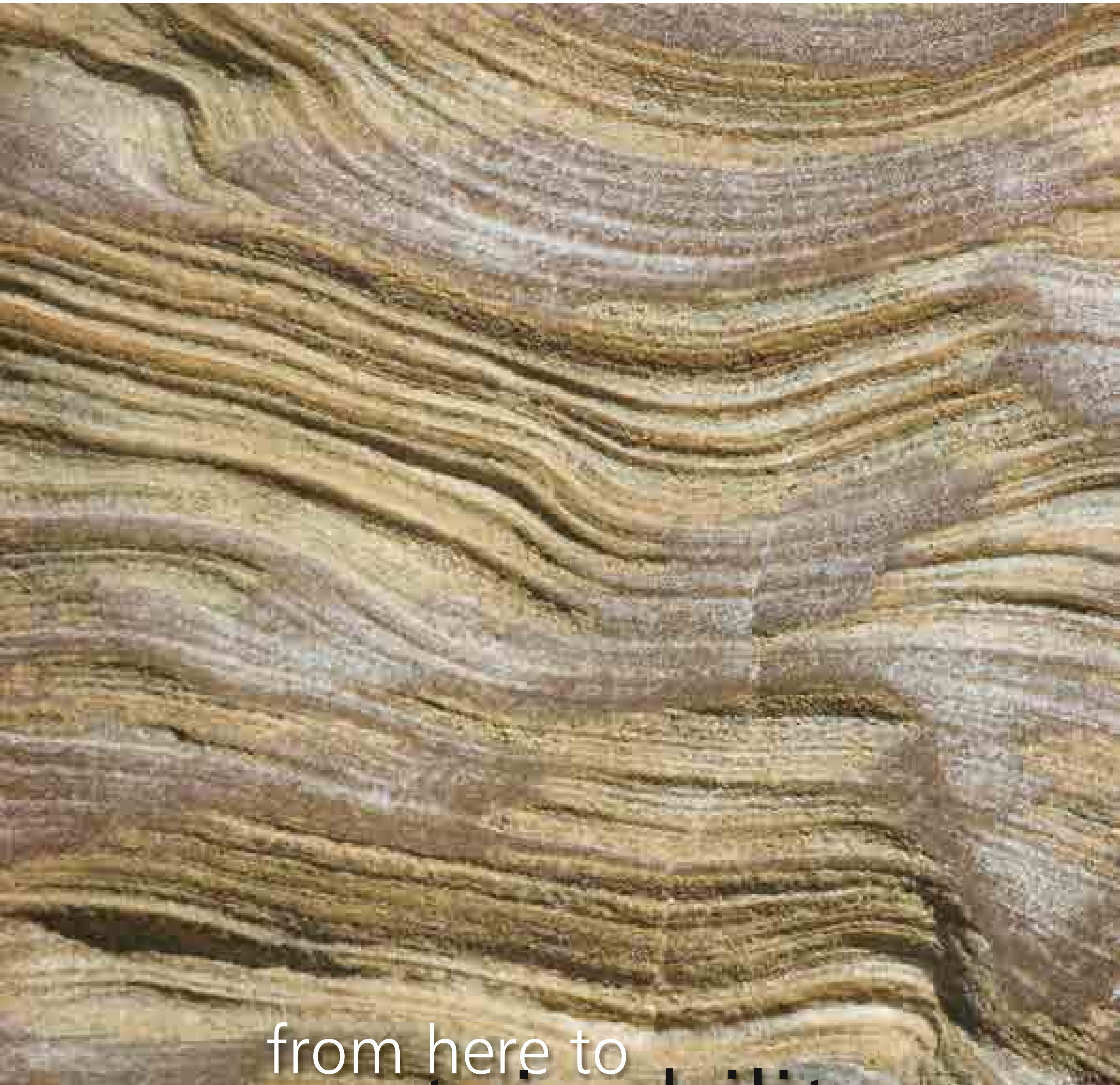
ASIAN OILFIELD SERVICES LIMITED | 20TH ANNUAL REPORT 2012-13



from here to sustainability

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...

COMPANY INFORMATION

Board of Directors	Naresh Chandra Sharma	Chairman - Non-Executive Independent
	Ajit Kapadia	Non-Executive Independent Director
	Dr. Rabi Narayan Bastia	Non-Executive Independent Director
	Sumeet Narang	Non-Executive Promoter Director
	Gautam Gode	Non-Executive Promoter Director
	Sanjay Bhargava	Non-Executive Promoter Director
	Avinash Chandra Manchanda	Non-Executive Director
	Rahul Talwar	CEO & Whole Time Director
Company Secretary	Kanika Bhutani	
Auditors	Deloitte Haskins & Sells Chartered Accountants Vadodara	
Bankers	State Bank of India HDFC Bank Limited Ratnakar Bank Limited Yes Bank Limited Axis Bank Limited	
Registered Office	29, Payal Complex, Station Road, Sayajigunj, Vadodara-390020, Gujarat, India Phone: +91 (265) 2362292, 91 (265) 2226216, Fax: 91 (265) 2226216, Email: secretarial@asianoilfield.com, Website: www.asianoilfield.com	
Corporate Office	703, 7th Floor, Tower-A, IRIS Tech Park, Sector 48, Sohna Road, Gurgaon, Haryana 122 018, India Phone: +91 (124) 4256145, Fax:+91 (124) 6606406, 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: 0265-2356791 Email: vadodara@linkintime.co.in	

Asian Oilfield Services Limited

is at the cusp of exciting change.

Over the last couple of years, the Company has transformed its business model.

With the objective to generate profitable and sustainable growth.

The result is an attractive global order book expected to translate into growing revenues over the foreseeable future.

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

Legacy

- Incorporated in 1992, Asian Oilfield Services has transformed itself into a multi-disciplinary enterprise, providing reservoir imaging services and offering a comprehensive suite of geophysical services
- The Company's management control was acquired by Samara Capital, an entrepreneurially-run India- focused private equity firm with investments in emerging Indian companies that are poised for rapid transformation, possess entrepreneurial management teams and operate in favourable segmental geographies
- The Company enjoyed a market capitalisation of ₹290 million as on March 31, 2013

Services

- The Company's services include 2D and 3D seismic data acquisition, processing and interpretation, topographic surveys, core drilling for mineral and CBM exploration, wire-line logging and directional core drilling (to target shallow horizons)
- It also provides specialised high-technology services to oil and gas companies for targeted applications

Human capital

Asian Oilfield Services has 211 individuals on its payroll and during project execution periods, it manages a workforce in excess of 1,800 people

Presence

- The Company's corporate office is located in Gurgaon
- It provides services across the Indian subcontinent and Asia.
- The Company's shares are listed and traded on the Bombay Stock Exchange

Core values

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

Quality: We shall constantly implement industry best 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 efficiently and competitively by employing a highly motivated workforce, assets of the highest standards, state-of-the-art 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

Projects

- Asian Oilfield Services has executed projects in most parts of India and has a robust track record of completing projects across a wide range of terrains
- The Company has successfully executed projects in the North Eastern states of India where it has overcome challenges imposed by hostile terrains, social unrest and security-related issues to spearhead exploration efforts of oil and gas companies
- The Company has forayed into overseas markets, bagging two international projects during 2012-13

Performance

- Gross income stood at ₹544 million against ₹458 million in 2011-12
- EBIDTA stood at ₹38 million against a negative ₹17 million in 2011-12
- Reported a loss before tax of ₹94 million against a loss before tax of ₹133 million in 2011-12
- Networth stood at ₹738 million against ₹832 million in 2011-12
- Gross block stood at ₹647 million against ₹663 million in 2011-12

The journey

1992
Incorporated as Asian Oilfield Services Limited

1995
- Launched a public issue in March, 1995
- Commenced rig operations

1997
Commenced shot hole drilling operations

1998
Executed its first seismic survey contract

2003
Executed a 2D seismic contract

2007
Executed a 2D seismic contract in India's North East

2008
Samara Capital invested in the Company

2010
- Successfully executed the first 3D seismic contract
- Commenced mineral drilling operations

2011
Reorganised the Company with a new executive team

2012
- Initiated CBM coring and drilling
- Embarked on a new strategy to globalise the business
- Bagged its first international contract in South East Asia

2013
Bagged its second international contract in Middle East

BUSINESS STRATEGY

From an Indian to a world-class seismic services enterprise.

FOR A SUCCESSFUL AND SUSTAINABLE BUSINESS, A SERVICE PROVIDER NEEDS A ROBUST COMPLEMENT OF PRODUCTS, RESOURCES AND LEADERSHIP.

1 Product – markets

- Asian Oilfield Services is a reservoir imaging company, offering a suite of geophysical services specialising in land and well seismic services
- By virtue of its enormous reserves, India provides significant opportunities for exploration, translating into increased demand for frontline seismic services companies
- Besides, there is a growing focus on oil exploration in the Middle East, Africa and South East Asia as significant investments are being directed towards these geographies
- The Company enjoys a consistent track record of completing projects across a wide range of terrains across the country




2 Resources

The Company possesses a rich resource base (equipment and manpower).

- The Company has strategically invested in cutting-edge technology with the objective of emerging as an industry leader
- It created strategic alliances for plugging product and technology gaps and for accessing specific geographies
- It developed a world-class programme for matching output and technical and behavioural processes across various operational stages
- It focused on creating a comprehensive equipment base, funded from accruals or cost-effective debt
- It possesses a focused and experienced seismic services team, enhancing market competitiveness

3 Leadership

Asian Oilfield Services embarked on a reorganisation initiative in response to a dynamic business environment.

- It created a functional structure with business development and execution as core functions supported by specialised departments
- It embraced business development initiatives to foster an entrepreneurial mindset and reinforce execution capability
- It created a variable remuneration structure linked to performance

From a legacy structure to enterprise-wide re-organisation

FOR YEARS, ASIAN OILFIELD SERVICES FOCUSED ON LOW-END SEISMIC SERVICES. SAMARA CAPITAL ASSUMED MANAGEMENT CONTROL IN FEBRUARY 2010 (36.33% STAKE) WITH THE OBJECTIVE TO TRANSFORM THE COMPANY INTO A DOMINANT REGIONAL PLAYER OFFERING MULTIPLE OILFIELD SERVICES ACROSS DIVERSE GEOGRAPHIES.

Samara Capital is an India-focused private equity fund (established 2007) with the objective to emerge as a co-business owner and not just an active financial investor; to create effective businesses run by like-minded entrepreneurial/ managerial teams.

Since 2007, Samara Capital invested around USD 200 million in 13 companies across sectors. Its portfolio companies include Flamingo Liners, TVC Skyshop, Global Coal and Mining Private Limited, Teracom, Sharekhan, Guardian Lifecare, Ratnakar Bank, Thriveni Earthmovers, Thyrocare Technologies, Monte Carlo, Cogencis and Ganga Kaveri.

THE TRANSITION

- The new management embarked on a focused strategy to embrace challenging assignments with the objective to reinforce the Company's positioning as a specialised solutions provider.
- The new team also embarked on a strategy to reduce costs of asset engagement as the first step towards enhanced competitiveness; the Company also initiated new operating processes under seismic surveys.
- The Company expanded its services and QHSE portfolio through technical tie-ups with global players.
- Through these alliances, the Company established a network of local partners in the Middle East and Far East; it entered into an exclusive tie-up with Wireless Seismic Inc. and commenced bidding for international seismic contracts.

THE RESULT

The Company was able to enter highly competitive international markets for the first time in 2012-13.

From an India focus to international geographies

ASIAN OILFIELD SERVICES HAS EXECUTED SEVERAL PROJECTS ACROSS INDIA WITH A CONSISTENT RECORD IN SUCCESSFULLY COMPLETING ASSIGNMENTS ACROSS A RANGE OF TERRAINS.

THE TRANSITION

The new management restructured the Company, making it ready to capitalise on sectoral Asian opportunities.

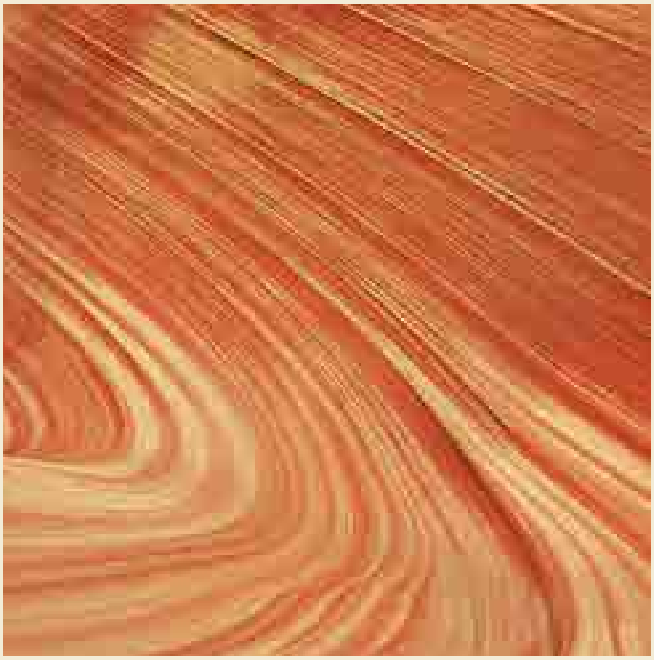
- With the new management enjoying an international operational experience, the Company bagged its first contract outside India (Indonesia) in addition to MOUs in Myanmar, Oman, Iraq, Kuwait and Dubai.
- The Company employs over 250 personnel (Indian and expatriate) worldwide; during project execution periods, the workforce increases to more than 2,000 members.
- The Company is reorienting its services portfolio to one with higher value-addition and difficult to replicate.
- The Company intends to offer cutting-edge technologies at competitive costs through alliances with several global technology providers

The seismic services industry potential is immense in India, given the urgency demonstrated by India's energy sector through the NELP programme, leading to the increased entry of new players and enlargement of the corpus of domestic and overseas players. This is expected to catalyse the demand for authentic and high-quality data, speedy and timely execution abilities and integrated data interpretation and analysis services. The upsurge will open international spaces for new players, especially in the Middle East, Africa and South East Asian.

THE RESULT

The Company already developed a network of representatives/ local entities across the Middle East and the Far East, pursuing several contracts in the Middle East and the Far East. As a result, the Company won its first international contract worth USD 4.2 million in Indonesia.

From legacy assets to cutting-edge technology



ASIAN OILFIELD SERVICES HAS SPECIALISED IN THE INTRODUCTION OF NICHE TECHNOLOGIES (WIRELESS SEISMIC SERVICES). BESIDES, THE COMPANY INVESTED IN GLOBALLY-BENCHMARKED HEALTH SAFETY AND ENVIRONMENT PROCESSES WITH A FOCUS ON ACQUIRING A LEADERSHIP POSITION IN INDIA.

The Company offers seismic data acquisition services using the latest conventional seismic instruments for P-wave/ 3C recording under the predefined ambit of the Company's quality, health, safety and environmental management systems.

THE TRANSITION

- The Company plans to venture into the 3D marine seismic services market, currently addressed only by international majors
- The Company is acquiring the latest technologies available from OEMs and creating a strong network of alliances in countries which have demonstrated this technology appetite
- The Company invested ₹224 million in India over the last three financial years in seismic and drilling equipment. During the first half of the 2012-13, it procured seismic equipment (including seismic systems, vibroseis trucks, drilling rigs and other ground electronic equipment) aggregating over ₹722 million for its Indian and overseas operations.
- The Company tied-up with Wireless Seismic Inc. of USA for accessing cutting-edge wireless and real-time recording seismic technology
- The Company differentiated from other players through its real-time wireless system (RT System 2). Its cable-less recording technology and point-receiver seismic hardware and software provide the full range of imaging services, ensuring cost-effective exploration along with the highest possible quality reservoir characterisation; this makes Asian Oilfield services the only seismic company outside the US to deploy the Wireless Seismic RT-2 real time recording system. As a result of this technology, the Company expects to reduce time and labour costs for unreeling and laying cables and also in the execution of seismic exploration in complex terrains.
- The Company acquired the RT System 2 real-time and cable-less seismic data acquisition system from Wireless Seismic Inc., a revolutionary seismic data acquisition system that capitalises on emerging technologies in the seismic, wireless and mesh-network industries. Since the Company works in challenging terrains throughout Asia, the choice of RT System 2 represents a relevant solution in expanding the field equipment inventory with minimal footprint on the one hand and increased efficiency cum safety on the other.

THE RESULT

The Company possesses a consistent track record in on-time project completion in challenging terrains as well as quality management, best-of-class experience and services across other diverse geographies.

From weak financials to a robust Balance Sheet

ASIAN OILFIELD SERVICES IS A SEISMIC SURVEY MARKET LEADER IN INDIA WITH A GROWING INTERNATIONAL FOOTPRINT.

Over 2010-12, the Company's revenues and profitability were adversely impacted by the deferment of capital expenditure by E&P companies following the global economic slowdown.

THE TRANSITION

The Company's seismic survey business mainly caters to the E&P industry, which accounts for over 70% of revenues. The demand for seismic services is linked to the capital expenditure programmes of E&P companies; in turn, the revenues and profitability of these E&P companies are dependent on government policies and economic growth.

- The Company's revenues and profitability improved towards the end of FY13 on account of a satisfactory order book position and the successful execution of projects in Arunachal Pradesh and Gujarat
- During 2012-13, the Company secured two overseas contracts – in Indonesia and Iraqi Kurdistan from GSPCL and Gazprom, respectively
- The Company enjoys access to funded bank limits worth ₹100 million, which were fully utilised as on March 31, 2013
- Debt protection metrics are expected to improve in 2013-14 with profitability expected to improve and debt levels projected to moderate towards the end of the current financial year
- Cash accruals for the near future are expected to be sufficient to meet maturing debt obligations. Over the medium-term, our financial risk profile is expected to remain healthy backed by strong liquidity and low gearing
- The Company was on the verge of becoming debt-free when it became imperative to mobilise USD 7 million debt for the execution of overseas projects.

