Asian Oilfield Services Limited ▸ Annual report, 2013-14

NO GUTS, NO GLORY.

FORWARD-LOOKING STATEMENT

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

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

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

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

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

CONTENTS

IN THE SPACE OF JUST THREE YEARS, ASIAN OILFIELD SERVICES LIMITED HAS TRANSFORMED FROM A REGIONAL INDIAN PLAYER TO ONE OF THE MOST EXCITING RESERVOIR IMAGING COMPANIES IN ASIA AND THE MIDDLE EAST.

THIS IS THE SECRET: WE HAVE EMBRACED CHALLENGES; WE HAVE WORKED HARDER; WE HAVE BEEN INNOVATIVE AND PRODUCTIVE; WE HAVE BEEN MORE PASSIONATE.

OUR PHILOSOPHY CAN BE SUMMED UP IN JUST TWO SENTENCES.

NO GUTS. NO GLORY.

AT ASIAN OILFIELD SERVICES, OUR COMPETITIVE DIFFERENTIATOR EXTENDS BEYOND APTITUDE TO ATTITUDE.

OUR SUCCESS IS NOT AS MUCH ABOUT WHAT PROJECTS WE ARE ENGAGED IN AS MUCH AS IT IS ABOUT TAKING THE CUSTOMER'S BUSINESS AHEAD.

OUR SUCCESS IS NOT AS MUCH ABOUT WHAT TECHNOLOGY WE HAVE INVESTED IN AS MUCH AS IT IS ABOUT WHAT OUR PEOPLE CAN DO WITH IT.

OUR SUCCESS IS NOT AS MUCH ABOUT THE NUMBER OF PEOPLE WE EMPLOY AS MUCH AS IT IS ABOUT THE SPIRIT THEY BRING TO THE WORKPLACE.

VISION

Asian Oilfield Services Limited aims to be recognised and respected for the quality of its products, efficiency of its operations, customer satisfaction and goodwill generated from its services. Our Company, employees and shareholders will prosper by gaining the loyalty of customers and market share. Our objective is to maximise the return to our stakeholders.

CORE VALUES

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

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

Performance: We shall strive to deliver our services efficiently and competitively by employing a highly motivated workforce, assets of the highest standards, state-of-the-art technology and implementing the best processes and systems in the industry

Teamwork: We will share ideas, resources and talents and help each other in delivering performance.

ABOUT US

Incorporated in 1992, Asian Oilfield Services Limited (AOSL) transformed itself into a multi-disciplinary enterprise, providing reservoir imaging services and offering a comprehensive suite of geophysical services.

Samara Capital is the largest shareholder and promoter of the Company. Samara Capital is an India-focused private equity firm with investments in emerging Indian companies poised for rapid transformation, possessing entrepreneurial management teams and operating in favourable geographies.

With a market capitalisation of ₹1,550.43 million as on March 31, 2014, the Company's shares are listed and actively traded on the Bombay Stock Exchange.

Asian Oilfield Services Limited employs 200 individuals; during project execution, it manages a workforce in excess of 750 people.

PRESENCE

Headquartered in Gurgaon (India), the Company provides services across the Indian subcontinent, South East Asia and the Middle East.

To explore business opportunities in diverse geographies, the Company set up two wholly-owned overseas subsidiaries in Dubai and Singapore.

SERVICES

The Company's service portfolio comprises 2D and 3D seismic data acquisition, drilling, processing and interpretation and topographic surveys. The Company also provides specialised high-technology services to oil and gas companies for targeted applications.

PROJECTS

Asian Oilfield Services enjoys a robust track record of completing projects across a wide range of terrains. The Company successfully executed projects in the North Eastern states of India where it overcame challenges imposed by hostile terrains, social unrest and security-related issues to spearhead the exploration efforts of regional oil and gas companies.

The Company successfully forayed into overseas markets like Iraq and Indonesia where it successfully demonstrated its competence. The Company has executed three international projects till date.

PERFORMANCE, 2013-14

- Consolidated gross income stood at ₹1,253 million against ₹563 million in 2012-13
- Reported a net loss of ₹234 million against a loss of ₹103 million in 2012-13
- Net worth stood at ₹650 million against ₹722 million in 2012-13
- Gross block stood at ₹1,632 million against ₹723 million in 2012-13

OUR MANAGEMENT PRINCIPLE

Asian Oilfield Services Limited is a Board driven company with professional management and governed by the principles of corporate governance, QHSE and financial objectives.

THE COMPANY HAS GRADUATED TO A LEVEL WHEN IT IS DELIVERING PROJECTS BENCHMARKED AGAINST THE QUICKEST TENURES IN THE WORLD.

SPIRIT.

THE ONE WORD THAT ENCAPSULATES THE SPIRIT AT ASIAN OILFIELD SERVICES LIMITED.

For years, Asian Oilfield Services focused on low-end seismic services with presence limited to Indian markets.

The inflection in the Company's existence came when Samara Capital attained the largest shareholding in the Company in 2010 with the objective to transform the Company into a prominent player offering multiple services across diverse geographies.

Under the new management, the Company successfully transformed its brand, recruited competent personnel, reinforced its knowledge capital, revived capex and widened its operating footprint.

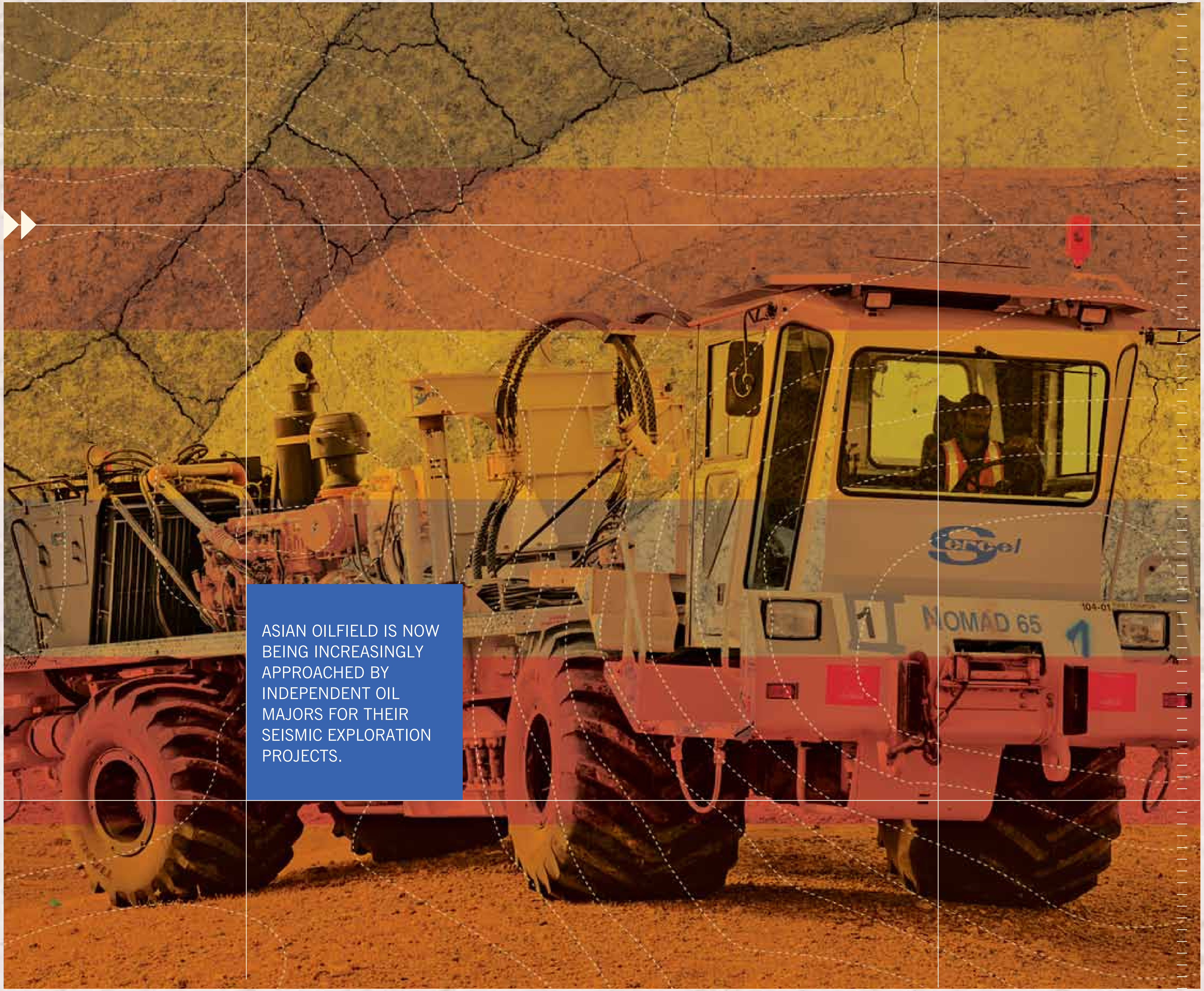
In doing so, Asian Oilfield virtually reinvented its focus, objectives and personality.

