

**18<sup>th</sup>**

**ANNUAL REPORT 2010-11**



**ASIAN OILFIELD  
SERVICES LTD.**

# 18<sup>th</sup> Annual Report

<b>Board of Directors</b>	:	Mr. Naresh Chandra Sharma Mr. Avinash Manchanda Mr. Krishna Kant Mr. Dali E. Ilavia Mr. Sumeet Narang Mr. Vaibhav Maloo Mr. Gautam Gode Mr. Anand Prakash Agarwal  Mr. Rameshwarlal Kabra  Mr. Ajit Kapadia  Mr. Sanjay Bhargava	Chairman- Non Executive Independent Promoter - Managing Director Non Executive Professional Director Independent Director Investor Director Promoter Director Promoter Director Independent Director (upto 13 <sup>th</sup> September, 2010) Independent Director (upto 13 <sup>th</sup> September, 2010) Non Executive Independent Director (from 8 <sup>th</sup> February, 2011) Promoter Director (from 2 <sup>nd</sup> March, 2011)
<b>Company Secretary</b>	:	Mukesh Khanna	
<b>Auditors</b>	:	M/s. Deloitte Haskins & Sells Chartered Accountants Vadodara.	
<b>Bankers</b>	:	State Bank of India AXIS Bank Ltd. Central Bank of India HDFC Bank Ltd.	
<b>Registered Office</b>	:	7 <sup>th</sup> Floor, B-Wing, Manubhai Tower, Sayajigunj, Vadodara – 390 020 Phone : 0265-2362071 Fax No. : 0265-2226216 E-mail : secretarial@asianoilfield.com Website : www.asianoilfield.com	
<b>Registrar and Share Transfer Agent</b>	:	Link Intime India Pvt. Ltd. 102 & 103, Shangrila Complex, 1 <sup>st</sup> Floor, Opp. HDFC Bank Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Phone No. 0265 – 2356573, 2356794 Fax No. : 265-2356791 E-mail : vadodara@linkintime.co.in	

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## NOTICE

Notice is hereby given that 18<sup>th</sup> Annual General Meeting of Members of Asian Oilfield Services Ltd. will be held on Wednesday, the 10<sup>th</sup> August, 2011 at 3.30 p.m. at Dr. I. G. Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002 to transact the following business.

### Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 and Balance Sheet as of that date together with the reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Gode, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

### Special Business :

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Mr. Vaibhav Maloo, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company."  
"FURTHER RESOLVED THAT the vacancy, so created on the Board of Directors of the Company, be not filled."
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Mr. Krishna Kant, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company."  
"FURTHER RESOLVED THAT the vacancy, so created on the Board of Directors of the Company, be not filled."
6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Mr. Naresh Chandra Sharma, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, subject to retirement by rotation under the Articles of Association of the Company."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Mr. Ajit Kapadia, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, subject to retirement by rotation under the Articles of Association of the Company."
8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Mr. Sanjay Bhargava, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, subject to retirement by rotation under the Articles of Association of the Company."
9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.  
"RESOLVED THAT in pursuance of the provisions under Section 314 and other applicable provisions, if any, of the Companies Act, 1956 [ including any statutory modification or re-enactment thereof] read with those under the Director's Relatives [ Office or Place of Profit ] Rules, 2003 as amended by the Notification dated 6<sup>th</sup> April, 2011 as well as the recommendation of the Remuneration / Compensation Committee of the Board of Directors of the Company and the same having been accepted by the Board, Members hereby accord their consent to Mr. Miten Manchanda, son of Mr. Avinash Manchanda, Managing Director of the Company, to continue to hold the office or place of profit in the Company as its General Manager [Seismic Support Services ], subject to the payment of the enhanced aggregate monthly remuneration of Rs.1,51,125/- [ Rupees One Lac Fifty One Thousand One Hundred Twenty Five ] with effect from 1<sup>st</sup> June, 2011 with the authority to the Board of Directors of the Company, to change from time to time the designation Mr. Miten Manchanda and to revise his aggregate monthly remuneration and also to fix the remuneration and other



terms for his continuing office or place of profit in the Company provided that the aggregate monthly remuneration payable to him, shall not exceed Rs.2,49,500/- [Rupees Two Lacs Forty Nine Thousand Five Hundred ] during the period he holds the office or place of profit in the Company." "

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.  
"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 , the Articles of Association of the Company be and is hereby altered by removing Articles 205 to 232 from the Articles of Association of the Company."

By order of the Board,

Place : Vadodara  
Date : 26<sup>th</sup> May, 2011

Mukesh Khanna  
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
4. send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business enumerated at Item Nos. 4 to 10 of Notice, is annexed herewith.
6. Register of Members and Share Transfer Register will remain closed from Saturday, the 6<sup>th</sup> August, 2011 to Wednesday, the 10<sup>th</sup> August, 2011, (both the days inclusive).
7. 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.
8. Information about directors retiring by rotation and being appointed is given in the Annexure to the notice.
9. **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.**
10. 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.

## IMPORTANT COMMUNICATION TO MEMBERS

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 Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form are requested to fill the appropriate column in **Email Address Registration Form (refer page 59 of the Annual Report) and registered the same with** our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, Unit : Asian Oilfield Services Ltd., at B- 102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020 by mailing your E-mail ID to vadodara@linkintime.co.in with a scan copy of Email Address Registration Form duly signed by you. The signature mentioned in your letter should be matched as per specimen signature recorded with the Company.



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

### Item No.2

Mr. Gautam Gode, Director, retires by rotation and being eligible offers himself for re-appointment.

#### Brief resume and nature of expertise

Mr. Gautam Gode is a Graduate from Princeton University and M.B.A. from Indian Institute of Management, Ahmedabad.

Mr. Gautam was a Director with Citigroup's Corporate & Investment Banking business and he has had more than 13 years of experience in different leadership roles in this business in different geographies looking after client relationships, origination and investing. This includes heading the South India business and the Public Sector franchise.

He has rich experience in origination and working on deals spanning M&A, private equity, equity capital markets, distressed debt, structured fund raising and derivatives covering gamut of industries – technology, pharmaceuticals, cement, textiles, infrastructure, oil and gas, telecom and power. At present, he is associated with Samara Capital in the capacity of the Managing Director.

Mr. Gautam Gode is a Promoter 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 Ltd.	Promoter Director
2.	Samara India Advisors Pvt.Ltd.	Director
3.	Guardian Nutrision & Health Supplements Pvt.Ltd.	Director
4.	Global Coal & Mining Pvt. Ltd.	Director
5.	Cougar Motorsport Pvt. Ltd.	Director

#### Membership of Committee

Sr. No.	Name of the Company	Committee	Designation
1.	Asian Oilfield Services Ltd.	Audit Committee	Member

The Board recommends this resolution for your approval.

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

### Item Nos. 4 & 5

In accordance with the provisions of Section 256 of the

Companies Act, 1956 and the Article of Association of the Company, Mr. Vaibhav Maloo and Mr. Krishna Kant retire by rotation at this Annual General Meeting and are eligible for re-appointment. However, they do not seek re-appointment. The Company does not intend to fill the vacancy at this meeting or any adjournment thereof. Hence, as required under Section 256 of the Companies Act, 1956, resolutions are proposed not to fill up the vacancies caused by the retirement of Mr. Vaibhav Maloo and Mr. Krishna Kant at this meeting.

The Board recommends these resolutions for your approval.

None of the Directors are interested in the aforesaid resolution.

### Item No.6

Mr. Naresh Chandra Sharma was appointed as an Additional Director by the Board of Directors on 1<sup>st</sup> November, 2010. As per the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, he holds office of director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, along with requisite deposit has been received from a shareholder, signifying intention to propose his candidature for appointment as the Director of the Company.

#### Brief resume and nature of expertise

Mr. Naresh Chandra Sharma is a post graduate in English Literature with 10 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 Chandra Sharma 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 Ltd.	Non Executive Chairman
2.	Mukand Ltd.	Director
3.	PSL Ltd.	Director
4.	K- Life Style and Industries Ltd.	Director
5.	Eskay K n IT (India) Ltd.	Director



## Membership of Committee

Sr. No.	Name of the Company	Committee	Designation
1.	Asian Oilfield Services Ltd.	Audit Committee	Chairman
		Shareholders' Grievance	Member
		Remuneration / Compensation	Member
2.	Mukand Ltd.	Audit Committee	Member
		Shareholders' Grievance	Chairman
3.	PSL Ltd.	Audit Committee	Member
		Shareholders' Grievance	Member

The Board recommends this resolution for your approval.

No Director other than Mr. Naresh Chandra Sharma is in any way interested or concerned in the said resolution.

### Item No.7

Mr. Ajit Kapadia was appointed as an Additional Director of the Company by the Board of Directors on 8<sup>th</sup> February, 2011. As per the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, he holds office of director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, along with requisite deposit has been received from a shareholder, signifying intention to propose his candidature for appointment as the Director of the Company.

### Brief resume and nature of expertise

Mr. Ajit Kapadia is B.Sc. (Hons.) and M.Che. (Chemical Engineering). He started his career in 1963 as a Process Engineer with Fluor Corporation. In 1971, joined Engineers India Ltd. and had full involvement with Bombay High's development. In 1982, he was appointed as Head of Gas Task Force, group formed by Petroleum Ministry to review the entire country's natural gas availability and utilization pattern. In 1984, he was appointed as First Director (Planning) with GAIL (India) Ltd. Post GAIL, he joined Hindustan Oil Exploration Company Ltd.(HOEC) where he spent 17 years establishing HOEC as the first private sector oil company in India. He is also member of advisory board of IDFC-PE & Vice Chairman of Centre for Fuel Studies & Research, a Non-Government, Non-Profit Organization.

Mr. Ajit Kapadia 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 Ltd.	Director
2.	Gujarat Gas Company Ltd.	Director
3.	Rubamin Ltd.	Director
4.	Quanta Process Solutions Pvt. Ltd.	Chairman
5.	Entegra Ltd.	Director
6.	Enertech Biofuels Ltd.	Director
7.	Central U.P. Gas Ltd.	Director
8.	Quanta Modular Plants Pvt. Ltd.	Director

## Membership of Committee

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

The Board recommends this resolution for your approval.

No Director other than Mr. Ajit Kapadia is in any way interested or concerned in the said resolution.

### Item No.8

Mr. Sanjay Bhargava was appointed as an Additional Director of the Company, by the Board of Directors on 7<sup>th</sup> March, 2011. As per the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, he holds office of director till the conclusion of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956, along with requisite deposit, has been received from a shareholder, signifying intention to propose his candidature for appointment as the Director of the Company.

### Brief resume and nature of expertise

Mr. Sanjay Bhargava is B.Tech from Indian Institute of Technology (IIT) Kanpur and PG Diploma in Business Finance, ICFAI University and has over 25 years experience in manufacturing, industrials and real estate (RE) businesses. Prior to joining Samara Capital as a Managing Director, he was with M/s Bombay Burmah Trading Corporation Ltd.,( BBTCL) a Wadia Group Company, as an Executive Vice President & COO from November,2006 to September, 2010, with responsibilities for Business Development. He was instrumental in acquisition and integration of auto component companies, setting up of Real Estate Business for



BBTCL, formulation of its key RE projects and other Wadia Group companies. He was also COO of the Building Products Business (laminates) of BBTCL.

He has managed Industrial gases, Catalysts and Specialty Chemical Businesses in his prior stints with M/s InoxAir Products Ltd. as Chief Executive and M/s. Parekh Platinum Ltd. as General Manager and was able to significantly increase volumes, profitability and bandwidth of the businesses. He commenced his career with ICI in Manufacturing and Techno-Commercial roles in ICI's Fertilisers and Catalysts

Mr. Sanjay Bhargava is nominated by M/s. Samara Capital Partners Fund I Ltd. , the Promoter of the Company vide their letter dated 28<sup>th</sup> February, 2011. He does not hold any shares and beneficial interest in any shares of your Company.

**Directorships**

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

The Board recommends this resolution for your approval.

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

**Item No. 9**

As the members are aware, Mr. Miten Manchanda has been holding the office or place of profit in the Company as its General Manager [ Seismic Support Services ] in terms of Section 314 of the Companies, Act, 1956, from 1<sup>st</sup> October, 2003.

Mr. Miten Manchanda is First Class Graduate B.Sc. (Hons.) from M.S.University of Baroda and holds Diploma in Information Technology from Corporate Education Division of Mahindra British Telecom. His useful contributions helped the Company to avail various Seismic Work contracts Awarded from Governmental and Private Operators and Players in the Industry and achieve the higher performance, during past several years. He brings with his over 10 years of very valuable experience in developing a new business enterprise. His association with the Company involves, strengthening the top management team and more efficient handling of the operations relating to acquisition of Seismic data at various sites, arranging for logistic supports and managing Oil field services contracts in the state of Gujarat. His commitment to quality, strive for excellence and sincerity of discharging responsibilities are an invaluable asset for the Company.

In consideration of nature of duties performed, level of responsibilities shouldered, overall contribution to the growth of business of the Company given by Mr. Miten Manchanda and remuneration being offered to the Senior level employees by other similar comparable Companies in the Industry, at the recommendation of the Remuneration / Compensation

Committee of Independent Directors, the Board of Directors of the Company, subject to the further approval of the Members, approved revision of monthly aggregate remuneration of Mr. Miten Manchanda to Rs. 1,51,125/- [ Rupees One Lac Fifty One Thousand One Hundred Twenty Five ] with effect from 1<sup>st</sup> June, 2011, with the authority to change from time to time, his designation and to revise his aggregate monthly remuneration not exceeding Rs.2,49,500/- [Rupees Two Lacs Forty Nine Thousand Five Hundred ] during the period, he holds the office or place of profit in the Company, as per Director's Relatives [Office or Place of Profit] Rules, 2003 as amended by the Notification dated 6<sup>th</sup> April, 2011 issued by the Ministry of Corporate Affairs read with Section 314 of the Companies Act, 1956.

The Board recommends this Special resolution for your approval.

No Director other than Mr. Avinash Manchanda, is interested in the said resolution.

**Item No. 10**

As the members are aware, with a view to invest in to the Company, M/s. Samara Capital Partners Fund I Limited (Samara Capital), entered in to an Investment Agreement with the Company 17<sup>th</sup> January, 2008 which inter alia provided conditions and stipulations to govern their relations with the Company. To reflect such agreed governing terms of the Investment Agreement, Articles of Association of the Company, was amended by incorporating such conditions and stipulations by availing requisite approval of the Shareholders, at an Extra Ordinary General Meeting of the Company held on 4<sup>th</sup> March, 2008.

Samara Capital now holds 36.33 % of Equity Shares in the Capital of the Company and in terms of definition of "Promoters" provided under clause (zb) (iii) (B) of 2 of Chapter -1 under Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Samara Capital falls under the ambit of definition of "Promoter ". In view of shift in their status from "Investor" to the "Promoter" of the Company, Articles Nos. 205 to 232, which were earlier inserted in the Articles of Association of the Company, have now become redundant and invalid. In order to reflect correct stature of Samara Capital, it is proposed to alter Articles of Association by removing there from those earlier inserted Articles Nos. 205 to 232.

In terms of the provisions of Section 31 of the Companies Act, 1956 , the Articles of Association of a Company may be altered with the approval of its members by passing a Special Resolution.

The Board recommends this Special resolution for your approval.

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

By order of the Board,

Place : Vadodara  
Date : 26<sup>th</sup> May, 2011

Mukesh Khanna  
Company Secretary



## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report and the audited accounts for the year ended 31<sup>st</sup> March, 2011.