We believe that our revenues and profitability will improve over the medium-term on the back of stable demand from E&P companies and a projected economic revival.

THE RESULT

The Company became PAT-positive in the last quarter of FY13 after six quarters. Going ahead, the Company expects to report a positive bottomline owing to an attractive consolidated order book size of ₹1,400 million and aggressive project implementation in 2013-14.

From central control to de-centralised operations

INCORPORATED IN 1992, ASIAN OILFIELD SERVICES IS THE MARKET LEADER IN PROVIDING SEISMIC SURVEYS AND RELATED SERVICES TO E&P COMPANIES IN THE OIL AND GAS SECTOR IN INDIA.

THE TRANSITION

To explore business opportunities in diverse geographies, the Company set up two wholly-owned overseas subsidiaries in Dubai and Singapore (AOSL Petroleum Pte. Limited Singapore and Asian Oilfield & Energy Services DMCC, Dubai). This will enable the Company to address opportunities in the Middle East, Africa, CIS and Far East.

- Incorporated in 2008, AOSL Petroleum Pte. Limited Singapore (APPL) was established with the objective of exploring business opportunities in South East Asia and Australia. It secured its first international contract for carrying out 2D seismic data acquisition for GSPC Limited in FY13 in its operational block in Sumatra, Indonesia.

- Asian Oilfield & Energy Services (ADMCC), Dubai, was set up to explore opportunities in the Middle East, Africa and CIS countries. The Company secured a contract from Gazprom in Iraqi Kurdistan. ADMCC commissioned a foreign branch in Erbil (capital of Iraqi Kurdistan) to control and monitor project execution.

Depending on the local regulatory requirements in each country, the Company intends to commission step-down subsidiaries, limited liability companies, foreign branches and representative offices to facilitate successful project bidding and execution.

THE RESULT

The Company intends to build on its initial international success and emerge as a respected global service provider.

From a narrow offering towards an enhanced service bouquet

ASIAN OILFIELD SERVICES IS A RESERVOIR IMAGING COMPANY OFFERING A SUITE OF GEOPHYSICAL SERVICES (LAND AND WELL SEISMIC SERVICES) THAT HELP CUSTOMERS MAKE QUICKER INFORMED EXPLORATION AND DRILLING DECISIONS.

Over the years, the Company evolved from an ancillary to a national service provider company through the active ownership of in-house crews and outsourcing low-end data acquisition at risk-prone sites. A breakout was endeavoured in 2010 through the incorporation of 3D and data mining services as well as recruiting additional crews and senior management personnel. During this time, the Company also entered the conventional mining space with CBM.

THE TRANSITION

Asian Oilfield Services caters to a diversified portfolio of services, which includes 2D and 3D seismic data acquisition, processing and interpretation as well as topographic surveys. It also executed a number of projects and developed competencies in continuous core drilling for mineral and CBM exploration, wire-line logging and directional core drilling, providing cutting-edge solutions with state-of-the-art technology to shallow horizons. In addition to these core services, the Company also provided specialised high technology services to oil and gas companies for targeted applications.

- Asian Oilfield Services is a leading 2D and 3D seismic services provider with an extensive two-decade experience. The Company operates five crews (including two international in the Far East and the Middle East).
- The Company enjoys an impeccable track record in delivering surveys on time in a cost-effective manner in some of the most challenging environments (deserts, forests and mountainous terrains).
- Besides core-hole drilling, the Company is exploring opportunities in CBM well-drilling. A couple of alliances/ partnerships have been finalised with drilling management companies overseas to provide designs, QHSE, drilling management and technology to clients in the CBM sector
- The Company is extending from mere data capture to reservoir imaging; this will make it possible to provide seismic data but process, analyse and interpret this data to facilitate informed drilling decisions. The result is that the Company is now present across the value chain – from data acquisition to interpretation and processing.

REVIEW OF THE YEAR

"We are targeting a topline of over ₹3,000 million by 2016."

An overview by Mr. Rahul Talwar, CEO & Whole-time Director

Dear shareholders,

The year 2012-13 was a watershed on account of two reasons: one, we made our foray into international business, which not only enhanced visibility but also attracted some of the best industry talent, and two, we secured two overseas contracts in Indonesia and Iraqi Kurdistan from GSPCL and Gazprom respectively, worth a cumulative USD 17 million.

The Company possessed a robust consolidated order book of ₹1,422 million (India ₹390 million or 27% and overseas - ₹1,032 million or 73%) at the close of FY13, enhancing our revenue visibility for the next one year. As a peak order book position in India is normally achieved by the end of the second quarter and before the beginning of the field season in October-November, we expect our Indian order book to strengthen further.

OUR TRANSFORMATIONAL JOURNEY

During the last four years, our performance was unsatisfactory. Growth trends were negative with income dropping from ₹642 million in 2008-09 to ₹458 million in 2011-12. However, 2012-13 represented a watershed following the induction of the new management. The result was that the Company's topline improved and the Company turned PAT-positive in the last quarter of 2012-13.

The prolonged adversity was not just due to operational factors but challenging market conditions as well. In response to this, the Company reassessed its strategic context and evolved an effective response.

- Enriched core competence: We leveraged our low-cost structure to provide outsourced solutions for the global E&P industry. Going forward, we expect to strengthen operational efficiency by graduating each crew into an independent profit centre along with benchmarked profitability and efficiency standards
- Enhanced competitiveness: We strengthened our core business through technical collaborations and the recruitment of experienced personnel
- Broadened geographic presence: We widened our global footprint by collaborating with foreign companies, bidding for larger contracts; we entered into strategic tie-ups with E&P companies for assured long-term revenues
- Investments in capital assets: We invested in sophisticated technologies to facilitate exploration and production even in challenging terrains
- Enhanced recruitment: We inducted senior experienced professionals in overseas seismic markets to drive our business forward
- Widen service portfolio: We plan to enter other oilfield support services; we are considering M&A options to widen our service offerings

GEARING FOR THE FUTURE

The new management team embarked on a strategy to invest in cutting-edge technologies with the objective to emerge as an industry benchmark. Recently, we differentiated ourselves from competition following the acquisition of a new real time wireless system (RT System 2), emerging as the first Company outside the US to acquire this technology. This will reduce the average number of field operators, strengthening productivity and profitability. We revamped our organisational structure into individual product lines being made responsible for their respective businesses; we created a lateral business development structure to support these product lines.

For nearly two decades, we focused on seismic exploration opportunities coming out of India. The new management restructured the Company to capitalise on sectoral opportunities across Asia. We have an experienced and global management team driving our agenda for bagging overseas contracts. We also signed various MOUs in Myanmar, Oman, Iraq, Kuwait, Indonesia and Dubai.

Our foray into CBM projects met with success, Reliance Industries emerging as a new client. The Company demonstrated its competence despite being a relatively new entrant by completing the contract ahead of schedule, resulting in an extension. The Company now qualifies for all exploratory drilling and geophysical logging tenders released by the government and private companies.

The new management also embarked on a strategy to reduce the cost of asset engagement as the first step towards strengthening competitiveness. It initiated new operating processes in seismic surveys and implemented SAP practices to bolster accountability and transparency. We embarked on a strategy to embrace challenging assignments to reinforce our positioning as a specialised solutions provider, building on our rich terrain understanding and experience.

WAY FORWARD

With our successful foray into geographically-diverse markets and as providers of the full suite of seismic data acquisition, processing and analysis services, the Company now aims to gain further recognition in domestic and overseas markets and benchmarking itself with global players.

The Company expects to report a significant increase in consolidated topline in FY14 and is confident of returning to profitability over the medium term, enhancing value for all those who own shares in the Company.

Sincerely,

Rahul Talwar
CEO & Wholetime Director

Management discussion and analysis

GLOBAL ECONOMY

Growth of the world economy weakened considerably during 2012 and is expected to remain subdued. The global economic growth hovered around 3.2% in 2012, lower than 2011 (3.9%), on account of the Eurozone debt crisis, inflation and market volatility. The US, the world's largest economy, posted better numbers (2.3% in 2012 against 1.8% in 2011). The Eurozone however reported a negative growth of 0.4% and China's growth slowed from 9.3% to 7.8%. The global economy is expected to mend gradually in 2013 and is projected to grow at 3.3% in 2013 and at 4% in 2014. The emerging developing economies are expected to drive global growth in 2013 (around 5.25% in 2013 and 5.75% in 2014.

A more significant slowdown is expected in the less mature economies over the next couple of years. Growth in emerging market and developing economies is expected to remain robust, strengthening from about 5% in 2012 to 5.25% in 2013 and 5.75% in 2014. Activity in most of these economies has already picked up after a slowdown in 2012, thanks to resilient consumer demand, supportive macroeconomic policies and a revival in exports. In the emerging European economies, the recovery should gain speed as demand from advanced economies in Europe pick up. However, some economies in the Middle East and North Africa continue to struggle with internecine political activities (Source: IMF, World Economic Outlook).

WORLD OUTPUT (%)

	2010	2011	2012	2013 (P)	2014 (P)
World output	5.2	3.9	3.2	3.3	4.0
Advanced economies	3.2	1.6	1.3	1.2	2.2
Emerging economies	7.3	6.3	5.1	5.25	5.75

Source: IMF, World Economic Outlook, April 2013

INDIAN ECONOMY

Growth of the Indian economy hovered around 5% in 2012-13, the lowest in a decade, on account of poor performance across its manufacturing, agriculture and services sectors. Moderation in growth was primarily attributed to weaknesses in industry (mining and quarrying, manufacturing, electricity, gas and water supply and construction) pegged at 3.1% while the manufacturing sector grew only 1.9%. Growth of the services sector declined to 6.6% in 2012-13 against 8.2% reported in 2011-12.

The country's industrial output declined due to contraction of the manufacturing, mining and capital goods sectors (proxy for investment activity). The dampened industrial sentiment was largely due to high inflation, high interest rates, currency fluctuations and policy logjam.

To catalyse industrial sector growth, the government announced several policy decisions:

- Revived the stressed infrastructure sector by fast-tracking large infrastructural projects and announcing SOPs for certain segments of the infrastructure sector
- Used buffer stocks to moderate food inflation
- Introduced FDI in the multi-brand retail, aviation, insurance and broadcasting sectors
- Partially deregulated the oil and gas sector (diesel pricing) to reduce subsidies

Gross domestic product (in ₹ crore at 2004-05 prices, at factor cost)

Industry	2011-12	2012-13
Agriculture, forestry and fishing	739,495	752,746
Mining and quarrying	108,249	108,713
Manufacturing	823,023	838,541
Electricity, gas and water supply	98,814	103,642
Construction	412,412	436,637
Trade, hotels, transportation and communication	1,440,312	1,514,593
Financing, insurance, real estate and business services	948,808	1,030,633
Community, social and personal services	672,469	717,971
GDP at factor cost	5,243,582	5,503,476

Source: CSO, Ministry of Statistics & Programme Implementation

GLOBAL OIL AND GAS SECTOR

Global oil production increased 1.9 million b/d or 2.2%in 2012 despite a reduction in Iran's output (-680,000 b/d) due to international sanctions and a production decline in Sudan/ South Sudan (-340,000 b/d), Syria (-160,000 b/d) as well as declines in European nations (United Kingdom and Norway). Libyan output (+1 million b/d) nearly regained all of the ground it had lost in 2011. For the second consecutive year, output reached record levels in Saudi Arabia, the UAE and Qatar. Iraq and Kuwait also registered significant increases (+1 million b/d).

Global oil consumption grew by 890,000 b/d, or 0.9%, below the historical average. Oil has had the lowest growth rate among fossil fuels for the third consecutive year. OECD consumption has dropped by 1.3% (530,000 b/d), hence the OECD now accounts for just 50.2% of global consumption. Other than the OECD, consumption grew by 1.4 million b/d or 3.3%. China and Japan have shown increments in oil consumption by 470,000 b/d or 5% and 250,000 b/d or 6.3%, respectively. Light distillates were the fastest-growing refined product category by volume for the first time since 2009. Global natural gas production grew 1.9%.

Global refinery crude runs increased by a below-average 480,000 b/d, or 0.6%. Non-OECD countries accounted for two-thirds of the net increase, rising by 320,000 b/d. OECD throughput grew by 160,000 b/d with continued throughput declines in Europe more than offset by increases in North America, where the US consolidated its position as a net product exporter. Global refinery capacity utilisation improved to 82.4% and global refining capacity increased by a modest 360,000 b/d. However, large capacity additions East of Suez were largely offset by substantial capacity reductions in and around the Atlantic Basin.

Global oil trade grew by 1.3%, or 0.7 million b/d. At 55.3 million b/d, trade accounted for 62% of global consumption, up from 57% a decade ago. The relatively small global increase hides large regional changes. The American net imports fell by 930,000 b/d and are now 36% below their 2005 peak. Conversely, China's net oil imports grew by 610,000 b/d, 86% of the global increase. Growth in net exports from Canada and North Africa, together with reduced American oil import dependence, offset declining exports from several regions.

Global natural gas consumption increased by 2.2%. Consumption has been above average for Central, South, North America as well as Africa. The US recorded the world's largest increment with an increase of 4.1%. In Asia, China and Japan were responsible for the next-largest growth increments with an increase in consumption by 9.9% and 10.3%, respectively. These increases were partly offset by declines in the EU (-2.3%) and the former Soviet Union (-2.6%). Globally, natural gas accounted for 23.9% of primary energy consumption. OECD consumption grew more rapidly than non-OECD consumption for the first time since 2000.

The global oil and gas industry is going through a phase of revival with the entry of new countries and traditional countries exploiting new, unconventional and frontier venues. The associated high capital intensity, technical challenges, risk and uncertainties require partnerships, investments and experimentation. During the short-term phase, governments are choosing to remain open within their established resource policy models and fiscal regimes. As production and technical expertise gather speed, governments will likely exert greater control over their resources for economic and strategic reasons in the long-term.

PROVEN OIL RESERVES

	At end 1992 (thousand million barrels)	At end 2002 (thousand million barrels)	At end 2012 (thousand million barrels)
North America	122.1	228.3	220.2
South and Central America	78.8	100.3	328.4
Europe and Eurasia	78.3	109.3	140.8
The Middle East	661.6	741.3	807.7
Africa	61.1	101.6	130.3
Asia Pacific	37.5	40.6	41.5
World	1,039.3	1,321.5	1,668.9
India	5.9	5.6	5.7

Source: BP Statistical Review of World Energy, June 2013

OIL PRODUCTION

	2008	2009	2010	2011	2012	Change 2012 over 2011
North America	13,156	13,444	13,843	14,335	15,557	8.9%
South and Central America	7,395	7,353	7,367	7,449	7,359	-1.2%
Europe and Eurasia	17,630	17,817	17,755	17,451	17,211	-1.4%
The Middle East	26,415	24,728	25,763	27,988	28,270	0.9%
Africa	10,226	9,848	10,123	8,742	9,442	7.7%
Asia Pacific	8,111	8,071	8,420	8,246	8,313	0.7%
World	82,932	81,261	83,272	82,210	86,152	2.2%
India	809	796	873	903	894	-0.9%

Source: BP Statistical Review of World Energy, June 2012 *(Thousand barrels daily)*

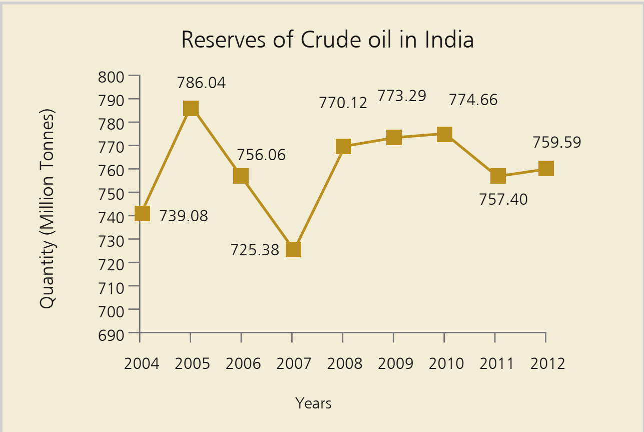
OIL CONSUMPTION

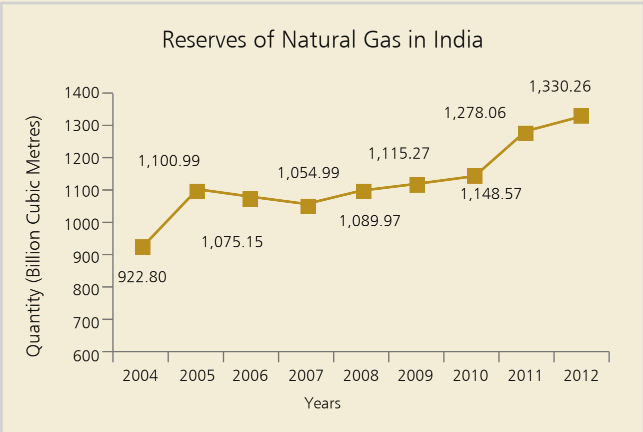
	2008	2009	2010	2011	2012	Change 2012 over 2011
North America	23,860	22,959	23,464	23,397	23,040	-1.8%
South and Central America	5,892	5,921	6,222	6,405	6,533	2.0%
Europe and Eurasia	20,017	19,149	19,057	18,974	18,543	-2.5%
The Middle East	7,185	7,526	7,861	7,992	8,354	4.5%
Africa	3,218	3,302	3,463	3,359	3,523	5.5%
Asia Pacific	25,881	26,205	27,766	28,754	29,781	3.7%
World	86,052	85,064	87,833	88,879	89,774	0.9%
India	3,077	3,237	3,319	3,488	3,652	5.0%

Source: BP Statistical Review of World Energy, June 2012 *(Thousand barrels daily)*

INDIAN OIL AND GAS SECTOR

The Indian oil and gas sector (one of six core industries) contributes over 15% to the GDP. The country is the sixth largest consumer of oil in the world and the ninth largest crude oil importer. The sector is of immense importance to the economy owing to its forward integration with many other sectors. The growing demand for crude oil and gas in the country, coupled with policy initiatives of the Government of India towards increased E&P activity, has given a strong impetus to sectoral growth.





