from banks	132,348,687	–
Total	**132,348,687**	**–**

Note:

1. Cash Credit from Banks is secured by hypothecation of all chargeable current assets of the Company and pledge of TDR. Further, the loan has been guaranteed by the personal guarantee of the Managing Director of the Company. Cash Credit is repayable on demand and carries rate of interest of 12.5% p.a.
2. Overdraft facility is secured against fixed deposits. Overdraft facility is repayable on demand and carries rate of interest of 11.5% p.a.

Particulars	As at March 31, 2012	As at March 31, 2011
Note 8 TRADE PAYABLES		
Due To		
– Micro Enterprises & Small Enterprises	–	–
– Others	84,768,810	92,014,720
Total	**84,768,810**	**92,014,720**

Particulars	As at March 31, 2012	As at March 31, 2011
Note 9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	42,000,000	42,000,000
(b) Interest accrued and due on borrowings		
– Term Loan	869,225	159,726
– Others	2,341,752	–
(c) Other payables -		
Deposits	13,181,669	23,075,860
TDS Payable	3,125,805	3,948,636
Service Tax Payable	4,814,962	23,530,884
PF Payable	396,124	1,558,784
Advance from Customers	1,378,000	–
Other Current Liabilities	174,240	174,222
Total	**68,281,777**	**94,448,112**

Particulars	As at March 31, 2012	As at March 31, 2011
Note 10 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Salary & Reimbursements		
Bonus & Ex gratia	1,545,428	1,888,325
Leave Encashment (unfunded)	1,239,468	650,222
(b) Provision for Income Tax	12,329	–
Total	**2,797,225**	**2,538,547**

Notes forming part of Consolidated Financial Statements

Note 11 FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS Block (At Cost)				Depreciation				Net Block	
	As at 1 April 11	Addition	Sale or Transfer	As at March 31, 12	As at 1 April 11	Deductions/ Adjustments	For the period	As at March 31, 12	As at March 31, 12	As at March 31, 11
	a	b	c	d[a+b-c]	e	f	g	h[e-f+g]	i[d-h]	j[a-e]
Freehold Land	794,750	–	–	794,750	–	–	–	–	794,750	794,750
Building	1,830,195	444,764	–	2,274,959	499,829	–	65,249	565,078	1,709,881	1,330,366
Oilfield Equipment	272,625,439	57,926,358	244,447	330,307,350	66,365,979	84,399	33,285,357	99,566,937	230,740,413	206,259,461
Furniture & Fixture	1,891,236	50,623	–	1,941,859	1,250,146	–	65,454	1,315,600	626,259	641,089
Office Equipments	1,132,391	536,149	–	1,668,540	241,587	–	76,735	318,322	1,350,218	890,804
Vehicles	14,830,943	300,000	854,335	14,276,608	2,096,849	613,680	1,356,039	2,839,208	11,437,400	12,734,095
Computer	310,874,675	945,068	70,150	311,749,593	117,411,341	29,634	50,289,729	167,671,436	144,078,157	193,463,333
Vessels	–	327,147	–	327,147	–	–	10,477	10,477	316,670	–
Total	**603,979,629**	**60,530,109**	**1,168,932**	**663,340,806**	**187,865,731**	**727,713**	**85,149,040**	**272,287,058**	**391,053,748**	**416,113,898**
Previous Year	499,865,086	105,274,069	1,159,526	603,979,629	102,045,923	447,222	86,267,030	187,865,731	416,113,898	397,819,163

Particulars	As at March 31, 2012	As at March 31, 2011
Note 12 LONG TERM LONS & ADVANCES		
a. Security Deposits		
Unsecured, considered good	6,471,915	4,999,069
Less: Provision for doubtful deposits		
	6,471,915	4,999,069
b. Inter - Corporate Loan		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	–	–
Total	6,471,915	4,999,069

Note 13 CURRENT INVESTMENTS

(e) Investments in Mutual Funds	107,865,500	40,016,550
Total	107,865,500	40,016,550
Book Value of Quoted Investments	–	–
Market Value of Quoted Investments	–	–
Book Value of Unquoted Investments	107,865,500	40,016,550