### 1. Financial Highlights :

(Rs. In lacs)

	31 <sup>st</sup> March 2011 (12 Months)	31 <sup>st</sup> March 2010 (9 Months)
<b>Gross Income</b>	<b>6723.87</b>	<b>1942.78</b>
<b>Gross Profit before Depreciation &amp; Interest</b>	<b>993.67</b>	<b>339.00</b>
Depreciation	862.67	356.59
Interest and Financial Charges	99.69	31.56
<b>Profit / (Loss) before Tax</b>	<b>31.31</b>	<b>(49.15)</b>
Less :		
Provision for doubtful Inter Corporate Loan	698.07	—
Provision for Tax		
- Current Tax	—	—
- Short Provision of Current Tax in earlier years	(0.43)	—
- Deferred Tax Liability	15.65	37.19
- Wealth Tax	0.29	0.47
<b>Net Profit / (Loss) after Tax &amp; other adjustments</b>	<b>(682.27)</b>	<b>(86.81)</b>

### 2. Dividend :

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

### 3. Operations in Retrospect :

During the year under review, your Company registered Gross revenue of Rs. 6723.87 Lacs during 12 Months, compared with Rs. 1942.78 Lacs in the previous year of 9 months. The Operating Profit has improved to Rs. 31.31 lakhs from loss of Rs. 49.15 lakhs. However there is a net loss of Rs. 682.27 lakhs on account of provisions for doubtful inter corporate loan against loss of Rs. 86.81 Lacs of previous year.

### 4. Key operational highlights of FY 2010-11 :

- Completed first 3D Seismic job for a private client in Gujarat successfully. This is an important milestone since it launches AOSL into more sophisticated segment of the Seismic Services market.
- Successfully mobilized and executed major portion of a very large 3D Seismic Job Services contract

- with 3 concurrent geophysical parties for ONGC in Gujarat comprising of 60000 shot-points over 1000 sq Kms.
- Successfully executed two deep directional drilling projects for Orissa and Rajasthan for Indian Metal & Ferro Alloys Corporation as well as Hindustan Zinc Limited, thus establishing AOSL as an important service provider in the frontier deep mineral exploration market in India.
- Successfully executed major portion of 2D Seismic acquisition in Tripura and have obtained an extension for 50 sq km.
- Continued to deliver 2D Seismic acquisition services for OIL India in Mizoram after receiving 2<sup>nd</sup> successive extension over a 3 year span by the client. Completed 1352 GLK of 2D seismic acquisition in one of the most difficult geographical terrains in the country.
- Commissioned and mobilized Crew#5 for major private client in India in a wild-cat exploration





area in central India for exploration of hydrocarbon in Deccan traps below the basalt using advanced technology in India namely the high powered Accelerated Weight Drop system, Cable-less nodal Seismic Acquisition System and low Frequency Acquisition, thus enhancing AOSL capabilities and making the Company more competitive in the market.

- vii) Put in a strong HSE system in place to take AOSL to the next level in oilfield services.

#### **5. Future Outlook :**

Based on the anticipated increase in Seismic contracts pipeline from the E&P companies, AOSL expects to have higher volume of work. Significant measures to improve productivity and reduce costs have been worked out for the next fiscal which coupled with the higher volume of work will boost profitability. The Company also expects higher productivity and profitability from the mineral drilling business as it is now stabilizing. The wireline logging assets are also likely to yield incremental revenue for the Company.

Your Company is also aggressively targeting new verticals within the seismic area and also exploring possibility of entering other non seismic vertical in oilfield services. New geographies for the existing seismic business are also being evaluated.

#### **6. Board of Directors :**

The Board at its meeting held on 8<sup>th</sup> February, 2011, appointed Mr. Naresh Chandra Sharma, Non Executive Independent Director as the Chairman of the Company in terms of Article 137 of Articles of Association of the Company.

Mr. Rameshwarlal B. Kabra and Mr. Anand Prakash Agrawal, ceased to be Directors from 13<sup>th</sup> September, 2010 consequent upon their withdrawal of consent and candidatures for re- election as Directors at previous Annual General Meeting held on 13<sup>th</sup> September, 2010.

In terms of Section 256 of the Companies Act, 1956, Mr. Vaibhav Maloo, Mr. Krishna Kant and Mr. Gautam Gode, retire by rotation at the ensuing Annual General Meeting of the Company. However, Mr. Vaibhav Maloo and Mr. Krishna Kant do not offer themselves for re-election. The Board places on record its sincere appreciation for the contributions received from outgoing Directors, during their tenure.

During the year, with a view to broad base the Board

with suitable qualified, competent and well experienced professionals, the Board of Directors have appointed Mr. Naresh Chandra Sharma, Mr. Ajit Kapadia and Mr. Sanjay Bhargava as Additional Directors effective 1<sup>st</sup> November, 2010, 8<sup>th</sup> February, 2011 and 7<sup>th</sup> March, 2011 respectively, who hold Directorships till the conclusion of ensuing Annual General Meeting of the Company, in terms of Articles 114 of the Article of Association and Section 260 of the Companies Act, 1956.

The Company has received notices in writing with requisite deposits from members, under Section 257 of the Companies Act 1956 signifying their intentions to propose Mr. Naresh Chandra Sharma, Mr. Ajit Kapadia and Mr. Sanjay Bhargava for appointment as Directors of the Company. Consent in writing, have also been received from them to act as Directors of the Company, if appointed. Considering their expertise, rich experience, business acumen and proven track record, the Board hopes that their association as Directors would immensely benefit the Company.

Mr. Gautam Gode retires by rotation and being eligible, offers himself for reappointment.

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

#### **7. Directors' Responsibility Statement :**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed .
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the Company's state of affairs at the end of the financial year and of the loss of the Company for the year under review.
- iii) they have taken proper and sufficient care 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) they have prepared the Annual Accounts on a 'going concern' basis.



**8. 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.

**9. Management Discussion and Analysis :**

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

**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) :**

The Company has put emphasis on HSE as its prime focus in the business. In Q1 2011, a Corporate Head HSE Manager Mr. Sunil Gerald Barretto has been appointed, with HSE representatives allocated at sites we operate. The Company's HSE Management system (HSE-MS) has been further 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 Company and Consolidated Financial Statements :**

The Company has one Wholly Owned Subsidiary Company under the name of M/s AOSL Petroleum Pte. Limited, Singapore. There has been no material change in the nature of business of the subsidiary. A statement containing brief financial details of the subsidiary, is included in the Annual Report.

As required under the Listing Agreement with the Bombay Stock Exchange Ltd., a Consolidated Financial Statement of the Company and its subsidiary, is 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 subsidiary.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated 8<sup>th</sup> February, 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 31<sup>st</sup> March, 2011, 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 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 clause 49(II) of Listing Agreement, an Audit Committee consisting of Mr. Naresh Chandra Sharma, Mr. Dali E. Ilavia and Mr. Ajit Kapadia, the Independent Directors and Mr. Gautam Gode, the Promoter Director as its members and it performed inter-alia, various functions as required in terms of the said provisions.

**15. Statutory Disclosures :**

**i) Personnel :**

Information under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report with 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.

**iii) Employees Stock Option Scheme :**

During the year, the ESOS Compensation Committee, constituted by the Board, has granted 5,77,683 Stock Options to the eligible employees of the Company, under the "Employee Stock Option Scheme-2010" (ESOP-2010). Each option is convertible into one Equity Share of the Company upon vesting. These options will vest over a period of four years from the date of grant and shall be exercisable within a period of 2 years from the date of the vesting.

The details of the Options granted up to 5,77,683 and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure – B to this Report. The certificate from the Company's Auditors, M/s. Deloitte Haskins & Sells , to the effect that the ESOP 2010 has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed by the members, will be placed at the ensuing Annual General Meeting.

**16. 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.

**17. Public Deposits :**

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

**18. Insurance :**

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

**19. Appreciations :**

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

**For and on behalf of the Board,**

Date : 26<sup>th</sup> May, 2011  
Place : Vadodara

**Naresh Chandra Sharma**  
Chairman



## **Annexure to the Directors' Report**

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

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

#### **(A) CONSERVATION OF ENERGY :**

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

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

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

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

(c) Impact of the above measures :-

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

#### **(B) TECHNOLOGY ABSORPTION :**

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

1. Specific area in which R&D carried out by the Company :  
No new technologies have been introduced during the year under review, however, the Company intends to deploy the same at relevant point of time.

2. Benefits derived as a result of R & D : Nil
3. Future plan of action : The Company is in process of streamlining the operations and improving productivity per unit per man operation.

4. Expenditure on R & D : Nil

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

1. Efforts made toward technology absorption, adaptation & innovation.

a) Indigenous development of drilling units, modules have been adapted.

b) International standard has been observed in the adoption and manufacture of new items, drilling technology is indigenous.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

Improved quality, time efficiency and cost reduction.

3. In case of imported technology following information is furnished below :

- Technology imported : Nil
- Year of Import : Nil
- Has technology been fully absorbed : N.A.
- If not fully absorbed, areas where this has not taken place, reason and future plans of action : N.A.

##### **(C) FOREIGN EXCHANGE EARNING & OUTGO :**

- a. Foreign Exchange Earnings : Rs. Nil  
Seismic Survey and other related charges
- b. Foreign Exchange outgo towards :
  - (i) Traveling expenses : Rs. 8,37,600
  - (ii) Capital goods : Rs. 7,87,70,605
  - (iii) Revenue Payment : Rs. 3,27,40,640



## Annexure – B

**Statement as at 31<sup>st</sup> March, 2011 pursuant to clause 12 (Disclosures in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.**

a) Total number of Options granted	:	Asian Oilfield Services Limited Employee Stock Scheme 2010 (ESOP 2010) 5,77,683 Options
b) (i) Pricing Formula	:	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in 7 <sup>th</sup> December, 2010, shall be calculated at price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board of Directors in which Options are granted, on the Stock Exchange on which the Shares of the Company are listed. The Compensation Committee has decided the Exercise price for all subsequent grants.
(ii) Exercise Price	:	Rs. 55.70/- is the Exercise Price for the Options granted in 7 <sup>th</sup> December, 2010, being the closing price of the Shares on the Bombay Stock Exchange Ltd. on 6 <sup>th</sup> December, 2010.
c) Total number of Options vested	:	Nil
d) Total number of Options exercised	:	Nil
e) The total number of shares arising as a result of exercise of Options	:	Nil
f) Total number of Options lapsed	:	Nil
g) Variation of terms of Options	:	NA
h) Money realised by exercise of Options	:	NA
i) Total number of Options in force	:	5,77,683
j) Employee wise details of options granted to;-		
(i) senior managerial personnel	:	3,72,550
(ii) any other employee who received a grant in any one year of Option amounting to 5% or more of Option granted during that year.	:	Nil
(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	Nil
k) Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	:	NA
l) (i) Method of calculation of employee compensation cost	:	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black- Scholes Option Pricing Formula.



## ASIAN OILFIELD SERVICES LTD.

- (ii) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. : NA
- (iii) The impact of this difference on profits and on EPS of the company : NA
- m) Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock : The weighted average exercise price per Option is Rs. 55.70.  
The weighted average fair value per Option at the grant date is Rs 26.59.
- n) A description of the method and significant assumptions used during the year to estimate the fair values of options : The fair value of each Option is calculated based on the Fair Value method of accounting using the Black - Scholes Option Pricing Formula. The significant assumptions for estimating the fair value of options :
- (i) Risk-free interest rate 7.45 %
  - (ii) Expected life 3 years
  - (iii) Expected volatility 41.41 %
  - (iv) Expected dividends NIL %
  - (v) The price of the underlying share in market at the time of Option grant Rs. 55.70 (closing price on BSE on 6<sup>th</sup> December, 2010)

**For and on behalf of the Board,**

**Date : 26-05-2011**

**Nareshchandra Sharma  
Chairman**



## Management discussion and analysis

### Industry Scenario and Developments :

**Oilfield Services:** Gap between India's production and consumption of Oil continues to widen. While consumption of oil has increased by ~50% in past decade to 3.2 mn bbl/day in 2009 compared to 2.3 mn bbl/day in 2000, production has increased by only 4% to 0.75 mn bbl/day in 2009 from 0.73 mn bbl/day in 2000. India continues to be dependent on imports for more than 75% of its requirement of Oil. At the same time, Oil prices have also appreciated to USD ~79/bbl in 2010 from USD 28/bbl in 2000. Increasing gap in India's consumption and production of Oil and rising Oil prices are stretching India's current account deficit. India needs to find indigenous source of Oil to reduce its dependence on oil and gas imports. The Government of India launched NELP to catalyse exploration and production. Following the introduction of NELP in 1999, investments in the seismic surveys (both 2D and 3D) increased significantly. However, 80% of Indian oil reserves continue to remain underexplored representing large opportunity for Indian seismic services companies.

A total of 33068 Ground Line Kilometers (GLK) and 26551 Square Meters (SQM) of minimum works program (MWP) has been committed in aggregate through NELP I to NELP VIII by different oil and gas exploration companies and 2/3<sup>rd</sup> of the work is remaining to meet MWP requirements. This represents an opportunity of ~USD 2bn in onshore seismic services alone.

The Indian seismic services industry continues to be marked by a few large scale third party service providers. A large and growing opportunity base on the one hand, and high entry barriers (stringent qualification requirement and need of high operational expertise) on the other, translates into the business flowing to these incumbents.

**Mineral Drilling:** India has some of the largest reserves of coal in the world (approx. 267 billion tones). The energy derived from coal in India is about twice that of energy derived from oil, whereas worldwide, energy derived from coal is about 30% less than energy derived from oil. Orissa, Chattisgarh and Jharkhand are top coal producing states in the country. Other notable mining areas are present in the states of Andhra Pradesh, Maharashtra, West Bengal and Tamil Nadu. Government of India has shown major focus on infrastructure development thus creating massive requirements for Steel, Cement and Power. This requires exploration of minerals like Coal and Iron Ore on a large scale translating into a large

opportunity for core drilling services for mineral drilling companies. India also has enormous exploration potential for several other minerals. Large coal reserves also provide significant opportunities to develop Coal Bed Methane (CBM) fields in India. Coal provides a strong alternative to Oil to meet India's increasing energy requirements.

**Operational Review:** Company generated revenues of INR 67 Cr. in FY2011 compared to annualized revenues of 40 Cr. (adjusted for 12 months) in FY2010. Company continues to strengthen its operations in seismic services with 4 out of 5 crews currently occupied in seismic project being executed in North East and Gujarat. North East terrain which contributes to a large portion of company's seismic revenues represents a challenging work environment given difficult terrain and local sensitivities. Asian Oilfield Services Ltd. (AOSL) has developed several in-house tools and built a strong work-force to overcome challenges and excel in this environment. AOSL has completed the largest amount of seismic work in the region compared to any other company. This region continues to attract significant E&P expenditure from both National Oil Companies and Private Companies.

AOSL has made its foray in the shallow drilling market by winning its first contract, the work for which commenced in the month of Feb 2010. Since then the Company has won significant contracts in core drilling for Chromite exploration from FACOR, IMFA, Balasore alloys and Base metal drilling contracts for HZL and HCL respectively. AOSL has already completed 30000m drilling volume in FY2011. In FY2011 company won shallow drilling contract worth more than 20 Cr. and executed contracts more than 12 Cr. Since shallow drilling happens round the year, once scaled-up, this vertical should reduce the seasonality in AOSL's business performance. In FY2011, AOSL also executed a directional drilling project by introducing Motorized Directional Drilling Technology for location of deep seated Chromite deposits and won customer appreciation for its work. The Company would like to use this platform of core drilling to enter into drilling business in Coal Bed Methane (CBM) and Oil & Gas industry going forward.