- The Company has evolved from being an Indian company into a MENA (Middle East and North Africa) and South East Asian player
- The Company has evolved from low technology focus into a cutting-edge technology play
- The Company has trebled its asset size from 5,000 channels to more than 15,000 channels

The result: from a scenario when the Company scraped through projects completion within India, the Company has graduated to a level when it is delivering projects benchmarked against the quickest tenures in the world.

Due to stronger teamworking, corporate hunger and solution-orientation.

Encapsulated in a single word. Spirit.



ASIAN OILFIELD IS NOW BEING INCREASINGLY APPROACHED BY INDEPENDENT OIL MAJORS FOR THEIR SEISMIC EXPLORATION PROJECTS.

LEADERSHIP.

ASIAN OILFIELD SERVICES INVESTED IN CUTTING-EDGE TECHNOLOGY TO ESTABLISH THOUGHT LEADERSHIP.

For years, Asian Oilfield Services Limited was a local Indian company. During this period, the Company worked with legacy technologies that restricted it from providing an array of services. The result is that project sizes and scopes declined, reducing the Company to a marginal player.

With the new management coming on board, it was realised that the only way to escape the slowdown was through an infusion of technology, which would potentially accelerate project delivery, enrich service offering, impress customers, strengthen word-of-mouth and generate referral customers.

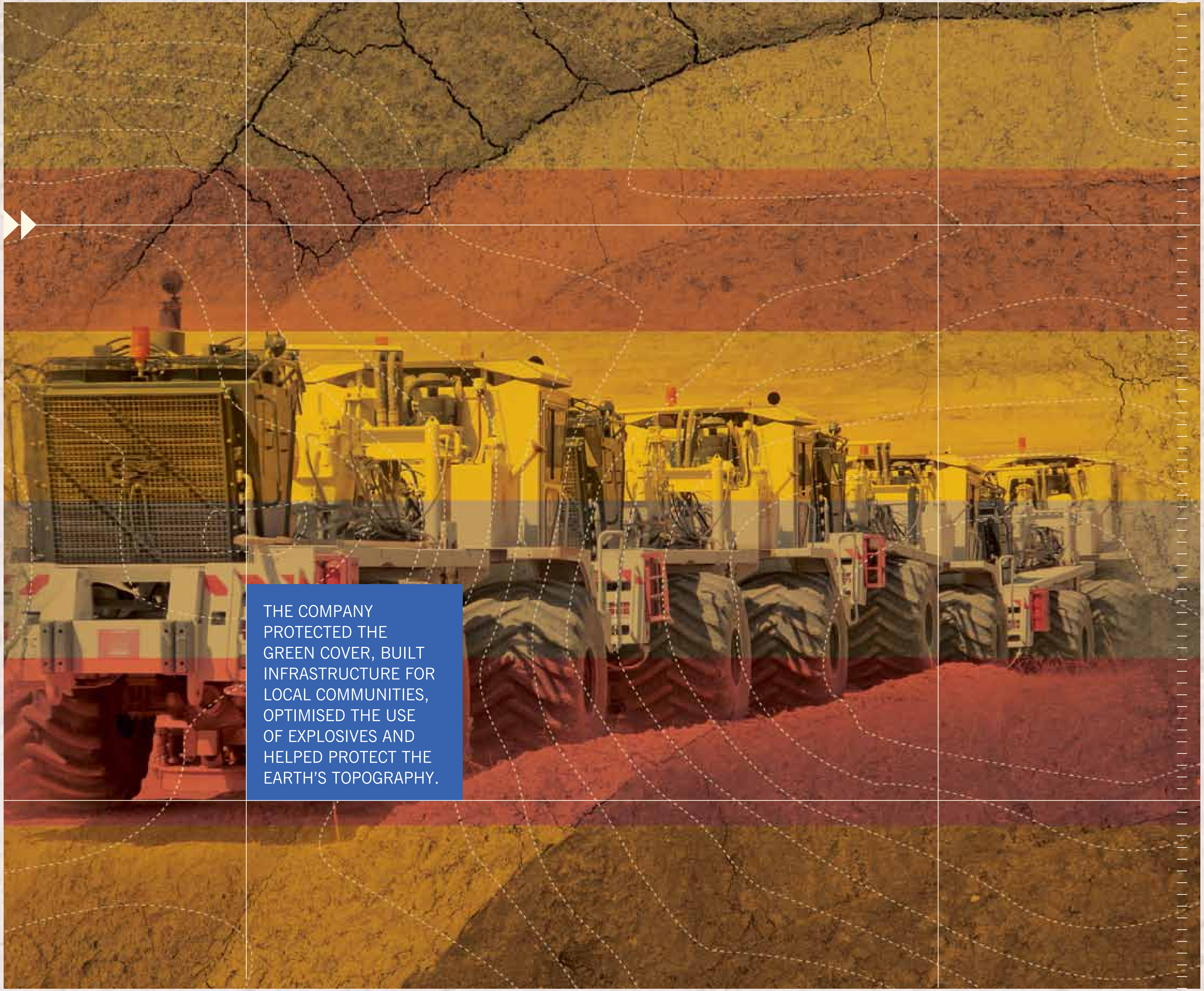
One of the Company's most decisive initiatives was investment in wireless seismic RT-2 wireless technology, the first time this technology was used outside the US. The Company acquired exclusive rights to deploy this technology in India, Iraq, Egypt, Indonesia and Myanmar.

This is the result: the Company reduced time and labour costs that would have been expended in unreeling and laying cables, accelerating project execution especially in complex terrains.

The technology validation is reflected in the Company's 2013-14 projects. In its maiden project in Iraq (35-55 OC conditions), Asian Oilfield deployed this new technology and delivered the project on schedule despite growing customer apprehension. This resulted in the Company being awarded a 2D project by the same client, which was successfully completed in just 20 days against the prevailing average of 40-50 days.

The result: a stronger peer respect. Asian Oilfield is now being increasingly approached by independent oil majors for their seismic exploration projects; leading OEM companies engage Asian Oilfield to implement their proprietary technologies.

All due to an overriding need: establishing thought leadership.



RESPONSIBILITY.

ASIAN OILFIELD SERVICES LIMITED HAS BENCHMARKED PROJECT DELIVERY IN LINE WITH THE CHALLENGING HEALTH, SAFETY AND ENVIRONMENT STANDARDS IN DEVELOPED COUNTRIES.

For years, there was an absence of institutionalised system of control, processes were people-dependent and project deliveries were erratic.

One of the first things that the new management did was to establish demanding systems and controls that would translate into dependable projects delivery. At the core of this systemic re-orientation was the company's commitment to health, safety and environment standards.

The management at Asian Oilfield recognised that in a business that comprised ecological disturbance in the process of seismic data capture, a robust HSE approach was critical to success. The lower the disturbance, the greater the respect for the Company, stronger the community support and quicker the project completion. As a result, HSE compliance was not incidental to the Company's success; it was integral to it.

In view of this, the Company benchmarked its HSE practices with prevailing regulatory requirements in the regions of its presence. The Company protected the green cover, built infrastructure for local communities, optimised the use of explosives and helped protect the earth's topography.

These were delivered through the following initiatives:

- Training for employees that comprised safety
- Measurement of safety and quality standards across operations
- Initiatives directed at community upliftment; employment for locals and local business alliances
- Refusal to engage in projects with an adverse environmental impact

The result: the Company reported 600,000 incident-free hours over three months, a creditable industry achievement.

All due to an overriding consideration: responsibility.

AT ASIAN OILFIELD, WE HAVE TRANSFORMED FROM A REGIONAL INDIAN PLAYER INTO A DYNAMIC CONTINENTAL PLAYER.

FROM AN EQUIPMENT-DRIVEN COMPANY INTO A KNOWLEDGE-LED ORGANISATION.

At Asian Oilfield, our competitiveness is derived from the range and depth of our knowledge.

This knowledge blends our experience related to our business, terrain, technology, systems, geo-political realities and people management.

TECHNOLOGY-ORIENTED	KNOWLEDGE-DRIVEN	GEOGRAPHICAL EXPANSION
Strategic investments in cutting-edge technology with the objective of emerging as an industry leader	Focus to strengthen its knowledge capital to position as a knowledge-led service provider	Focus to capitalise on higher margin sectoral opportunities across Asia
Strategic alliances for plugging product and technology gaps; and for accessing specific geographies	Strategy to embrace challenging assignments with the objective to reinforce as a specialised solution provider	Establish overseas offices to explore business opportunities in diverse geographies
Focus to reduce the cost of asset engagement	Strategy to invest in people, competencies and knowledge as critical competitive differentiator	Enter new geography with services portfolio of higher value-addition, which are difficult to replicate

HOW ASIAN OILFIELD HAS REINVENTED ITSELF IN JUST THREE YEARS.