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 14 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	143,782,597	223,460,562
	143,782,597	223,460,562
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	42,070,744	29,788,416
Unsecured, considered doubtful	10,128,977	4,897,624
Less: Provision for doubtful debts	10,128,977	4,897,624
	42,070,744	29,788,416
Total	**185,853,341**	**253,248,978**

Note 15 CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	1,205,062	2,003,873
Balances with banks		
– in Margin money	135,656,096	61,300,752
– in Current Account	1,782,506	36,963,205
Bank Fixed Deposits	131,216,603	220,000,000
Total	**269,860,267**	**320,267,830**

Note 16 SHORT TERM LOANS & ADVANCES		
Unsecured, considered good		
Deposits	13,892,932	16,910,940
Prepaid Expenses	5,124,123	6,065,292
Employee Advances	441,880	494,935
Advance to suppliers	4,839,962	766,616
Income Tax receivable	41,195,573	42,849,550
Service Tax receivable	635,564	9,937,095
Other Advances	1,252,836	–
Total	**67,382,870**	**77,024,428**

Note 17 OTHER CURRENT ASSETS		
Interest Accrued on Deposits	7,447,132	3,431,977
Accrued Service Income	67,125,067	38,024,441
Total	**74,572,199**	**41,456,418**

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 18 REVENUE FROM OPERATIONS		
Sale of services - Seismic Survey & Mining Related (Gross)	453,416,710	705,772,411
Less: Service Tax	39,088,120	64,444,052
Total	**414,328,590**	**641,328,359**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 19 OTHER INCOME		
Interest Income	28,040,622	6,187,327
Dividend Income	9,173,275	3,623,097
Rental Income	5,458,575	1,110,000
Exchange Rate Variance	152,509	14,068,001
Interest on IT Refund	840,181	226,488
Miscelleneous Income	657,303	10,472,461
Total	**44,322,465**	**35,687,374**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 20 EMPLOYEE BENEFIT EXPENSES		
Salaries, Exgratia and Bonus	90,096,697	87,519,814
Contribution to Provident Fund and Other Funds	3,980,404	3,798,207
Staff Welfare Expenses	12,496,826	10,989,119
Remuneration to Directors	4,200,000	4,200,000
Total	**110,773,927**	**106,507,140**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 21 FINANCE COST		
Interest Charges		
– Bank	16,786,550	2,633,566
– Other	131,046	36,918
Bank Charges	6,529,115	7,382,335
Total	**23,446,711**	**10,052,819**

Notes forming part of Consolidated Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Note 22 OTHER EXPENSES		
Operating Expenses		
Sub-contract Charges	71,564,456	157,829,094
Shot Hole Drilling Expenses	52,163,955	90,042,607
Stores and Consumables Consumed	38,418,899	51,673,574
Camp Establishment and Maintenance	6,781,200	3,728,811
Machinery Hire Charges	15,723,970	6,064,563
Tender Fees	261,212	128,068
Survey Expenses	35,212,484	12,908,014
Fuel Expenses Rig	16,837,713	15,630,383
Crop Compensation	2,428,668	470
Labour Charges	9,932,635	464,012
Administration & Other Expenses		
Business Promotion Expenses	1,361,325	777,611
Rent	5,307,094	4,119,290
Rates & Taxes	1,437,896	703,053
Travelling and Conveyance	42,699,687	50,856,687
Loss/ (Profit) on disposal of Asset	106,219	(384,821)
Printing and Stationery	974,620	1,048,456
Advertisement	64,415	66,413
Postage, Freight and Telephone Expenses	10,552,646	8,430,628
Insurance	4,759,486	4,025,395
Power and Fuel	760,964	829,351
Audit Fees	720,586	665,423
Legal and Professionals Charges	17,126,663	49,799,242
Provision for Doubtful Debts	5,231,353	–
Bad Debts	4,212,941	–
Provision for Doubtful Advances	–	34,528
Directors Sitting Fees	290,556	196,750
Repairs and Maintenance		
– Building	552,334	446,662
– Plant and Machinery	11,481,947	11,357,277
– Others	2,727,519	2,009,472
Donation	147,701	5,000
Preliminary Expense	188,195	–
Miscellaneous Expenses	4,545,304	4,824,214
Total Other Expenses	**364,574,642**	**478,280,226**

Note 23 ADDITIONAL INFORMATION

1. The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended March 31, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped/re-classified to conform to the current year's classification.