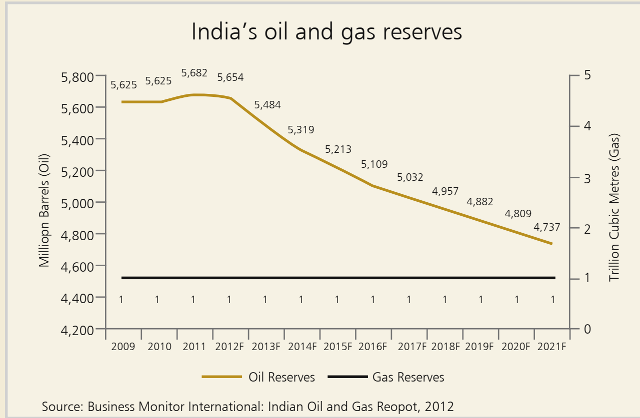
KEY STATISTICS

- Oil continued to remain the top product in India's export basket during 2012-13. Crude oil as well as other petroleum products accounted for about one-fifth of India's outbound shipments, giving the much-needed boost to the country's exports. Petroleum product exports rose 7.7% at USD 60.3 billion in 2012-13 from USD 56.04 billion in 2011-12
- Indian refiners processed 6.8% more oil in April 2013

than a year earlier at 3.62 million b/d, according to recent governmental data, reflecting the expanded capacity

- Natural gas output stood at 3 billion cubic metres in April 2013

- India's refining capacity was enhanced by 400,000 bpd in 2012. Another 400,000 bpd of capacity could be added in 2013 if Indian Oil Corporation's 300,000 b/d Paradip and Nagarjuna's 120,000 b/d Cuddalore refineries are completed by the end of the current fiscal



FACTORS AFFECTING THE INDIAN OIL AND GAS SECTOR

- **Dominated by state-controlled enterprises:** The sector is primarily dominated by state-controlled enterprises and few foreign players. The primary reason for this could be the country's regulatory framework where ventures involving foreign players take longer to get the required approvals. Further, participation of foreign players has been limited during the nine rounds of bidding for exploration rights through NELP, while the participation of state-owned players has been high

- **Subsidies on oil and gas products:** Eliminating subsidies on oil and gas products is proving to be a major challenge for the government due to political pressures. These subsidies have led to large under-recoveries

- **Environmental issues:** Offshore mining of oil and gas and deep water exploration pose significant threats to the environment in terms of water contamination. Further, particulate emissions of refineries and production plants could have an adverse environment impact as well

- **Requirement of advanced technology for upstream segments:** The industry faces a shortage of skilled labour for mining of unconventional assets such as shale gas and coal bed methane, which offer a huge potential in terms of ensuring sustainability

GOVERNMENT INITIATIVES

Decisions made in the E&P sector influence decisions in every sphere of the economy and the Indian Government keeps a meticulous track of policies implemented, global trends and future reforms.

- The Cabinet Committee on Investment cleared 25 E&P blocks, releasing ₹24,900 crore (USD 4.36 billion) of investments

- India and Finland joined efforts in the area of sustainable development in the oil and gas sector (solar energy applications, bio-fuels and algae-based bio-fuels research and water and waste water management)

- Reserve Bank of India announced that Navratna Public Sector Undertakings – OVL and OIL – would be allowed to make overseas investments in joint ventures (JVs)/ wholly-owned subsidiaries in the oil sector. These investments for exploration and drilling for oil and natural gas by Navratna PSUs, already approved by the Government of India, would be without limits under the automatic route

- India may offer as many as 68 blocks or areas for exploration of oil and gas in the Tenth NELP round in 2013, the second highest offering of blocks since the establishment of NELP in 1999

KEY OPPORTUNITIES

A country's economic growth is closely correlated with energy demand. Consequently, the demand for oil and gas, which is one of the main sources for meeting energy requirements, is expected to increase further. The value of the Indian oil and gas sector is forecast to grow from USD 117,562.9 million in 2012 to USD 139,814.7 million by 2015.

The Indian oil and gas sector expects to attract investment of ₹3.9 trillion (USD 75 billion) over 2012-17, during the Twelfth Plan, while ONGC and IOC, both upstream companies, are expected to invest ₹1.75 trillion (USD 32.9 billion) and ₹190 billion (USD 3.6 billion), respectively, primarily in exploration activities. It is therefore essential to analyse and capitalise upon key opportunities that are put forth before the oil and gas sector to maximise output and ensure sustainable development.

In the Twelfth Plan, the government is expected to focus on E&P activities, including an intensive exploration of existing hydrocarbon reserves and a geographical focus on exploring Eastern offshore oilfields. The government will also focus on harvesting unconventional fuels like shale gas, CBM and bio-diesel.

OUTLOOK

The PPAC forecasts fuel consumption at 155.63 MT for FY 2013. Demand for diesel, which accounts for 45% of the fuel consumption in India, is projected to grow by 8.3% to 70.1 MT (it was previously projected to grow by 5.9%). PPAC projects a 5.5% growth in petrol demand at 15.82 MT.

India's natural gas demand is likely to more than double to 473 million standard cubic metres per day by 2016-17 with most of the additional demand coming from power plants, according to the Oil Ministry's projections for the Twelfth Plan.

Business Monitor International forecasts that India will account for 12.4% of the Asia Pacific's regional oil demand by 2015, while satisfying 11.2% of the supply.

SEISMIC SERVICES

Seismic data is generated by capturing two or three-dimensional pictures via the use of vibrations on rock layers beneath the surface. The analysis of seismic data allows scientists to have a picture of the rocks beneath the surface and whether drilling or digging trenches should be used or not.

Oil and natural gas companies use seismic data as their principal source of information to locate oil and natural gas deposits, to aid in exploration of new deposits and manage/enhance production from known reservoirs. This process is quantitative in nature whereas the interpretation is the qualitative part. The information necessary for calibration comes from data about the wells, which has to be carefully and closely integrated with seismic data.

IMPORTANCE OF SEISMIC SERVICES

Seismic services are an integral part in sustaining global oil supply. Seismic services have gained importance due to the energy supplied by oil. The growing demand has been met by the improving quality of seismic services. Seismic service companies are a good example of platforms where world-class hardware and software are made to work in-sync to achieve successful results. Convenience in engineering is brought about not only in locating the oil underground but in drilling the oil out of it through modern-day software (2D and 3D points).

GROWTH DRIVERS FOR SEISMIC SERVICES

A combination of increasing demand in global energy, increase in oil prices, improved extraction technologies and supply concerns (depleting production fields), declining production and maturing reservoirs bring about new opportunities for growth in the oil and gas technologies market.

- **Boost in global spending:** The oil and gas exploration technologies market is set to expand over the next decade. Research shows that global spending on advanced oil and gas exploration technologies have been growing driving the growth of seismic services

- **Improvements in technology:** Technological innovation brings about efficiency in the management of fields and better evaluation of exploration prospects, reducing the need to drill numerous exploratory wells. This saves money as well as minimises environmental damage. As the need to find new oil and gas deposits increases, the exploration industry will be relentlessly driven towards the use of advanced surveying methods, including seismic 2D, 3D and 4D imaging, controlled source electro-magnetic and remote sensing techniques

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, the onus will be on 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 case of sufficient state policy in exploration, including favourable conditions for obtaining licenses and conducting projects in collaboration with foreign specialists.

Experts agree that over the short-term, prices for seismic services will return to pre-crisis levels. 3D-works are becoming more and 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 services.

De-risking at Asian Oilfield Services

Risk can be defined as the uncertainty about events and their possible impact that could affect business performance. As a responsible corporate, the management endeavours to minimise risks and maximise returns.

At Asian Oilfield Services, our overarching objective is one of responsible risk management. The Company has evolved a risk-management framework, encompassing effective processes, catalysed by a talented pool of qualified professionals. As a result, its business decisions balance risk and reward, leading to profitable and sustainable growth.

OPERATING RISK

An inability to widen operations across the country could result in seasonal fluctuations in turnover and profitability as most parts of India are not conducive for seismic exploration during the monsoons.

Risk mitigation

- The Company has executed projects on a pan-India scale
- It possesses rich experience in the understanding of diverse Indian terrains – from the plains to deserts to the hilly regions of the North East
- The Company has forayed into overseas markets including Kurdistan and Indonesia to spread its wings globally

VOLATILITY RISK

A volatile industry scenario could affect demand for seismic services and revenues. A consistent decline in oil and gas prices or capital expenditure by oil and gas companies can result in decline in demand for seismic services, effecting Company's operations.

Risk mitigation

- The present upsurge in oil prices has left oil companies with sizeable cash flows to invest in fresh exploration

TECHNOLOGY RISK

The advent of multi-component surveys may warrant migration to advanced technology, failing which the Company may lose its competitive edge.

Risk mitigation

- Multi-component seismic survey is still in its infancy in India, requiring large investments and technological expertise. The Company has initiated several steps to expose and train its personnel in such cutting-edge technologies
- The Company uses a combination of 2D and 3D technology, which enhances data accuracy and reliability. In case of time-bound projects, 3D technology is used at the outset for speed and data accuracy
- The Company possesses the requisite technological flexibility to switch from 2D to 3D technology, which is not only an advantage from a vendor's perspective but also a convenience from the customer's viewpoint as it accommodates an upgradation without needing to change the vendor
- The Company plans to venture into the 3D marine seismic services market, currently catered to by only international majors
- It has tied-up with various corporates for their cutting-edge technology and technical assistance
- The Company has differentiated itself with the new real time wireless system (RT System 2), emerging as the first company outside of the US to acquire this technology

REGULATORY RISK

The Company can be affected by regulatory changes in government policy.

Risk mitigation

- The government has planned to release more oil exploration blocks for auction till 2014
- It intends to extend to the 'open acreage' system to enable firms to demarcate areas they want to initiate exploration activities in, which will catalyse seismic survey activities
- The Tenth round of NELP is slated to be launched in the second half of 2013-14 reinforcing the government's emphasis on oil exploration. The country may offer as many as 68 blocks or areas for exploration of oil and gas in the 10th round of NELP *(Source: The Economic Times)*

ENVIRONMENTAL RISK

The process of seismic data acquisition involves environmental degradation that can invite regulatory censure.

Risk mitigation

- In line with its commitment to protecting the environment, the Company has fully embraced the recommended guidelines issued by the International Association of Geophysical Contractors (IAGC). It complies with strict regulation in the area of land and environmental protection
- The Company also operates in line with safeguards prescribed by the IAGC on the controlled denotation of explosives and laying down channels across agricultural land.

INTELLECTUAL CAPITAL RISK

The technology-intensive nature of the business calls for skilled workforce with rich domain knowledge. The Company may be unable to attract and retain skilled and technically-knowledgeable employees which could adversely affect business growth.

Risk mitigation

- The Company has been continuously investing in enriching its intellectual capital, scaling its people strength from 60 members in 2006-07 to 211 (in India) in 2012-13
- With a member base of 250 personnel, both Indian and expatriate, the Company is also capable to manage over 1,800 members during project execution periods
- With four overseas offices (Singapore, Jakarta, Dubai, Erbil), the Company has recruited a number of qualified experts over the last few years

COST MANAGEMENT RISK

Efficient cost management is of paramount importance. High fixed costs of our operations could adversely affect our results.

Risk mitigation

- The Company's existing cash flows are adequate to facilitate periodic investments in its gross block
- The Company possesses an attractive capital structure, reflected in a debt-equity ratio of 0.04 times as on March 31, 2013
- The Company has efficiently managed labour costs, camp expenses, stores consumed, machinery repairs and maintenance costs
- The business is exposed to cost overruns due to a substantial part of the project being conducted in inhospitable terrains. The Company managed costs by adopting project-wise costing techniques with adequate checks and balances

Profile of our 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 and Delhi Stock Exchange Association Ltd, among others. He previously worked with LIC from 1965 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.

AJIT KAPADIA, *Non-Executive Independent Director*

Mr. Ajit Kapadia is a BSc, MChem Engineering and PG Business Management, USA. In 1963, Mr. Kapadia joined Girdler Corporation in Louisville as a process engineer involved in the design of fertilizer and methanol plants. In 1966, he joined Fluor Corporation in Houston, Texas, and was first exposed to hydrocarbon and natural gas processing. In 1971, he Kapadia joined Engineers India Ltd, being involved 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 constituted by the Petroleum Ministry to review the country's natural gas availability and utilisation patterns. In 1984, Mr. 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 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 Senior Advisor to the HOEC. He is also a member of the advisory board of the IDFC-PE and Vice Chairman of the Centre for Fuel Studies & Research, a non-government, non-profit organisation.

DR. RABI NARAYAN BASTIA, *Non-Executive Independent Director*

Dr. Rabi Narayan Bastia is a name of repute in the hydro-carbon industry whose endeavours have put India firmly on international oil and gas map in a very short span of time. After heading the exploration group of Reliance Industries for more than 16 years, he has currently taken up some very distinguished and challenging international and domestic assignments. Besides his current assignment as President of Oilmax Energy Pvt. Ltd, he is a Director at Hibiscus Petroleum, Malaysia, and the global head of exploration at Lime Oil and Gas, Sweden, which has major operations in the Middle East, South East Asia and in the North Sea. Moreover, he is also the Director of Oilfield Instrumentation Pvt. Ltd, which deals with cutting-edge technologies for oil and gas, groundwater and mineral deposits. He post-graduated in petroleum exploration from the Norwegian Technological University and obtained his doctoral degree in geology from IIT, Kharagpur. He has been awarded DSc in the field of petroleum research in India from ISM, Dhanbad. He has been serving the Indian petroleum industry for about three decades in different capacities with distinctions.

AVINASH MANCHANDA, *Non-Executive 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. He holds a bachelor's degree in technology and DIIT from the Indian Institute of Technology, Kharagpur, and possesses over 36 years of vast and varied experiences in industrial management with 26 years of extensive experience in oilfield-related services.

RAHUL TALWAR, *CEO & Whole time Director*

Mr. Rahul Talwar is BE (Electronics and Communication) and has undergone the International Marketing Programme for executives at INSEAD in Fontainebleau, France, Berkeley-Nanyang Advanced Management Program at Haas Business School and Berkley and Executive MBA from the Nanyang Business School with an 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 PGS in various regional/ global roles in the seismic industry.

SUMEET NARANG, *Non Executive Promoter Director*

Mr. Sumeet Narang holds a postgraduate degree in business administration from the Harvard Business School. He also earned a master's degree in business from the Indian Institute of Management, Lucknow, BE in mechanical engineering from the Indian Institute of Technology. Prior to founding Samara Capital in late 2006, Sumeet briefly worked at Goldman Sachs, New York, in their Proprietary Investment Group. He also has experience with Citigroup's private equity business in India and Citigroup's corporate and investment banking businesses.

GAUTAM GODE, *Non Executive Promoter Director*

Mr. Gautam Gode, a graduate from Princeton University and MBA from the Indian Institute of Management, Ahmedabad, has more than 14 years of experience in working on deals spanning M&A, private equity, equity capital markets, distressed debt, structured fund raising and derivatives, covering a gamut of industries in the technology, pharmaceuticals, cement, textiles, infrastructure, oil and gas, telecom and power spaces. 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, *Non Executive Promoter Director*

Mr. Sanjay Bhargava is a BTech from the Indian Institute of Technology (IIT), Kanpur, is a PG diploma in Business Finance from the ICFAI University and has over 25 years of experience in manufacturing, industrials and real estate businesses. Prior to joining Samara Capital as its Managing Director, he was with 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 the real estate business for BBTCL, formulating its key real estate projects. He was also the COO of the Building Products Business (laminates) of BBTCL. He has managed industrial gases, catalysts and specialty chemical businesses in his prior stints with Inox Air Products Ltd as its Chief Executive and Parekh Platinum Ltd as its 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 at ICI's fertiliser and catalyst businesses. He was also responsible for HSE and quality assessment aspects of the catalysts business.

ASIAN OILFIELD SERVICES LIMITED

Reg. Off.:29, Payal Complex, Station Road, Sayajigunj, Vadodara, Gujarat 390 020

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of Asian Oilfield Services Limited will be held on Wednesday, the 18th day of September, 2013 at 9.30 a.m. at Dr. I.G. Patel Seminar Hall, Faculty of Social Work of M.S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara - 390 002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended as on that date and the reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Chandra Sharma, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Avinash Chandra Manchanda, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Deloitte Haskins & Sells, Chartered Accountants, having ICAI Firm Registration No. 117364W, the retiring Auditors, are eligible for re-appointment.

By order of the Board

Date : 14.08.2013 Kanika Bhutani
Place : Gurgaon *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 authorizing their representative to attend and vote on their behalf at the Meeting.
4. Register of Members and Share Transfer Register will remain closed from Saturday, the 7th September 2013 to Wednesday, the 18th September, 2013 (both the days inclusive).
5. 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.