For nearly two decades, Asian Oilfield was run by a promoter-driven management. It is now driven by a professionally managed Board.

	Earlier	Now
FROM DATA CAPTURE TO RESERVOIR IMAGING	An Indian seismic data acquisition	Present across the value chain: from data acquisition to interpretation and processing with an objective to guide its customer as a consultant
FROM COUNTRY TO CONTINENT	Largely focused on seismic exploration opportunities coming out of India	Focuses to capitalise on sectoral opportunities across Asia and has emerged as MENA and South East Asian player
	Following a presence only in India until 2011, the Company has executed three overseas projects with leading global players during the past two years.	
FROM THE SIMPLE TO COMPLEX	Focused on any assignments that came its way	Focus on high margin, challenging assignments to emerge as a specialised solutions provider
	The Company's average project margins increased from 13% to 30%.	
FROM TRADITION TO TECHNOLOGY	Invested in prevailing technologies	Invests in cutting-edge technologies and embarked on an investment in wireless seismic technology
	While the Company reduced the average number of field operators required following the use of this technology, it gained exclusivity in deploying this wireless technology in India, Iraq, Egypt, Indonesia and Myanmar.	
FROM COMPLACENCE TO COMPLIANCE	Responded to the statutory requirements of the day	Higher thrust on quality, health and safety standards which are being benchmarked to international standards
	The Company made a global mark by reporting 600,000 incident-free hours over three months	

'THE SPIRIT OF OUR COMPANY IS THE KEY DIFFERENTIATOR.'

Mr. Rahul Talwar, CEO
and Whole-time Director

Dear shareholders,

While shareholders will be disappointed at the first glance of our Company's financials in 2013-14, permit me to assure them that the Company is in good health and it is only some time before this translates into stronger numbers.

The reason why one is saying so comes from an understanding of where we were three years ago and where we find ourselves today. In 2011, we were a marginal and regional player with a singular India focus; in 2014, we are a successful Asian player with a track record based on successful project delivery, customer goodwill, growing order book and technology investments.

Within the global seismic exploration space, Asian Oilfield Services is being seen as an attractive young and exciting company driven by passion, challenge-embrace and customer delight as distinct from other companies driven by people employment and equipment ownership.

This distinctiveness comes not a day too soon. In the global seismic exploration space, there is a need to deliver quicker; there is a need to manage geo-political-social tension; there is a premium on the ability to protect the environment. In view of these priorities, the business of seismic services is not about seismic services any more, a reality which warrants service providers to evolve, adapt and reinvent themselves in line with the demands of the day.

I am pleased to state that Asian Oilfield has in the space of just three years reinvented its personality and emerged as one such company.

Performance review

The year 2013-14 was one of mixed fortunes for the Company. While we successfully executed overseas projects worth US$ 17.8 million for oil majors like Gazprom and Gujarat State Petroleum Corporation Limited (GSPCL); enhancing visibility in the Middle Eastern and South-East Asian markets, the Company could not make significant headway in the Indian markets, which reported negligible sectoral expenditure.

In this challenging environment, the Company recognised that the only way to establish its brand was through scheduled delivery of existing projects leading to customer delight.

Even though we are in a space that is dominated by multinationals, leaving little space for smaller companies, Asian Oilfield has demonstrated unusual operational nimbleness to compete with prominent players, reflected in a stronger brand recall and growing order book size.

At Asian Oilfield, our principal differentiator is the combination of our work culture and business strategy, which is best defined in that one word called 'spirit'.

Differentiated approach

Over the last three years, the management at Asian Oilfield has virtually reinvented itself through various initiatives:

- Proactively responded with an asset-light business model, leveraging the availability of low-cost leasable crews and assets till the time the business acquires critical mass to justify captive ownership.
- Widened focus from mere data capture to data processing services that empower customers to take informed drilling decisions. In doing so, the Company expects to graduate towards solutions-orientation and emerging as a reservoir management organisation.
- Extended to services overseas on account of the limited nature of the Indian market, regulatory constraints and lower margins. The Company established its presence in Iraq and the Middle East and entered Indonesia during the last fiscal.
- Invested in cutting-edge real-time wireless system (RT System 2), emerging as the first company outside the US to acquire this cable-less technology. This technology will reduce the number of field operators, strengthening productivity and profitability. Going forward, this differentiated technology ownership will enhance deal flow, superior delivery and repeat business.
- Focused on effective governance; the management and employees share collective responsibility for compliance with local, regional, national and international regulations.

Emerging financial trend

As a validation of its financial strategy, the Company's share price climbed from a 52-week low of ₹12 in July 2013 to ₹69.45 as on March 31, 2014, reflecting enhanced investor confidence.

Way forward

The forthcoming months of the current financial year could prove challenging owing to the war-like situation in the Middle East. However, the Company is operating in a relatively stable area and its operation are less effected. As a result, we continue to sustain our operations. The Company has bid for US$35 million worth of projects, which are in the final stages of being awarded.

Major part of the Global onshore oil reserves are in the Middle East and North Africa (MENA) geography. However, most of the oil service company assets such as seismic and drilling crews are deployed in areas other than MENA. Hence there is a mismatch between the demand and supply of the region. This is where Asian Oilfield is strategically looking to expand its operations.

While the market scenario remains temporarily unclear, optimism emanates from the fact that the market space is marked by low competition. Over the recent past, two leading players withdrew services in the Middle East, creating a wider space for our Company. On the positive front, the Indian markets are likely to transform over the next few quarters, as the top oil companies intend to invest over US$100 million over the next two years.

Going ahead, the Company aims to grow other product lines and graduate from an imaging company into a reservoir enterprise that empowers customers to enhance their spending and productivity; and is on track of achieving a top line of over ₹3,000 million by 2016.

Sincerely,
Rahul Talwar

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy overview

Global GDP, which expanded by 2.9% during 2013, is expected to do better as the economies around the globe start displaying signs of revival. The growth will be primarily led by a marked improvement in the mature economies of the eurozone and the US. The growth rate in the eurozone is expected to turn positive after contracting by 0.3% in 2013, whereas the US economy is expected to expand by 3% in 2014, against 1.9% during the previous year. While the developed economies are expected to grow briskly, developing economies are expected to improve marginally to reach 4.8% during 2014. The tepid growth will be on account of a slowdown in China, falling from 7.5% during 2013 to 7% during 2014. Among other emerging economies, India and the Latin America nations are expected to witness marginal growth during 2014. The culmination of the above factors is expected to result in global GDP growth by 3.5% during 2014.

Consumption and production increased for all fuels, reaching record levels for every fuel type except nuclear power.

Indian economic overview

In 2013-14, India's economy grew by 4.7%, against the 4.9% growth that was projected in the advance estimates, pulled down by the underperformance of the manufacturing, mining, and construction and logistics sectors. The 2013-14 performance was a shade better than the 4.5% growth for 2012-13, a 10-year low. This was the second consecutive year that the Indian economy has recorded a sub-5% growth.

Global energy market

Consumption and production increased for all fuels, reaching record levels for every fuel type except nuclear power. For each of the fossil fuels, global consumption rose faster than production. The data suggests that growth in global CO_2 emissions from energy use also accelerated in 2013, although it remained below average.

Though emerging economies (EM) continued to dominate global growth, the increase was below the 10-year average in these countries and above average in the OECD. China once again reported the largest growth, followed by the US. Consumption in the eurozone and Japan fell to the lowest levels since 1995 and 1993 respectively.

Global primary energy consumption increased by 2.3% in 2013, accelerating over 2012 (+1.8%). Growth in 2013 accelerated for oil, coal and nuclear power as well. However, global growth remained below the 10-year average of 2.5%. Growth was under par for all regions, except North America. Oil remains the world's leading fuel with 32.9% of global energy consumption; nevertheless, it also continued to lose market share for the fourteenth consecutive year.

Emerging economies accounted for 80% of the global increase in energy consumption – even though growth in these countries was a below average at 3.1%. OECD consumption rose by an above-average 1.2%. Robust US growth (+2.9%) accounted for all of the net increase in the OECD and consumption in the eurozone and Japan fell by 0.3% and 0.6%, respectively. Spain (-5%) recorded the largest volumetric decline in energy consumption.