2. The following subsidiaries are considered in the consolidated financial statements:

Name of Company	Country of Incorporation	Ownership Interest
i.) AOSL Petroleum Pte Ltd	Singapore	100%
ii.) Asian Offshore Pvt. Ltd.	India	100%

3. The proportion of Income, Expenditure, Assets and Liabilities of Subsidiary as percentage of Consolidated Financial Statements.

(Amount in ₹)

Particulars	AOSL Petroleum Pte Ltd		Asian Offshore Private Limited	
	Amount	% (Refer Note)	Amount	% (Refer Note)
Income	597,309	0.13%	-	-
Expenditure	337,517	0.06%	242,825	0.04%
Assets	448,749	0.04%	114,450	0.01%
Liabilities	91,10,205	2.89%	54,080	0.02%

Note : Percentage to the Consolidated Financial Statements

4. Contingent Liabilities

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Outstanding balance on Bank Guarantees	182,785,839	143,032,923
Demand for Income Tax contested by the Company	16,289,283	14,871,198

5. Employee Stock Option Scheme

The ESOS compensation committee of the Company at their meeting held on 7th December 2010 has granted 5, 77,683 stock options to the eligible employees (38), under the Employees Stock Option Scheme-2010 (ESOS-2010) at the exercise price of Rs.55.70 per option, being the latest available price on the stock exchange prior to the date of grant. The vesting of the option granted would be graded over a period of four years i.e. on 15th December 2011, 1st October 2012, 1st October 2013, 1st October 2014, with the exercise period being 2 years from the date of vesting. the Company has applied the intrinsic value method for accounting of such options.

Movement in the options during the year is as detailed below:

Particulars	2011-12	2010-11
Options outstanding at the beginning of the year	5, 77,683	Nil
Granted during the year	Nil	5, 77,683
Expired/Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Options exercisable at the end of the year	5, 77,683	5, 77,683

Note 23 ADDITIONAL INFORMATION *(Contd.)*

6. Remuneration to Auditors (for other services)

(Amount in ₹)

Particulars	2011-12	2010-11
Taxation matters	8,10,000	413,625
Other services	37,822	110,300
Total (including Service Tax)	847,822	523,925

7. Information in respect of related parties

During the year, the Company entered into transactions with related parties. List of related parties along with nature and volume of transaction and balance at March 31, 2012 are presented below:

a) Subsidiary : AOSL Petroleum Pte Ltd
: Asian Offshore Private Limited

b) Key Management Personnel : Mr. Avinash Manchanda- Managing Director
: Mr. Miten Manchanda - General Manager (Seismic Support Services)

c) Relatives of Key Management Personnel : Mr. Miten Manchanda- son of Mr. Avinash Manchanda

d) Associates : Nimit Finance Private Limited

Transactions with Related Parties

The details of transactions with the related parties as defined in the Accounting Standard AS-18 Related Party Transactions notified under the Companies Act, 1956 are given below:

(Amount in ₹)

Sl No.	Nature of Relation/ Nature of Transaction		2011-12	2010-11
A.	**Subsidiary -**			
	1. AOSL Petroleum Pte Ltd.			
	Investment/(sale of investment) on net basis		(6,73,050)	(20,39,19,408)
	2. Asian Offshore Private Limited			
	Investment/(sale of investment) on net basis		3,03,195	–
B.	**Balances with Related Parties**			
	a. Subsidiary - AOSL Petroleum Pte Ltd.			
	Investment in equity shares		31,059	31,059
	Other Long term loan	73,94,471		
	Less: Provision for Doubtful Advance	73,94,471	Nil	80,67,521
	b. Subsidiary - Asian Offshore Private Limited			
	Investment in equity shares		1,00,000	–
	Other Long term loan		2,03,195	–
C.	**Remuneration to Key Managerial Person and relative of Key Managerial Person**			
	Executive Vice Chairman			
	Salaries		–	–
	Managing Director			
	Salaries		4,200,000	4,200,000
	Contribution to provident fund and other funds		–	–
			4,200,000	**4,200,000**
D.	**Relative of Key Managerial Person**			
	Salaries		1,921,300	1,515,162
	Contribution to provident fund and other funds		9,360	9,360
			1,930,660	1,524,522
	(The above figures do not include provision for leave encashment)			