To further expand its service offerings company has entered into Wire Line Logging. Company has already started logging operations in mineral drilling, while it has equipment ready to provide logging services in oil space. Company is currently bidding for several projects for Wire Line Logging and expects to kick-start this vertical in FY2012.



Company also recovered INR 22 Cr. from its investments made in FY2007. Though this resulted in onetime loss of ~7Cr. for the year, cash generated though this recovery should provide liquidity for company to enter into additional service verticals and foray in international markets.

#### **Augmentation of the Senior Management Team:**

Company continues to strengthen its management team. Mr. Ajay Goyal, formerly, CFO Energetic Lighting India Pvt. Limited, Gurgaon, has joined AOSL as the Group Chief Finance Officer. He is a CA with more than 17 years of experience in the areas of Finance & Accounts, Treasury Management, Fund Sourcing & Budgeting, Accounts; Statutory Compliances. Mr. Neeraj Sethi, formerly country manager of Baker Atlas and Mr. Ajit Singh, previously working with Mitchell Drilling, had joined AOSL in FY2010 as COO and VP-Drilling respectively.

#### **Technical Collaboration and New Business Development:**

Company continues to evaluate several joint-venture/technical collaboration opportunities to further enhance its portfolio of service offerings. These technical collaborations should help AOSL to foray in more sophisticated oilfield services in the near future. It is the company's philosophy to continuously upgrade the existing units and performance to level of best international standards and satisfaction of the clients.

AOSL is also exploring new geographies for the existing portfolio of its services

#### **Opportunities and Threats :**

A large gap between the MWP commitments and actual work completed should translate into huge E&P investments and a large portion of it should go into seismic services. This is expected to pose the demand of the services rendered by the Company. Further rising mineral demand from domestic consumption should create opportunities for Company's mineral drilling division.

The operations of the Company are subject to general business

risk, economic conditions and competition in the industry. Crude prices continue to influence exploration and production spending of E&P companies worldwide. Crude price volatility witnessed last year had an adverse effect on the E&P activities as many companies, particularly the smaller operators, either downsized or reduced their E&P spend.

#### **Internal Control Systems :**

The Company has already adequate Internal Control Systems in respect of efficiency of operation, financial reporting, compliance with laws and applications etc., which is supplemented by Internal Audit conducted regularly by the external Chartered Accountant, to review the adequacy and effectiveness of Internal Control and to suggest improvement. The Audit Committee regularly reviews the significant observations of the Audit and also meets the Company's Statutory Auditors to obtain their observations on Financial Reports and Controls. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

#### **Financials :**

The detailed financial analysis of the Company's operations for the year is given herein above and therefore the same is not repeated.

#### **Cautionary Statement :**

Certain Statements made in the Management Discussion & Analysis may be "Forward-looking statements" within the meaning of applicable securities laws & regulations and actual results may differ materially from those expressed and implied. Factors that could make differences to the Company's operations include competition, available contracts through bidding process and service value realizations, changes in the Government policies and regulations, tax regimes, economic development within India and other incidental factors.





## Report on Corporate Governance

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

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

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

### 2. Board of Directors :

(i) As on 31<sup>st</sup> March, 2011, the Company has Nine Directors with Managing Director, Professional Non-executive Director, Investor Director with three Promoter Directors and three Non Executive Independent Directors. The composition of the Board with Non-Executive Chairman and two other Non Executive Independent Directors, is in

conformity with Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange Ltd.

- (ii) None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2011 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include directorships of private limited companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders Grievance Committees.

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2010-11	Whether attended last A.G.M	No. of Directorship in domestic public companies	No. of Committee membership Chairman	No. of Member
Avinash Manchanda	Managing Director & Promoter	6	Yes	—	—	—
Krishna Kant	Non Executive Professional Director	—	No	—	—	—
Dali E. Ilavia	Non Executive Independent	6	Yes	—	—	—
Sumeet Narang	Investor Director	3	No	1	—	—
Vaibhav Maloo	Promoter Non Executive	—	No	2	—	—
Rameshwarlal Kabra *	Non Executive Independent	2	No.	3	1	—
Anand Prakash Agrawal *	Non Executive Independent	2	No	1	—	—
Gautam Gode	Promoter Non Executive	2	Yes	—	—	—
Naresh Chandra Sharma **	Chairman - Non Executive Independent	3	N.A.	4	1	3
Ajit Kapadia ***	Non Executive Independent	1	N.A.	5	—	1
Sanjay Bhargava ****	Promoter Non Executive	—	N.A.	—	—	—

\* Ceased to be the Director effective from 13<sup>th</sup> September, 2010

\*\* Mr. Naresh Chandra Sharma has been appointed as an Additional Director from 1<sup>st</sup> November, 2010

\*\*\* Mr. Ajit Kapadia has been appointed as an Additional Director from 8<sup>th</sup> February, 2011

\*\*\*\* Mr. Sanjay Bhargava has been appointed as an Additional Director from 7<sup>th</sup> March, 2011



- (iv) Six 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 :

**29<sup>th</sup> May, 2010, 29<sup>th</sup> July, 2010,  
13<sup>th</sup> September, 2010, 9<sup>th</sup> November, 2010,  
29<sup>th</sup> November, 2010 and 8<sup>th</sup> February, 2011.**

The necessary quorum was present for all the meetings.

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

- (vi) During the year 2010-11, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

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

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

- (viii) Post meeting follow-up mechanism :

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

### **3. Audit Committee :**

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges 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.
  - To review the functioning of the Whistle Blower Mechanism.
  - Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
  - Reviewing the financial statements and in particular the investments made by the unlisted subsidiary of the Company.
- (iii) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function) representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- (iv) The composition of the Audit Committee and the details of meetings attended by its members are given below :

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. Dali E. Ilavia	Independent, Non Executive	4	4
Mr. Rameshwarlal B. Kabra *	Independent, Non Executive	2#	2
Mr. Anand Prakash Agrawal *	Independent, Non Executive	2#	2
Mr. Gautam Gode	Promoter Director, Non Executive	4	1
Mr. Naresh Chandra Sharma **	Independent, Non Executive (Chairman)	2@	2
Mr. Ajit Kapadia ***	Independent, Non Executive	1@	—
* Ceased to be Members from 13 <sup>th</sup> September, 2010			
** Appointed as Member of the Committee from 1 <sup>st</sup> November, 2010			
*** Appointed as Member of the Committee from 8 <sup>th</sup> February, 2011			
# Details provided upto the date of cessation.			
@ Details provided from the date of appointment.			

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

**29<sup>th</sup> May, 2010, 29<sup>th</sup> July, 2010, 9<sup>th</sup> November, 2010 and 8<sup>th</sup> February, 2011.**

The necessary quorum was present for all the meetings.

#### 4. Remuneration / Compensation Committee :

- (i) The Company has a Remuneration / Compensation Committee of Directors.
- (ii) The broad terms of reference of the Remuneration Committee are as under :
- To approve the annual remuneration plan of the Company ;
  - To approve the remuneration payable to the Managing Director ;
  - To approve the remuneration and performance based 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	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. Dali E. Ilavia (Chairman)	Independent, Non Executive	3	3
Mr. Rameshwarlal B. Kabra *	Independent, Non Executive	1#	1
Mr. Anand Prakash Agrawal *	Independent, Non Executive	1#	1
Mr. Sumeet Narang	Investor Director	3	1
Mr. Vaibhav Maloo	Promoter Director, Non Executive	3	—
Mr. Naresh Chandra Sharma**	Independent, Non Executive Chairman	2@	2
Mr. Ajit Kapadia***	Independent, Non Executive	1 @	—



- \* Ceased to be Directors from 13<sup>th</sup> September, 2010
- \*\* Appointed as Member of the Committee from 1<sup>st</sup> November, 2010
- \*\*\* Appointed as Member of the Committee from 8<sup>th</sup> February, 2011
- # Details provided upto the date of cessation.
- @ Details provided from the date of appointment.

**(v) Meetings of the Remuneration / Compensation Committee were held on 29<sup>th</sup> July, 2010, 7<sup>th</sup> December, 2010 and 8<sup>th</sup> February, 2011.**

- (vi) The Remuneration / Compensation Committee has granted 5,77,683 Stock Options to the eligible employees of the Company, under the "Employee Stock Option Scheme-2010" (ESOP-2010), on 7<sup>th</sup> December, 2010.
- (vii) The remuneration paid to the Managing Director was recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting and by the Shareholders at the Annual General Meeting.
- (viii) Details of Remuneration paid to Managing Director during 2010-11 :

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended 31<sup>st</sup> March, 2011 paid to Mr. Avinash Manchanda, the Managing Director are as follows :

( in Rs.)

Managing Director	
Salary	42,00,000
<b>Total</b>	<b>42,00,000</b>

Mr. Avinash Manchanda, the Managing Director is not related to any Director. Mr. Avinash Manchanda was appointed as Managing Director for a period of 5 years with effect from 1<sup>st</sup> February, 2008, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

- (ix) Details of sitting fees paid to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2011 :

Non-Executive Directors do not draw any remuneration but they were paid sitting fees @ Rs.3,000/- per Board Meeting and Rs.2,250/- per Committee Meetings of Audit Committee, Remuneration/Compensation Committee and Shareholders' Grievance Committee and Rs.1,125/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee, till 30<sup>th</sup> September, 2010.

Sitting fees to Non Executive Directors have been increased to Rs.10,000/- per Board Meeting, Rs.5,000/-

per Committee Meetings of Audit Committee, Remuneration / Compensation Committee, Shareholders' Grievance Committee and Management Committee and Rs.2,500/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee, from 1<sup>st</sup> October, 2010.

Details of sitting fees paid to Non Executive Directors during the year 2010-2011 are given below :

Name of Director	Sitting Fees paid (in Rs.)
Mr. Dali E. Ilavia	96,750
Mr. Rameshwarlal B. Kabra	15,000
Mr. Anand Prakash Agrawal	15,000
Mr. Naresh Chandra Sharma	60,000
Mr. Ajit Kapadia	10,000

- (x) Details of shares of the Company held by the Directors and their relative as on 31<sup>st</sup> March, 2011 are given below :

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

**5. Shareholders' Grievance Committee.**

- (i) The Company has a Shareholders' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non receipt of balance sheet, non receipt of declared dividend, issue of Duplicate Share Certificate, dematerialisation of shares etc.
- (ii) The Committee oversees the performance of the Secretarial Department and the working of M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of services to the investors.
- (iii) The Committee monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992.
- (iv) Four Shareholders Grievance Committee Meetings were held during the year. The dates on which the said meetings were held are as follows :

**29<sup>th</sup> May, 2010, 29<sup>th</sup> July, 2010, 9<sup>th</sup> November, 2010 and 8<sup>th</sup> February, 2011.**



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

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. Dali E. Ilavia (Chairman)	Independent, Non Executive	4	4
Mr. Rameshwarlal B. Kabra *	Independent, Non Executive	2#	2
Mr. Anand Prakash Agrawal *	Independent, Non Executive	2#	2
Mr. Vaibhav Maloo	Promoter Director, Non Executive	4	—
Mr. Naresh Chandra Sharma **	Independent, Non Executive	2@	2
Mr. Ajit Kapadia***	Independent, Non Executive	1@	—
* Ceased to be Directors from 13 <sup>th</sup> September, 2010			
** Appointed as Member of the Committee from 1 <sup>st</sup> November, 2010			
*** Appointed as Member of the Committee from 8 <sup>th</sup> February, 2011			
# Details provided upto the date of cessation.			
@ Details provided from the date of appointment.			

- (vi) The Company has appointed Mr. Mukesh Khanna, the Company Secretary and Mr. Anil Davadkar the Manager - Secretarial Services, as the Compliance Officers.
- (vii) During the year under review, one complaint received by the Company and the same was resolved. No requests for transfer and/or requests for dematerialization were pending for approval as on 31<sup>st</sup> March, 2011.

## 6. Share Transfer Committee

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

### Number of pending share transfers

As the shares are compulsorily traded in demat mode, the transfer of which gets effected electronically through NSDL and CDSL. The approval of the Company is required for transfer of shares which are in physical mode. As on 31<sup>st</sup> March, 2011, no share transfer request was pending. All the Share Transfers and other requirement have been completed during the year in the stipulated time period.

## 7. Board / Committee Meeting and procedure :

### a) Institutionalized decision making process:

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

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

- i) The meetings are convened by giving appropriate notice, preferably seven days, to the concerned Directors, Statutory Auditors, Stock Exchange and other invitees. The detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decisions at the meetings.
- ii) The agenda papers are prepared by the Secretarial Department and circulated amongst the Board Members and other invitees to the meeting.
- iii) Where it is not practicable to attach any document or the agenda is sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the permission of the Chair and after a consensus is formed. Sensitive / confidential subject matters are discussed at the meeting even without written material being circulated.
- iv) The meetings are usually held either at Vadodara or at Mumbai for the convenience of majority of the Directors.
- v) The members of the Board have complete access to all information of the Company.

### c) Briefing the Board:

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

### d) Recording minutes of proceedings at the Board :

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



Board Meeting is placed before the next Board Meeting for its approval and confirmation.

## e) Compliance :

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

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

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly results of the Company.
- Minutes of meetings of Board and other Committee of the Board.
- Presentation by the Executive Director / COO with regard to future plans of the Company.

- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights and substantial non-payment for goods sold by the Company.
- Major investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources / Industrial Relations front.
- Compliance Certificate of any regulatory , statutory nature.
- Short term investment of surplus funds.
- Information relating to major legal disputes.
- All other significant events / information.

## 8. General Body Meetings :

### (A) General Meeting

#### (a) Annual General Meetings :

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

Date	Time	Place	Special Resolution
13-09-2010	11.00 a.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	Employee Stock Option Scheme
18-12-2009	3.00 p.m.	Auditorium of Vanijyabhavan Central Gujarat Chamber of Commerce, Race Course, Baroda.	Increase in remuneration of Mr. Miten Manchanda, the Vice President – Business Development, holding place of profit in the Company.
23-12-2008	11.30 a.m.	As above	Reappointment of Mr. Krishna Kant as the Executive Chairman of the Company for a period of 5 years.

#### (b) Extraordinary General Meeting :

No Extraordinary General Meeting of the Members was held during the year 2010-2011.

### (B) Postal Ballot

**No postal Ballot was conducted during the year 2010-2011. Presently the Company does not have any proposal that requires a postal ballot.**

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.

## 9. Disclosures

- (i) Related Party Transactions, comprising of contracts or arrangements with the Promoters or other Companies/entities in which the Directors are interested, are entered in the Register of Contracts

## 10. Compliance of mandatory requirements :

The Company has complied with the mandatory requirements of Clause 49 of the listing agreement and



a certificate from Mr. Jayesh Vyas, the Practicing Company Secretary, regarding compliance of conditions of Corporate Governance has been obtained.

**11. Compliance of non-mandatory requirements :**

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

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

- a) **Remuneration / Compensation Committee :**  
The Remuneration / Compensation Committee of Directors is comprised of three Non-Executive Independent Directors.
- b) **Whistleblower policy :**  
The Company is in the process of formulating a Whistleblower Policy.
- c) As on date, the Company had not adopted other non-mandatory requirements mentioned in Clause 49 of the listing agreement.