Oil sector

Consumption and production

Global oil consumption grew by 1.4 million barrels per day (b/d), or 1.4%, just above the historical average. Countries outside the OECD accounted for the majority (51%) of global oil consumption and again accounted for all of the net growth in global consumption. OECD consumption declined by 0.4%, the seventh decline in eight years. The US (+400,000 b/d) recorded the largest increment of global oil consumption in 2013, outpacing Chinese growth (+390,000 b/d) for the first time since 1999.

Global oil production was outpaced by growth in global consumption, rising by just 560,000 b/d or 0.6%. The US (+1.1 million b/d) recorded the largest growth in the world and the largest annual increment in the country's history for the second consecutive year. The US accounted for nearly all (96%) of the non-OPEC output increase of 1.2 million b/d (the strongest since 2002) to reach a record 50 million b/d. Increases in Canada (+210,000 b/d) and Russia (+150,000 b/d), offset declines in Syria (-120,000 b/d), the UK and Norway (-80,000 b/d each) and Australia (-70,000 b/d). OPEC output fell by 600,000 b/d, the first decline since 2009. Declines in Libya (-520,000 b/d), Iran (-190,000 b/d), Saudi Arabia (-110,000 b/d) and Nigeria (-100,000 b/d) outweighed an increase in the UAE (+250,000 b/d).

Oil production (thousand barrels daily)

	2009	2010	2011	2012	2013	Change 2013 over 2012
North America	13,444	13,843	14,333	15,543	16,826	8.7%
South and Central America	7,348	7,367	7,448	7,274	7,293	0.2%
Europe and Eurasia	17,812	17,759	17,452	17,231	17,281	0.3%
Middle East	24,726	25,761	27,980	28,484	28,358	-0.7%
Africa	9,908	10,163	8,580	9,349	8,818	-5.7%
Asia Pacific	8,025	8,404	8,266	8,370	8,232	-1.7%
World	**81,262**	**83,296**	**84,049**	**86,251**	**86,808**	**0.6%**
India	**796**	**873**	**903**	**894**	**894**	**0.1%**

(Source: BP Statistical Review of World Energy, June 2014)

Oil consumption (thousand barrels daily)

	2009	2010	2011	2012	2013	Change 2013 over 2012
North America	22,957	23,510	23,329	22,948	23,292	1.3%
South and Central America	5,913	6,155	6,306	6,478	6,675	4.4%
Europe and Eurasia	19,181	19,087	19,009	18,636	18,645	-0.4%
Middle East	7,508	7,767	8,004	8,353	8,526	2.2%
Africa	3,306	3,479	3,374	3,519	3,624	3.2%
Asia Pacific	26,247	27,802	28,912	29,997	30,470	1.5%
World	**85,111**	**87,801**	**88,934**	**89,931**	**91,331**	**1.4%**
India	**3,237**	**3,319**	**3,488**	**3,685**	**3,727**	**1.2%**

(Source: BP Statistical Review of World Energy, June 2014)

Refining and trade

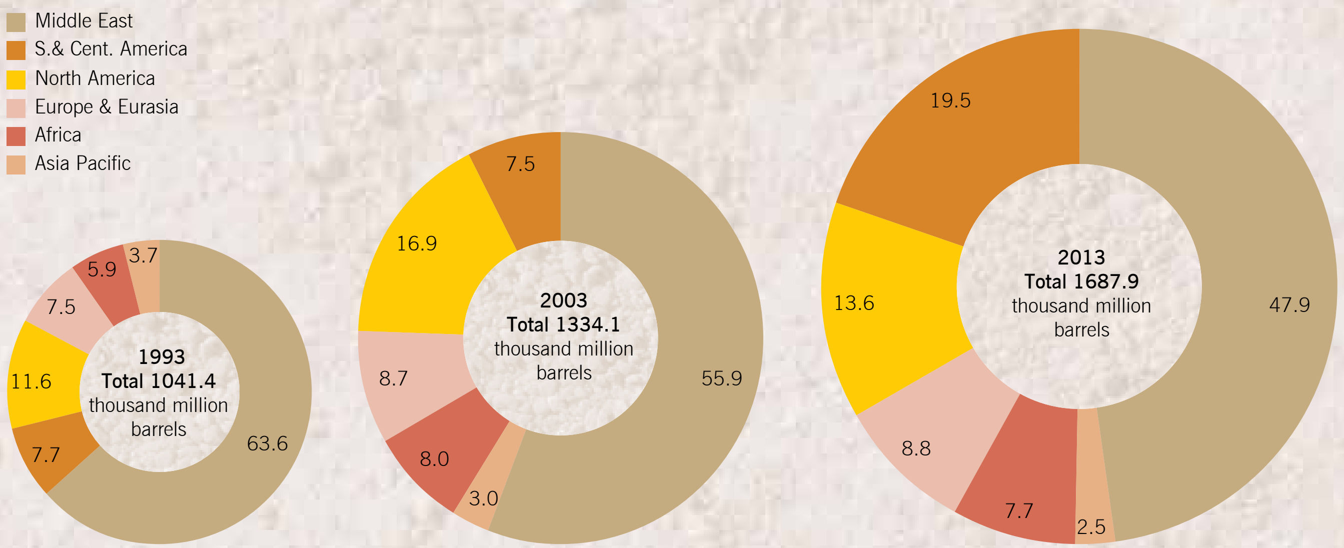
Global refinery crude increased by a below-average 390,000 b/d or 0.5%. Non-OECD countries accounted for the net increase, rising by 730,000 b/d. OECD throughput declined by 340,000 b/d, the seventh decline in the past nine years despite an increase of 320,000 b/d in the US refinery runs, as the US continued to ramp up net product exports. Global refinery capacity utilisation declined to 80.4%, the lowest since 1987, while global refining capacity increased by a robust 1.4 million b/d with large capacity additions in China and Saudi Arabia outpacing capacity reductions in the Atlantic basin and Japan.

In 2013, global oil trade grew by 2.1% or 1.2 million b/d – among importers, growth in Europe and emerging economies more than offset declines in the US and Japan. At 56.5 million b/d, trade accounted for 61.8% of global consumption, up from 58.3% a decade ago. US net imports fell by 1.4 million b/d to 6.5 million b/d – just over half the level of net imports seen in 2005 and the lowest level since 1988. China's net oil imports reached 7 million b/d, surpassing the US as the world's largest net oil importer.

Proven oil reserves

Distribution of proved reserves in 1993, 2003 and 2013

Percentage



Challenges

Since the Arab Spring in 2011, supply disruptions have become a key feature of today's oil market. Libyan production suffered a complete shutdown in early 2011, followed by disruptions in Syria due to the civil war, Sudan and Iran encountered disruptions due to international embargoes.

By end-2013, disruptions in these countries had removed over 2 million b/d from global markets. Meanwhile, the US output surged due to tight oil, nearly matching disruptions barrel for barrel.

While non-OPEC supply growth – led by non-conventional energy sources – may pressurise OPEC in the medium-term, precedent suggests that supply disruptions take years to fully recover from, providing some cushion for OPEC.

Recent revolutions in Libya and Iran, war and embargo in Iraq along with the collapse of the USSR continue to impact oil production.

Natural gas sector

Consumption and production

World natural gas consumption grew by 1.4%, below the historical average of 2.6%. As was the case for primary energy, consumption growth was above average across OECD countries (+1.8%) and below average outside the OECD (+1.1%). Growth was below average in every region except North America. China (+10.8%) and the US (+2.4%) recorded the largest growth increments in the world, together accounting for 81% of the global growth. India (-12.2%) recorded the largest volumetric decline in the world, while eurozone gas consumption fell to the lowest levels since 1999. Globally, natural gas accounted for 23.7% of primary energy consumption.

Global natural gas production grew by 1.1%, which was well below the 10-year average of 2.5%. Growth was under par in all regions except Europe and Eurasia. The US (+1.3%) remained the world's leading producer; however both Russia (+2.4%) and China (+9.5%) recorded larger growth increments in 2013. Nigeria (-16.4%), India (-16.3%) and Norway (-5%) recorded the largest volumetric declines.

Indian oil and gas sector

India is the fourth-largest consumer of oil and petroleum products in the world. Its energy demand is expected to reach 1,464 million tonnes of oil equivalent (MTOE) by 2035 from 559 MTOE in 2011. Moreover, the country's share in global primary energy consumption is expected to double by 2035. The Indian oil and gas industry is expected to be worth US$ 139,814.7 million by 2015. India's economic growth is closely connected with energy demand. The need for oil and gas is projected to grow further, providing opportunities for investment.

Oil consumption is estimated to reach 4 million barrels per day by FY16, expanding at a 3.2% CAGR during FY08-16. Backed by new oil fields, domestic oil output is anticipated to grow to 1 million barrels per day by FY16.