Note 23 ADDITIONAL INFORMATION *(Contd.)*

8. Segmental Reporting

The Company has only two reportable segment of providing oilfield related services and hence no separate segment disclosure made.

9. Leases

The Company has various operating lease for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option.

10. Employee Benefits

a) Defined Contribution Plan

The Company makes Provident Fund and contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Company recognised Rs 1,736,180 (March 31, 2011: Rs. 1,564,094) for provident fund contributions in the Profit and Loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2012.

(Amount in ₹)

Sl No.	Particulars	2011-12 Gratuity	2010-11 Gratuity
I	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	472,066	879,029
	b. Interest Cost	189,197	105,554
	c. Expected return on plan assets	(270,916)	103,883
	d. Actuarial (Gain)/Loss	(614,167)	95,053
	e. Addl. Charge/(write-back) on account of change in policy	–	–
	f. Net expense recognised in Profit & Loss Account	(223,820)	975,753
II	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	2,162,257	1,319,422
	b. Current service cost	472,066	879,029
	c. Interest Cost	189,197	105,554
	d. Actuarial (Gain)/Loss	(614,167)	168,821
	e. Benefits paid	–	(310,569)
	f. PV of obligation as at the end of the year	2,209,352	2,162,257

Note 23 ADDITIONAL INFORMATION *(Contd.)*

(Amount in ₹)

Sl No.	Particulars	2011-12 Gratuity	2010-11 Gratuity
III	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	2,912,496	1,298,533
	b. Expected return on plan assets	270,916	103,883
	c. Actuarial (Gain)/Loss	–	73,768
	d. Contributions	570,628	1,746,881
	e. Benefits paid	–	(310,569)
	f. Fair value of plan assets as at the end of the year	3,754,040	2,912,496
IV	Net Assets/ Liabilities recognized in the Balance sheet		
	a. PV of obligation as at the end of the year	2,209,352	2,162,257
	b. Fair value of plan assets as at end of the year	3,754,040	2,912,496
	c. Net Liabilities/(Assets) recognised in the Balance sheet at year end	(1,544,688)	(750,239)
V	Principal Actuarial Assumptions		
	a. Discount rate (per annum) (Refer Note-1)	8.75%	8.25%
	b. Expected return on plan assets (Per annum) (Refer Note2)	8.13%	8%
	c. Expected increase in salary costs (per annum (Refer Note-3)	5%	5%

Note:

a. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

b. As the investment is with the Insurance Company, list of investment is not available, so expected return is assumed to be available on risk free investment like PPF.

c. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

d. 100% of plan assets are invested in group gratuity scheme offered by LIC of India.

11. Deferred Income Tax

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Depreciation	(47,320,748)	(54,703,981)
Deferred Tax Assets		
– Employee benefits	197,278	1,022,842
– Provision for doubtful debts	3,286,347	1,589,034
– Preliminary expenses written off	(1,236)	326,072
– Provision for Expenses	(12,364)	
– Unabsorbed Depreciation / Business Loss	42,830,936	8,387,344
	(10,19,788)	**(43,378,689)**

Notes to Consolidated Accounts

Note 23 ADDITIONAL INFORMATION *(Contd.)*

12. Earnings Per Share

	2011-12	2010-11
Net Profit after tax for the year	(90,424,069)	(75,449,973)
Number of Equity Shares outstanding as at year end	15,324,444	15,324,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	15,324,444	15,324,444
Basic and Diluted Earnings Per Shares (in Rs.)	(5.90)	(4.92)