**Risk management:**

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

**Management Discussion and Analysis :**

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

**Code of conduct :**

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

**CEO / CFO certifications**

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

**12. Means of Communication :**

- **Quarterly Results :** The Quarterly Results are published in accordance with the provisions of the listing agreement. The results are published in English newspaper and in Gujarati news paper.
- **Website:** The Company's website **www.asianoilfield.com** contains a separate dedicated section called "Investor Relations" where latest shareholders' information is available. The full Annual Reports for past Financial Years, Shareholding pattern, Corporate Governance Report and past quarterly results with Code of Conduct and Ethics for Board of Directors and Senior Management Personnel, are made available on the website in a user-friendly and downloadable form.
- **Email ID :** secretarial@asianoilfield.com
- **Annual Report :** Annual Report containing notice and agenda of the Annual General Meeting, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report.

**13. General Shareholder information :**

All the required information has been furnished under the head "Information for Investors."

**Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct :**

This is to confirm that the Company has adopted a Code of Conduct for its employees, Non Executive Directors and Executive Directors, which is also available on the Company's web site.

I confirm that the Company has, in respect of the financial year ended 31<sup>st</sup> March, 2011 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 Finance Officer, the Company Secretary and other employees in the Executive Vice President cadre on 31<sup>st</sup> March, 2011.

**For Asian Oilfield Services Ltd.**

**Date : 26-05-2011  
Place : Vadodara**

**Avinash Manchanda  
CEO & Managing Director**



## INFORMATION FOR INVESTORS

### 1. Annual General Meeting Details :

At 3.30 p.m. on Wednesday, the 10<sup>th</sup> August, 2011, at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002.

### 2. Financial Year :

The Company follows 1<sup>st</sup> April to 31<sup>st</sup> March every year as its financial year.

### 3. Details of Book Closures :

The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, the 6<sup>th</sup> August, 2011 to Wednesday, the 10<sup>th</sup> August, 2011 (both the days inclusive).

4. **Dividend payment Date** : Not applicable

### 5. Financial Calendar :

Board Meeting to approve quarterly Financial Results ending	Period
30 <sup>th</sup> September, 2011	By 13 <sup>th</sup> November, 2011
31 <sup>st</sup> December, 2011	By 13 <sup>th</sup> February, 2012
31 <sup>st</sup> March, 2012	By 13 <sup>th</sup> May, 2012
30 <sup>th</sup> June, 2012	By 13 <sup>th</sup> August, 2012
Audited Results for the year 2011-12	By 31 <sup>st</sup> August, 2012

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

**Stock Code** : 530355

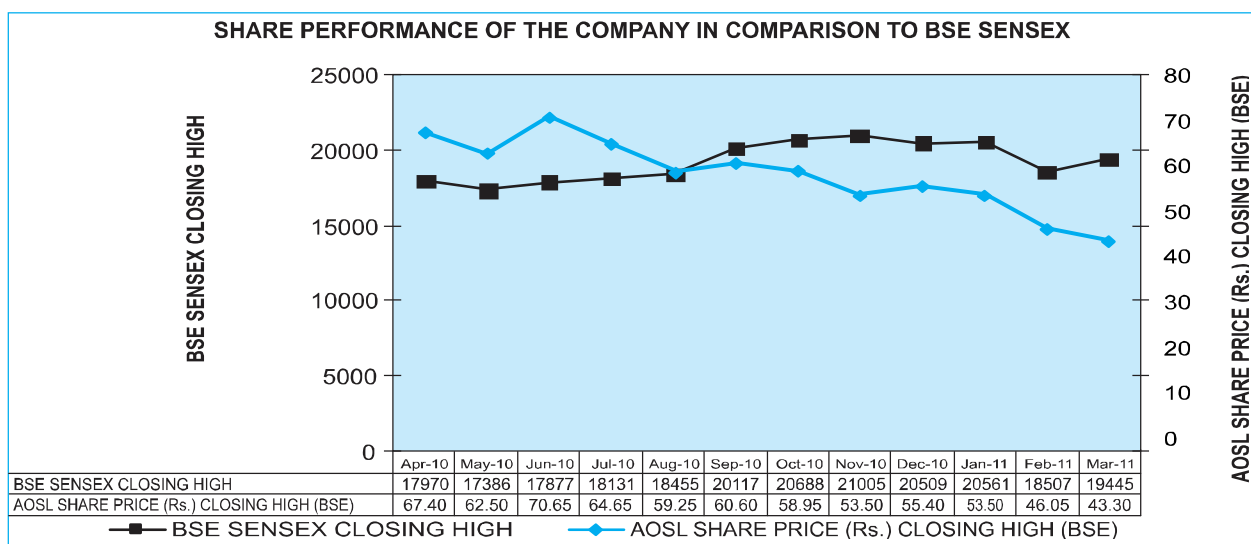
**ISIN Code for Demat** : INE276G01015

7. **Stock Market Price Data** :

High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd. during each month in the last financial year ended 31<sup>st</sup> March, 2011 is as under :

Months	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
April, 2010	74.00	61.80	9,76,519
May, 2010	73.30	58.50	7,21,279
June, 2010	75.20	59.00	9,18,232
July, 2010	72.40	63.05	7,03,555
August, 2010	67.00	54.85	5,12,798
September, 2010	63.15	57.20	10,56,657
October, 2010	64.75	58.20	6,03,244
November, 2010	63.85	52.00	5,13,877
December, 2010	58.00	40.15	2,41,272
January, 2011	63.25	50.00	7,41,239
February, 2011	54.95	45.25	1,21,007
March, 2011	50.00	40.00	2,59,309





**8. Registrar and Share Transfer Agent :**

**Link Intime India Pvt. Ltd.**

102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank  
 Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020  
 Phone No. 0265 – 2356573, 2356794 Fax No. : 0265-2226216  
 E-mail : vadodara@linkintime.co.in

**9. Share Transfer System**

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

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

**10. Distribution of Shareholding as on 31<sup>st</sup> March, 2011.**

No. of Shares	No. of Share holders	Percentage of share holders	Total No. of Shares	Percentage to Capital
Upto - 500	8,886	84.61	17,32,321	11.30
501 - 1000	929	8.85	7,67,361	5.01
1001 - 2000	329	3.13	5,20,298	3.40
2001 - 3000	115	1.09	2,98,182	1.95
3001 - 4000	50	0.48	1,81,287	1.18
4001 - 5000	50	0.48	2,42,707	1.58
5001 - 10000	74	0.70	5,58,424	3.64
10001 and above	69	0.66	1,10,23,864	71.94
<b>Total</b>	<b>10,502</b>	<b>100.00</b>	<b>1,53,24,444</b>	<b>100.00</b>

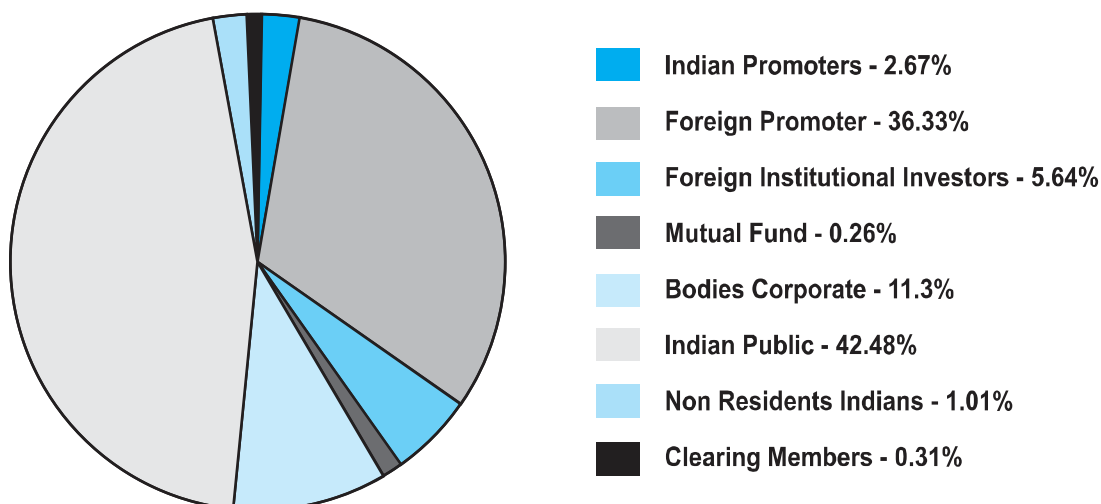
The Company has not issued any GDRs / ADRs or any convertible instrument.



**11. Distribution of Shareholding Pattern as on 31<sup>st</sup> March, 2011 :**

Category	No. of Shares	% of Total Capital
<b>A. Promoters holding</b>		
a. Indian Promoters	4,09,846	2.67
b. Foreign Promoter	55,66,700	36.33
<b>B. Non Promoters Holding</b>		
a. Foreign Institutional Investors	8,63,951	5.64
b. Mutual Fund	40,000	0.26
c. Bodies Corporate	17,31,337	11.30
d. Indian Public	65,09,364	42.48
f. Non Residents Indians	1,55,358	1.01
g. Clearing Members	47,888	0.31
<b>Total</b>	<b>1,53,24,444</b>	<b>100</b>

**CATEGORY WISE DISTRIBUTION OF SHARE HOLDING**



**12. Dematerialisation of Shares :**

Sr.No.	Electronic / Physical	Mode of Holding %
1.	NSDL	78.53
2.	CDSL	15.82
3.	Physical	5.65
<b>Total</b>		<b>100.00</b>

About 1,44,58,169 (94.35%) Equity Shares of the Company have been Dematerialised. The Equity Shares of the Company are compulsorily traded in Electronic form at Bombay Stock Exchange Ltd. The Equity Shares of the Company are actively traded on BSE thus ensure good liquidity for the investors.

**13. Plant locations :** The Company has no plants.



**14. Address of Correspondence for Grievances relating to Shares**

**Link Intime India Pvt. Ltd.**

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

**Secretarial Dept.**

Asian Oilfield Services Ltd.  
7<sup>th</sup> Floor, B-Wing, Manubhai  
Tower, Sayajigunj,  
Vadodara - 390020  
PhoneNo.0265–2362071, 2362292  
Fax No. (0265) – 2226216  
Email : secretarial@asianoilfield.com

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

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

**For and on behalf of the Board**

Date : 26-05-2011

Place : Vadodara

**Naresh Chandra Sharma**

Chairman

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## **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 31<sup>st</sup> March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

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

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

We state that generally 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 as at 31<sup>st</sup> March, 2011.

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

**For Jayesh Vyas & Associates**

Practicing Company Secretaries

Place : Vadodara

Date : 26<sup>th</sup> May, 2011

**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 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief :

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations,

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

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

We have indicated to the auditors and the Audit Committee,

- Significant changes in Internal Control during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Place : Vadodara**  
**Date : 26<sup>th</sup> May, 2011**

**Ajay Goyal**  
**Group Chief Finance Officer**  
**Asian Oilfield Services Ltd**



## AUDITORS' REPORT

To the Members of

### Asian Oilfield Services Limited

1. We have audited the attached Balance Sheet of **ASIAN OILFIELD SERVICES LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - (b) in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date and
    - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.
6. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2011, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Registration No.117364W)

**(Gaurav J. Shah)**

Partner

M. No.35701

Place: Vadodara

Date: 26<sup>th</sup> May, 2011



## **ANNEXURE TO THE AUDITORS' REPORT**

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

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.,
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) Based on our review and as per the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of its inventories and the discrepancies noticed, which were not material, on physical verification have been properly adjusted in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained under the said Section.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period.
- (vii) In our opinion, the internal audit functions carried out during the period by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the Company's class of business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011 on account of disputes are given below:



Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Penalty	CIT (Appeals)	FY 2003-04	5.49
Income Tax Act, 1961	Penalty	DCIT	FY 2003-04	6.86
Income Tax Act, 1961	Assessment Dues	CIT (Appeals)	FY 2006-07	2.61
Income Tax Act, 1961	Assessment Dues	CIT (Appeals)	FY 2007-08	132.36

- (x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provision of any special statute applicable to chit fund is not applicable to the Company.
- (xiv) According to the information and explanation's given to us, the Company is not dealing or trading in any shares, securities, debentures and other investments.
- (xv) According to the information and explanation's given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the term loans taken during the year have been applied for the purpose they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information " and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) As informed to us, during the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No.117364W)

**(Gaurav J. Shah)**  
Partner  
M. No.35701

Place: Vadodara  
Date: 26<sup>th</sup> May, 2011



## Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	15,32,44,440	15,32,44,440
Reserves and Surplus	2	76,91,20,969	83,73,48,149
		92,23,65,409	99,05,92,589
<b>Loan Funds</b>			
Secured Loans	3	11,01,59,726	65,961
<b>Deferred Tax Liability (Net)</b>		4,33,78,689	4,18,13,126
<b>TOTAL</b>		1,07,59,03,824	1,03,24,71,675
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	60,39,79,629	49,98,65,086
Less : Accumulated Depreciation		18,78,65,731	10,20,45,923
Net Block		41,61,13,898	39,78,19,163
Capital Work in Progress		4,18,41,723	85,18,573
		45,79,55,621	40,63,37,736
<b>Investments</b>	5	4,00,47,609	17,19,94,982
<b>Current Assets, Loans and Advances</b>			
Inventories	6	2,31,99,278	-
Sundry Debtors		27,01,59,918	9,83,89,057
Cash and Bank Balances		31,94,16,488	7,93,47,713
Loans and Advances		7,31,13,104	35,71,02,891
Other Current Assets		4,14,56,418	3,06,67,826
<b>Total - A</b>		72,73,45,206	56,55,07,487
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	7	14,60,01,626	10,97,61,020
Provisions		34,42,987	16,07,510
Total - B		14,94,44,613	11,13,68,530
<b>Net Current Assets (A) - (B)</b>		57,79,00,593	45,41,38,957
<b>TOTAL</b>		1,07,59,03,824	1,03,24,71,675
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO





## Profit and Loss Account for the year ended March 31, 2011

	Schedule No.	2010-11 (12 Months) Rupees	2009-10 (9 Months) Rupees
<b>INCOME</b>			
Service Income - Seismic Survey & Mining related - Gross		70,57,72,410	20,16,78,214
Less : Service Tax		6,44,44,052	1,61,03,239
Net Income from Services		64,13,28,358	18,55,74,975
Other Income	8	3,10,58,803	87,02,529
		67,23,87,161	19,42,77,504
<b>EXPENDITURE</b>			
Increase / Decrease in Stock		(2,31,99,278)	-
Operating Expenses	9	36,10,76,323	7,88,46,485
Personnel Expenses	10	10,65,07,139	4,14,39,186
Administrative and Other Expenses	11	12,86,36,040	4,00,91,609
Interest and Finance Charges	12	99,68,594	31,56,316
Depreciation / Amortisation	4	8,62,67,030	3,56,58,789
		66,92,55,848	19,91,92,385
<b>Profit / (Loss) before Exceptional Items and Tax</b>		31,31,313	(49,14,881)
Less : Exceptional Items			
Provision for doubtful Inter-corporate loan (Refer Note 15 of Schedule 13)		6,98,07,577	-
Less : Provision for Taxation			
- Current Tax		-	-
- Short / (Excess) Provision of Current Tax in Earlier Years		(43,393)	(45,90,696)
- Deferred Tax		15,65,563	83,09,652
- Wealth Tax		28,745	46,997
<b>Profit / (Loss) after Tax</b>		(6,82,27,179)	(86,80,834)
Add : Balance brought forward from Previous year		20,25,75,219	21,12,56,053
<b>Surplus carried to Balance Sheet</b>		13,43,48,039	20,25,75,219
Earnings Per Share (Refer Note 16 of Schedule 13 B)			
Basic and Diluted [Nominal value per share Rs.10 (Previous Year : Rs.10)] (Rs.)		(4.45)	(0.72)
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