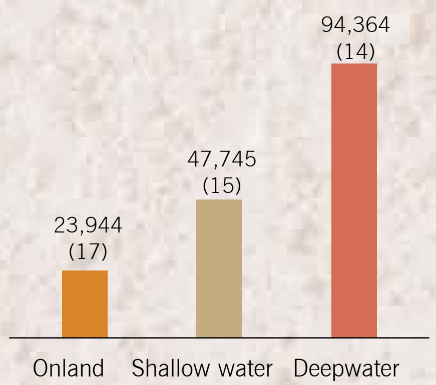
During FY14, the total consumption of petroleum products in India was 158.2 million tonnes. The share of fuels in the country's exports surged from 5.59% in 2003-04 to 20.05% during 2013-14. Total exports of fuel products stood at US$ 62.69 billion in value terms during FY14.

Government initiatives

- To meet this demand, the Government of India has adopted various policies such as allowing 100% Foreign Direct Investment (FDI) in many segments of the sector such as natural gas, petroleum products, pipelines and refineries. The government's supportive Foreign Direct Investment (FDI) policies and promotion of investments have helped the sector grow. Backed by this support, the sector garnered FDI worth US$ 5.4 billion during the first half of the fiscal.
- The Centre has introduced policies such as Coal Bed Methane (CBM) and New Exploration Licensing Policy (NELP). In the tenth NELP round announcements in January 2014, the Government offered 46 blocks, covering 166,053 square kilometres. These comprise 17 on-land, 15 shallow water and 14 deepwater blocks. The tenth round of the New Exploration Licensing Policy would be the second highest after NELP-VI in which 52 blocks were offered. Those on offer now are located across 13 basins. The largest number during this round would be from the Cambay Basin (nine), followed by Mumbai (seven) and Andaman (five).
- The State-run Oil and Natural Gas Corporation would invest over ₹5,700 crore to push up production by 6.9 million tonnes of crude oil and 5 billion cubic metres of gas by 2030 from its Mumbai High (North) oil and gas field in India's Western coast.

Petro blocks on sale

Area in sq km (number in brackets)



Basin	No. of blocks
Cambay	9
Mumbai	7
Andaman	5
Gujarat-Saurashtra	4
Kerala-Konkan	4
Mahanadi-NEC	4
Rajasthan	4
Gujarat-Kutch	2
Cauvery	2
Krishna-Godavari	2
Bengal	2
Himalayan Foreland	1
Deccan Syneclise	1

As the need to find new oil and gas deposits increases, the exploration industry will be relentlessly driven towards the use of advanced surveying methods.

Seismic services

Seismic technology had been used since the early 1900s to measure water depths and detect icebergs, and by 1924, crude seismic data was first used in the discovery of a Texan oil field.

The purpose of seismic exploration is to render the most accurate graphical representation of specific portions of the Earth's sub-surface geologic structure. Exploration companies use them to accurately and cost-effectively evaluate a promising target (prospect) for its oil and gas yielding potential. The data is represented in 2D/3D/4D images by transmitting controlled acoustic energy into the Earth and recording the energy that is reflected back from geological boundaries below the sub-surface. Scientists analyse seismic data from images of underground rocks to determine whether drilling and digging should be done.

In order to locate oil and natural gas deposits, explore new deposits and manage/enhance production from known reservoirs, oil and natural gas companies rely upon seismic data as a principal source of quantitative information. The interpretation of this data is the qualitative part. The information necessary for calibration comes from data about the wells, which has to be carefully and closely integrated with seismic data.

Importance of seismic services

Seismic services are an integral part of any oil exploration activity. Skyrocketing global fuel demand has driven the seismic services sector over the recent years. The growing demand has been met by the improving quality of seismic services. The sector also sets examples of platforms demonstrating infusion of world-class hardware and software in order to achieve successful results. It not only helps in locating underground oil, but also drilling oil. Modern-day softwares can generate 2D, 3D and 4D images as well.

Customers of the seismic services market may be split into three major categories:

- One, companies that buy services from affiliated parties (or former subsidiaries). This category includes large oil producing companies, including state-owned ones. These companies usually operate within established budgets defined for seismic services.
- Two, companies that buy services from regional providers. Minor regional oil companies order large scope of work from local providers.
- Three, companies that buy services from leading providers in the market. This category includes independent vertically-integrated oil and gas companies that constantly monitor the market for the best seismic services providers.

Growth drivers for seismic services

The growth in the oil & gas technologies is piloted by a number of reasons including increasing demand in global energy, rise in oil prices, improved extraction technologies and supply concerns including depleting production fields, declining production and maturing reservoirs.

As the need to find new oil & gas deposits increases, the exploration industry will be relentlessly driven towards the use of advanced surveying methods, including seismic 2D, 3D and 4D imaging, controlled source electromagnetic and remote-sensing techniques.

These technological innovations bring about efficient management of fields and better evaluation of exploration prospects, reducing the need to drill numerous exploratory wells, saving money as well as minimising environmental damage.

Addressing risks at Asian Oilfield Services

Every business is characterised by risks. The Company has evolved a risk management framework, encompassing effective processes, catalysed by a talented pool of qualified professionals. As a result, its business decisions balance risk and reward, leading to profitable and sustainable growth.

Will an inability to widen operations across geographies result in seasonal fluctuations in turnover and profitability?	The Company has forayed into overseas markets including Iraq and Indonesia to diversify its presence as most parts of India are not conducive for seismic exploration during the monsoons. However, the Company enjoys proven capabilities in executing projects pan-India. It is also among the few to possess rich experience in understanding diverse Indian terrains – from the plains to the deserts to the hilly regions of the North-East.
Will industry volatility affect demand for seismic services, and hence revenues?	A consistent decline in oil and gas prices or capital expenditure by oil and gas companies can result in a decline in demand for seismic services, affecting the Company's operations. However, the present upsurge in oil prices has been lucrative enough for oil companies to invest in fresh exploration.
Can environmental degradation in the process of seismic data acquisition invite regulatory censure?	In line with its commitment to protect the environment, the Company has fully embraced the recommended guidelines issued by the International Association of Geophysical Contractors (IAGC). The Company also operates in line with the safeguards prescribed by the IAGC on the controlled detonation of explosives and laying down channels across agricultural lands. On the other hand, the Company's operational delivery is in line with the challenging health, safety and environment (HSE) standards prevalent in developed countries.
Will an inability to migrate to advanced technology result in losing business to competition?	Asian Oilfield has partnered with various corporates to acquire cutting-edge technology and technical assistance. The Company has initiated several steps to expose and train its personnel in such cutting-edge technologies. The Company uses a combination of 2D and 3D technology, which enhances data accuracy and reliability. In case of time-bound projects, 3D technology is used at the outset for speed and data accuracy.The Company has differentiated itself from its peers with the new real-time wireless system (RT System 2), emerging as the first company outside the US to acquire this technology.
Will an inability to attract and retain skilled and technically-knowledgeable employees adversely affect business growth?	The technology-intensive nature of the business calls for a skilled workforce with rich domain knowledge. The Company has been continuously investing in enriching its intellectual capital, scaling its human resource strength. In line with its strategy to foray into overseas geographies; the Company has recruited a number of qualified experts over the last few years.
Can high fixed costs of operations adversely affect business results?	Efficient cost management is of paramount importance. The Company's existing cash flows are adequate to facilitate periodic investments in its gross block. The Company possesses an attractive capital structure, reflected in the fact that it has substantially lower long-term borrowings on its books (as on March 31, 2014) as compared to previous year. As the business is exposed to cost overruns due to a substantial part of the project being conducted in inhospitable terrains, the Company effectively managed costs by adopting project-specific costing techniques with an adequate system of checks and balances to prevent overruns.

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of ASIAN OILFIELD SERVICES LIMITED will be held on Thursday, September 18, 2014 at 10.00 a.m. at Conference Hall of Hotel lemon Tree Premier, Leisure Valley, Sector 29, Gurgaon, Haryana, India to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2014 and Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Sanjay Bhargava holding DIN 03412222 liable to retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

3. To re-appoint the Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration and in this regards pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, M/s. Deloitte Haskins & Sells, Chartered Accountants (having ICAI Firm Registration No. 117364W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 4th Annual General Meeting (after commencement of the Companies Act, 2013), subject to ratification by the members annually, at such remuneration as may be fixed by the Board of Directors in consultation with the Auditors plus applicable Service Tax and reimbursement of Traveling and out of pocket expenses incurred by them for the purpose of audit. "

Special Business:

4. To appoint Mr. Naresh Chandra Sharma (DIN: 00054922) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Naresh Chandra Sharma (DIN: 00054922), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years , for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019."

5. To appoint Mr. Ajit Chandulal Kapadia (DIN: 00065081) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajit Chandulal Kapadia (DIN: 00065081), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years , for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019."