13. Derivative Instruments

There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2012 (Previous year: Rs. Nil).Details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Indian currency	
		2011-12	2010-11	2011-12	2010-11
Receivables	US Dollar	39,794	131,136	20,24,471	4,897,624
Payables	US Dollar	–	9,504	–	473,963
Advances	US Dollar	–	8,000	–	359,720
	GBP	–	24,160	–	1,754,318

14. Current assets and loans and advances

The Company prepares and presents its financial statements as per Schedule VI of the Companies Act, 1956 as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statement for the financial year ended March 31, 2012 have been prepared as per the requirements of the Revised Schedule VI of the Companies Act, 1956. The Previous year figures have been accordingly regrouped/re-classified to conform to the current year's classification.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav Shah
Partner
Membership No.35701

Place : Vadodara
Date : May 30, 2012

For and on on behalf of the Board

N C Sharma
Chairman

A C Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2012

Asian Oilfield Services Limited

Registered Office: 7th floor, B-Wing, Manubhai Tower, Sayajigunj, Baroda 390 020.

Notice

Notice is hereby given that 19th Annual General Meeting of Members of Asian Oilfield Services Ltd. will be held on Tuesday, the August 14, 2012 at 11.00 a.m. at Dr. I. G. Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002, to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2012 and Balance Sheet as of that date together with the reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sumeet Narang, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dali E. Ilavia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Special Business :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

   "RESOLVED THAT Mr. Rahul Talwar who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

   "RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 and 314 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and General Circular No. 46/2011 dated July 14, 2011 of the Government of India, Ministry of Corporate Affairs, New Delhi and other rules and regulations made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to such other approvals, if any, as may be required, the consent of the Company, be and is hereby accorded for the appointment of and payment of remuneration to Mr. Rahul Talwar, as the Whole time Director of the Company for a period of three years with effect from May 21, 2012 upto May 20, 2015, on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Mr. Rahul Talwar, a copy whereof is placed before this meeting which agreement is hereby specifically sanctioned, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf, from time to time, or any amendment thereto, as may be agreed to between the Board and Mr. Rahul Talwar."

   "RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, Mr. Rahul Talwar, the Whole time Director, be paid remuneration as minimum remuneration, subject to the ceiling as may be prescribed and applicable, if any, in Section –II of Part –II of Schedule-XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board, be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By **Order of the Board**

Date : May 30, 2012 **Mukesh Khanna**

Place : Mumbai *Company Secretary*

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxy, in order to be effective, should be lodged duly completed before 48 hours of the meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business at Item Nos.5 and 6, is attached herewith.
5. Register of Members and Share Transfer Register will remain closed from Saturday, the August 4, 2012 to Tuesday, the August 14, 2012, (both the days inclusive).
6. Shareholders are requested to:

(a) bring their copy of the Annual Report at the meeting.

(b) send all communications relating to their shareholding, quoting Folio No. / Client ID No. at Registered Office / at the office of the Registrar and Share Transfer Agents.

7. Information about directors retiring by rotation and being appointed is given in the Annexure to the notice.
8. Members desirous of obtaining any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at its Registered Office so as to reach at least seven days before the date of the meeting.
9. Pursuant to SEBI circular, it is mandatory to quote PAN for transfer / transmission of shares in physical form. Therefore, the transferee(s) / legal heirs are required to furnish a copy of their PAN to the Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with Link Intime India Private Limited, RTA of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No.2

Mr. Sumeet Narang, Director representing Samara Capital, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Sumeet earned a Masters in Business Administration from the Harvard Business School, where he graduated as a Baker Scholar and John Loeb fellow. He also earned a Masters in Business from Indian Institute of Management, Lucknow (IIM), where he was an Aditya Birla Scholar and a B.E. in Mechanical Engineering from Indian Institute of Technology (IIT), Roorkee, where he received a "University Blue" for outstanding contribution to University Squash team, of which he was the captain.

Prior to founding Samara Capital in late 2006, Mr. Sumeet briefly worked at Goldman Sachs, NY in their Proprietary Investments Group. During 2001-04, he worked with Citigroup India across various functions based out of Delhi and Hyderabad. He also has worked with the Fiat group in Italy and India.