6. Information under clause 49 of the Listing agreement with the stock exchanges in respect of directors seeking appointment/reappointment at the annual general meeting (item No. 2 & item No. 3 of the notice) is given herein after.
7. Any documents and papers as referred to in this notice and as required by the Companies Act, 1956 shall be available at the registered office of the Company for inspection between 11 A.M. to 1 P.M. for the period as required under the provisions of the Act.
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 withthe Depository through their concerned Depository Participants. Members who hold shares in physical for mare requested to get their e-mail addresses registered with Link Intime India Private Limited, RTA of the Company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

Item No.2

Mr. Naresh Chandra Sharma, Independent Director, retires by rotation and being eligible offers himself for reappointment.

Brief resume and nature of expertise:

Mr. Naresh Chandra Sharma is a post graduate 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 and many 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.

Mr. Naresh Sharma is a Non- Executive Independent Director 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/ Committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Asian Oilfield Services Limited	Independent Director
2.	Mukand Ltd.	Independent Director
3.	PSL Ltd.	Independent Director
4.	Eskay K n IT (India) Ltd	Independent Director

Membership/ Chairmanship of Committees

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

Item No. 3

Mr. Avinash Chandra Manchanda, Director, retires by rotation and being eligible offers himself for reappointment.

Brief resume and nature of expertise:

Mr. Avinash Manchanda is associated with the Company since Incorporation and was appointed as Whole-time Director w.e.f. 1st February, 1993 and then promoted as CEO & Managing Director of the Company and holds position of Managing Director upto 31st January, 2013. He holds a Bachelor's Degree in Technology and D.I.I.T. from Indian Institution of Technology, Kharagpur and possesses over 40 years' of vast and varied experiences in the Industrial Management with 26 years of extensive experience in the Oilfield related Services.

Mr. Avinash Chandra Manchanda is a Non- Executive Director 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/ Committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Nimit Finance Pvt. Ltd.	Promoter Director

Sr. No.	Name of the Company	No of shares	% holding
1.	Nimit Finance Pvt. Ltd.	4,000	40 %
2.	Asian Offshore Private Limited	1	–

By order of the Board,

Date : 14.08.2013
Place: Gurgaon

Kanika Bhutani
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report and the audited accounts for the year ended March 31, 2013:

1. Financial Highlights

[Rupees in millions]

	March 31, 2013	March 31, 2012
Gross Income	544.34	458.05
Operating Profit/(Loss) before Depreciation and Interest	38.19	(16.75)
Depreciation	88.14	85.15
Profit before interest, tax and exceptional items	(49.95)	(101.90)
Interest	30.67	23.44
Profit/(Loss) before tax and exceptional items	(80.62)	(125.34)
Exceptional items	13.84	7.39
Tax expenses	(0.92)	(42.29)
Net Loss after tax and exceptional items for the period from continuing operations	93.54	90.44

2. Dividend

In view of the losses incurred, 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 increased by 18.84% to ₹544.34 million as against ₹458.05 million in the corresponding period of the previous year. The Company's loss before tax stood at ₹80.62 million as compared to a loss of ₹125.34 million in the previous year, whereas the Loss after Tax rose to ₹93.54 million as compared to a loss of ₹90.44 million registered in the previous year.

4. Operational highlights

During the year under review, the Company secured two contracts in India - one from GeoEnpro for carrying out 3D seismic data acquisition in its operational block in Arunachal Pradesh and from ONGC for seismic job services in their operational block in Gujarat. The Company executed 7 projects during the period under review, comprising three for seismic data acquisition in Arunachal Pradesh, Manipur and Tripura, two for job services in Gujarat, one for CBM coring in Madhya Pradesh, two for mineral drilling in Rajasthan and Tamil Nadu. Four projects were completed during the year and three projects were under execution at the year-end, two of which is expected to be completed in the first and last quarter of financial year 2013-14. The projects completed during the year included a seismic data acquisition project in Tripura for Jubilant, CBM coring for Reliance Industries in Madhya Pradesh and mineral drilling for zinc in Rajasthan and uranium in Tamil Nadu for Hindustan Zinc Limited and ONGC, respectively.

5. Future Outlook

The Indian economy started off in 2012 with a lot of promise continuing the high growth of the previous years.

However, weaker currency, higher domestic inflation, high interest rates, weak external demand and risk adverse sentiments have prevented the emerging and developing economies from returning to a higher growth trajectory.

The economic slowdown persisting for last couple of years continued in the year 2012. The Indian economy grew at its slowest pace in a decade in 2012-13. Data released by the Central Statistical Organization (CSO) showed that the economy grew 5% in 2012-13, compared to 6.2% expansion in the previous year. It was in line with the advanced estimates of the government in its mid-year Economic Review, released earlier where it had indicated estimated growth ranging between 5.7% and 5.9%.

Global economic slowdown, depressed sentiments, high interest rates, moderation in credit growth and a deceleration in growth of investment also contributed to the reduction in growth of industrial sector.

Improvement in investment climate is a pre-requisite for economic recovery. Several measures are expected to be announced that will boost investment, reduce inflation and fiscal deficit.

There has been a modest improvement in the global financial condition ensuring reduced short term risks; however, the overall financial climate has not picked up the momentum of recovery. From a global outlook, the US experienced a moderate growth, while the Eurozone continued to be in a vulnerable position with high risks of banking system meltdown and unresolved debt crisis issues. The emerging economies such as the BRIC countries did not pace up to last fiscal year's growth; however, other emerging nations including developing Asia showed promising growth.

Despite the fragile economic environment, the Indian Oil & Gas Sector is poised for growth.

Energy is essential for economic growth and, in the absence of viable alternatives in the foreseeable future, demand for petroleum products is expected to rise. On the demand side, over the past few years, we have observed the progressive shift in oil demand away from OECD (Organization for Economic Co-operation and Development) countries towards non-OECD countries led by Asian countries. For the first time, during the next calendar year, i.e. 2013, it is expected that non-OECD oil demand will overtake OECD demand led by strong demand growth for petroleum products from the Chinese, Middle Eastern and Indian economies.

On the supply side, OECD has been registering steady growth with increase in Canadian and US production. The reduction in Iranian production is largely taken care of by increase in production from Libya, Iraq and Saudi Arabia.

The oil and gas sector in India is a critical component of the country's economy, accounting for 15 per cent of the country's gross domestic product (GDP). Economic growth is directly linked with energy demand, and a conservative estimate of 7 per cent growth is expected to double India's per capita energy consumption from 560 kilograms of oil equivalent (kgoe) in FY10 to 1,124 kilograms of oil equivalent (kgoe) by FY32. As oil and gas is one of the main sources to meet the required demand for energy in India, its demand is forecast to rise further.

Whilst the strong demand and import dependency makes it imperative for India to focus on increasing the production, the oil & gas sector will to encounter a challenging environment during the next financial year as well. The present economic environment provides for a far more muted growth rate and profitability in comparison to the heydays that the industry had witnessed a few years back.

6. Board of Directors:

Mr. Avinash Manchanda and Mr. N.C. Sharma are retiring by rotation and being eligible, offer themselves for reappointment.

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 into 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, 2012-13 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 are 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 three Wholly Owned Subsidiary Companies under the name of AOSL Petroleum Pte. Limited, Singapore; Asian Offshore Pvt. Ltd., India and Asian Oilfield and Energy Services DMCC, Dubai. 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 Agreement with the Bombay Stock Exchange Ltd. and Companies Act, 1956, 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, 2013, 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 and Listing Agreement with the Bombay Stock Exchange Ltd., an Audit Committee has been constituted with Mr. Naresh Chandra Sharma, Mr. Rabi Bastia 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: (ESOP)

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

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 2013-14 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,

Naresh Chandra Sharma
Chairman

Date: 14 08 2013

Place: Gurgaon

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 ongoing 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. Utilization 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 a 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 towards 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 :

(Amount in ₹)

Sr. No.	Particulars	2012-13	2011-12
a.	Foreign Exchange Earnings Seismic : Survey and other related Charges	19,341,757	2,982,162
b.	Foreign Exchange outgo towards		
	Traveling expenses :	3,472,105	2,090,652
	Capital goods :	48,888,227	37,988,691
	Revenue Payment :	4,481,424	13,684,325

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the report containing the details of Corporate Governance systems and processes at Asian oilfield Services Limited is as under:

"The two virtues is accountability and leadership. And that in turn means living our Principles"

-Rahul Talwar
CEO and Wholetime Director

1. Statement on Company's philosophy on Code of 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:

Composition and category of directors

As on March 31, 2013, the Company has eight Directors with one Wholetime Director, Three Non Executive Promoter Directors, three Non Executive Independent Directors and one Non Executive Professional Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the BSE Limited with Non-Executive Chairman and two other Non Executive Independent Directors on the Board. 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, 2013, have been made by the Directors.

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, brief resume, experience of the Director appointed during the year under review is furnished below:

Dr. Rabi Narayan Bastia

Dr. Rabi Narayan Bastia was appointed on the Board on 4th March 2013. He holds a Bachelor of Science (1st class Honours) degree in Applied Geology from the Indian Institute of Technology, Kharagpur, India; a Bachelor of Science (1st class Honours) degree in Petroleum Exploration & Reservoir Management from the Norwegian Technological University, Norway; a PhD in Petroleum/ Structural Geology from the Indian Institute of Technology, Kharagpur, India and a Doctor of Science degree in Petroleum Geology from Indian School of Mines, Dhanbad, (examined by Alberta University, Canada and Oklahoma University in the USA).

He has earlier worked with highly reputed enterprises like Oil and Natural Gas Corporation ("ONGC") & Reliance Industries Limited. After heading the exploration group of Reliance for more than 16 years he has currently taken up some very distinguished and challenging international and domestic assignments. He is the global head of exploration in Lime Petroleum PLC, a company incorporated in the Isle of Man which has major operations in Middle-East and North Sea. Besides, he holds the Directorship in Oil field Instrumentation Pvt. ltd, India, and is the President (E&P) in Oilmax Energy P. ltd, India.

Dr. Rabi was conferred the title of "Padmashree" by the Government of India in 2007, a title awarded by the Government of India to Indian citizens to recognize their distinguished contribution in various spheres of activity & has received several other awards for his remarkable contribution in the respective field.

He doesn't hold any shares of the Company in his name as on March 31, 2013.

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 of Directors	Category of Directors	No. of Board Meeting Attended during 2012-13	Whether attended last A.G.M	No. of Directorship in other domestic public companies	No. of Committee Chairmanship/ Membership in other Companies	
					Chairman	Member
Naresh Chandra Sharma	Professional Non Executive	5	Yes	3	–	5
Avinash Manchanda*	Managing Director & Promoter	5	Yes	–	–	–
Rahul Talwar **	Whole Time Director	4	Yes	–	–	–
Sumeet Narang	Promoter Non Executive	–	No	–	–	–
Gautam Gode	Promoter Non Executive	1	No	–	–	–
Ajit Kapadia	Non Executive Independent	5	Yes	4	1	–
Sanjay Bhargava	Promoter Non Executive	5	Yes	–	–	–
Dali E. Ilavia ***	Non Executive Independent	1	No	–	–	–
Rabi Narayan Bastia ****	Non Executive Independent	–	–	–	–	–

* Ceased to be Managing Director w.e.f. January 31, 2013 ** Appointed as Wholetime Director w.e.f. May 21, 2012

*** Ceased to be Director on resignation w.e.f. September 10, 2012 **** Appointed in casual vacancy of Mr.Dali E. Ilavia w.e.f. March 4, 2013

Meeting of Directors

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 :

1. 21st May 2012(adjourned to 30th May 2012)
2. 14th August 2012
3. 10th September 2012
4. 7th November 2012
5. 7th February 2013

The necessary quorum was present at all the meetings.

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 can be included in the Agenda for the Board/Committee meetings.

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.

Compliance:

2. 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 BSE Limited 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 implementation of the Whistle Blower Mechanism.(No Whistle Blower policy in place yet.)
- 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 executives, as it considers appropriate (particularly the head of the finance function) as representatives of the Statutory Auditors and 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 2012-13	
		Held	Attended
Mr. Naresh Chandra Sharma	Chairman, Independent, Non Executive	4	4
Mr. Dali E. Ilavia *	Member, Independent, Non Executive	2 #	2
Mr. Ajit Kapadia	Member, Independent, Non Executive	4	3
Mr. Gautam Gode	Member, Promoter Director, Non Executive	4	–
Mr. Rabi Narayan Bastia **	Member, Independent, Non Executive	–	–

* Ceased to Director on resignation w.e.f. September 10, 2012 ** Appointed in casual vacancy of Mr.Dali E. Ilavia w.e.f. March 4, 2013 # Details provided till the date of cessation.

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

May 21, 2012 (Adjourned meeting held on May 30, 2012), August 14, 2012, September 24, 2012, November 7, 2012 and February 7, 2013.

The necessary quorum was present for all the meetings.

3. 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 plan of the Company ;
- To approve the remuneration payable to the Managing Director & Whole time 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 2012-13	
		Held	Attended
Mr. Ajit Kapadia	Chairman, Independent, Non Executive	1	1
Mr. Dali E. Ilavia *	Member, Independent, Non Executive	1	1
Mr. Naresh Chandra Sharma	Member, Independent, Non Executive	1	1
Mr. Sumeet Narang	Member, Promoter Director, Non Executive	1	–
Mr. Rabi Narayan Bastia **	Member, Independent, Non Executive	–	–

* Ceased to Director on resignation w.e.f. September 10, 2012 ** Appointed in casual vacancy of Mr.Dali E. Ilavia w.e.f. March 4, 2013

i) One meeting of the Remuneration / Compensation Committee was held on May 21, 2012.

ii) During the year, no new options have been granted under the ESOP. The disclosures in respect of ESOP 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.

The remuneration paid to the Managing Director upto January 31, 2013 & Whole time Director from May 21, 2012 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.

iii) Details of Remuneration paid to Managing Director & Whole time Director during 2012-13 :

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended March 31, 2013 paid to Mr. Avinash Manchanda, the Managing Director and Mr. Rahul Talwar, the Whole time Director are as follows :

(₹ In lakh)

Name of Director	Salary	Benefits Perquisites and Allowances	Total	Stock Options granted
Mr. Avinash Manchanda Managing Director (upto January 31, 2013)	3,500,000	Nil	3,500,000	Nil
Mr. Rahul Talwar Whole time Director (w.e.f. May 21, 2012)	11,387,385	Nil	11,387,385	Nil

Mr. Avinash Manchanda, the Managing Director and Mr. Rahul Talwar, the Whole time Director are not related to any Director. Mr. Avinash Manchanda ceased to be the Managing Director of the Company upon expiry of his tenure effective from January 31, 2013 and Mr. Rahul Talwar was appointed as Whole time Director for a period of 3 years with effect from May 21, 2012, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

i) Details of sitting fees paid to Non-Executive Directors for the year ended March 31, 2013 :

Non-Executive Directors do not draw any remuneration but they were paid sitting fees @ ₹20,000/- per Board Meeting and ₹10,000/- per Committee Meetings of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and ₹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 2012-2013 are given below:

Name of Director	Sitting Fees paid (in ₹)
Mr. Dali E. Ilavia	60,000
Mr. Naresh Chandra Sharma	1,80,000
Mr. Ajit Kapadia	1,60,000
Mr. Avinash Manchanda	20,000

i) Details of shares of the Company held by the Directors and their relatives as on March 31, 2013 are given below :

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

4. 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, change of address, dematerialization 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 on May 21, 2012 and November 7, 2012.

v) The composition of the Shareholders Grievance Committee and the details of meetings attended by its members are given below :

Name	Category of Director	Number of Meetings during the year 2012-13	
		Held	Attended
Mr. Dali E. Ilavia *	Chairman, Independent, Non Executive	2	1
Mr. Naresh Chandra Sharma	Member, Independent, Non Executive	2	2
Mr. Ajit Kapadia	Member, Independent, Non Executive	2	2
Mr. Rabi Narayan Bastia **	Member, Independent, Non Executive	–	–

* Ceased to be member w.e.f. September 10, 2012

** Appointed in casual vacancy of Mr. Dali E. Ilavia w.e.f. March 4, 2013

vi) Ms. Kanika Bhutani, 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, 2013.

5. General Body Meetings :

A. General Meeting

a) Annual General Meeting :

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

Date	Time	Place	Special Resolution
14-08-2012	11.00 a.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	Appointment and payment of remuneration to Mr. Rahul Talwar, as the Whole time Director of the Company
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

b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2012-2013.

B. Postal Ballot :

Special Resolution was passed for shifting of Registered Office from the State of Gujarat to Haryana.

Notice dated September 10, 2012, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and said resolution was approved by the shareholders on November 27, 2012. Mr. Jayesh Vyas, Practicing Company Secretary was appointed as scrutinizer for conduct of Postal Ballot process. The details of the voting are as under :

S.No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
1	Votes in favour	134	3,93,637	3,93,637	Passed with requisite majority.
2	Votes against	44	3,64,202	3,64,202	
3	Invalid Votes	10	29,435	29,435	

Presently the Company does not have any proposal that requires Postal Ballot.

6. 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 Stock Exchanges or SEBI or any statutory authorities, on any matters related to capital markets, during the last three years.

7. Means of Communication:

A. Quarterly Results : The quarterly, half-yearly and annual results of the Company are published in widely circulated newspapers such as Business Standard, Vadodara Samachar in terms of Clause 41 of the Listing Agreement.

B. 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.

C. 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.

D. Corporate Filing and Dissemination System (CFDS): The CFDS portal jointly owned, managed and maintained by BSE & NSE is a single source to view information filed by listed companies. All disclosure and communications to BSE (since our company is listed on BSE) are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the concerned stock exchange.

E. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATR's) by the concerned companies and online viewing by investors of actions taken on the complaint and it's current status.