6. To appoint Dr. Rabi Narayan Bastia (DIN:05233577) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Rabi Narayan Bastia (DIN:05233577), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years , for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019."

7. To Borrow money(ies) for the business of the Company :

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of the ordinary resolution passed by the Members of the Company at the Annual General Meeting held on 23rd December, 2008 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is ₹300 crores (Rupees Three Hundred crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. To create security on the properties of the Company, both present and future, in favour of lenders :

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of the ordinary resolution passed by the Members of the Company at the Annual General Meeting held on 23rd December, 2008 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage

/ pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings to be availed by the Company by way of loan(s) availed or to be availed by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc."

"RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

9. To make any loans or investments and to give any guarantee(s) or to provide security(ies) :

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding ₹300 Crores (Rupees Three Hundred Crores only), at a one time, as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186(2) of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company."

   "RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company, be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

10. To appoint Mr. Ashwin Madhav Khandke as a Director and Whole Time Director of the Company:

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolutions:

   "RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashwin Madhav Khandke,(DIN 06954601), as a Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of director by rotation."

   "RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the appointment of Mr. Ashwin Madhav Khandke,(DIN 06954601), as a Whole-time Director of the Company for a period of three years effective from 12th August, 2014, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Ashwin Madhav Khandke."

   "RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Ashwin Madhav Khandke, the remuneration mentioned in the above referred draft agreement shall be paid to Mr. Ashwin Madhav Khandke as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

By Order of the Board

Date : 12-08-2014
Place: Mumbai
CIN: L23200HR1992PLC052501

Kanika Bhutani
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Members are requested to:

   (a) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.

   (b) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. The Register of Members and Share Transfer Books shall be available for inspection by members.

8. Annual Report and AGM Notice is available at the website of the Company at www. asianoilfield.com in the Investor Relations section.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 13th September,2014 to Thursday, the 18th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.

10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

11. 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.

12. 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.

13. The Company is providing its offer of e-voting facility as an alternate, for its Members to enable them to cast their vote electronically instead of dispatching Postal Ballot.

14. The instructions for shareholders for e-voting are as under :

a) In case shareholder receives e-mail from NSDL :

   (i) Open e-mail and open PDF file viz. “Asianoilfield e-voting” with your Client ID or Folio No. as password. The said PDF file contains your user ID or Folio No. and password for e-voting. Please note that the password is an initial password.

   (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

   (iii) Click on Shareholder - Login.

   (iv) Insert user ID and password as initial password noted in step (i) above. Click Login.

   (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   (vi) Home page of e-Voting opens. Click on e-Voting: Active E-voting Cycles.

   (vii) Select “EVEN” of Asian Oilfield Services Limited.

   (viii) Now you are ready for e-Voting as Cast Vote page opens.

   (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

   (x) Upon confirmation, the message “Vote cast successfully” will be displayed.

   (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

   (xii) For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at cs.jayeshvyas@hotmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders’ receiving Postal Ballot Form by Post:

   (i) Initial User id & Password is provided in Postal Ballot Form.

   (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

(d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

(e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.

(f) Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.

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 register their e-mail addresses with the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

Item No. 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells, (Firm’s Registration No. 117364W), Chartered Accountants, Vadodara were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 18th September, 2013.

Deloitte Haskins & Sells have been the Auditors of the Company since 2008-09 and will be completing a term of six years in September 2014.

As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, Deloitte Haskins & Sells, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 26.05.2014, proposed the appointment of Deloitte Haskins & Sells as the statutory auditors of the Company for a period of four years to hold office from the conclusion of this AGM till the conclusion of the hundred and tenth AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4, 5 & 6:

It is proposed to appoint Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2019.

Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia for the office of Directors of the Company. The Company has also received declarations from Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia are independent of the management.

Brief resume of Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Copy of the draft letters for respective appointments of Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan Bastia are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointments. The relatives of Mr. Naresh Chandra Sharma, Mr. Ajit Chandulal Kapadia and Mr. Rabi Narayan may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions as set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholders.

Item No. 7 and 8:

The Members of the Company at the Annual General Meeting held on 23rd December, 2008 had authorised the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) of the Company under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956 by way of an ordinary resolution to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding ₹200 Crores (Rupees Two Hundred Crores only), over and above the aggregate of the paid-up share capital and free reserves of the Company.

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 (“the Act”), which were made effective from 12th September, 2013, the above power can be exercised by the Board only with the consent of the Members obtained by way of a special resolution.

Further, in terms of the circular no. 04/2014 dated 25th March, 2014 issued by the Ministry of Corporate Affairs (“MCA”), the ordinary resolution passed under erstwhile Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act i.e. upto 11th September, 2014.

As such, it is necessary to obtain fresh approval of the Members by means of a Special Resolution, to enable the Board to borrow money(ies) for a sum not exceeding ₹300 Crores (Rupees Three Hundred Crores only), apart from temporary loans obtained from the Company’s bankers in the ordinary course of business, in excess of the paid-up share capital and free reserves of the Company and to create charge / mortgage / pledge / hypothecate on the Company’s properties, both present and future, in favour of the Lender(s), Agent(s) and Trustee(s).

The Board accordingly commends the resolutions as set out at Item Nos. 8 and 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolutions.

Item No. 9:

To aid the financial requirements of its Associates, Companies belong to the Group and other Bodies Corporate, the Company makes investments and gives loans to them subsidiary companies as and when needed. The Company also provides corporate guarantees on behalf of its subsidiary companies to the banks/financial institutions for the financial assistance provided by them.

As per Section 186 of the Companies Act, 2013, a Company can give a loan to bodies corporate or give any guarantees or make investments in the securities of any other body corporate with the approval of the Board of Directors if the same is within the permissible limit of either 100% of free reserves or 60% of the paid up share capital and free reserves.

Inter-corporate loans and investments can be made above the aforesaid limits if the Company has prior approval from its members by a Special resolution.

Since the amount of investments /loans / corporate guarantees proposed to be made by the Company exceeds the prescribed limit, this permission is sought to enable the Board of Directors with powers for making further investments/ loans/ guarantees and providing securities, whenever required on need basis for an amount not exceeding ₹300 Crores.

Approval of shareholders of the Company, by way of Special Resolution, is sought to authorize the Board of Directors to make the following Investments/ loans/ Corporate Guarantees as may be required from time to time.

These investments, loans, guarantees and securities are made / proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company and at prevailing market rates.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend the Resolutions for your approval.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company.

Item No. 10:

The Board of Directors of the Company at their meeting held on 12th August, 2014 appointed Mr. Ashwin Madhav Khandke, as a Director and also as Whole-time Director for a period of three years commencing from 12th August, 2014. A notice has been received from a member under Section 160 of the Companies Act, 2013 with a deposit of ₹1,00,000/- (Rupees One Lac only), proposing Mr. Ashwin Khandke as a candidate for the office of Director of the Company.

At the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at the said meeting, appointed Mr. Ashwin Madhav Khandke, as a Wholetime Director for a period of three years commencing from 12th August, 2014 on the terms and conditions stated in the draft agreement as approved by the Nomination and Remuneration Committee in terms of provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, subject to the approval of the Shareholders.

Mr. Ashwin Madhav Khandke is a post Graduate in Quality Health and Safety technology from National University of Singapore. He joined the Company in September 2012 and has had a distinguished career with the Company. Before his appointment as a Board member of the Company, he was holding position of Sr. Vice President QHSE of the Company. Mr. Ashwin Madhav Khandke has a wealth of experience in the area of operations and QHSE.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Ashwin Madhav Khandke as the Whole-time Director and the remuneration payable to him by way of Special Resolution. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 12th August, 2014) are keeping in line with the remuneration package that is necessary to continue to encourage good professional managers with a sound career record to important position such as that occupied by Mr. Ashwin Madhav Khandke.

The material terms of appointment and remuneration will be same as it was as Sr. Vice President QHSE details of which is given below:

	(Amount ₹)
Particulars	**Per Month**
Basic	161,250
Perquisites and other Allowances	375,470
Gross Pay	536,720
PF (Company's Contribution)	780
CTC PER MONTH (₹)	**537,500**
CTC PER YEAR (₹)	**6,450,000**

And such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ashwin Madhav Khandke.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period. The perquisites mentioned in the table above shall be based on actual amounts and excluded from the aforesaid perquisite limit.

The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

III) Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. Ashwin Madhav Khandke remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Ashwin Madhav Khandke.

IV) Other Terms:

Mr. Ashwin Madhav Khandke shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to operations and QHSE of the Company. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr. Ashwin Madhav Khandke or the Company, by one party giving to the other 30 days' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

The period of office of Mr. Ashwin Madhav Khandke shall not be liable to determination by retirement of directors by rotation. If Mr. Ashwin Madhav Khandke is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director".