Mr. Sumeet Narang, is a Director representing the Promoter of the Company and does not hold any shares and beneficial interest in any shares of your Company. He holds directorship and membership of the following companies.

Directorships

Sr. No.	Name of the Company	Designation
1.	Asian Oilfield Services Ltd.	Promoter Director
2.	Samara India Advisors Pvt. Ltd.	Director
3.	Sharekhan Limited	Director
4.	Human Value Developers Pvt. Ltd.	Director
5.	Flemingo Dutyfree Pvt. Ltd.	Director
6.	Flemingo (DFS) Pvt. Ltd.	Director

The Board recommends this resolution for your approval.

Mr. Sumeet Narang, Mr. Gautam Gode and Mr. Sanjay Bhargava, the Directors of the Company are deemed to be interested.

Item No. 3

Mr. Dali E. Ilavia, Director, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise

Mr. Dali E. Ilavia is B.Com. with 37 years experience in Banking & Finance. He served in Central Bank of India for 33 years as an Officer, Branch Manager and Regional Manager and finally retired as Chief Internal Auditors, Audit Zone, Nagpur.

Mr. Dali E. Ilavia does not hold any shares and beneficial interest in any shares of your Company. He holds directorship and membership of the following company / committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Asian Oilfield Services Ltd.	Independent Director

Membership of Committees

Sr.No.	Name of the Company	Committee	Designation
1.	Asian Oilfield Services Ltd.	Audit Committee	Member
		Shareholders' Grievance	Chairman
		Remuneration / Compensation	Member
		Share Transfer Committee	Member
		Finance Committee	Member

The Board recommends this resolution for your approval.

No Director other than Mr. Dali E. Ilavia, is in any way interested or concerned in the said resolution.

Item Nos.5 & 6

The Board of Directors of the Company have appointed Mr. Rahul Talwar as an Additional Director of the Company with effect from May 21, 2012 pursuant to Article 114 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956. He holds office of Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing with the requisite deposit from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Rahul Talwar for appointment as a Director of the Company.

The Company has also received consent in writing from Mr. Rahul Talwar to act as a Director, if appointed.

Mr. Rahul Talwar is B.E (Electronics and Communication) and has undergone International Marketing Program for executives at INSEAD in Fontainebleau, France, Berkeley-Nanyang Advanced Management Program at Haas Business School and Berkeley and Executive MBA from the Nanyang Business School with Emphasis on Leadership and Finance.

Mr. Talwar possesses extensive and rich experience over two decades in the field of Oil and Natural Gas Sector and has worked for Schlumberger and PGS Companies in various regional / global roles in the Seismic Industry. Before his appointment, he was a top management team member in the capacity of President and Chief Executive Officer of the Company.

Based on the recommendations of the Remuneration Committee, in terms of the provisions of Section 198, 269, 309, 310 and 314 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and other rules and regulations made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) read with General Circular No. 46/2011 dated July 14 , 2011 of the Government of India, Ministry of Corporate Affairs, New Delhi, the Board of Directors, at its meeting held on May 21, 2012, has appointed Mr. Rahul Talwar as the Whole time Director of the Company for a period of three years, upon the terms and conditions enumerated in the draft agreement, subject to the approval of members. Such draft agreement set out main terms and conditions of the appointment, as stated hereunder.

The abstract of the terms and conditions of his appointment as contained in the agreement:

1.	Period of Appointment	:	3 years with effect from May 21, 2012.
2.	Duties	:	The Whole time Director shall exercise and perform such powers and duties as the Board shall from time to time determine. Subject to be superintendence, control and direction of the board, the Whole Time Director shall have the powers to general conduct and management of the business and affairs of the Company and he shall be entitled to exercise all such powers and to do all such acts and thing as the Company is authorized to exercise and do all such powers, acts or things which are directed or required by the Companies Act, 1956 or any other Act or by the Memorandum and Articles of Association of the Company.
3.	Details of remuneration	:	
	i. Basic Salary	:	Rs. 5,500,000 p.a.
	ii. Allowances and perquisites	:	Rs. 7,000,000 p.a.