F. Designated Exclusive email ID : secretarial@asianoilfield.com

8. General Shareholder information :

i. Annual General Meeting Details :

At 9.30 a.m. on wednesday, the 18th September, 2013, at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002.

ii. Financial Year :

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

iii. Details of Book Closures :

The Register of Members and Share Transfer Book of the Company shall remain closed from saturday, the 7th September, 2013 to Wednesday, the 18th September, 2013, (both the days inclusive).

iv. Dividend payment Date :

Not applicable

v. Listing on Stock Exchange : Bombay Stock Exchange Limited (BSE) 25th Floor, P. J. Towers, Dalal Street Mumbai 400 001

vi. Stock Code : 530355

vii. ISIN Code : INE276G01015

viii. Payment of Listing Fees: Annual Listing Fees for the year 2013-14 has been paid by the company to BSE.

ix. Payment of Depository Fees: Annual Custody/Issuer fee for the year 2013-14 has been paid by the Company to NSDL & CDSL.

x. 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, 2013, with limited review by the Auditors of the Company.	By the Second week of August, 2013
Audit Committee/ Board Meeting	To review and approve un-audited financial results of the Company for the quarter / half-year ending September 30, 2013, with limited review by the Auditors of the Company.	By the Second week of November, 2013
Audit Committee/ Board Meeting	To review and approve the un-audited financial results of the Company for the quarter / Nine Months' ending December 31, 2013, with limited review by the Auditors of the Company.	By the Second week of February, 2014
Audit Committee/ Board Meeting	To review and approve inter alia the, Audited financial results of the Company for the year ending March 31, 2014.	By the Fourth week of May 2014

xi. Stock Market Data :

High / Low of market price of the Company's shares traded on BSE Limited during each month in the last financial year ended March 31, 2013 is as under:

Months	High (₹)	Low (₹)	Total No. of Shares Traded
April, 2012	**32.25**	**25.65**	**385**
May, 2012	29.85	21.05	454
June, 2012	25.70	21.05	765
July, 2012	31.45	24.00	773
August, 2012	31.70	23.00	1,011
September, 2012	33.40	24.25	2,097
October, 2012	28.00	24.25	448
November, 2012	26.50	23.00	323
December, 2012	24.95	22.00	516
January, 2012	26.55	23.75	377
February, 2013	29.70	23.25	440
March, 2013	25.95	17.55	307

xii. Registrar and Share Transfer Agent:
Link Intime India Pvt. Ltd.
102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vodadara – 390 020
Phone No. 0265-2356573, 2356794
Fax No. : 0265-2226216
E-mail: vadodara@linkintime.co.in

xiii. 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 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

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.

Pursuant to clause 47-C of the Listing Agreement with Stock Exchange, certificate on half-yearly basis confirming due compliance of shares transfer formalities by the Company from Practicing Company Secretary have been submitted to BSE Limited within stipulated time.

xiv. Distribution of Shareholding as on March 31, 2013 :

No. of Shares	No. of Share holders	Percentage to shareholders	Total No. of Shares	Percentage to Capital
Up to - 500	**8000**	**83.13**	**15,98,953**	**10.43**
501 - 1000	876	9.10	7,22,210	4.71
1001 - 2000	341	3.54	5,28,201	3.45
2001 - 3000	130	1.35	3,36,372	2.20
3001 - 4000	44	0.46	1,62,275	1.06
4001 - 5000	60	0.62	2,91,604	1.90
5001 - 10000	98	1.02	7,42,510	4.85
10001 and above	74	0.77	1,09,42,319	71.40
Total		100.00	1,53,24,444	100.00

xv. Distribution of Shareholding Pattern as on March 31, 2013 :

Category	No. of Shares	% of Total Capital
A. Promoters Holding		
a. Indian Promoters	4,05,236	2.64
b. Foreign Promoter	55,66,700	36.33
B. Non Promoters Holding		
a. Foreign Institutional Investors	9,56,509	6.24
b. Mutual Fund	–	–
c. Bodies Corporate	15,26,738	9.96
d. Indian Public	65,83,775	42.96
e. Non Residents Indians	1,62,374	1.06
f. Clearing Members	1,23,112	0.81
Total	1,53,24,444	100

xvi. Dematerialization of Shares as on March 31, 2013 :

Sr.No.	Electronic / Physical	Mode of Holding %
1.	NSDL	81.38
2.	CDSL	13.27
3.	Physical	5.35
Total		100.00

About 1,45,04,969 (94.65%) Equity Shares of the Company have been Dematerialised. The Equity Shares of the Company are compulsorily traded in Electronic form at BSE Limited The Equity Shares of the Company are actively traded on BSE thus ensure good liquidity for the investors.

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

xvi. Address for Correspondence of 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 Department Asian Oilfield Services Ltd. 29 Payal Complex, Near. Vakal Seva Kendra, Station Road, Sayajigunj, Vadodara – 390020. Phone No.0265–2362292 Fax No. (0265) – 2226216 Email : secretarial@asianoilfield.com

xvii. 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.

9. 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.

10. 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 comprises 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 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 has framed and adopted a Code of Conduct, which is approved by the Board. The Code is applicable to all directors and senior management personnel of the Company. This Code has been posted on the Company's website www.asianoilfield.com. All the Directors and senior management personnel have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board.

CEO / CFO certifications:

Mr. Sudhir Kumar, the Chief Financial Officer of the company, gave annual certification on financial reporting and internal controls to the Board in terms of Clause 49, which is given at the end of this report. He also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

11. 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 :

- The meetings are convened by giving appropriate notice, preferably seven days, to the concerned Directors, Statutory Auditors, BSE Limited 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.
- The agenda papers are prepared by the Secretarial Department and circulated amongst the Board Members and other invitees to the meeting.
- 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.
- The meetings are usually held either at Gurgaon or Mumbai for the convenience of majority of the Directors.
- 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 CEO & Whole time Director, briefs the Board Members about the operational status of projects under execution & the business development efforts in progress.

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 CEO & Whole time Director 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.

For and on behalf of the Board,

Rahul Talwar
CEO & Whole Time Director

Date: 14.08.2013
Place: Gurgaon

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 Director, which is also available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2013 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, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2013

For and on behalf of the Board,

Date: 29.05.2013
Place: Gurgaon

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 March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the BSE 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

Date: 14.08.2013
Place: Vadodara

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 March 31, 2013 and that to the best of our knowledge and belief that :

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their 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.

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

(d) We have indicated to the auditors and the Audit committee :

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which 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 over financial reporting.

Date: 29.05.2013
Place: Gurgaon

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 29, Payal complex, Opp. Vakal Seva Kendra, Sayajigunj, Station Road, Vadodara – 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, 2012 to March 31, 2013. 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. Ms. Kanika Bhutani, 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, 2011 and 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: Vadodora
Date : 14.08.2013

Jayesh Vyas
Proprietor
Membership No. FCS – 5072: CP – 1790

Independent Auditors' Report

To
The Members of
ASIAN OILFIELD SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ASIAN OILFIELD SERVICES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 227(3) of the Act, we report that:
   a) 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.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) 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.

   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

Gaurav J. Shah
Partner
Ahmedabad, 29th May, 2013 (Membership No. 35701)

Annexure to the Auditors' Report

(Referred to in paragraph 1 under "Report on Other legal and Regulatory Requirements' section of our report of even date on the accounts of Asian Oilfield Services Limited for the year ended on March 31, 2013)

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) According to the information and explanation provided to us, the fixed assets were physically verified during the period by the Management, however the process needs to be streamlined. 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) According to the information and explanation provided to us, the inventories were physically verified during the year by the Management at regular 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) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed.

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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of services and during the course of our audit we have not observed any continuing failure to correct 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 year.

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 been generally regular in depositing undisputed dues, including provident fund, income tax, sales tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it with the appropriate authorities, *except for some delays which have been paid along with interest.*

b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues in arrears as at March 31, 2013 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, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	FY 2009-10	29.17
		ITAT	FY 2008-09	30.53
		ITAT	FY 2007-08	132.26

x) The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company has incurred cash losses in the current and 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) Based on our examination of records and 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) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of Companies (Auditor's Report) Order, 2003 are applicable to chit fund is not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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) According to the information and explanations given to us, the Company has not obtained any term loans during the year.

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, prima facie, not been used for long- term investment.

xviii) According to the information and explanations given to us, 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) According to the information and explanations given to us, during the period 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 on or by the Company has been noticed or reported during the year.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Ahmedabad, 29th May, 2013

Balance Sheet as at 31st March 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	153,244,440	153,244,440
b) Reserves and surplus	4	585,142,976	678,679,933
2 Non-current liabilities			
a) Long-term borrowings	5	1,883,127	26,000,000
b) Deferred tax liabilities (Net)		–	1,005,708
c) Other Long term liabilities	6	22,839,840	–
d) Long-term provisions	7	574,093	329,764
3 Current liabilities			
a) Short-term borrowings	8	245,919,819	132,348,687
b) Trade payables	9	139,652,375	75,630,933
c) Other current liabilities	10	49,881,482	68,281,777
d) Short-term provisions	11	2,482,978	2,784,896
TOTAL		1,201,621,130	1,138,306,138
II. ASSETS			
Non-current assets			
1. a) Fixed assets			
i) Tangible assets	12	315,982,916	387,559,309
ii) Intangible assets		2,037,305	3,494,441
iii) Capital work-in-progress		23,474,898	–
iv) Intangible assets under development		1,232,280	650,000
b) Non-current investments	13	3,157,059	131,059
c) Long-term loans and advances	14	81,985,320	6,316,564
2 Current assets			
a) Current investments	15	59,478,674	107,865,500
b) Inventories (Stores and spares)		49,787,585	34,865,241
c) Trade receivables	16	200,169,157	185,853,341
d) Cash and cash equivalents	17	177,332,816	269,427,419
e) Short-term loans and advances	18	111,524,481	67,571,065
f) Other current assets	19	175,458,639	74,572,199
TOTAL		1,201,621,130	1,138,306,138
See accompanying notes forming part of the financial statements	25		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Statement of Profit and Loss for the year ended 31st March 2013

(Amount in ₹)

Particulars		Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I.	Revenue from operations (Gross)	20	535,090,932	453,416,710
	Less : Service Tax		57,157,314	39,088,120
	Net Revenue from operations		477,933,618	414,328,590
II.	Other income	21	66,410,053	43,725,156
III.	**Total Revenue (I + II)**		**544,343,671**	**458,053,746**
IV.	**Expenses:**			
	Employee benefits expense	22	126,180,736	110,773,927
	Finance costs	23	30,669,955	23,435,239
	Depreciation and amortization expense	12	88,135,486	85,149,037
	Other expenses	24	379,973,543	364,031,407
	Total expenses		**624,959,720**	**583,389,610**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**(80,616,048)**	**(125,335,864)**
VI.	Exceptional items		13,842,477	7,394,471
VII.	Profit before tax (V-VI)		(94,458,525)	(132,730,335)
VIII.	Tax expense:			
	1) Deferred tax		(1,005,708)	(42,372,980)
	2) Income Tax - Earlier Year		–	–
	3) Wealth Tax		84,140	83,681
IX.	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(93,536,957)**	**(90,441,036)**
X	**Earnings per equity share:**			
	1) Basic		(6.10)	(5.90)
	2) Diluted		(6.10)	(5.90)
	See accompanying notes forming part of the financial statements	25		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Cash Flow Statement for the year ended 31st March 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit before Tax as per Profit & Loss Account		**(94,458,525)**		**(132,730,335)**
Adjusted for:				
Interest and finance charges	30,669,955		23,435,239	
Dividend received	(6,750,674)		(9,173,275)	
Profit on Sale of Fixed Assets (net)	(852,051)		106,219	
Depreciation	88,135,486		85,149,037	
Interest income from Bank and Others	(22,126,639)		(28,040,622)	
Unrealised Gain due to Foreign Exchange Fluctuation	(196,882)		(152,509)	
Excess Provision Written Back	(7,394,471)		–	
Provision for Doubtful Debts	15,999,108		16,837,735	
		97,483,832		88,161,824
Operating Profit before Working Capital Changes		3,025,307		(44,568,511)
Adjusted for:				
Inventories	(14,922,344)		(11,665,963)	
Sundry debtors	(30,118,042)		56,932,931	
Loans and advances	(142,234,608)		(22,094,370)	
Trade Payables, Current liabilities & Other Provisions	57,681,833		(44,495,258)	
		(129,593,161)		(21,322,660)
Cash Generated from Operations		(126,567,854)		(65,891,172)
Taxes paid (net of refunds)		(666,614)		1,570,296
Net Cash Used in Operating Activities		**(127,234,468)**		**(64,320,875)**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(83,140,914)		(19,338,386)
Proceeds from the sale of Asset		44,833,829		335,000
Change in Payables for Capital Goods		22,839,840		–
Purchase of investments		–		(445,770,964)
Sale of investments		48,386,826		376,911,940
Investment in Subsidiary		(3,026,000)		(100,000)
Loan to Subsidiary		(61,601,795)		–
Margin Money Deposited		(2,607,662)		(74,355,344)
Dividend Income received		6,750,674		9,173,275
Interest Income received		13,431,375		24,025,467
Net Cash used in Investing Activities		**(14,133,827)**		**(129,119,012)**

Cash Flow Statement *(Contd...)* for the year ended 31st March 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		116,671,133		134,690,439
Proceeds/(Repayment) of Borrowings		(42,268,215)		(42,159,726)
Interest and finance charges paid		(27,736,888)		(23,435,239)
Net Cash Flow from Financing Activities		**46,666,030**		**69,095,474**
Net Increase / (Decrease) in Cash and Cash Equivalents		(94,702,265)		(124,344,413)
Opening Balance of Cash and Cash Equivalents		133,771,323		258,115,736
Closing Balance of Cash and Cash Equivalents		**39,069,058**		**133,771,323**

Notes :

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3 on "Cash Flow Statement".

ii) Cash & Cash Equivalents comprise of:

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash on Hand	2,079,659	1,105,062
Balances with Scheduled Banks		
- on current accounts	36,979,399	1,449,658
- on fixed deposit accounts	10,000	131,216,603
	39,069,058	133,771,323

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Notes forming part of Financial Statements

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 and is listed on the Bombay Stock Exchange (BSE). The Company is a reservoir imaging company, offering a suite of geophysical services specializing in land and well seismic services. The portfolio of services include 2D and 3D seismic data acquisition, processing and interpretation, topographic survey, continuous core drilling for mineral and CBM exploration, wire-line logging and directional core drilling to target shallow horizons. In addition to the core services ASIAN also provides specialized high technology services to oil and gas companies for targeted applications. The Company possesses an experience of working in difficult terrains while respecting local socio-economic realities and environment. Asian has expanded its activities through its foreign subsidiaries to cater to the international markets. The Registered Office of the Company is located at 29, Payal Complex, Station Road, Vadodara – 390020 (Gujarat) and Corporate Office at 703, IRIS Tech Park, Tower-A, Sector-48, Sohna Road, Gurgaon-122018 (Haryana).

2. SIGNIFICANT ACCOUNT POLICIES

   A. Accounting Convention

      The Financial Statements are prepared under historical cost convention on the accrual basis of accounting and in accordance with generally accepted accounting principles (GAAP) in India, the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of asset and liabilities.

   B. Use of Estimates

      The preparation of financial statements require management to make judgments, estimates and assumption, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of these financial statement and the reported amount of revenues and expenses for 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

      Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

      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

      Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

   E. 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)

   F. Cash Flow

      The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheque in hand, bank balances and demand deposits in bank.

   G. Foreign Currency Transactions

      i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of transaction.

Notes forming part of Financial Statements

ii) Monetary items denominated in foreign currencies at year end are restated at year end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the transactions rate and rate on the date of contract is recognised as exchange difference and the premium paid on forwards contracts is recognised over the life of the contract.

iii) Non monetary foreign currency items are carried at cost.

iv) Exchange difference arising either on settlement or on translation of monetary items other than those mentioned above is recognised in the Statement of Profit and Loss.

H. Investments

Investments are classified into current and long term investments. Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost and any decline, other than temporary, in the value of long term investments is charged to Statement of Profit and Loss. Current investments are stated at lower of cost and market value determined on an individual investment basis. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

I. 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.

J. 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.

K. 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 unutilised CENVAT balance is shown as asset in loans and advances.

L. 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.

Notes forming part of Financial Statements

c. *Dividend*

Revenue is recognised when the right to receive dividend is established by the balance sheet date.

M. Taxes on Income

Tax expense comprises of current income tax, deferred income tax charge/ (credit) for the year.

Current Tax:

Provision for taxation is based on assessable profits of the Company as determined under the provisions of the Income Tax Act, 196. 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.

Deferred Tax:

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.

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.

N. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset up to the commencement of commercial operation. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

O. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is 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

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 Financial Statements

Note 3 | SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 March 2013		As at 31 March 2012	
	No.	₹	No.	₹
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
Total	**15,324,444**	**153,244,440**	**15,324,444**	**153,244,440**

i. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares	
	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. Terms & Rights attached to each class of shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Shareholder holding more than 5% shares in the Company :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Share				
Samara Capital Partners Fund I Ltd.	5,566,700	36.33%	5,566,700	36.33%

iv. As at 31st March, 2013 1,57,717 shares (as at 31st March, 2012 5,77,683 shares) of ₹10 each were reserved for issuance towards outstanding employee stock options granted.

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 ₹55.70 per option, being the latest available price on the stock exchange prior to the date of grant, out of which 10 employees are continuing in the Company, having an option of exercising grant of 1,57,717 shares. The vesting of the option granted would be graded over a period of four years i.e. on 15th December 2012, 1st October 2013, 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.