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 7 of the accompanying Notice for the approval of the Members. The appointment of Mr. Ashwin Madhav Khandke is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of Section 189 of the Companies Act, 2013 referred below, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Mr. Ashwin Madhav Khandke is not a Director in any other Company in India. Mr. Ashwin Madhav Khandke being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 10.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By Order of the Board

Date : 12-08-2014 **Kanika Bhutani**
Place: Mumbai *Company Secretary*
CIN: L23200HR1992PLC052501

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the 21st Annual Report and the Company's audited accounts for the financial year ended March 31, 2014:

1. Consolidated Financial Highlights:

(₹ in millions)

Particulars	31 March, 2014	31 March, 2013
Gross Income	1,252.98	559.96
Operating Profit before Depreciation and Interest	9.95	30.00
Depreciation	141.45	88.17
Profit/(Loss) before interest, tax and exceptional items	(131.50)	(58.17)
Interest	94.69	31.86
Profit/(Loss) before tax and exceptional items	(226.19)	(90.03)
Exceptional items	7.82	13.84
Tax expenses	0.25	(0.92)
Net Loss after tax and exceptional items for the period from continuing operations	234.27	102.95

2. Dividend

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

3. Credit Rating

CRISIL has revised its rating for the Company on the long term Bank facilities to 'Stable' from 'Negative' while re-affirming the rating at BB+ for long term Bank facility and A4+ for short term Bank facility. Strong credit rating by leading credit rating agency reflect the Company's financial discipline and prudence.

4. Operations in Retrospect

During the year under review, consolidated revenue from operation increased to ₹ 1252.98 million as against ₹ 555.96 million in the corresponding period of the previous year. Loss before tax stood at ₹ 226.21 million as compared to ₹ 90.03 million in the previous year, whereas the loss after tax rose to ₹ 234.27 as compared to loss of ₹ 102.95 million registered in the previous year.

5. Operational highlights

During the financial year 2013-14, Asian Oilfield has made significant gains in terms of execution of its strategy to grow the overseas business. We were awarded our first large 3 D job in Kurdistan in Northern Iraq. During the execution on this contract, Asian achieved a few significant milestones and also created a world record that was acknowledged by our customers. Some of the notable achievements include:

a. Deployment of Asian Oilfield's largest ever 3D crew.

b. First ever Vibroseis operation.

c. First ever Crew outside of the US to deploy in excess of 4000 real time wireless remote units.

d. Holder of the world record for the largest active Real time Spread ever deployed by any Seismic company.

In India, the activity continued to be low and sporadic. Asian Oilfield continued its Job Services Contract for ONGC in Western India.

After the successful Completion of the 3D work, additional 2D Vibroseis work was awarded by Gazprom and this was successfully completed in the third quarter of 2013.

In the Last quarter of 2013, a significant 3D project was awarded to AOSL in OILSEARCH in Kurdistan, to acquire over 500 Square Kms of 3D data. Preparations are underway to complete the mobilisation and commence operations. This survey will further challenge the capabilities of AOSL and its success will go a long way in establishing us a major regional player in the Middle East and South Asian Region.

6. Future Outlook

There have been a few interesting developments in the global landscape. With the success in gas production in shale and the also in the Gulf of Mexico, US has been steadily reducing its dependency on imports and the trend line is very clear. Since 1949, for the very first time, US has become a net exporter of Petroleum Products in 2011.

Due to the 'Arab Spring', there have been disruptions in the production levels of the North African countries such as Libya, Algeria and Egypt. The political disruptions have slowed down the onshore exploration activity and the major Oilfield services companies have significantly reduced their operations. Iraq continues to be unstable and has experienced disruption in its exploration activities.

Kurdistan, in North Iraq, has managed to maintain peace and calm in the region under its control. This has led to a rise in the seismic programs being tendered.

The tentative uptick of economic activity in the US and Europe is unlikely to push up crude oil prices significantly. Moderating growth in China could put downward pressure on crude prices. In absence on any adverse geopolitical event, average monthly crude prices are likely to trend lower than the average price in last 12 months.

However, Organisation of Petroleum Exporting Countries (OPEC) may lower its output as it has done in the past, in the face of moderation in crude price. While global crude prices could slip below USD100/bbl in some instances, it is unlikely to remain at such levels for a sustained period. Hence, there appears to be stability in the short to medium term scenario.

In line with our strategy, AOSL in the Middle East market is aggressively looking to consolidate its position in Iraq and Egypt. The aim is to strengthen our presence in Iraq and sequentially grow the business by optimal utilisation of existing assets. However, given the volatile nature of the Middle East region, we are also planning to diversify into East African and south / Far East markets.

In the Post Election India, there are signs of the exploration picking up pace. This could result in a higher than normal exploration activity and could potentially spur the demand for good quality seismic services in the onshore domain. We have established a strong sales and Operations team in India to ensure that we are ready to take advantage of any the growing exploration activity.

7. 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.

8. Health Safety and Environment (HSE):

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

The Company has a stringent policy / motto of "NO ONE GETS HURT" which in turn drives our employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities where we operate.

The Company's commitment to excellence in HSE is embedded in the Company's core values while at the same time ensuring the highest standards of safety and environment protection in our operations.

9. Consolidated Financial Statement

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

10. Subsidiaries

Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management's Discussion and Analysis Report. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

11. Board of Directors:

In terms of Section 152 of the Companies Act, 2013 and in terms of Article 125 of Articles of Association of the Company, Mr. Sanjay Bhargava, Director retires at the ensuing Annual General Meeting. The Company has received requisite notice in writing from members proposing Mr. Sanjay Bhargava for appointment as Director of the Company.

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Naresh Chandra Sharma, Mr. Ajit Kapadia and Mr. Rabi Narayan Bastia as Independent Directors of the Company. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the said Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

The Board of Directors at their meeting held on 12th August, 2014 appointed Mr. Ashwin Madhav Khandke as an Additional Director on the Board in terms of Section 152 of the Companies Act, 2013 read with Article No. 114 of Articles of Association of the Company. Mr. Ashwin Madhav Khandke holds office upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing along with deposit from members proposing Mr. Khandke for appointment as a Director of the Company.

Mr. Ashwin Madhav Khandke is also appointed as Wholetime Director of the Company for a further period of 3 years with effect from 12th August, 2014 and the necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

A brief note on Directors retiring by rotation and eligible for appointment and re-appointment as a Director as well as Independent Directors being appointed, is furnished in the Report on Corporate Governance.

12. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i) in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Loss of the Company for the year ended on that date;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

13. Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

14. Auditors and Auditors' Report

Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from all of them to the effect that their re - appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

15. Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Jayesh Vyas, Practicing Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, the 98 sections of the Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013, the Securities Contracts (Regulation) Act,1956, Depositories Act, 1996, the Foreign Exchange Management Act, 1999 to the extent applicable to Overseas Direct Investment (ODI) and Foreign Direct Investment (FDI), all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Listing Agreement with the BSE Limited and the Memorandum and Articles of Association of the Company.

16. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988, are provided in Annexure II to this Report.

17. Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

18. Listing of Securities:

The Company's equity shares are listed on the BSE Limited. The annual listing fee for the financial year 2013-14 has been paid to BSE.

19. Insurance:

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

20. Appreciations:

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

For and on behalf of the Board,

Date: 12.08.2014
Place: Mumbai

Naresh Chandra Sharma
Chairman

Annexure – A

ANNEXURE TO THE DIRECTORS' REPORT

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

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

(A) CONSERVATION OF ENERGY:

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

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

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

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

c) Impact of the above measures :

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

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

b) Technology Absorption, Adaptation &Innovation :

1. Efforts made toward technology absorption, adaptation & innovation.
   a) Indigenous development of drilling units, modules have been adapted.
   b) International standard has been observed in the adoption and manufacture of new items, drilling technology is indigenous.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
   Improved quality, time efficiency and cost reduction.
3. In case of imported technology following information is furnished below :
   - Technology imported : Nil
   - Year of Import : Nil
   - Has technology been fully absorbed : N.A.
   - If not fully absorbed, areas where this has not taken place, reason and future plans of action : N.A.

(C) FOREIGN EXCHANGE EARNING &OUTGO :

Sr. No.	Particulars	2013-14	2012-13
a.	**Foreign Exchange Earnings**		
	Seismic Survey and other related Charges	Nil	19,341,757
	Interest on loan to Subsidiary	39,719,909	Nil
b.	**Foreign Exchange outgo towards**		
	Traveling expenses	3,720,550	3,472,105
	Capital goods	10,256,727	48,888,227
	Revenue Payment	226,824	4,481,424

REPORT ON CORPORATE GOVERNANCE

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

"Business must harness the power of ethics which is assuming a new level of importance and power."