However following shall not be treated as perquisites.

a) **Car :** Provision of car with driver for use on Company's business is not to be considered as perquisites.

b) **Telephone :** Telephone(s) at the residence of the Whole time Director and mobile phone(s) for official use is not to be considered as perquisites.

c.) The Whole time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than ninety days.

d) Reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors and the reimbursement of traveling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

4. Termination : The agreement shall be liable to be terminated by either party giving 3 months' notice in writing to that effect, to either side.

5. The Whole time Director shall ensure complete secrecy of all confidential information entrusted to him and shall not use or attempt to use any such information in any manner, which may injure or cause loss either directly or indirectly to the Company or its business, other than information which is already pubic.

6. As long as Mr. Rahul Talwar functions as the Whole time Director he shall not be liable to retire by rotation. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

7. The terms and conditions including the remuneration payable to Whole time Director of the said appointment and / or agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit.

Considering his no direct or indirect interest in the Capital of the Company and that educational qualifications, wide and varied specialized professional experiences over two decades in the field of Oil & Natural Gas that possessed by him and upon para (c) of Section II of Part II of the Schedule XIII to the Act, being complied with, the Board believes that the Company is not required to avail the approval of the Central Government for payment of remuneration to Mr. Rahul Talwar on his appointment as the Whole Time Director, being a Professional Managerial person, in terms of General Circular No. 46/2011 dated 14th July, 2011 of the Government of India, Ministry of Corporate Affairs, New Delhi .

The Board hopes that association of Mr. Rahul Talwar as the Whole time Director of the Company, will immensely benefit the Company in future and therefore recommends the resolution for adoption.

The explanatory statement together with accompanying Notice shall be treated as an abstract of the terms of agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The draft of the agreement between the Company and Mr. Rahul Talwar is available for inspection by the Company at its Registered Office between 3.00 PM and 5.00 PM on all working days (except Sundays , Saturdays and Holidays) till the date of the Annual General Meeting.

None of the Director, except Mr. Rahul Talwar, is interested in the proposed resolution.

Statement containing In formation as per Schedule XIII to the Act :

I. General Information :

1. Nature of Industry : Oilfield & Mining Services
2. Date of commencement of commercial operations : 10th March, 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

(Rs. in million)

Particulars	Year 2011-12	Year 2010-11
Gross Income- Turnover	458.05	672.00
Operating Profit / (Loss) before Interest & Depreciation and Tax	(16.75)	99.37
Net Profit / (Loss) after Tax	(90.44)	(68.23)
Debt Equity Ratio	0.37	0.33
Current Ratio	2.65	4.00
Net Worth	831.92	922.36

5. Export performance and net foreign Collaborations : The Company is not an Exporting Company.
6. Foreign Investments or collaborators, if any : The Company has incorporated a wholly owned subsidiary (WOS) in Singapore with a capital of SGD 1000 only and currently there are no operational activities in the said WOS.

II. Information about the Appointee :

1) Background details : Mr. Rahul Talwar holds B.E (Electronics and Communication) degree and has undergone International Marketing Program for executives at INSEAD in Fontainebleau, France, Berkeley-Nanyang Advanced Management Program at Haas Business School and Berkeley and Executive MBA from the Nanyang Business School with Emphasis on Leadership and Finance.

Mr. Rahul Talwar possesses extensive and rich experience over two decades in the field of Oil and Natural Gas and has worked for Schlumberger and PGS Companies in various regional / global roles in the Seismic Industry.