Notes forming part of Financial Statements

Note 4 | RESERVES & SURPLUS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
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	43,907,003	134,348,039
(+) Net Profit/(Net Loss) For the current year	(93,536,957)	(90,441,036)
(-) Proposed Dividend	–	–
(-) Transfer to Reserves	–	–
Closing Balance	(49,629,954)	43,907,003
Total	585,142,976	678,679,933

Note 5 | LONG TERM BORROWINGS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
Term loans		
From banks	–	26,000,000
Finance lease obligations	1,883,127	–
Total	1,883,127	26,000,000

Notes:

1. Term Loan from Bank was taken during the financial year 2010 -11 and carries interest 5% above State Bank of India base rate (effective interest rate 12.5% per annum), 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 hypothecation of all fixed assets acquired out of the loan. The said loans are further secured by way of equitable mortgage of office premise and shop situated at Vadodara. Further, the loan has been guaranteed by the personal guarantee of the director of the company.

2. Vehicle Loan from HDFC Bank was taken during FY 2012-13 and carries interest of 12%, maturing on 15/12/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.

3. Vehicle Loan from OAIS was taken during FY 2012-13 and carries interest of 16.40% p.a., maturing on 15/10/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.

Notes forming part of Financial Statements

Note 6 | OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade Payables	22,839,840	–
Total	**22,839,840**	–

Note 7 | LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Provision for employee benefits		
Leave Encashment	574,093	329,764
Total	**574,093**	**329,764**

Note 8 | SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
a) Loans repayable on demand		
from banks	220,870,504	132,348,687
Unsecured		
a) Loans repayable on demand		
from other parties	25,049,315	–
Total	**245,919,819**	**132,348,687**

Notes:

1. Cash Credit from Banks is secured by hypothecation of all chargeable current assets of the company and pledge of Term Deposit. Further, the loan has been guaranteed by the personal guarantee of the director of the company. Cash Credit is repayable on demand and carries rate of interest of 12.5% per annum.
2. Overdraft facility of ₹5 Crores from Ratnakar bank is secured against fixed deposits. Overdraft facility is repayable on demand and carries rate of interest of 11.5% per annum.
3. Overdraft facility of ₹5.24 Crores from HDFC Bank is secured against Mutual Fund. Overdraft facility is repayable on demand and carries rate of interest of 10.75% per annum.
4. Unsecured ICD of ₹2.50 Crores from Global Coal & Mining Pvt. Ltd. repayable on demand and carries rate of interest of 12% per annum.

Note 9 | TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Due To		
- Micro Enterprises & Small Enterprises	–	–
- Others	139,652,375	75,630,933
Total	**139,652,375**	**75,630,933**

Note:

No dues outstanding to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes forming part of Financial Statements

Note 10 | OTHER CURRENT LIABILITIES (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Current maturities of long-term debt	26,000,000	42,000,000
b) Current maturities of finance lease obligations	948,658	–
c) Interest accrued and due on borrowings		
- Term Loan	350,942	869,225
- Others	5,793,102	2,341,752
d) Other payables -		
Deposits	954,049	13,181,669
TDS Payable	2,875,095	3,125,805
Service Tax Payable	11,617,513	4,814,962
PF Payable	241,991	396,124
VAT Payable	662,019	–
Advance from Customers	–	1,378,000
Other Current Liabilities	438,113	174,240
Total	**49,881,482**	**68,281,777**

Note 11 | SHORT TERM PROVISIONS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Provision for employee benefits		
Bonus & Ex gratia	2,465,666	1,545,428
Leave Encashment (unfunded)	17,312	1,239,468
Total	**2,482,978**	**2,784,896**

Note 12 | FIXED ASSETS (Amount in ₹)

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1-Apr-12 a	Addition b	Sale or Transfer c	As at 31-Mar-13 d[a+b-c]	As at 1-Apr-12 e	Sale or adjustment f	For the period g	As at 31-Mar-13 h[e-f+g]	As at 31-Mar-13 i[d-h]	As at 31-Mar-12 j[a-e]
I) Tangible Assets										
Freehold Land	794,750	–	–	794,750	–	–	–	–	794,750	794,750
Building	2,274,959	–	–	2,274,959	565,078	–	176,582	741,660	1,533,299	1,709,881
Oilfield Equipment	330,307,350	50,936,537	59,548,070	321,695,817	99,566,937	16,188,424	35,774,744	119,153,257	202,542,560	230,740,413
Furniture & Fixture	1,941,859	82,769	7,900	2,016,728	1,315,600	710	69,817	1,384,707	632,021	626,259
Office Equipments	1,668,540	848,255	47,985	2,468,810	318,322	5,676	87,986	400,632	2,068,178	1,350,218
Computer	300,632,358	3,014,577	4,059,634	299,587,301	160,048,642	3,720,107	48,743,004	205,071,539	94,515,762	140,583,716
Vehicles	14,276,608	3,623,673	–	17,900,281	2,839,208	–	1,458,271	4,297,479	13,602,802	11,437,400
Vessels	327,147	–	–	327,147	10,477	–	23,130	33,607	293,540	316,670
Total	**652,223,571**	**58,505,811**	**63,663,589**	**647,065,793**	**264,664,264**	**19,914,917**	**86,333,534**	**331,082,881**	**315,982,912**	**387,559,307**
II) Intangible Assets										
Computer Software	11,117,235	577,925	1,284,310	10,410,850	7,622,794	1,051,201	1,801,952	8,373,545	2,037,305	3,494,441
Total	**11,117,235**	**577,925**	**1,284,310**	**10,410,850**	**7,622,794**	**1,051,201**	**1,801,952**	**8,373,545**	**2,037,305**	**3,494,441**
Grand Total	**663,340,806**	**59,083,736**	**64,947,899**	**657,476,643**	**272,287,058**	**20,966,118**	**88,135,486**	**339,456,426**	**318,020,217**	**391,053,748**
Previous year	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

Notes forming part of Financial Statements

Note 13 | NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade Investments		
Investment in Equity instruments	3,157,059	131,059
Total	3,157,059	131,059

A. Details of Trade Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)	
		2013	2012			2013	2012	2013	2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Investment in Equity Instruments of Subsidiaries								
1	AOSL Petroleum Pte Ltd.	1,000	1,000	Unquoted	Fully Paid up	100%	100%	31,059	31,059
2	Asian Offshore Private Limited	10,000	10,000	Unquoted	Fully Paid up	100%	100%	100,000	100,000
3	Asian Oilfield & Energy Services DMCC	200	–	Unquoted	Fully Paid up	100%	–	3,026,000	–
	Total							3,157,059	131,059

Note 14 | LONG TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a. Security Deposits		
Unsecured, considered good	10,042,300	6,301,564
Less: Provision for doubtful deposits	(900,000)	
	9,142,300	6,301,564
b. Loans and advances to related parties		
Unsecured, considered good	61,616,795	15,000
Doubtful		7,394,471
Less: Provision for doubtful loans and advances	–	(7,394,471)
	61,616,795	15,000
c. Inter - Corporate Loan		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	–	–
d. Other Advances		
Secured, considered good	11,226,225	–
Total	81,985,320	6,316,564

Note 15 | CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Investments in Mutual Funds (Unquoted)		
5,496,800.001 units of L296G SDFS - 366 Days - 5 - Growth	59,478,674	
5,000,000 units of SBI Debt Fund Series 370 Days		54,115,000
5,000,000 units of ICICI Prudential Fixed Maturity Plan Series 571 days Plans		53,750,500
Total	59,478,674	107,865,500

Notes forming part of Financial Statements

Note 16 | TRADE RECEIVABLES (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	–	–
Unsecured, considered good	142,175,240	143,782,597
	142,175,240	143,782,597
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		–
Unsecured, considered good	59,794,492	42,070,744
Unsecured, considered doubtful	22,879,555	10,128,977
Less: Provision for doubtful debts	24,680,130	10,128,977
	57,993,917	42,070,744
Total	**200,169,157**	**185,853,341**

Note 17 | CASH & CASH EQUIVALENTS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Cash & Cash Equivalents		
Cash on hand	2,079,659	1,105,062
Balances with banks		
- in Current Account	36,979,399	1,449,658
- in Deposit Account	138,273,758	266,872,699
(including margin money of ₹138,263,758 (Previous year ₹135,656,096)		
Total	**177,332,816**	**269,427,419**

Note: Balance with banks include deposits with remaining maturity of more than 12 months from the balance sheet date.

Note 18 | SHORT TERM LOANS & ADVANCES (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Unsecured, considered good		
a) Loan to Related Parties		
Loan to Subsidiary - Asian Offshore Pvt. Ltd.	–	188,195
b) Other loans and advances		
Deposits	13,983,402	13,892,932
Prepaid Expenses	5,473,966	5,124,123
Employee Advances	4,201,966	441,880
Advance to suppliers	42,750,830	4,839,962
Income Tax receivable	41,778,047	41,195,573
Service Tax receivable	1,446,360	635,564
Other Advances	1,889,910	1,252,836
Total	**111,524,481**	**67,571,065**

Note 19 | OTHER CURRENT ASSETS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Interest Accrued on Deposits	16,142,396	7,447,132
Accrued Service Income	159,316,243	67,125,067
Total	**175,458,639**	**74,572,199**

Notes forming part of Financial Statements

Note 20 | REVENUE FROM OPERATIONS (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Sale of services - Seismic Survey & Mining Related (Gross)	535,090,932	453,416,710
Less: Service Tax	57,157,314	39,088,120
Total	**477,933,618**	**414,328,590**

Note 21 | OTHER INCOME (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Interest Income	22,126,639	28,040,622
Dividend Income	6,750,674	9,173,275
Rental Income	20,302,957	5,458,575
Exchange Rate Variance	465,169	152,509
Interest on Income Tax Refund	1,138,418	840,181
Insurance Claim	6,013,979	–
Miscellaneous Income	1,365,695	59,994
Excess Provision written back (Refer note 25.16)	7,394,471	–
Profit on disposal of Asset	852,051	–
Total	**66,410,053**	**43,725,156**

Note 22 | EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Salaries, Exgratia and Bonus	97,320,263	90,096,697
Contribution to Provident Fund and Other Funds	3,808,899	3,980,404
Staff Welfare Expenses	19,956,060	12,496,826
Remuneration to Directors	5,095,514	4,200,000
Total	**126,180,736**	**110,773,927**

Note 23 | FINANCE COST (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
a) Interest expense		
- Bank	24,992,108	16,786,550
- Other	49,315	131,046
b) Bank Charges	5,896,819	6,517,643
c) Exchange rate variation (net)	(268,287)	–
Total	**30,669,955**	**23,435,239**

Notes forming part of Financial Statements

Note 24 | OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Operating Expenses		
Sub-contract Charges	51,077,762	71,564,456
Shot Hole Drilling Expenses	48,639,042	52,163,955
Stores and Consumables Consumed	18,434,331	38,418,899
Camp Establishment and Maintenance	3,952,988	6,781,200
Machinery Hire Charges	9,698,251	15,723,970
Tender Fees	145,000	261,212
Survey Expenses	34,343,622	35,212,484
Fuel Expenses Rig	25,654,505	16,837,713
Crop Compensation	2,924,555	2,428,668
Labour Charges	47,602,224	9,932,635
Administration & Other Expenses		
Business Promotion Expenses	3,792,583	1,361,325
Rent	7,219,435	5,307,094
Rates & Taxes	461,737	1,437,896
Travelling and Conveyance	50,951,397	42,699,687
Loss on disposal of Asset	–	106,219
Loss on Asset held for disposal	1,875,995	–
Printing and Stationery	1,703,571	974,620
Advertisement	426,325	64,415
Postage, Freight and Telephone Expenses	13,188,337	10,552,646
Insurance	5,048,892	4,759,486
Power and Fuel	702,872	760,964
Audit Fees	703,031	577,639
Legal and Professionals Charges	20,018,611	16,921,210
Provision for Doubtful Debts	768,689	5,231,353
Bad Debts	298,135	4,212,941
Provision for Doubtful Advances	1,089,807	–
Directors Sitting Fees	451,000	290,556
Repairs and Maintenance		
- Building	1,093,216	552,334
- Plant and Machinery	8,340,363	11,481,947
- Others	9,594,921	2,727,519
Donation	45,663	147,701
ST Penalty	1,099,487	–
Interest on Service Tax	501,230	–
Interest on TDS	512,994	–
Miscellaneous Expenses	7,612,972	4,538,664
Total	**379,973,543**	**364,031,407**

Notes:

(Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
i) Payments to the auditors comprises :		
As auditors - Statutory audit	675,000	600,000
For taxation matters	965,000	817,500
Reimbursement of expenses	11,818	–
Total	**1,651,818**	**1,417,500**

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION

1. Contingent Liabilities

(Amount in ₹)

Particulars	31 March 2013	31 March 2012
Towards Guarantees issued by bank	100,588,064	182,785,839
Demand for Income Tax contested by the Company	16,290,153	16,289,283

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 yearend together with interest paid / payable as required under the said Act, have not been given.

3. 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 31st March 2013 are presented below:

a) Subsidiary : AOSL Petroleum Pte Ltd.
: Asian Oilfield & Energy Services DMCC
: Asian Offshore Private Limited

b) Key Management Personnel : Mr. Rahul Talwar – Whole Time Director
: Mr. Avinash Manchanda – Managing Director
: Mr. Miten Manchanda – GM – Seismic Support Services

c) Associate : 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 ₹)

S. No.	Nature of Relation/ Nature of Transaction	2012-13	2011-12
A	Subsidiary -		
	1. AOSL Petroleum PTE LTD.		
	Loan to Subsidiary	61,024,795	Nil
	Reimbursement of expense/ other advance	24,607,756	(673,050)
	Sale of Equipment	13,096,148	Nil
	Rental Income	134,940	Nil
	Administrative Charges Recovered	1,230,395	Nil
	Interest on Loan Advanced	839,444	Nil
	2. Asian Oilfield & Energy Services DMCC		
	Investment in equity shares	3,026,000	Nil
	Loan to Subsidiary	592,000	Nil
	Reimbursement of Expense/other advance	790,507	Nil
	Interest on Loan Advanced	1,657	Nil
	3. Asian Offshore Private Limited		
	Investment in equity shares	Nil	1,00,000
	Reimbursement of Expense/other advance	35,000	2,03,195

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION *(Contd...)*

4. Information in respect of related parties *(contd...)*

(Amount in ₹)

S. No.	Nature of Relation/ Nature of Transaction	2012-13	2011-12
B	Balances with Related Parties -		
	1. Subsidiary - AOSL Petroleum Pte Ltd.		
	Investment in equity shares	31,059	31,059
	Unsecured Loan	61,024,795	Nil
	Other Advances	46,463,710	Nil
	2. Subsidiary - Asian Oilfield & Energy Services DMCC		
	Investment in equity shares	3,026,000	Nil
	Unsecured Loan	592,000	Nil
	Other Advances	790,507	Nil
	3. Subsidiary - Asian Offshore Private Limited		
	Investment in equity shares	100,000	100,000
	Other Advances	238,195	203,195
C	Remuneration to key managerial person and relative of key Managerial person		
	Managing Director/Whole Time Director		
	Salaries	14,276,165	4,200,000
	Contribution to provident fund and other funds	7,800	–
		14,283,965	**4,200,000**
D	Relative of Key Managerial Person		
	Salaries	1,381,311	1,921,300
	Contribution to provident fund and other funds	7,800	9,360
		13,99,111	**1,930,660**
	(The above figures do not include provision for leave encashment)		

6. Segment Reporting

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as Seismic data acquisition and its related services. Since there are no other business segments in which the Company operates, there are no other primary reportable segments, therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.

7. Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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.

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION *(Contd...)*

8. Employee Benefits *(contd...)*

The Company recognised ₹15,10,032 (March 31, 2012: ₹1,736,180) 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 lumpsum 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, 2013.

(Amount in ₹)

Sr.	Particulars	Gratuity 31 March 2013	Gratuity 31 March 2012
I	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	638,774	472,066
	b. Interest Cost	181,772	189,197
	c. Expected return on plan assets	(305,389)	(270,916)
	d. Actuarial (Gain)/Loss	(15,09,981)	(614,167)
	e. Net expense recognised in Profit & Loss Account	(994,824)	(223,820)
II	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	22,09,352	2,162,257
	b. Current service cost	638,774	472,066
	c. Interest Cost	181,772	189,197
	d. Actuarial (Gain)/Loss	(15,09,981)	(614,167)
	e. Benefits paid	(12,600)	–
	f. PV of obligation as at the end of the year	15,07,317	2,209,352
III	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	37,54,040	2,912,496
	b. Expected return on plan assets	305,389	270,916
	c. Actuarial (Gain)/Loss	–	–
	d. Contributions	–	570,628
	e. Benefits paid	(12,600)	–
	f. Fair value of plan assets as at the end of the year	40,46,829	3,754,040
IV	Net Assets/ Liabilities recognized in the Balance sheet		
	a. PV of obligation as at the end of the year	15,07,317	2,209,352
	b. Fair value of plan assets as at end of the year	40,46,829	3,754,040
	c. Net Liabilities/(Assets) recognised in the Balance sheet at year end	(25,39,512)	(1,544,688)
V	Principal Actuarial Assumptions		
	a. Discount rate (per annum) (Refer Note-a)	8.25%	8.75%
	b. Expected return on plan assets (Per annum) (Refer Note-b)	8.15%	8.15%
	c. Expected increase in salary costs (per annum (Refer Note-c)	5%	5%

Notes:

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.

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION *(Contd...)*

8. **Employee Benefits** *(contd...)*
   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.