## Schedules forming part of the Balance Sheet

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
2,00,00,000 (Previous year 2,00,00,000) Equity Share of Rs.10 each	20,00,00,000	20,00,00,000
<b>Issued, Subscribed and Paid Up:</b>		
1,53,24,444 (Previous year 1,53,24,444) Equity Shares of Rs.10 each fully paid up	15,32,44,440	15,32,44,440
<b>TOTAL</b>	<b>15,32,44,440</b>	<b>15,32,44,440</b>
<b>Schedule 2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	4,45,78,225	2,17,78,225
Add : Share Warrants forfeited during the year	-	2,28,00,000
	<b>4,45,78,225</b>	<b>4,45,78,225</b>
<b>Securities Premium Account</b>		
As per last Balance Sheet	59,01,94,704	38,28,34,704
Add : Received during the year	-	20,73,60,000
	<b>59,01,94,704</b>	59,01,94,704
<b>Profit and Loss Account</b>		
	13,43,48,039	20,25,75,219
<b>TOTAL</b>	<b>76,91,20,969</b>	<b>83,73,48,149</b>
<b>Schedule 3 : SECURED LOANS</b>		
<b>From Banks</b>		
Term Loan (Refer Note :1)	11,01,59,726	-
Vehicle Loan (Secured by hypothecation of vehicles purchased out of finance)	-	65,961
<b>TOTAL</b>	<b>11,01,59,726</b>	<b>65,961</b>

**Note:**

1. 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 Baroda.
2. Repayment of Loan within one year Rs 42,00,000 (Previous Year Rs 65,961)

### SCHEDULE 4 : FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at April 1, 2010	Additions	Deductions / Adjustments	As at March 31, 2011	As at April 1, 2010	For the Period	Deductions / Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	7,94,750	-	-	7,94,750	-	-	-	-	7,94,750	7,94,750
Building	18,30,195	-	-	18,30,195	4,69,996	29,833	-	4,99,829	13,30,366	13,60,199
Plant & Machinery	18,12,47,994	9,13,77,445	-	27,26,25,439	3,13,16,890	3,50,49,089	-	6,63,65,979	20,62,59,460	14,99,31,104
Furniture & Fixtures	17,41,446	1,49,790	-	18,91,236	11,64,415	85,731	-	12,50,146	6,41,090	5,77,031
Office Equipments	6,55,548	4,76,843	-	11,32,391	1,39,429	1,02,158	-	2,41,587	8,90,804	5,16,119
Computers	30,48,27,739	67,37,596	6,90,660	31,08,74,675	6,76,39,207	5,00,38,595	2,66,461	11,74,11,341	19,34,63,334	23,71,88,532
Vehicles	87,67,414	65,32,395	4,68,866	1,48,30,943	13,15,986	9,61,624	1,80,761	20,96,849	1,27,34,094	74,51,428
<b>TOTAL</b>	<b>49,98,65,086</b>	<b>10,52,74,069</b>	<b>11,59,526</b>	<b>60,39,79,629</b>	<b>10,20,45,923</b>	<b>8,62,67,030</b>	<b>4,47,222</b>	<b>18,78,65,731</b>	<b>41,61,13,898</b>	<b>39,78,19,163</b>
Previous Year	31,56,66,544	19,97,47,102	1,55,48,560	49,98,65,086	7,59,94,687	3,56,58,789	96,07,553	10,20,45,923	39,78,19,163	23,96,71,857



## Schedules forming part of the Balance Sheet

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 5 : INVESTMENTS</b>		
<b>Long Term Investments (At Cost) (Unquoted)</b>		
Investments in Subsidiary - AOSL Petroleum Pte Limited, Singapore		
1000 (Previous year - 1000) Ordinary Shares of SGD 1 each fully paid up	31,059	31,059
<b>Current Investments (At lower of cost or fair value)</b>		
Investments in Mutual Funds (Unquoted)		
53,66,381.279 units of Rs.10. each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	-	5,36,96,011
91,995.405 units of Rs.1000 each of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	-	9,21,18,578
99,970 (Previous Year - Nil) units of Rs.10 each of Reliance Quarterly Interval Fund - Series III - Retail Dividend Plan	-	10,03,609
25,12,863.784 units of Rs.10. each of Birla Sun Life Savings Fund - Instl. - Daily Dividend - Reinvestment	-	2,51,45,725
2,389,005.0130 units of Rs.10 each of SBI - Magnum Insta Cash Fund - Daily Dividend Option	4,00,16,550	-
<b>TOTAL</b>	<b>4,00,47,609</b>	<b>17,19,94,982</b>
Book Value of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Book Value of Unquoted Investments	4,00,47,609	17,19,94,982
<b>Particulars of Investments acquired and sold during the year</b>	<b>Units</b>	<b>Purchase Cost Rupees</b>
Mutual Funds		
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.10)	1,00,50,366	10,05,63,960
HDFC Cash Management Fund - Treasury Advantage Plan - Daily Dividend Option (Face Value Rs 10)	10,01,775	1,00,49,305
Reliance Money Manager Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.1000)	1,11,351	11,15,03,801
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Plan (Face Value Rs.10)	11,77,440	1,80,00,000
Reliance Fixed Horizon Fund - XV Series 3 - Dividend Plan (Face Vale Rs 10)	10,00,000	1,00,00,000
SBI - Magnum Insta Cash Fund - Daily Dividend Option (Face value Rs.10)	21,49,215	3,60,00,000
SBI Debt Fund Series - 90 Days (Face Value 10)	10,00,000	1,00,00,000
SBI Debt Fund Series - 180 Days (Face Value 10)	10,00,000	1,00,00,000



## Schedules forming part of the Balance Sheet

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>		
Spares	2,31,99,278	-
<b>Sundry Debtors (Unsecured)</b>		
Debts outstanding for a period exceeding six months		
- considered good	2,97,88,416	40,52,186
- considered doubtful	48,97,624	48,97,624
Others - Considered Good	24,03,71,502	9,43,36,871
Less: Provision for Doubtful Debts	48,97,624	48,97,624
	<b>27,01,59,918</b>	<b>9,83,89,057</b>
<b>Cash and Bank Balances</b>		
Cash on Hand	20,03,873	14,36,519
Balances with Scheduled Banks		
- on current accounts	19,23,703	23,39,858
- on margin money accounts	6,13,00,752	6,71,91,462
- on fixed Deposit	22,00,00,000	-
- on cash credit accounts	3,41,88,160	83,79,874
	<b>31,94,16,488</b>	<b>7,93,47,713</b>
<b>Loans and Advances (Unsecured, Considered Good)</b>		
Inter-Corporate Loan	6,98,07,577	6,98,07,577
Loans to Subsidiary - AOSL Petroleum Pte Limited, Singapore	80,67,521	21,19,86,929
Advances recoverable in cash or in kind or for value to be received	74,08,554	75,76,438
Deposits - Others	48,50,384	59,34,863
Balances with Excise Authorities	99,37,095	2,04,08,635
Advance Income Tax (Net of Provisions)	4,28,49,550	4,14,46,517
Less: Provision for Doubtful Loans/Advances	6,98,07,577	58,068
	<b>7,31,13,104</b>	<b>35,71,02,891</b>
<b>Other Current Assets</b>		
Interest accrued but not due	34,31,977	14,34,970
Accrued Service Income	3,80,24,441	2,92,32,856
	4,14,56,418	3,06,67,826
<b>TOTAL</b>	<b>72,73,45,207</b>	<b>56,55,07,487</b>
<b>Schedule 7 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors - Micro, Small and Medium Enterprises (Refer note 5 of Schedule 13 B)	-	-
- Others	8,57,71,245	5,63,69,026
Deposits	2,30,75,860	3,49,34,834
Other Current Liabilities	3,71,54,521	1,79,50,672
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
- Unpaid dividends	-	5,06,488
	<b>14,60,01,626</b>	<b>10,97,61,020</b>
<b>Provisions</b>		
For Employee Benefits	34,42,987	16,07,510
<b>TOTAL</b>	<b>14,94,44,613</b>	<b>11,13,68,530</b>



## Schedules forming part of the Profit and Loss Account

	<b>2010-11 (12 Months) Rupees</b>	<b>2009-10 (9 Months) Rupees</b>
<b>Schedule 8 : OTHER INCOME</b>		
Dividend Income from Non Trade Current Investments	36,23,097	50,42,727
Interest from Banks and Others	61,87,327	29,23,806
[Tax deducted at source Rs.9.93 Lacs (previous year Rs.4.20 lacs)]		
Exchange Rate Variance (Net)	1,40,68,001	6,08,133
Profit on Sale of Fixed Assets (Net)	3,84,821	70,881
Profit on Sale of Investments from Non Trade Current Investments	-	33,919
Miscellaneous Income	56,85,557	23,063
Rental Income	11,10,000	-
<b>TOTAL</b>	<b>3,10,58,803</b>	<b>87,02,529</b>
<b>Schedule 9 : OPERATING EXPENSES</b>		
Sub-contract Charges	15,78,29,094	4,38,17,846
Shot Hole Drilling Expenses	9,00,42,607	1,03,71,560
Stores and Consumables Consumed	7,48,72,851	1,00,69,728
Camp Establishment and Maintenance	37,28,811	34,31,737
Machinery Hire Charges	60,64,563	1,51,612
Mobilisation and Demobilisation Expenses	-	1,90,000
Tender Fees	-	57,500
Survey Expenses	1,29,08,014	75,25,733
Fuel Expenses Rig	1,56,30,383	32,30,769
<b>TOTAL</b>	<b>36,10,76,323</b>	<b>7,88,46,485</b>
<b>Schedule 10 : PERSONNEL EXPENSES</b>		
Salaries, Exgratia and Bonus	8,75,19,814	3,29,20,381
Contribution to Provident Fund	37,98,207	12,41,762
Staff Welfare Expenses	1,09,89,118	27,77,043
Remuneration to Directors (Refer note 4 of Schedule 13 B)	42,00,000	45,00,000
<b>TOTAL</b>	<b>10,65,07,139</b>	<b>4,14,39,186</b>
<b>Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES</b>		
Business Promotion Expenses	7,77,611	3,40,605
Rent, Rate and Taxes	48,22,343	9,94,709
Travelling and Conveyance	5,08,56,687	1,76,34,346
Printing and Stationery	10,48,456	6,65,629
Advertisement	66,413	44,552
Postage and Telephone Expenses	84,30,628	30,72,646
Insurance	40,25,395	17,21,046
Power and Fuel	8,29,351	2,01,915
Audit Fees	5,75,000	5,00,000
Legal and Professionals Charges	3,66,09,552	93,21,516
Provision for Doubtful Advances	34,528	58,068



## Schedules forming part of the Profit and Loss Account

	<b>2010-11 (12 Months) Rupees</b>	<b>2009-10 (9 Months) Rupees</b>
<b>Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES (Contd...)</b>		
Directors Sitting Fees	1,96,750	1,03,250
Repairs and Maintenance		
- Building	4,46,662	1,475
- Plant and Machinery	1,13,57,277	22,59,038
- Others	20,09,472	8,17,422
Donation	5,000	5,51,100
Miscellaneous Expenses	65,44,916	18,04,292
<b>TOTAL</b>	<b>12,86,36,040</b>	<b>4,00,91,609</b>
<b>Schedule 12 : INTEREST AND FINANCE CHARGES</b>		
Interest to		
- Bank	26,33,566	45,465
- Others	36,918	4,525
Bank Charges	72,98,110	31,06,326
<b>TOTAL</b>	<b>99,68,594</b>	<b>31,56,316</b>

### SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A SIGNIFICANT ACCOUNTING POLICIES :

##### 1 Accounting Convention

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

##### 2 Use of Estimates

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

##### 3 Fixed Assets and Depreciation

All fixed assets are stated at cost of acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

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

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

Depreciation is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies' Act, 1956, where such rates are not lower than the rates determined on the basis of management's estimate of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-rata basis.



#### **4 Intangibles**

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

#### **5 Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the relevant date. The exchange difference resulting from the settled transactions is recognised in the profit and loss account. Year end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

Premium or discount on forward contract is amortised over the life of such contract and is recognised as income or expenses in the respective period.

#### **6 Investments**

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

#### **7 Inventories**

Inventories of spares and consumables is stated at lower of cost or 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 rata basis. Mining inventory is estimated to be consumed/usable over 36 months from the procurement of such inventory.

#### **8 Retirement Benefits**

##### **a Defined Benefit Schemes**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

##### **b Defined Contribution Schemes**

The contributions required in respect of Provident Fund Scheme maintained by the Company, are recognised in the profit and loss account on accrual basis.

#### **9 CENVAT Credit**

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

#### **10 Revenue Recognition**

##### **a Services**

Revenue from services are 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.

#### **11 Taxes on Income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

#### **12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



**B NOTES TO ACCOUNTS :**

**1** Previous year's figures have been regrouped / recast wherever necessary to conform to current year's presentation.

**2 Contingent liabilities** (Amt in Rs.)

	March 31, 2011	March 31, 2010
Outstanding balance on bank guarantees	14,30,32,923	11,66,10,843
Open letter of credit(LCs) given by the bank on behalf of the Company	-	3,03,19,011
Demand for Income Tax contested by the Company	1,48,71,198	8,10,922

**3** Estimated amount of contracts remaining to executed on capital account and not provided for

	4,44,000	2,90,21,720
--	----------	-------------

**4 Information in respect of related parties**

During the year, the Company entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at 31st March, 2011 are presented below:

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

**Transactions with Related Parties** (Amt in Rs.)

	2010-11 (12 Months)	2009-10 (9 Months)
a Subsidiary - AOSL Petroleum Pte Ltd Investment/(sale of investment) on net basis	(20,39,19,408)	4,63,475
<b>Balances with Related Parties</b>		
a Subsidiary - AOSL Petroleum Pte Ltd Investment in equity shares	31,059	31,059
Other long term loan	80,67,521	21,19,86,929
<b>Remuneration to key managerial person and relative of key managerial person :</b>		
b <b>Executive Vice Chairman</b>		
Salaries	-	22,50,000
	-	22,50,000
c <b>Managing Director</b>		
Salaries	<b>42,00,000</b>	<b>22,50,000</b>
Contribution to provident fund and other funds	-	-
	<b>42,00,000</b>	<b>22,50,000</b>
d <b>Relative of Key Managerial Person</b>		
Salaries	15,15,162	10,76,730
Contribution to provident fund and other funds	9,360	7,020
	<b>15,24,522</b>	<b>10,83,750</b>
(The above figures do not include provision for leave encashment)		

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

**6** The Company has only one reportable primary segment of providing oilfield related services and hence no separate segment disclosure made.





**7 Components of Deferred Tax Assets / (Liability)**

(Amt in Rs.)

	March 31, 2011	March 31, 2010
Depreciation	(5,47,03,981)	(4,87,93,838)
Deferred Tax Assets		
- Employee benefits	10,22,842	6,28,515
- Provision for doubtful debts	15,89,034	16,26,868
- Preliminary expenses written off	3,26,072	7,78,950
- Unabsorbed Depreciation / Business Loss	83,87,344	39,46,379
	<b>(4,33,78,689)</b>	<b>(4,18,13,126)</b>

**8 Employees benefit**

**Defined contribution plan**

The Company has recognised, in the profit and loss account for the period ended 31st March, 2011, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

(Amt in Rs.)