2) Past remuneration drawn	:	Rs.10,00,000/- per month
3) Recognition or awards	:	Not Application
4) Job profile and his suitability	:	Over all Management of Operations of the Company at Headquarter and on various project sites with responsibility of business development.
5) Remuneration proposed	:	Rs. 10,00,000/- per month As detailed in the explanatory statement above.
6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person	:	Taking into consideration the industry, size of business of the Company, profile of position in the Company, profile of the appointee, and responsibilities shouldered and proposed to be shouldered by him, industry remuneration benchmarks, the remuneration proposed is reasonable and commensurate with the remuneration package being offered in other companies to the managerial persons.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any	:	None

III. Other information :

1) Reasons of loss or inadequate profits	:	Under utilisation of capacity and keen competition among Service providers.
2) Steps taken or proposed to be taken for Improvement	:	Widening the sphere of activities, move into diverse geography and undertaking the newer projects for providing various Oilfield Services, on larger scale.
3) Expected increase in productivity and Profits in measurable terms	:	With heavy thrust of Government on Oil & Natural Gas Exploration & Extraction, huge demand for Service providers in Oil & Natural Gas field Services would be witnessed in India and abroad. The Company, being a growth oriented and steady performer, the productivity and profit is expected to sizably increase.

Considering his educational qualification and wide and varied experience in Oil and Natural Gas industries, the Board considers that association of Mr. Rahul Talwar with the Company as Whole time Director, will immensely benefit the Company.

The agreement between the Company and Mr. Rahul Talwar 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.

The Board recommends the resolution for adoption.

None of the Directors, except Mr. Rahul Talwar is concerned or interested in passing this resolution.

By **Order of the Board**

Date : May 30, 2012
Place : Mumbai

Mukesh Khanna
Company Secretary

ASIAN OILFIELD SERVICES LTD.

Regd.Office: 7th Floor, “B” Wing, Manubhai Tower, Sayajigunj, Vadodara-390020

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held at Dr.I G Patel Seminar Hall, Faculty of Social Work of M.S. University, Opp. Fatehgunj, Vadodara-390002 on Tuesday, 14th August, 2012 at 11.00 a.m

Full name of the Member (IN BLOCK LETTERS): ....

Folio No. ....

DP ID No. ....

Client ID ....

No. of Shares held ....

Full name of Proxy (IN BLOCK LETTERS) ....

Member’s/Proxy’s Signature

ASIAN OILFIELD SERVICES LTD.

Regd.Office: 7th Floor, “B” Wing, Manubhai Tower, Sayajigunj, Vadodara-390020

PROXY FORM

I / We ....of .... being a Member/Members of the above named Company , hereby appoint .... of ....or failing him ....of .... as my/our proxy to attend and vote for me/us on my/our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 14th August, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this .... day of 2012

Folio No. .... DP ID No. .... Client ID ....

No. of Shares held ....

Affix
Re.1 Revenue
Stamp

Signature ....

Note: The proxy form must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Company Information

Board of Directors	Naresh Chandra Sharma	*Chairman - Non-Executive Independent*
	Avinash Chandra Manchanda	*Promoter Managing Director*
	Rahul Talwar	*CEO & Whole Time Director*
	Dali E Ilavia	*Non-Executive Independent Director*
	Sumeet Narang	*Non-Executive Promoter Director*
	Gautam Gode	*Non-Executive Promoter Director*
	Ajit Kapadia	*Non-Executive Independent Director*
	Sanjay Bhargava	*Non-Executive Promoter Director*
Company Secretary	Mukesh Khanna	
Auditors	Deloitte Haskins & Sells Chartered Accountants Vadodara	
Bankers	State Bank of India HDFC Bank Limited Ratnakar Bank Limited	
Registered Office	7th Floor, B Wing, Manubhai Tower, Sayajigunj, Vadodara - 390 020 Tel: 0265-2362071, Fax: 0265-2226216, Email: secretarial@asianoilfield.com, Website: www.asianoilfield.com	
Corporate Office:	506 IRIS Tech Park, Tower-A, 5th Floor, Sector 48, Sohna Road, Gurgaon - 122 018, Tel: 0124-4256145, Fax: 0124-4256146 Email: mail@asianoilfield.com	
Registrar & Share Transfer Agent:	Link Intime India (P) Limited, 102 & 103 Shangrila Complex 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Tel: 0265-2356573 / 2356794, Fax: 0256-2356791 Email: vadodara@linkintime.co.in	

Asian Oilfield Services Limited

Registered Office: 7th floor, B-Wing, Manubhai Tower, Sayajigunj, Baroda 390 020.