9. **Deferred Income Tax**

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

	31 March 2013	31 March 2012
Depreciation	(38,026,160)	(47,320,748)
Deferred Tax Assets		
- Employee benefits	(347,378)	197,278
- Provision for doubtful debts	7,373,523	32,86,347
- Unabsorbed Depreciation (restricted to the extent of deferred tax liability on depreciation on account of virtual certainty)	31,000,015	42,831,415
	Nil	(1,005,708)

10. **Earnings Per Share**

Particulars	2012-13	2011-12
Net Profit/ (Loss) after tax for the year	(93,536,957)	(90,441,036)
Number of Equity Shares outstanding as at year end	15,324,444	15,324,444
Nominal value of Equity Share (in ₹)	10.00	10.00
Weighted average number of Equity Shares	15,324,444	15,324,444
Basic and Diluted Earnings/ (Loss) Per Shares (in ₹)	(6.10)	(5.90)

11. **Stores & Consumables Consumed**

	2012-13		2011-12	
	Amount in ₹	%	Amount in ₹	%
Imported	2,750,101	14.92%	5,855,927	11.69%
Indigenous	15,684,230	85.08%	44,228,935	88.31%
Total	**18,434,331**	**100%**	**50,084,862**	**100%**

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

(Amount in ₹)

Particulars	2012-13	2011-12
Capital Goods	48,888,227	37,988,691
Stores and spares consumable	2,750,101	5,855,927

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

(Amount in ₹)

Particulars	2012-13	2011-12
Travelling Expenses	3,472,105	2,090,652
Contractual Expenses	–	7,828,398
Professional Services	1,831,323	–

15. **Earnings in foreign currency**

(Amount in ₹)

Particulars	2012-13	2011-12
Interest Income	841,101	–
Export of Goods	1,625,221	
Rental Income	19,341,757	2,982,162

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION *(Contd...)*

15. Derivative Instruments

There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2013 (Previous year: ₹ 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	
		2012-13	2011-12	2012-13	2011-12
Receivables	US Dollar	938,667	39,794	51,053,441	20,24,471
Payables	EURO	265,447	–	18,460,176	–
Advances	US Dollar	1,391,715	–	75,694,429	–
	AED	40,000		592,000	

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 ₹138.42 Lacs in the current year (Previous year : ₹73.94 Lacs) towards doubtful recovery of debt, which has been reflected as Exceptional Items in the Statement of Profit and Loss.

Also, the provision created in the previous year of ₹73.94 Lacs towards doubtful recovery of debt, has been written back in the current year on review of its recoverability as on the year end, which has been so reflected under "Note 20: Other Income" of the Financial Statements.

17. The previous year figures have been accordingly regrouped/re-classified to conform to the current year's classification.

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Balance Sheet Abstract

Statement pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	17254	State Code (Refer Code List)	04
Balance Sheet Date	31032013		

II Capital Raised During the Year *(Amount in ₹ Thousands)*

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

III Position of Mobilisation and Deployment of Funds *(Amount in ₹ Thousands)*

Total Liabilities	1201621	Total Assets	1201621
Source of Funds			
Paid-up Capital	153244	Reserve & Surplus	585143
Secured Loans	248754	Unsecured Loans	25049
Share Warrants	NIL	Deferred Tax Liability	NIL
Application of Funds			
Net fixed assets (including CWIP)	342727	Investment	62636
Net Current Assets	606827	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company *(Amount in ₹ Thousands)*

Turnover (including Other income)	544344	Total Expenditure	638802
Profit/Loss Before Tax	– 94458	Profit/Loss After Tax	– 93537
Earning Per Share in ₹	– 6.10	Dividend rate %	NIL

V Generic Names of Three Principal Products / Services of Company *(as per monetary terms)*

Item Code No. (ITC Code)	NA	Right Issue	OILFIELD SERVICES
Item Code No. (ITC Code)	NA	Right Issue	NA

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon

Date : May 29, 2013

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.	Asian Oilfield & Energy Services DMCC
2	Financial year/period end on	March 31, 2013	March 31, 2013	March 31,2013
3	No. of equity shares held by Asian Oilfield Services Limited in the subsidiary	10,000 Equity (of ₹10 each fully paid up)	1,000 Equity (of SGD 1 each fully paid up)	200 Equity (of AED 1,000/- each fully paid up)
4	Extent of interest of Asian Oilfield Services Limited in the capital of the subsidiaries	100%	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, 2013 of the subsidiaries'	₹ (-) 23,980 [₹ (-) 242,825]	USD (-) 131,137 [USD 5,418]	USD (-)10,967
	b) Profit/(Loss) for the previous financial years of the subsidiaries' since it became a subsidiary of Asian Oilfield Services Limited	₹ (-) 266,805	USD (-) 300,403	USD (-)10,967
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, 2013	Nil	Nil	Nil
	b) For its previous financial years since it became a subsidiary of Asian Oilfield Services Limited	Nil	Nil	Nil

Information Pertaining to Subsidiary Company

(Amount in ₹)

Sl.	Name of subsidiary	Asian Offshore Pvt. Ltd.	AOSL Petroleum Pte. Ltd.	Asian Oilfield & Energy Services DMCC
1	Share capital	100,000	31,059	3,026,000
2	Reserves and surplus	(-) 266,805	(-) 6,211,699	(-) 596,716
3	Total assets (investment)	114,450	115,197,626	3,521,979
4	Total liabilities	114,450	115,197,626	3,521,979
5	Turnover	Nil	18,681,390	42,168
6	Profit/(Loss) before taxation	(-) 28,000	(-) 7,140,569	(-) 596,716
7	Provision for taxation	4020	Nil	Nil
9	Proposed dividend	Nil	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 J. Shah

Partner

Membership No. 35701

Place : Gurgaon

Date : May 29, 2013

For and on behalf of the Board

N C Sharma

Chairman

Rahul Talwar

Whole Time Director

Kanika Bhutani

Company Secretary

Sudhir Kumar

Chief Financial Officer

Place : Gurgaon

Date : May 29, 2013

Consolidated Financial Statements

Independent Auditors' Report

To
The Board of Directors of
ASIAN OILFIELD SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ASIAN OILFIELD SERVICES LIMITED** (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The Group's inventories are carried in the Balance Sheet at ₹591.03 lacs, of which the counting of inventories of ₹93.15 lacs at one of the subsidiary could not be observed by the other auditors and they were unable to independently satisfy themselves of the inventory quantities as at Balance Sheet date.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph,* and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

b) 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

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

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹159.63 lacs (credit balance) as at 31st March, 2013 (As at 31st March, 2012 ₹6.03 lacs), total revenues of ₹156.12 lacs (Previous year ended 31st March, 2012 ₹5.97 lacs) and net cash flows amounting to ₹46.35 lacs (Previous year ended 31st March, 2012 ₹4.18 lacs) 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 by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Ahmedabad, 29th May, 2013

Consolidated Balance Sheet as at 31st March 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	153,244,440	153,244,440
b) Reserves and surplus	4	569,179,929	669,784,592
2 Non-current liabilities			
a) Long-term borrowings	5	1,883,127	26,000,000
b) Deferred tax liabilities (Net)		10,060	1,019,788
c) Other Long term liabilities	6	22,839,840	–
d) Long-term provisions	7	574,093	329,764
3 Current liabilities			
a) Short-term borrowings	8	245,919,819	132,348,687
b) Trade payables	9	158,214,713	84,768,810
c) Other current liabilities	10	49,884,482	68,281,777
d) Short-term provisions	11	2,496,086	2,797,225
TOTAL		1,204,246,589	1,138,575,083
II. ASSETS			
Non-current assets			
1 a) Fixed assets			
i) Tangible assets	12	381,871,227	387,559,309
ii) Intangible assets		2,037,305	3,494,441
iii) Capital work-in-progress		34,685,349	–
iv) Intangible assets under development		1,232,280	650,000
b) Long-term loans and advances	13	20,383,373	6,471,915
2 Current assets			
a) Current investments	14	59,478,674	107,865,500
b) Inventories (Stores and spares)		59,103,003	34,865,241
c) Trade receivables	15	152,865,966	185,853,341
d) Cash and cash equivalents	16	182,410,888	269,860,267
e) Short-term loans and advances	17	116,059,732	67,382,870
f) Other current assets	18	194,118,792	74,572,199
TOTAL		1,204,246,589	1,138,575,083
See accompanying notes forming part of the financial statements	24		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

(Amount in ₹)

Particulars		Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I.	Revenue from operations (Gross)	19	553,772,322	453,416,710
	Less : Service Tax		57,157,314	39,088,120
	Net Revenue from operations		496,615,008	414,328,590
II.	Other income	20	63,340,792	44,322,465
III.	**Total Revenue (I + II)**		**559,955,800**	**458,651,055**
IV.	**Expenses:**			
	Employee benefits expense	21	130,800,203	110,773,927
	Finance costs	22	30,848,241	23,446,711
	Depreciation and amortization expense	12	88,169,355	85,149,037
	Other expenses	23	400,169,995	364,574,642
	Total expenses		**649,987,794**	**583,944,317**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**(90,031,994)**	**(125,293,262)**
VI.	Exceptional items		13,842,477	7,394,471
VII.	**Profit before tax (V- VI)**		**(103,874,471)**	**(132,687,733)**
VIII.	Tax expense:			
	1) Current tax		–	11,555
	2) Deferred tax		(1,009,728)	(42,358,900)
	3) Income Tax - Earlier Year		–	–
	4) Wealth Tax		84,140	83,681
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**(102,948,883)**	**(90,424,069)**
X	Earnings per equity share:			
	1) Basic		(6.72)	(5.90)
	2) Diluted		(6.72)	(5.90)
	See accompanying notes forming part of the financial statements	24		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

Consolidated Cash Flow Statement for the year ended 31st March 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit before Tax as per Profit & Loss Account		**(103,874,471)**		**(132,687,733)**
Adjusted for:				
Interest and finance charges	30,848,241		23,446,711	
Dividend received	(6,750,674)		(9,173,275)	
Loss on disposal of Assets (net)	2,674,524		106,219	
Depreciation	88,169,355		85,149,037	
Interest income from Bank and Others	(21,285,554)		(28,040,622)	
Unrealised Gain due to Foreign Exchange Fluctuation	2,344,220		(152,509)	
Excess Provision Written Back	(7,394,471)		–	
Provision for Doubtful Debts	15,999,108		16,837,735	
		104,604,749		88,173,296
Operating Profit before Working Capital Changes		730,277		(44,514,437)
Adjusted for:				
Inventories	(24,237,762)		(11,665,963)	
Sundry debtors	16,988,267		56,932,931	
Loans and advances	(165,462,704)		(22,585,891)	
Trade Payables, Current liabilities & Other Provisions	67,110,073		(44,464,833)	
		(105,602,127)		(21,783,756)
Cash Generated from Operations		(104,871,849)		(66,298,193)
Taxes paid (net of refunds)		(666,614)		1,570,296
Net Cash Used in Operating Activities		**(105,538,463)**		**(64,727,897)**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(160,273,506)		(19,338,386)
Proceeds from the sale of Asset		41,307,217		335,000
Change in Payables for Capital Goods		22,839,840		–
Purchase of investments		–		(445,870,964)
Sale of investments		48,386,826		376,911,940
Margin Money Deposited		(2,607,662)		(74,355,344)
Dividend Income received		6,750,674		9,173,275
Interest Income received		12,590,290		24,025,467
Net Cash used in Investing Activities		**(31,006,321)**		**(129,119,012)**

Consolidated Cash Flow Statement *(Contd...)* for the year ended 31st March 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		116,580,071		168,878,600
Repayment of Borrowings		(42,268,215)		(42,159,726)
Interest and finance charges paid		(27,824,113)		(23,446,711)
Net Cash Flow from Financing Activities		**46,487,743**		**103,272,163**
Net Increase / (Decrease) in Cash and Cash Equivalents		(90,057,041)		(90,574,746)
Opening Balance of Cash and Cash Equivalents		134,204,171		224,778,917
Closing Balance of Cash and Cash Equivalents		**44,147,130**		**134,204,171**

Notes :

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3 on "Cash Flow Statements".

ii) Cash & Cash Equivalents comprise of:

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash on Hand	2,817,156	1,205,062
Balances with Scheduled Banks		
- on current accounts	41,319,974	1,782,506
- on fixed deposit accounts	10,000	131,216,603
	44,147,130	**134,204,171**

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gurgaon
Date : May 29, 2013

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

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 and is listed on the Bombay Stock Exchange (BSE). The Company is a reservoir imaging company, offering a suite of geophysical services specializing in land and well seismic services. The portfolio of services include 2D and 3D seismic data acquisition, processing and interpretation, topographic survey, continuous core drilling for mineral and CBM exploration, wire-line logging and directional core drilling to target shallow horizons. The Registered Office of the Company is located at 29, Payal Complex, Station Road, Vadodara – 390020 (Gujarat) and Corporate Office at 703, IRIS Tech Park, Tower-A, Sector-48, Sohna Road, Gurgaon-122018 (Haryana).

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.

Asian Oilfield & Energy Services DMCC is incorporated in Dubai Multi Commodities Centre in Dubai (UAE). The company is engaged in providing geophysical, drilling and well services to its customer. The Registered Office of the Company is located at Unit No. 2H-08-71, Floor No.8, Building No.2, Plot No.550-554, J&G, DMCC, and Dubai (UAE).

Note 2 | SIGNIFICANT ACCOUNT POLICIES

A. 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.

B. Accounting Convention

The Financial Statements are prepared under historical cost convention on the accrual basis of accounting and in accordance with generally accepted accounting principles (GAAP) in India, the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of asset and liabilities.

C. Use of Estimates

The preparation of financial statements require management to make judgments, estimates and assumption, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of these financial statement and the reported amount of revenues and expenses for the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

D. Fixed Assets and Depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

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.

Notes forming part of Financial Statements

E. Intangible Assets and Amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

F. 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)

G. Cash Flow

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash in hand, cheque in hand, bank balances and demand deposits in bank.

H. Foreign Currency Transactions

i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of transaction.

ii) Monetary items denominated in foreign currencies at year end are restated at year end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the transactions rate and rate on the date of contract is recognised as exchange difference and the premium paid on forwards contracts is recognised over the life of the contract.

iii) Non monetary foreign currency items are carried at cost.

I. Investments

Investments are classified into current and long term investments. Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost and any decline, other than temporary, in the value of long term investments is charged to Statement of Profit and Loss. Current investments are stated at lower of cost and market value determined on an individual investment basis. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

J. 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.

K. 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.

Notes forming part of Financial Statements

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.

L. 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 unutilised CENVAT balance is shown as asset in loans and advances.

M. 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 by the balance sheet date.

N. Taxes on Income

Tax expense comprises of current income tax, deferred income tax charge/ (credit) for the year.

Current Tax:

Provision for taxation is based on assessable profits of the Company as determined under the provisions of the Income Tax Act, 196. 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.

Deferred Tax:

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.

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.

O. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset up to the commencement of commercial operation. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

P. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is 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.

Q. Provisions, Contingent liabilities and Contingent Assets

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.

Notes forming part of Financial Statements

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.

Note 3 | SHARE CAPITAL (Amount in ₹)

Particulars	As at 31 March 2013		As at 31 March 2012	
	No.	₹	No.	₹
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
Total	**15,324,444**	**153,244,440**	**15,324,444**	**153,244,440**

i. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares	
	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. Terms & Rights attached to each class of shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Shareholder holding more than 5% shares in the Company :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Share				
Samara Capital Partners Fund I Ltd.	5,566,700	36.33%	5,566,700	36.33%

iv. As at 31st March, 2013 1,57,717 shares (as at 31st March, 2012 5,77,683 shares) of ₹10 each were reserved for issuance towards outstanding employee stock options granted.

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 ₹55.70 per option, being the latest available price on the stock exchange prior to the date of grant, out of which 10 employees are continuing in the Company, having an option of exercising grant of 1,57,717 shares. The vesting of the option granted would be graded over a period of four years i.e. on 15th December 2012, 1st October 2013, 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.

Notes forming part of Financial Statements

Note 4 | RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
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	1,428,989	(915,231)
d. **Surplus/(Deficit) in Statement of Profit & Loss**		
Opening balance	35,926,893	126,350,962
(+) Net Profit/(Net Loss) For the current year	(102,948,883)	(90,424,069)
(-) Proposed Dividend	–	–
(-) Transfer to Reserves	–	–
Closing Balance	(67,021,990)	35,926,893
Total	**569,179,929**	**669,784,592**

Note 5 | LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
a) **Term loans**		
From banks	–	26,000,000
b) **Finance lease obligations**	1,883,127	–
Total	**1,883,127**	**26,000,000**

Notes:

1. Term Loan from Bank was taken during the financial year 2010 -11 and carries interest 5% above State Bank of India base rate (effective interest rate 12.5% per annum), 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 hypothecation of all fixed assets acquired out of the loan. The said loans are further secured by way of equitable mortgage of office premise and shop situated at Vadodara. Further, the loan has been guaranteed by the personal guarantee of the director of the company.

2. Vehicle Loan from HDFC Bank was taken during FY 2012-13 and carries interest of 12%, maturing on 15/12/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired our of the loan.

3. Vehicle Loan from OAIS was taken during FY 2012-13 and carries interest of 16.40% p.a., maturing on 15/10/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired our of the loan.