Benefit (Contribution to)	2010-11 (12 Months)	2009-10 (9 Months)
Provident Fund	15,64,094	12,41,762
<b>Total</b>	<b>15,64,094</b>	<b>12,41,762</b>

The Company has determined the leave entitlement liability on actuarial basis and also obtained actuarial valuation of gratuity from an actuary as of the period end i.e., 31st March, 2011. The Company has recognised leave entitlement expense and provision at Rs. 11,12,256 (Previous year - Rs.15,86,622) as of the period end and gratuity expense and net liability as follows.

**Defined benefit plan**

Sr. Particulars	2010-11 (12 Months) Gratuity (Amt in Rs.)	2009-10 (9 Months) Gratuity (Amt in Rs.)
<b>I Expense recognized in Profit &amp; Loss Account</b>		
a. Current service cost	8,79,029	1,22,555
b. Interest cost	1,05,554	46,969
c. Expected return on plan assets	1,03,883	(75,852)
d. Actuarial (Gain)/Loss	95,053	5,05,897
e. Addl. charge / (write-back) on account of change in policy	-	-
f. Net expense recognised in Profit & Loss Account	<b>9,75,753</b>	<b>5,99,569</b>
<b>II Changes in Obligation during the year</b>		
a. Obligation as at the beginning of the year	13,19,422	7,60,137
b. Current service cost	8,79,029	1,22,555
c. Interest cost	1,05,554	46,969
d. Actuarial (Gain)/Loss	1,68,821	5,39,022
e. Benefits paid	(3,10,569)	(1,49,261)
f. PV of obligation as at the end of the year	<b>21,62,257</b>	<b>13,19,422</b>
<b>III Changes in Plan Assets during the year</b>		
a. Fair value of plan assets as at the beginning of the year	12,98,533	12,33,600
b. Expected return on plan assets	1,03,883	75,851
c. Actuarial (Gain)/Loss	73,768	33,125



d.	Contributions	17,46,881	1,05,218
e.	Benefits paid	(3,10,569)	(1,49,261)
f.	Fair value of plan assets as at the end of the year	<b>29,12,496</b>	<b>12,98,533</b>
<b>IV Net Assets / Liabilities recognized in the Balance Sheet</b>			
a.	PV of obligation as at the end of the year	21,62,257	13,19,422
b.	Fair value of plan assets as at the end of the year	29,12,496	12,98,533
c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	<b>(7,50,239)</b>	<b>20,889</b>
<b>V Principal Actuarial Assumptions</b>			
a.	Discount rate (per annum) (Refer Note-1)	8.25%	8.00%
b.	Expected return on plan assets (per annum) (Refer Note-2)	8%	8.00%
c.	Expected increase in salary costs (per annum) (Refer Note-3)	5%	5.00%

**Notes:**

- Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 21 years. The rate is taken as per the deal rate as on 31st March, 2011 available on Reserve Bank of India site.
- 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.
- 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.
- 100% of plan assets are invested in group gratuity scheme offered by LIC of India.

**9 Remuneration to Auditors (for other services)**

(Amt in Rs.)

	<b>2010-11 (12 Months)</b>	<b>2009-10 (9 Months)</b>
Taxation matters	4,13,625	4,85,320
Other services	1,10,300	2,10,300
Reimbursement of expenses	-	231
<b>Total (Including Service Tax)</b>	<b>5,23,925</b>	<b>6,95,851</b>

**10 Stores & Spares Consumed**

	<b>2010-11</b>		<b>2009-10</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
Imported	1,14,08,513	15.24%	7,99,016	7.93%
Indigineous	6,34,64,338	84.76%	92,70,712	92.07%
<b>Total</b>	<b>7,48,72,851</b>	<b>100.00%</b>	<b>1,00,69,728</b>	<b>100.00%</b>

**11 Value of imports during the year (CIF basis)**

(Amt in Rs.)

<b>Particulars</b>	<b>2010-11 (12 Months)</b>	<b>2009-10 (9 Months)</b>
Capital goods	7,87,70,605	15,51,41,911
Stores and spares consumable	1,14,08,513	7,99,016

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

(Amt in Rs.)

<b>Particulars</b>	<b>2010-11 (12 Months)</b>	<b>2009-10 (9 Months)</b>
Travelling expenses	8,37,600	2,53,570
Contractual expenses	2,13,32,127	39,91,876
Bank charges	14,70,203	-



**13 Earnings in foreign currency**

(Amt in Rs.)

Particulars	2010-11 (12 Months)	2009-10 (9 Months)
Export of services	-	-

14 There is no derivative instrument outstanding as at the year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Indian currency	
		2010-11 (12 Months)	2009-10 (9 Months)	2010-11 (12 Months)	2009-10 (9 Months)
Receivables	US Dollar	1,31,136	1,31,136	48,97,624	48,97,624
Payables	US Dollar	9,504	3,60,561	4,73,963	1,62,75,709
Advances	US Dollar	8,000	1,70,535	3,59,720	77,81,872
	GBP	24,160	-	17,54,318	-

15 As a matter of prudence, Company has made provision of Rs.6,98,07,577/- towards doubtful recovery of inter-corporate loan.

16 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 Employee Stock Option Scheme-2010 (ESOS-2010) at the exercise price of Rs.55.70 per option, being the latest available price on the stock exchange prior to the date of grant. The vesting of the options granted would be graded over a period of four years i.e on 15th December 2011, 1st October 2012, 1st October 2013 and 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.

17 The Company has a net investment of Rs. 80.67 lacs by way of an advance given, in its wholly owned subsidiary AOSL Petroleum Pte Ltd. as of the year end. AOSL Petroleum Pte Ltd.'s net worth is negative however the management considers this entity to be of long term strategic importance in its potential global business plans and hence no provision has been made in the accounts for any possible losses, which may arise on this account.

**18 Earnings per share (EPS):**

Particulars	2010-11 (12 Months)	2009-10 (9 Months)
Net Profit after tax for the year	(6,82,27,179)	(86,80,834)
Number of Equity Shares outstanding as at year end	1,53,24,444	1,53,24,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	1,53,24,444	1,21,16,962
Basic and Diluted Earnings Per Shares (in Rs.)	(4.45)	(0.72)

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



# ASIAN OILFIELD SERVICES LTD.

## Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

### I Registration Details

Registration No.         State code    
(Refer Code List)

Balance Sheet Date          
Date Month Year

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

Public Issue        Rights Issue

Bonus Issue        Private Placement

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

Total Liabilities         Total Assets

#### Sources of Funds

Paid-up Capital         Reserves & Surplus

Secured Loans         Unsecured Loans

Share Warrants        Deferred Tax Liability

#### Application of Funds

Net Fixed Assets (including CWIP)         Investment

Net Current Assets         Misc. Expenditure

Accumulated Losses

### IV Performance of Company (Amount in Rs. Thousands)

Turnover         Total Expenditure          
(including other incomes)

Profit / Loss Before Tax        Profit / Loss After Tax

Earning Per Share in Rs.       Dividend rate %

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

Item Code No. (ITC Code)       Product Description

Item Code No. (ITC Code)       Product Description

Item Code No. (ITC Code)       Product Description

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



## Cash Flow Statement for the period ended March 31, 2011

	For the year ended 31-Mar-11 Amount in Rs.	For the 9 months ended 31-Mar-10 Amount in Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) before Tax as per Profit &amp; Loss Account</b>	(6,66,76,264)	(49,14,881)
Adjusted for:		
Interest and finance charges	99,68,594	31,56,316
Dividend received	(36,23,097)	(50,42,727)
Profit on Sale of Fixed Assets (net)	(3,84,821)	(70,881)
Profit on sale of Investment	-	(33,919)
Depreciation	8,62,67,030	3,56,58,789
Interest income from Bank and Others	(61,87,327)	(29,23,806)
Unrealised Gain due to Foreign Exchange Fluctuation	1,06,973	(3,52,565)
Provision for Doubtful Debts	6,98,42,105	58,068
	15,59,89,457	3,04,49,275
<b>Operating Profit before Working Capital Changes</b>	8,93,13,193	2,55,34,394
Adjusted for:		
Inventories	(2,31,99,278)	-
Sundry debtors	(17,18,05,390)	6,60,20,925
Loans and advances	20,68,51,726	
Current liabilities	3,79,11,042	(6,40,20,022)
	4,97,58,100	20,00,903
<b>Cash Generated from Operations</b>	13,90,71,293	2,75,35,297
Taxes paid (net of refunds)	(13,88,385)	(1,45,71,506)
<b>Net Cash from Operating Activities</b>	<b>13,76,82,909</b>	<b>1,29,63,791</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(13,85,97,219)	(20,82,65,675)
Proceeds from the sale of Asset	10,97,125	60,11,888
Loan Given	-	(4,63,475)
Purchase of investments	(4,00,47,609)	(78,22,76,093)
Sale of Investments	17,19,94,982	72,23,68,086
Dividend Income received	36,23,097	1,00,89,233
Interest Income received	41,90,320	
<b>Net Cash used in Investing Activities</b>	<b>22,60,696</b>	<b>(25,25,36,036)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	11,01,59,726	-
Repayment of debt	(65,961)	(79,700)
Proceeds from the issue of shares	-	24,78,59,969
Interest and finance charges paid	(99,68,594)	(31,56,316)
<b>Net Cash from Financing Activities</b>	<b>10,01,25,171</b>	<b>24,46,23,953</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	24,00,68,775	50,51,708
<b>Opening Balance of Cash and Cash Equivalents</b>	7,93,47,713	7,42,96,005
<b>Closing Balance of Cash and Cash Equivalents</b>	31,94,16,489	7,93,47,713

### Notes

- The above statement has been prepared under Indirect Method as per the Accounting Standard on Cash Flow Statement.
- Cash and Cash Equivalents comprises of

	As at 31-Mar-11	As at 31-Mar-10
Cash on Hand	20,03,873	14,36,519
Balances with Scheduled Banks		
- on current accounts	19,23,703	23,39,858
- on margin money accounts	6,13,00,752	6,71,91,462
- on fixed deposit accounts	22,00,00,000	-
- on cash credit accounts	3,41,88,160	83,79,874
	<b>31,94,16,488</b>	<b>7,93,47,713</b>

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



**Statement pursuant to section 212 of the Companies Act, 1956 relating to Subsidiary Company.**

1. Name of the Subsidiary : AOSL Petroleum Pte. Ltd.
2. Financial year/period ended on : 31<sup>st</sup> March, 2011
3. No. of equity shares held by Asian Oilfield Services Ltd. in the Subsidiary. : 1000 (One Thousand) Equity Shares of SGD \$ 1 each fully paid.
4. Extent of interest of Asian Oilfield Services Ltd. in the capital of the Subsidiary : 100%
5. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Asian Oilfield Services Ltd., and is not dealt with in the Company's accounts :
  - (a) Profit/(Loss) for the financial year ended on 31<sup>st</sup> March, 2011 of the subsidiary : USD \$ (1,58,477), {Rs. (70,75,998)}
  - (b) Profit / (Loss) for the previous financial years of the subsidiary since it became subsidiary of Asian Oilfield Services Ltd. : USD \$ (6,040)
6. Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those Profit / (Loss) in Asian Oilfield Services Ltd.'s accounts :
  - (a) For the subsidiary's Financial year ended on 31<sup>st</sup> March, 2011 : NIL
  - (b) For its previous financial years since it became the subsidiary of Asian Oilfield Services Ltd. : NIL

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

**INFORMATION PERTAINING TO SUBSIDIARY COMPANY :**

Sr No.	PARTICULARS	AOSL Petroleum Pte. Ltd. Amount Rs.
1	Share Capital	31,059
2	Reserves and Surplus	NIL
3	Total Assets (Investment)	NIL
4	Total Liabilities	1,40,10,495
5	Turnover	NIL
6	Profit/(loss) Before Taxation	(70,75,998)
7	Provision for Taxation	NIL
8	Profit/(loss) After Taxation	(70,75,998)
9	Proposed Dividend	NIL

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



## **AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To  
The Board of Directors  
**Asian Oilfield Services Limited**

1. We have audited the attached Consolidated Balance Sheet of **ASIAN OILFIELD SERVICES LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at 31<sup>st</sup> March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 10,00,026 as at 31<sup>st</sup> March, 2011, total revenues of Rs. 50,13,392 and net cash flows amounting to Rs. 3,44,239 for the period ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiary and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2011;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the period ended on that date and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No.117364W)

**(Gaurav J. Shah)**  
Partner  
M. No.35701

Place: Vadodara  
Date: 26<sup>th</sup> May, 2011



## Consolidated Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	15,32,44,440	15,32,44,440
Reserves and Surplus	2	76,17,50,899	85,09,68,680
		91,49,95,339	1,00,42,13,120
<b>Loan Funds</b>			
Secured Loans	3	11,01,59,726	65,961
<b>Deferred Tax Liability (Net)</b>		4,33,78,689	4,18,13,126
<b>TOTAL</b>		<b>1,06,85,33,754</b>	<b>1,04,60,92,207</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	60,39,79,629	49,98,65,086
Less : Accumulated Depreciation		18,78,65,731	10,20,45,923
Net Block		41,61,13,898	39,78,19,163
Capital Work in Progress		4,18,41,723	85,18,573
		<b>45,79,55,621</b>	<b>40,63,37,736</b>
<b>Investments</b>	5	4,00,16,550	39,72,12,523
<b>Current Assets, Loans and Advances</b>			
Inventories		2,31,99,278	-
Sundry Debtors		27,01,59,918	9,83,89,057
Cash and Bank Balances		32,02,67,830	7,98,54,816
Loans and Advances		6,51,94,268	14,52,66,279
Other Current Assets		4,14,56,418	3,06,67,826
<b>Total - A</b>		<b>7,20,2,77,712</b>	<b>35,41,77,978</b>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	7	14,62,73,143	11,00,28,520
Provisions		34,42,987	16,07,510
<b>Total - B</b>		<b>14,97,16,130</b>	<b>11,16,36,030</b>
<b>Net Current Assets (A) - (B)</b>		57,05,61,582	24,25,41,948
<b>TOTAL</b>		<b>1,06,85,33,754</b>	<b>1,04,60,92,207</b>
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO





## Consolidated Profit and Loss Account for the period ended March 31, 2011

	Schedule No.	2010-11 (12 Months) Rupees	2009-10 (9 Months) Rupees
<b>INCOME</b>			
Service Income - Seismic Survey related - Gross		70,57,72,410	20,16,78,214
Less : Service Tax		6,44,44,052	1,61,03,239
Net Income from Services		64,13,28,358	18,55,74,975
Other Income	8	3,60,72,195	87,02,529
		<b>67,74,00,553</b>	<b>19,42,77,504</b>
<b>EXPENDITURE</b>			
Increase / Decrease in Stock		(2,31,99,278)	-
Operating Expenses	9	36,10,76,323	7,51,36,798
Personnel Expenses	10	10,65,07,139	4,14,39,186
Administrative and Other Expenses	11	14,07,88,000	4,40,82,236
Interest and Finance Charges	12	1,00,52,819	31,61,769
Depreciation / Amortisation	4	8,62,67,030	3,56,58,789
		<b>68,14,92,034</b>	<b>19,94,78,778</b>
<b>Profit before Exceptional Items and Tax</b>		(40,91,481)	(52,01,274)
Less : Exceptional Items			
Provision for doubtful Inter-corporate loan (Refer Note 11 of Schedule 13 B)		6,98,07,577	-
Less : Provision for Taxation			
- Current Tax		-	-
- Short / (Excess) Provision of Current Tax in Earlier Years		(43,393)	(45,90,696)
- Deferred Tax		15,65,563	83,09,652
- Wealth Tax		28,745	46,997
<b>Profit after Tax</b>		(7,54,49,973)	(89,67,227)
Add : Balance brought forward from Previous year		20,18,00,935	21,07,68,162
<b>Surplus carried to Balance Sheet</b>		12,63,50,962	20,18,00,935
Earnings Per Share (Refer Note 12 of Schedule 13 B)			
Basic and Diluted [Nominal value per share Rs.10 (Previous Year : Rs.10)] (Rs.)		(4.92)	(0.74)
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