Notes forming part of Financial Statements

Note 6 | OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Trade Payables	22,839,840	–
b) Others	–	–
Total	**22,839,840**	–

Note 7 | LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Provision for employee benefits		
Leave Encashment	574,093	329,764
Total	**574,093**	**329,764**

Note 8 | SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
a) Loans repayable on demand		
from banks	220,870,504	132,348,687
Unsecured		
a) Loans repayable on demand		
from other parties	25,049,315	–
Total	**245,919,819**	**132,348,687**

Notes:

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 director of the company. Cash Credit is repayable on demand and carries rate of interest of 12.5%.
2. Overdraft facility of ₹5 Crores from Ratnakar bank is secured against fixed deposits. Overdraft facility is repayable on demand and carries rate of interest of 11.5%
3. Overdraft facility of ₹5.24 Crores from HDFC Bank is secured against Mutual Fund. Overdraft facility is repayable on demand and carries rate of interest of 12.00%
4. Unsecured ICD of ₹2.50 Crores from Global Coal & Mining Pvt. Ltd. repayable on demand and carries rate of interest of 12% p.a.

Note 9 | TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Due To		
- Micro Enterprises & Small Enterprises	–	–
- Others	158,214,713	84,768,810
Total	**158,214,713**	**84,768,810**

Note:

No dues outstanding to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes forming part of Financial Statements

Note 10 | OTHER CURRENT LIABILITIES (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Current maturities of long-term debt	26,000,000	42,000,000
b) Current maturities of finance lease obligations	948,658	–
c) Interest accrued and due on borrowings		
- Term Loan	350,942	869,225
- Others	5,793,102	2,341,752
d) Other payables -		
Deposits	954,049	13,181,669
TDS Payable	2,878,095	3,125,805
Service Tax Payable	11,617,513	4,814,962
PF Payable	241,991	396,124
VAT Payable	662,019	–
Advance from Customers	–	1,378,000
Other Current Liabilities	438,113	174,240
Total	49,884,482	68,281,777

Note 11 | SHORT TERM PROVISIONS (Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a) Provision for employee benefits		
Bonus & Ex gratia	2,465,666	1,545,428
Leave Encashment (unfunded)	17,312	1,239,468
b) Provision for Income Tax	13,108	12,329
Total	2,496,086	2,797,225

Note 12 | FIXED ASSETS (Amount in ₹)

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1-Apr-12 a	Addition b	Sale or Transfer c	As at 31-Mar-13 d[a+b-c]	As at 1-Apr-12 e	Sale or adjustment f	For the period g	As at 31-Mar-13 h[e-f+g]	As at 31-Mar-13 i[d-h]	As at 31-Mar-12 j[a-e]
I) Tangible Assets										
Land	794,750	–	–	794,750	–	–	–	–	794,750	794,750
Building	2,274,959	–	–	2,274,959	565,078	–	176,582	741,660	1,533,299	1,709,881
Oilfield Equipment	330,307,350	116,595,271	59,548,070	387,354,551	99,566,937	16,188,424	35,774,744	119,153,257	268,201,294	230,740,413
Furniture & Fixture	1,941,859	119,101	7,900	2,053,060	1,315,600	710	71,557	1,386,447	666,613	626,259
Office Equipments	1,668,540	895,737	47,985	2,516,292	318,322	5,676	90,977	403,623	2,112,669	1,350,218
Computer	300,632,358	3,194,170	4,059,634	299,766,894	160,048,642	3,720,107	48,772,102	205,100,637	94,666,257	140,583,716
Vehicles	14,276,608	3,623,673	–	17,900,281	2,839,208	–	1,458,271	4,297,479	13,602,802	11,437,400
Vessels	327,147	–	–	327,147	10,477	–	23,130	33,607	293,540	316,670
Total	652,223,571	124,427,952	63,663,589	712,987,934	264,664,264	19,914,917	86,367,363	331,116,710	381,871,224	387,559,307
Ii) Intangible Assets										
Computer Software	11,117,235	577,925	1,284,310	10,410,850	7,622,794	1,051,201	1,801,952	8,373,545	2,037,305	3,494,441
Total	11,117,235	577,925	1,284,310	10,410,850	7,622,794	1,051,201	1,801,952	8,373,545	2,037,305	3,494,441
Grand Total	663,340,806	125,005,877	64,947,899	723,398,784	272,287,058	20,966,118	88,169,315	339,490,255	383,908,529	391,053,748
Previous year	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

Notes forming part of Financial Statements

Note 13 | LONG TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
a. Security Deposits		
Unsecured, considered good	10,057,148	6,471,915
Less: Provision for doubtful deposits	(900,000)	
	9,157,148	**6,471,915**
b. Inter - Corporate Loan		
Unsecured, considered good		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	–	–
c. Other Advances		
Secured, considered good	11,226,225	–
Total	**20,383,373**	**6,471,915**

Note 14 | CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Investments in Mutual Funds (Unquoted)		
5,496,800.001 units of L296G SDFS - 366 Days - 5 - Growth	59,478,674	
5,000,000 units of SBI Debt Fund Series 370 Days		54,115,000
5,000,000 units of ICICI Prudential Fixed Maturity Plan Series 571 days Plans		53,750,500
Total	**59,478,674**	**107,865,500**

Note 15 | TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	–	–
Unsecured, considered good	102,266,520	143,782,597
	102,266,520	**143,782,597**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		–
Unsecured, considered good	52,400,021	42,070,744
Unsecured, considered doubtful	22,879,555	10,128,977
Less: Provision for doubtful debts	24,680,130	10,128,977
	50,599,446	**42,070,744**
Total	**152,865,966**	**185,853,341**

Notes forming part of Financial Statements

Note 16 | CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Cash & Cash Equivalents		
Cash on hand	2,817,156	1,205,062
Balances with banks		
- in Current Account	41,319,974	1,782,506
- in Deposit accounts	138,273,758	266,872,699
(including margin money of ₹138,263,758 (Previous year ₹135,656,096)		
Total	182,410,888	269,860,267

Note: Balance with banks include deposits with remaining maturity of more than 12 months from the balance sheet date.

Note 17 | SHORT TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Unsecured, considered good		
Deposits	14,164,518	13,892,932
Prepaid Expenses	7,211,160	5,124,123
Employee Advances	4,571,976	441,880
Advance to suppliers	44,997,761	4,839,962
Income Tax receivable	41,778,047	41,195,573
Service Tax receivable	1,446,360	635,564
Other Advances	1,889,910	1,252,836
Total	116,059,732	67,382,870

Note 18 | OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Interest Accrued on Deposits	16,142,396	7,447,132
Accrued Service Income	177,976,396	67,125,067
Total	194,118,792	74,572,199

Notes forming part of Financial Statements

Note 19 | REVENUE FROM OPERATIONS (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Sale of services - Seismic Survey & Mining Related (Gross)	553,772,322	453,416,710
Less: Service Tax	57,157,314	39,088,120
Total	**496,615,008**	**414,328,590**

Note 20 | OTHER INCOME (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Interest Income	21,285,554	28,040,622
Dividend Income	6,750,674	9,173,275
Rental Income	20,302,957	5,458,575
Exchange Rate Variance	309,439	152,509
Interest on IT Refund	1,138,418	840,181
Miscellaneous Income	145,300	657,303
Insurance Claim	6,013,979	
Excess Provision Written Back (Refer Note 24.14)	7,394,471	–
Total	**63,340,792**	**44,322,465**

Note 21 | EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Salaries, Exgratia and Bonus	101,691,334	90,096,697
Contribution to Provident Fund and Other Funds	3,879,433	3,980,404
Staff Welfare Expenses	20,133,922	12,496,826
Remuneration to Directors	5,095,514	4,200,000
Total	**130,800,203**	**110,773,927**

Note 22 | FINANCE COST (Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
a) Interest expense		
- Bank	24,993,686	16,786,550
- Other	48,742	131,046
b) Bank Charges	6,074,101	6,529,115
c) Exchange rate variation (net)	(268,287)	–
Total	**30,848,242**	**23,446,711**

Notes forming part of Financial Statements

Note 23 | OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
Operating Expenses		
Sub-contract Charges	51,077,762	71,564,456
Shot Hole Drilling Expenses	48,639,042	52,163,955
Stores and Consumables Consumed	18,743,130	38,418,899
Camp Establishment and Maintenance	5,649,790	6,781,200
Machinery Hire Charges	9,818,316	15,723,970
Tender Fees	145,000	261,212
Survey Expenses	35,268,109	35,212,484
Fuel Expenses Rig	25,682,000	16,837,713
Crop Compensation	2,924,555	2,428,668
Labour Charges	49,270,462	9,932,635
Administration & Other Expenses		
Business Promotion Expenses	6,066,656	1,361,325
Rent	7,868,537	5,307,094
Rates & Taxes	461,737	1,437,896
Travelling and Conveyance	59,774,156	42,699,687
Loss/ (Profit) on disposal of Asset	798,529	106,219
Loss on Asset held for disposal	1,875,995	
Printing and Stationery	1,793,391	974,620
Advertisement	426,325	64,415
Postage, Freight and Telephone Expenses	14,011,176	10,552,646
Insurance	5,050,144	4,759,486
Power and Fuel	758,521	760,964
Audit Fees	1,018,809	720,586
Legal and Professionals Charges	21,243,121	17,126,663
Provision for Doubtful Debts	768,689	5,231,353
Bad Debts	298,135	4,212,941
Provision for Doubtful Advances	1,089,807	–
Directors Sitting Fees	451,000	290,556
Repairs and Maintenance		
- Building	1,093,216	552,334
- Plant and Machinery	8,379,543	11,481,947
- Others	9,641,590	2,727,519
Donation	48,440	147,701
ST Penalty	1,099,487	–
Interest on Service Tax	501,230	–
Interest on TDS	512,994	–
Preliminary Expense	–	188,195
Miscellaneous Expenses	7,920,601	4,545,304
Total	**400,169,995**	**364,574,642**

Notes:

(Amount in ₹)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
i) Payments to the auditors comprises :		
As auditors - Statutory audit	675,000.00	600,000.00
For taxation matters	965,000.00	817,500.00
Reimbursement of expenses	11,818.00	–
Total	**1,651,818.00**	**1,417,500.00**

Notes forming part of Financial Statements

Note 24 | ADDITIONAL INFORMATION

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

Sl. No.	Name of Company	Company of Incorporation	Ownership Interest
1.	AOSL Petroleum Pte Ltd.	Singapore	100%
2.	Asian Offshore Pvt. Ltd.	India	100%
3.	Asian Oilfield & Energy Services DMCC	Dubai, UAE	100%

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

Particulars	AOSL Petroleum Pte Ltd.		Asian Offshore Private Limited		Asian Oilfield & Energy Services DMCC	
	Amount	% (Refer Note)	Amount	% (Refer Note)	Amount	% (Refer Note)
Income	18,681,390	3.32%	10,000	0.00%	42,168	0.01%
Expenditure	23,752,120	3.65%	33,980	0.01%	638,884	0.10%
Assets	115,197,626	9.57%	114,450	0.01%	1,230,231	0.10%
Liabilities	18,486,270	1.54%	43,060	0.00%	59,176	0.00%

3. **Contingent Liabilities**

(Amount in ₹)

Particulars	31 March 2013	31 March 2012
Towards Guarantees issued by bank	100,588,064	182,785,839
Demand for Income Tax contested by the Company	16,290,153	16,289,283

4. **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 31st March 2013 are presented below:

a) Key Management Personnel : Mr. Rahul Talwar- Whole Time Director
: Mr. Avinash Manchanda – Managing Director
: Mr. Miten Manchanda – GM – Seismic Support Services

b) Associate : 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 ₹)

S. No.	Nature of Relation/ Nature of Transaction	2012-13	2011-12
A	**Remuneration to key managerial person and relative of key Managerial person**		
	Managing Director/Whole Time Director		
	Salaries	14,276,165	4,200,000
	Contribution to provident fund and other funds	7,800	–
		14,283,965	**4,200,000**
B	**Relative of Key Managerial Person**		
	Salaries	1,381,311	1,921,300
	Contribution to provident fund and other funds	7,800	9,360
		13,99,111	**1,930,660**
	(The above figures do not include provision for leave encashment)		

Notes forming part of Financial Statements

Note 24 | ADDITIONAL INFORMATION *(Contd...)*

5. Segment Reporting

   In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006, the Company has determined its business segment as Seismic data acquisition and its related services. Since there are no other business segments in which the Company operates, there are no other primary reportable segments, therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.

6. Leases

   Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

   Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

   Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

7. 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 ₹15,10,032 (March 31, 2012: ₹1,736,180) 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 lumpsum 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, 2013.

(Amount in ₹)

Sr.	Particulars	Gratuity	
		2012-13	2011-12
I	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	638,774	472,066
	b. Interest Cost	181,772	189,197
	c. Expected return on plan assets	(305,389)	(270,916)
	d. Actuarial (Gain)/Loss	(15,09,981)	(614,167)
	e. Net expense recognised in Profit & Loss Account	(994,824)	(223,820)

Notes forming part of Financial Statements

Note 25 | ADDITIONAL INFORMATION *(Contd...)*

8. Employee Benefits *(contd...)*

(Amount in ₹)

Sr.	Particulars	Gratuity 2012-13	Gratuity 2011-12
II	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	22,09,352	2,162,257
	b. Current service cost	638,774	472,066
	c. Interest Cost	181,772	189,197
	d. Actuarial (Gain)/Loss	(15,09,981)	(614,167)
	e. Benefits paid	(12,600)	–
	f. PV of obligation as at the end of the year	15,07,317	2,209,352
III	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	37,54,040	2,912,496
	b. Expected return on plan assets	305,389	270,916
	c. Actuarial (Gain)/Loss	–	–
	d. Contributions	–	570,628
	e. Benefits paid	(12,600)	–
	f. Fair value of plan assets as at the end of the year	40,46,829	3,754,040
IV	Net Assets/ Liabilities recognized in the Balance sheet		
	a. PV of obligation as at the end of the year	15,07,317	2,209,352
	b. Fair value of plan assets as at end of the year	40,46,829	3,754,040
	c. Net Liabilities/(Assets) recognised in the Balance sheet at year end	(25,39,512)	(1,544,688)
V	Principal Actuarial Assumptions		
	a. Discount rate (per annum) (Refer Note-1)	8.25%	8.75%
	b. Expected return on plan assets (Per annum) (Refer Note-2)	8.15%	8.15%
	c. Expected increase in salary costs (per annum (Refer Note-3)	5%	5%

Notes:

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.

9. Deferred Income Tax

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

	31 March 2013	31 March 2012
Depreciation	(38,026,160)	(47,320,748)
Deferred Tax Assets		
- Employee benefits		197,278
- Provision for doubtful debts		32,86,347
- Preliminary expenses written off	(930)	(1,236)
- Provision for Expenses		(12,364)
- Unabsorbed Depreciation / Business Loss	38,017,030	42,830,936
	(10,060)	(10,19,788)

Notes forming part of Financial Statements

Note 24 | ADDITIONAL INFORMATION *(Contd...)*

10. Earnings Per Share

Particulars	2012-13	2011-12
Net Profit after tax for the year	(102,948,882)	(90,424,069)
Number of Equity Shares outstanding as at year end	15,324,444	15,324,444
Nominal value of Equity Share (in ₹)	10.00	10.00
Weighted average number of Equity Shares	15,324,444	15,324,444
Basic and Diluted Earning Per Shares (in ₹)	(6.72)	(5.90)

11. Derivative Instruments

There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2013 (Previous year: ₹ 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	
		2012-13	2011-12	2012-13	2011-12
Receivables	US Dollar	938,667	39,794	51,053,441	20,24,471
Payables	EURO	265,447	–	18,460,176	–
Advances	US Dollar	1,391,715	–	75,694,429	–
	AED	40,000		592,000	

12. 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 ₹138.42 lacs in the current year (previous year : ₹73.94 lacs) towards doubtful recovery of debt, which has been reflected as Exceptional Items in the Consolidated Statement of Profit and Loss.

Also, the provision created in the previous year of ₹73.94 lacs towards doubtful recovery of debt, has been written back in the current year on review of its recoverability as on the year end, which has been so reflected under "Note 20: Other Income" of the Consolidated Financial Statements.

13. The previous year figures have been accordingly regrouped/re-classified to conform to the current year's classification.

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Sudhir Kumar
Chief Financial Officer

Place : Gurgaon
Date : May 29, 2013

ASIAN OILFIELD SERVICES LIMITED

Reg. Off.:29, Payal Complex, Station Road, Sayajigunj, Vadodara, Gujarat 390020

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company held at the Dr. I.G. Patel Seminar Hall, Faculty of Social Work of M.S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara - 390002, on Wednesday, 18th September, 2013 at 9.30 a.m.

PLEASE TICK (√) IN THE BOX MEMBER ( ) PROXY ( )

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

....

Folio No.* ....

DP ID No...

Client ID ....

No. of Shares held ....

Full name of Proxy (IN BLOCK LETTERS)..

*Applicable in case of shares held in Physical Form.

Signature of Member/ Proxy

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Link-Intime India Private Limited, Registrar & Transfer Agent (RTA)/Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. Members in person and Proxy holders may please carry photo-ID card for identification/verification purposes.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
4. No gifts will be distributed at the Annual General Meeting.

ASIAN OILFIELD SERVICES LIMITED

Reg. Off.:29, Payal Complex, Station Road, Sayajigunj, Vadodara, Gujarat 390020

PROXY

I/ We being member/ members of the above named Company (ASIAN OILFIELD SERVICES LIMITED) hereby appoint .... of .... or failing him/ her .... of .... as my/ our Proxy to vote for me/ us and on my/ our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at the Dr. I.G. Patel Seminar Hall, Faculty of Social Work of M.S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara - 390002 on Wednesday, 18th September, 2013 at 9.30 a.m.

Signed .... day of .... 2013.

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

No. of Shares held .... Signed by the said ....

Affix ₹1/- Revenue Stamp

Signature of Member

NOTE : The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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info@trisyscom.com

ASIAN OILFIELD SERVICES LIMITED

Registered Office: 29 Payal Complex, Vadodara 390 020, Gujarat, India