**Schedules forming part of the Consolidated Balance Sheet as at March 31, 2011**

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
2,00,00,000 (Previous year 2,00,00,000) Equity Share of Rs.10 each	20,00,00,000	20,00,00,000
<b>Issued, Subscribed and Paid Up:</b>		
1,53,24,444 (Previous year 1,53,24,444) Equity Shares of Rs.10 each fully paid up	15,32,44,440	15,32,44,440
<b>TOTAL</b>	<b>15,32,44,440</b>	<b>15,32,44,440</b>
<b>Schedule 2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	4,45,78,226	2,17,78,226
Add : Share Warrants forfeited during the year	-	2,28,00,000
	<b>4,45,78,226</b>	<b>4,45,78,226</b>
<b>Securities Premium Account</b>		
As per last Balance Sheet	59,01,94,704	38,28,34,704
Add : Received during the year	-	20,73,60,000
	<b>59,01,94,704</b>	59,01,94,704
<b>Profit and Loss Account</b>		
	12,63,50,962	20,18,00,935
<b>Foreign Currency Translation Reserve</b>		
Arising on consolidation during the year	6,27,007	1,43,94,816
<b>TOTAL</b>	<b>76,17,50,899</b>	<b>85,09,68,680</b>
<b>Schedule 3 : SECURED LOANS</b>		
<b>From Banks</b>		
Term Loan (Refer Note :1)	11,01,59,726	-
Vehicle Loan (Secured by hypothecation of vehicles purchased out of finance)	-	65,961
<b>TOTAL</b>	<b>11,01,59,726</b>	<b>65,961</b>

**Note:**

1. 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 Baroda.
2. Repayment of Loan within one year Rs 42,00,000 (Previous Year Rs 65,961)

**SCHEDULE 4 : FIXED ASSETS**

(Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at April 1, 2010	Additions	Deductions / Adjustments	As at March 31, 2011	As at April 1, 2010	For the Period	Deductions / Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	7,94,750	-	-	7,94,750	-	-	-	-	7,94,750	7,94,750
Building	18,30,195	-	-	18,30,195	4,69,996	29,833	-	4,99,829	13,30,366	13,60,199
Plant & Machinery	18,12,47,994	9,13,77,445	-	27,26,25,439	3,13,16,890	3,50,49,089	-	6,63,65,979	20,62,59,460	14,99,31,104
Furniture & Fixtures	17,41,446	1,49,790	-	18,91,236	11,64,415	85,731	-	12,50,146	6,41,090	5,77,031
Office Equipments	6,55,548	4,76,843	-	11,32,391	1,39,429	1,02,158	-	2,41,587	8,90,804	5,16,119
Computers	30,48,27,739	67,37,596	6,90,660	31,08,74,675	6,76,39,207	5,00,38,595	2,66,461	11,74,11,341	19,34,63,334	23,71,88,532
Vehicles	87,67,414	65,32,395	4,68,866	1,48,30,943	13,15,986	9,61,624	1,80,761	20,96,849	1,27,34,094	74,51,428
<b>TOTAL</b>	<b>49,98,65,086</b>	<b>10,52,74,069</b>	<b>11,59,526</b>	<b>60,39,79,629</b>	<b>10,20,45,923</b>	<b>8,62,67,030</b>	<b>4,47,222</b>	<b>18,78,65,731</b>	<b>41,61,13,898</b>	<b>39,78,19,163</b>
Previous Year	31,56,66,544	19,97,47,102	1,55,48,560	49,98,65,086	7,59,94,687	3,56,58,789	96,07,553	10,20,45,923	39,78,19,163	23,96,71,857



**Schedules forming part of the Consolidated Balance Sheet as at March 31, 2011**

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 5 : INVESTMENTS</b>		
<b>Long Term Investments (At Cost) (Unquoted)</b>		
12% Convertible Bonds of EnSearch Petroleum Ltd., Singapore	-	22,52,48,600
<b>Current Investments (At lower of cost or fair value)</b>		
Investments in Mutual Funds (Unquoted)		
53,66,381.279 (Previous year - 68,66,970.666) units of Rs.10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	-	5,36,96,011
91,995.405 (Previous Year - 43,165.355) units of Rs.1000 each of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	-	9,21,18,578
99,970 (Previous Year - Nil) units of Rs.10 each of Reliance Quarterly Interval Fund - Series III - Retail Dividend Plan	-	10,03,609
25,12,863.784 (Previous year - Nil) units of Rs.10 each of Birla Sun Life Savings Fund - Instl. - Daily Dividend - Reinvestment	-	2,51,45,725
2,389,005.0130 units of Rs.10 each of SBI - Magnum Insta Cash Fund - Daily Dividend Option	4,00,16,550	-
<b>TOTAL</b>	<b>4,00,16,550</b>	<b>39,72,12,523</b>
Book Value of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Book Value of Unquoted Investments	40,016,550	397,212,523



**Schedules forming part of the Consolidated Balance Sheet as at March 31, 2011**

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Sundry Debtors (Unsecured)</b>		
Debts outstanding for a period exceeding six months		
- considered good	2,97,88,416	40,52,186
- considered doubtful	48,97,624	48,97,624
Others - Considered Good	24,03,71,502	9,43,36,871
Less: Provision for Doubtful Debts	48,97,624	48,97,624
	<b>27,01,59,918</b>	<b>9,83,89,057</b>
<b>Cash and Bank Balances</b>		
Cash on Hand	20,03,873	14,36,519
Balances with Scheduled Banks		
- on current accounts	27,75,044	28,46,961
- on margin money accounts	6,13,00,752	6,71,91,462
- on fixed Deposit	22,00,00,000	-
- on cash credit accounts	3,41,88,160	83,79,874
	<b>32,02,67,830</b>	<b>7,98,54,816</b>
<b>Loans and Advances (Unsecured, Considered Good)</b>		
Inter-Corporate Loan	6,98,07,577	6,98,07,577
Advances recoverable in cash or in kind or for value to be received	74,08,554	75,76,438
Deposits - Others	49,99,069	60,85,179
Balances with Customs, Excise etc.	99,37,095	2,04,08,635
Advance Income Tax (Net of Provisions)	4,28,49,550	4,14,46,518
Less: Provision for Doubtful Advances	6,98,07,577	58,068
	<b>6,51,94,268</b>	<b>14,52,66,279</b>
<b>Other Current Assets</b>		
Interest accrued but not due	34,31,977	14,34,970
Accrued Service Income	3,80,24,441	2,92,32,856
	4,14,56,418	3,06,67,826
<b>TOTAL</b>	<b>69,70,78,434</b>	<b>35,41,77,978</b>
<b>Schedule 7 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	8,57,71,245	5,63,69,026
Deposits	2,30,75,860	3,49,34,834
Other Current Liabilities	3,74,26,038	1,82,18,172
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
- Unpaid dividends	-	5,06,488
	<b>14,62,73,143</b>	<b>11,00,28,520</b>
<b>Provisions</b>		
For Employee Benefits	34,42,987	16,07,510
<b>TOTAL</b>	<b>14,97,16,130</b>	<b>11,16,36,030</b>



## Schedules forming part of the Consolidated Profit and Loss Account

	<b>2010-11 (12 Months) Rupees</b>	<b>2009-10 (9 Months) Rupees</b>
<b>Schedule 8 : OTHER INCOME</b>		
Dividend Income from Non Trade Current Investments	36,23,097	50,42,727
Interest from Banks and Others	1,12,00,719	29,23,806
[Tax deducted at source Rs.9.93 Lacs (previous year Rs.4.20 lacs)]		
Exchange Rate Variance (Net)	1,40,68,001	6,08,133
Profit on Sale of Fixed Assets (Net)	3,84,821	70,881
Profit on Sale of Non Trade Current Investments	-	33,919
Miscellaneous Income	56,85,557	23,063
Rental Income	11,10,000	-
<b>TOTAL</b>	<b>3,60,72,195</b>	<b>87,02,529</b>
<b>Schedule 9 : OPERATING EXPENSES</b>		
Sub-contract Charges	15,78,29,094	4,38,17,846
Shot Hole Drilling Expenses	9,00,42,607	1,03,71,560
Stores and Consumables Consumed	7,48,72,851	1,00,69,728
Camp Establishment and Maintenance	37,28,811	29,52,819
Machinery Hire Charges	60,64,563	1,51,612
Mobilisation and Demobilisation Expenses	-	1,90,000
Tender Fees	-	57,500
Survey Expenses	1,29,08,014	75,25,733
Fuel Expenses Rig	1,56,30,383	-
<b>TOTAL</b>	<b>36,10,76,323</b>	<b>7,51,36,798</b>
<b>Schedule 10 : PERSONNEL EXPENSES</b>		
Salaries, Exgratia and Bonus	8,75,19,814	3,29,20,381
Contribution to Provident Fund	37,98,207	12,41,762
Staff Welfare Expenses	1,09,89,118	27,77,043
Remuneration to Directors (Refer note 4 of Schedule 13 B)	42,00,000	45,00,000
<b>TOTAL</b>	<b>10,65,07,139</b>	<b>4,14,39,186</b>
<b>Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES</b>		
Business Promotion Expenses	7,77,611	3,40,605
Rent, Rate and Taxes	48,22,343	9,94,709
Travelling and Conveyance	5,08,56,687	1,76,34,346
Printing and Stationery	10,53,880	6,65,629
Advertisement	66,413	44,552
Postage and Telephone Expenses	84,30,628	30,78,194
Insurance	40,25,395	17,21,046
Miscellaneous Expenses	66,12,232	23,03,552
Power and Fuel	8,29,351	34,32,683



## Schedules forming part of the Consolidated Profit and Loss Account

	2010-11 (12 Months) Rupees	2009-10 (9 Months) Rupees
<b>Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES (Contd...)</b>		
Audit Fees	6,65,423	5,84,685
Legal and Professionals Charges	4,85,98,349	94,91,882
Provision for Doubtful Debts	-	
Provision for Doubtful Advances	34,528	58,068
Directors Sitting Fees	1,96,750	1,03,250
Repairs and Maintenance		
- Building	4,46,662	1,475
- Plant and Machinery	1,13,57,277	22,59,038
- Others	20,09,472	8,17,422
Donation	5,000	5,51,100
<b>TOTAL</b>	<b>14,07,88,000</b>	<b>4,40,82,236</b>
<b>Schedule 12 : INTEREST AND FINANCE CHARGES</b>		
Interest to		
- Bank	26,33,566	45,465
- Others	36,918	4,525
Bank Charges	73,82,335	31,11,779
<b>TOTAL</b>	<b>1,00,52,819</b>	<b>31,61,769</b>

### SCHEDULE 13 : NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

#### A SIGNIFICANT ACCOUNTING POLICIES :

##### 1 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 rate prevailing during the year. All assets and liabilities 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.

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.

##### 2 Accounting Convention

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



### **3 Use of Estimates**

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

### **4 Fixed Assets and Depreciation**

All fixed assets are stated at cost of acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

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

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

Depreciation is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies' Act, 1956, where such rates are not lower than the rates determined on the basis of management's estimate of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-rata basis.

### **5 Intangibles**

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

### **6 Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the relevant date. The exchange difference resulting from the settled transactions is recognised in the profit and loss account. Year end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

Premium or discount on forward contract is amortised over the life of such contract and is recognised as income or expenses in the respective period.

### **7 Investments**

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

### **8 Inventories**

Inventories of spares and consumables is stated at lower of cost or 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 rata basis. Mining inventory is estimated to be consumed/usable over 36 months from the procurement of such inventory.

### **9 Retirement Benefits**

#### **a Defined Benefit Schemes**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

#### **b Defined Contribution Schemes**

The contributions required in respect of Provident Fund Scheme maintained by the Company, are recognised in the profit and loss account on accrual basis.

### **10 CENVAT Credit**

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



## 11 Revenue Recognition

### a Services

Revenue from services are 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.

## 12 Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

## 13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## B NOTES TO ACCOUNTS :

- 1 Previous year's figures have been regrouped / recast wherever necessary to conform to current years' presentation.
- 2 The following subsidiary company is considered in the consolidated financial statements<sup>2</sup>

Name of the Company	Country of Incorporation	Ownership Interest
AOSL Petroleum Pte Ltd	Singapore	100%

- 3 The Financial Statements of AOSL Petroleum Pte Ltd reflecting total income of Rs. 50,13,392/- and total expenditure of Rs 1,21,45,762/- for the 12 months period ending 31st March 2011 and total assets of Rs. 10,00,026/- and total liabilities of Rs. 87,66,849/- as on 31st March, 2011 are prepared as per the Singapore Financial Reporting Standards. The proportion of Income, Expenditure, Assets and Liabilities are 0.74%, 1.83%, 0.13%, and 0.19% respectively to the Consolidated Financial Statements.

## 4 Contingent liabilities

(Amt in Rs.)

	March 31, 2011	March 31, 2010
Outstanding balance on bank guarantees	14,30,32,923	11,66,10,843
Open letter of credits (LCs) given by the bank on behalf of the Company	-	3,03,19,011
Demand for Income Tax contested by the Company	1,48,71,198	8,10,922
5 Estimated amount of contracts remaining to executed on capital account and not provided for	4,44,000	2,90,21,720

## 6 Information in respect of related parties

During the year, the Group entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at 31st March, 2011 are presented below:

- |   |   |
|---|---|
| (a) Subsidiary                            | AOSL Petroleum Pte Ltd  |
| (b) Key Management Personnel              | Mr. Avinash Manchanda - Managing Director<br>Mr. Miten Manchanda - General Manager [ Seismic Support Services ] |
| (c) Relatives of Key Management Personnel | Mr. Miten Manchanda - Son of Mr. Avinash Manchanda  |
| (d) Associates                            | Nimit Finance Private Limited   |





**Transactions with Related Parties**

(Amt in Rs.)

	<b>2010-11 (12 Months)</b>	<b>2009-10 (9 Months)</b>
a Subsidiary - AOSL Petroleum Pte Ltd Investment/(sale of investment) on net basis	(20,39,19,408)	4,63,475
<b>Balances with Related Parties</b>		
a Subsidiary - AOSL Petroleum Pte Ltd Investment in equity shares	31,059	31,059
Other long term loan	80,67,521	21,19,86,929
<b>Remuneration to key managerial person and relative of key managerial person :</b>		(Amt in Rs.)
<b>b Executive Vice Chairman</b>		
Salaries	-	22,50,000
	-	22,50,000
<b>c Managing Director</b>		
Salaries	42,00,000	22,50,000
Contribution to provident fund and other funds	-	-
	42,00,000	22,50,000
<b>d Relative of Key Managerial Person</b>		
Salaries	15,15,162	10,76,730
Contribution to provident fund and other funds	9,360	7,020
	15,24,522	10,83,750
(The above figures do not include provision for leave encashment)		

**7** The Group has only one reportable primary segment of providing oilfield related services and hence no separate segment disclosure made.

**8 Components of Deferred Tax Assets / (Liability)**

(Amt in Rs.)

	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Depreciation	(5,47,03,981)	(4,87,93,838)
Deferred Tax assets		
- Employee benefits	10,22,842	6,28,515
- Provision for Doubtful Debts	15,89,034	16,26,868
- Preliminary Expenses written off	3,26,072	7,78,950
	83,87,344	39,46,379
	<b>(4,33,78,689)</b>	<b>(4,18,13,126)</b>

**9 Employees benefit**

**Defined contribution plan**

The Group has recognised, in the profit and loss account for the period ended 31st March, 2011, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

(Amt in Rs.)

<b>Benefit (Contribution to)</b>	<b>2010-11 (12 Months)</b>	<b>2009-10 (9 Months)</b>
Provident Fund	15,64,094	12,41,762
<b>Total</b>	<b>15,64,094</b>	<b>12,41,762</b>



The Group has determined the leave entitlement liability on actuarial basis and also obtained actuarial valuation of gratuity from an actuary as of the period end i.e., 31st March, 2011. The Company has recognised leave entitlement expense and provision at Rs.11,12,256 (Previous year - Rs.1,586,622) as of the period end and gratuity expense and net liability as follows.

**Defined Benefit Plans**

Sr.	Particulars	2010-11 (12 Months) Gratuity (Amt in Rs.)	2009-10 (9 Months) Gratuity (Amt in Rs.)
<b>I Expense recognized in Profit &amp; Loss Account</b>			
a.	Current Service Cost	8,79,029	1,22,555
b.	Interest cost	1,05,554	46,969
c.	Expected return on Plan Assets	(1,03,883)	(75,852)
d.	Actuarial (Gain)/Loss	95,053	5,05,897
e.	Addl. Charge / (write-back) on account of change in Policy	-	-
f.	Net expense recognised in Profit & Loss Account (In schedule 10 - Personnel Expenses)	<b>9,75,753</b>	<b>5,99,569</b>
<b>II Changes in Obligation during the year</b>			
a.	Obligation as at the beginning of the year	13,19,422	7,60,137
b.	Current service cost	8,79,029	1,22,555
c.	Interest cost	1,05,554	46,969
d.	Actuarial (Gain)/Loss	1,68,821	5,39,022
e.	Benefits Paid	(3,10,569)	(1,49,261)
f.	PV of Obligation as at the end of the year	<b>21,62,257</b>	<b>13,19,422</b>
<b>III Changes in Plan Assets during the year</b>			
a.	Fair Value of Plan Assets as at the beginning of the year	12,98,533	12,33,600
b.	Expected return on Plan assets	1,03,883	75,851
c.	Actuarial (Gain)/Loss	73,768	33,125
d.	Contributions	17,46,881	1,05,218
e.	Benefits Paid	(3,10,569)	-1,49,261
f.	Fair Value of Plan Assets as at the end of the year	<b>29,12,496</b>	<b>12,98,533</b>
<b>IV Net Assets / Liabilities recognized in the Balance Sheet</b>			
a.	PV of Obligation as at the end of the year	21,62,257	13,19,422
b.	Fair Value of Plan Assets as at the end of the year	29,12,496	12,98,533
c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	<b>(7,50,239)</b>	<b>20,889</b>
<b>V Principal Actuarial Assumptions</b>			
a.	Discount rate (per annum) (Refer Note-1)	8.25%	8.00%
b.	Expected return on Plan Assets (per annum) (Refer Note-2)	8.00%	8.00%
c.	Expected increase in salary costs (per annum) (Refer Note-3)	5.00%	5.00%



**Notes :**

1. Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 21 years. The rate is taken as per the deal rate as on 31st March, 2011 available on Reserve Bank of India site.
  2. 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.
  3. 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.
  4. 100% of plan assets are invested in group gratuity scheme offered by LIC of India.
- 10** There is no derivative instrument outstanding as at the year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Currency	Amount in foreign currency		Equivalent amount in Indian currency	
		As at 2010-11	As at 2009-10	As at 2010-11	As at 2009-10
Receivables	US Dollar	1,31,136	1,31,136	48,97,624	48,97,624
Payables	US Dollar	9,504	3,60,561	4,73,963	1,62,75,709
Advances	US Dollar	8,000	1,70,535	3,59,720	77,81,872
	GBP	24,160	-	17,54,318	-

- 11** As a matter of prudence, Company has made provision of Rs.6,98,07,577/- towards doubtful recovery of inter-corporate loan.

**12 Earnings per share (EPS):**

Particulars	2010-11 (12 Months)	2009-10 (9 Months)
Net Profit after Tax for the year	(7,54,49,973)	(89,67,227)
Number of Equity Shares outstanding as at year end	1,53,24,444	1,53,24,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	1,53,24,444	1,21,16,962
Basic and Diluted Earnings Per Shares (in Rs.)	(4.92)	(0.74)

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**N. C. Sharma**  
Chairman

**Avinash Manchanda**  
Managing Director

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Ajay Goyal**  
Group CFO



## Consolidated Cash Flow Statement for the period ended March 31, 2011

	2010-11 (12 Months) Rupees	2009-10 (9 Months) Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Net Loss) before Tax	(7,38,99,058)	(52,01,274)
Adjusted for:		
(Profit)/Loss on Sale of Fixed Assets (net)	(3,84,821)	(70,881)
(Profit)/Loss on Sale of Investment	-	(33,919)
Depreciation	8,62,67,030	3,56,58,789
Miscellaneous Expenditure written off	-	-
Interest Income from Banks and Others	(1,12,00,719)	(29,23,806)
Interest and Finance Charges	1,00,52,819	31,61,769
Unrealised Gain due to Foreign Exchange Fluctuation	1,06,973	(3,52,565)
Provision for Doubtful Debts	6,98,42,105	58,068
Dividend Income	(36,23,097)	(50,42,727)
<b>Operating Profit before Working Capital Changes</b>	<b>7,71,61,232</b>	<b>2,52,53,454</b>
Adjusted for:		
Trade and Other Receivables	(16,88,73,072)	6,60,30,015
Inventories	(2,31,99,278)	-
Trade Payables and Other Current Liabilities	3,79,15,059	(6,38,60,135)
	(7,69,96,059)	2,74,23,335
Less : Taxes paid	(13,88,384)	(1,45,71,506)
Net Cash from Operating Activities	A (7,83,84,443)	1,28,51,829
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and CWIP	(13,85,97,219)	(20,82,65,675)
Sale of Fixed Assets	10,97,125	60,11,888
Loans given	-	-
Purchase of Investments	(4,00,47,609)	(78,22,89,585)
Sale of Investments	38,34,77,405	72,23,68,085
Interest Income from Banks and Others	92,03,712	50,46,506
Dividend Income	36,23,097	50,42,727
Net Cash used in Investing Activities	B 21,87,56,511	(25,20,86,054)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares / Warrants (net)	-	24,78,59,970
Repayment of Term Loans	11,00,93,765	(79,700)
Proceeds / (Repayment) of Working Capital Loans	-	-
Interest and Finance Charges	(1,00,52,819)	(31,61,769)
Net Cash from Financing Activities	C 10,00,40,946	24,46,18,501
<b>Changes in Cash and Cash Equivalents (A+B+C)</b>	<b>24,04,13,014</b>	<b>53,84,277</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>7,98,54,816</b>	<b>7,44,70,539</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>32,02,67,830</b>	<b>7,98,54,816</b>

**Notes**

- The above statement has been prepared under Indirect Method as per the Accounting Standard on Cash Flow Statement (AS -3).
- Cash and Cash Equivalents comprises of

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Cash on Hand	20,03,873	14,36,519
With Scheduled Banks		
- in Current Accounts	27,75,044	28,46,961
- in Cash Credit Accounts	3,41,88,160	83,79,874
- in Deposit Accounts	28,13,00,752	6,71,91,462
	<b>32,02,67,830</b>	<b>7,98,54,816</b>

As per our report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
Place : Vadodara  
Date : 26-05-2011

For and on behalf of the Board

**N. C. Sharma**  
Chairman  
  
**Mukesh Khanna**  
Company Secretary  
Place : Vadodara  
Date : 26-05-2011

**Avinash Manchanda**  
Managing Director  
  
**Ajay Goyal**  
Group CFO



**Important Communication to Shareholders  
“Green Initiative in the Corporate Governance”**

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with M/s. Link Intime India Private Limited at 102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020.

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.



**Email Address Registration Form**

(For members who holds shares in Physical Form)

**ASIAN OILFIELD SERVICES LTD.**

Regd. Office : 7th Floor, B-Wing, Manubhai Tower, Sayajigunj, Vadodara – 390 020

Ledger Folio No. \_\_\_\_\_

No. of Share(s) held: \_\_\_\_\_

**NAME OF THE SHAREHOLDER/ JOINT HOLDER:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EMAIL ADDRESS: 1. \_\_\_\_\_ 2. \_\_\_\_\_

CONTACT NO. (R) \_\_\_\_\_ (M) \_\_\_\_\_

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Signature of the shareholder(s)

**Note:**

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.



**ASIAN OILFIELD  
SERVICES LTD.**



**ASIAN OILFIELD SERVICES LTD.**

Registered Office: 7<sup>th</sup> Floor, "B" Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.

**ATTENDANCE SLIP**

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

I hereby record my presence at the 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002 on Wednesday, 10<sup>th</sup> August, 2011 at 3.30 p.m.

Full name of the Member ( IN BLOCK LETTERS) \_\_\_\_\_

Folio No. \_\_\_\_\_ / DP ID No. \_\_\_\_\_ Client ID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Full name of Proxy ( IN BLOCK LETTERS) \_\_\_\_\_

Member's/Proxy's Signature

TEAR HERE



**ASIAN OILFIELD SERVICES LTD.**

Registered Office: 7<sup>th</sup> Floor, "B" Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.

**PROXY**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of the above named Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or

failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us

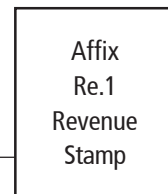
and on my/our behalf at the 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, 10<sup>th</sup> August, 2011 at 3.30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Folio No. \_\_\_\_\_ / DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

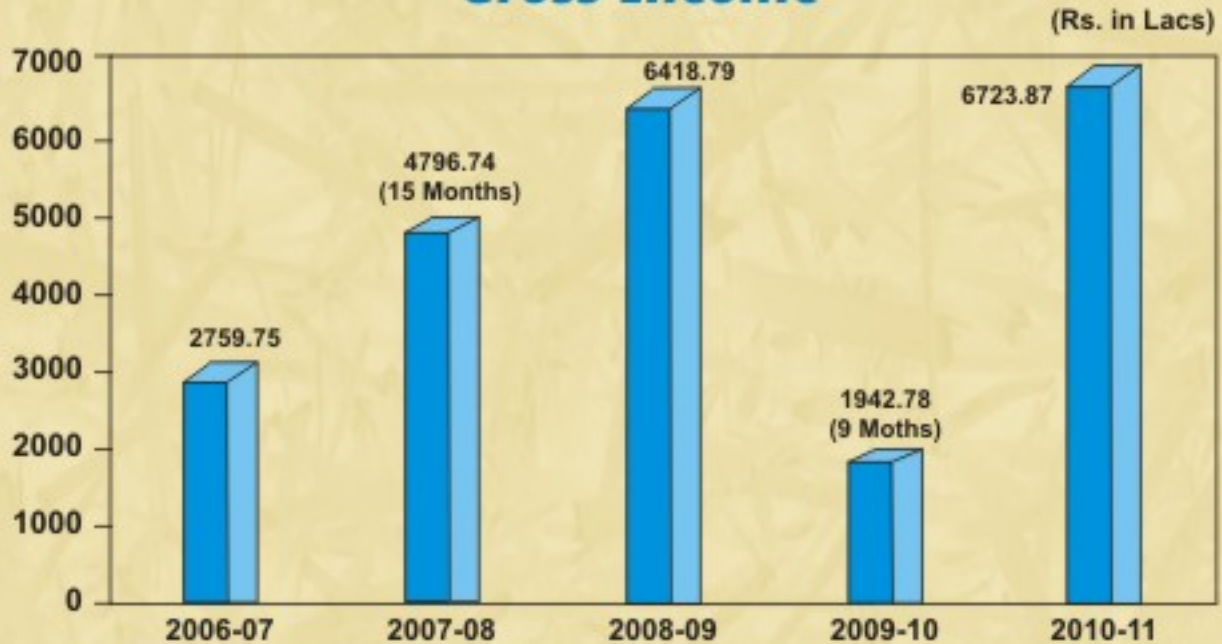
Signature \_\_\_\_\_



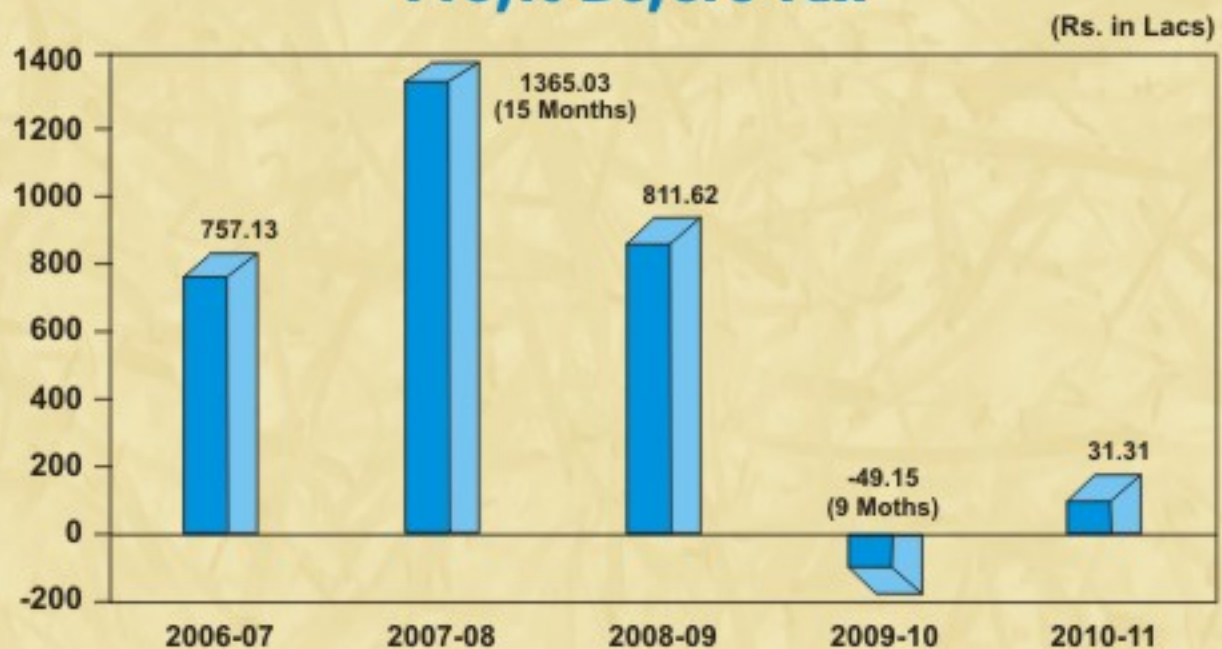
Note: The Proxy form must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

# Performance Highlights 2010-11

## Gross Income



## Profit Before Tax



Printed Material

Book-Post



If undelivered please return to :



**ASIAN OILFIELD  
SERVICES LTD.**

Registered Office : 7<sup>th</sup> Floor, B-Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.

Visit us at [www.asianoilfield.com](http://www.asianoilfield.com)