Rahul Talwar

CEO and Wholetime Director

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

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

2. Board of Directors

Composition and category of Directors

As on March 31, 2014, the Company has eight Directors with one Wholetime Director, three Non Executive Promoter Directors, three Non Executive Independent Directors and one Non Executive Professional Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the BSE Limited with Non-Executive Chairman and two other Non Executive Independent Directors on the Board. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014, have been made by the Directors.

DIRECTORS' PROFILE

A brief resume of Directors seeking appointment / re-appointment, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships / Chairmanships of Board Committees and their shareholding in the Company are provided below:

Sanjay Bhargava

Non-Executive Promoter Director

Mr. Sanjay Bhargava has been the Non-Executive Promoter Director of the Company since 7th March, 2011. He retires by rotation at this Annual General Meeting and is eligible for re-appointment.

Brief resume and nature of expertise

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

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

Naresh Chandra Sharma

Chairman – Non-Executive Independent Director

Mr. Naresh Chandra Sharma has been the Non-Executive Director of the Company since 1st November, 2010 and appointed as Chairman of the Company on 8th February, 2011. He is considered as an Independent Director under Clause 49 of the Listing Agreement.

Brief resume and nature of expertise

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

Mr. Naresh Chandra Sharma does not hold any shares and beneficial interest in any shares of your Company. He holds Directorship and Membership/ Chairmanship of the following other public companies / committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Mukand Ltd.	Director
2.	PSL Ltd.	Director
3.	Eskay K 'n' IT (India) Ltd.	Director
4.	Reliable Asset Reconstruction Company Limited	Director

Membership of Committee

Sr. No.	Name of the Company	Committee	Designation
1.	Mukand Limited	Audit Committee	Member
		Shareholders' Grievance	Chairman
2.	PSL Limited	Audit Committee	Member
		Shareholders' Grievance	Member
3.	Eskay K 'n' IT (India) Ltd.	Audit Committee	Member

Mr. Ajit Kapadia

Mr. Ajit Kapadia has been the Non-Executive Director of the Company since 8th February, 2011. He is considered as an Independent Director under Clause 49 of the Listing Agreement.

Brief resume and nature of expertise

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

Mr. Ajit Kapadia does not hold any shares and beneficial interest in any shares of your Company. He holds Directorship and Membership/ Chairmanship of the following other public companies / committees.

Directorships

Sr. No.	Name of the Company	Designation
1.	Gujarat Gas Company Ltd.	Director
2.	Rubamin Ltd.	Director
3.	Entegra Ltd.	Director
4.	Enertech Biofuels Ltd.	Director

Membership of Committee

Sr. No.	Name of the Company	Committee	Designation
1.	Rubamin Ltd.	Audit Committee	Member

Dr. Rabi Narayan Bastia

Non-Executive Independent Director

Dr. Rabi Narayan Bastia has been the Non-Executive Director of the Company since 4th March, 2013 and is considered as an Independent Director under Clause 49 of the Listing Agreement.

Brief resume and nature of expertise

Dr. Rabi Narayan Bastia, a reputed personality in the Hydrocarbon Industry whose endeavor has put India into international oil & gas map in a very short span of time. After heading the exploration group of Reliance for more than 16 years he has currently taken up some very distinguished and challenging international and domestic assignments. Besides his current assignment as President of Oilmax Energy P. Ltd, he holds the Director position in Hibiscus Petroleum, Malaysia and global head of exploration in Lime Oil and Gas, Sweden which has major operations in Middle-East, South-East Asia and North Sea. Besides, he is the Director of Oil field Instrumentation Pvt. Ltd which currently deals with major leading edge technologies for Oil and Gas, Ground Water and Mineral deposits. He is post-graduated in Petroleum Exploration from Norwegian Technological University, Norway and obtained his Doctoral degree in Geology from IIT, Kharagpur. He has been awarded D. Sc for the first time in the field of Petroleum research in India from ISMU, Dhanbad which was highly applauded by Alberta University, Canada & Okalahoma University, USA. He has been serving the Indian petroleum industry for about 3 decades in different capacities with distinction.

Dr. Rabi Narayan Bastia does not hold any shares and beneficial interest in any shares of your Company. He does not holds Directorship and Membership/ Chairmanship of other public companies / committees.

Mr. Ashwin Madhav Khandke

Wholetime Director

Mr. Ashwin Madhav Khandke was appointed as an Additional Director and Wholetime Director by the Board with effect from 12th August, 2014 .

Brief resume and nature of expertise

Mr. Khandke is a M.Sc in Safety, Health and Environment Technology from the National University of Singapore. He has studied at the Australian Maritime College, Tasmania, Lal Bahadur Shastri College of Advanced Maritime Studies, Mumbai and St. Stephens College, Delhi. He brings 20 years of experience in the Hydrocarbon industry. He is a Master Mariner who has commanded some of the largest oil tankers in the world as well as Floating Storage and Offtake (FSO) vessels in different oil fields. Earlier, he was responsible for setting up the HSE Management system for Tanker Pacific Offshore Terminals and driving HSE on their floating storage and production solutions projects. He played a key part in the Risk Management process for all activities of the Company and has derived good HSE performance through his people skills and mentoring abilities.

Mr. Khandke does not hold any shares and beneficial interest in any shares of your Company. He does not holds Directorship and Membership/ Chairmanship of other public companies / committees.

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;

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2013-14	Whether attended last A.G.M	No. of Directorship in other domestic public companies	No. of Committee Chairmanship / Membership in other Companies	
					Chairman	Member
Naresh Chandra Sharma	Independent Non Executive	6	No	3	–	5
Avinash Manchanda	Professional Non Executive	5	Yes	–	–	–
Sumeet Narang*	Promoter Non Executive	–	No	–	–	–
Gautam Gode	Promoter Non Executive	2	No	–	–	–
Ajit Kapadia	Independent Non-Executive	5	Yes	4	1	–
Sanjay Bhargava	Promoter Non Executive	6	Yes	–	–	–
Rabi Narayan Bastia	Independent Non-Executive	2	Yes	–	–	–
Rahul Talwar	Whole Time Director	5	Yes	–	–	–
Vikram Agarwal**	Promoter Non Executive	1	No	–	–	----

* Ceased to be Director on withdrawal of nomination by Samara Capital Partners Fund I Ltd. (Promoter of the Company) w.e.f. February 12, 2014

** appointed in casual vacancy caused by Mr. Sumeet Narang by withdrawal of nomination by Samara Capital Partners Fund I Ltd. (Promoter of the Company) w.e.f. February 12, 2014

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.

Meeting of Directors

Seven 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:

1st May 2013 , 29th May 2013 , 14th August 2013, 18th September 2013, 12th November 2013 (adjourned meeting held on 14th November 2013), 12th February 2014, 27th March 2014.

The necessary quorum was present at all the meetings.

Scheduling and selection of Agenda items for Board Meetings :

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

Post meeting follow-up mechanism :

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

Compliance :

3. Audit Committee :

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

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - changes in accounting policies and practices and reasons for the same ;
  - major accounting entries involving estimates based on the exercise of judgment by the management ;
  - qualification in draft Audit Report ;
  - significant adjustments arising out of audit findings ;
  - compliance with listing and other legal requirements relating to financial statements ;
  - the going concern assumption;
  - compliance with accounting standards ;
  - Disclosure of related party transactions.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management, the performance of

Statutory and Internal Auditors, adequacy of internal control system.

- Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
- Discussion with Internal Auditors about any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders and Shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the implementation of the Whistle Blower Mechanism.(No Whistle Blower policy in place yet.)
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.
- Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

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

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

Name	Category of Directors	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Naresh Chandra Sharma	Chairman, Independent, Non Executive	4	4
Mr. Ajit Kapadia	Member, Independent, Non Executive	4	3
Mr. Gautam Gode	Member, Promoter Director, Non Executive	4	1
Mr. Rabi Narayan Bastia	Member, Independent, Non Executive	4	1

v) Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:
May 29, 2013, August 14, 2013, November 12, 2013 (Adjourned Meeting held on November 14, 2013) and February 12, 2014.

The necessary quorum was present for all the meetings.

4. Remuneration / Compensation Committee :

i) The Company has a Remuneration Committee of Directors.

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

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

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

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

Name	Category of Directors	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Ajit Kapadia	Chairman, Independent, Non Executive	1	1
Mr. Naresh Chandra Sharma	Member, Independent, Non Executive	1	1
Mr. Sumeet Narang *	Member, Promoter Director, Non Executive	1	–
Mr. Rabi Narayan Bastia	Member, Independent, Non Executive	–	–

* Ceased to Board of Director and Member Committee on resignation w.e.f. February 12, 2014

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

The remuneration paid to the Wholetime 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.

vi) Details of Remuneration paid to Managing Director & Whole time Director during 2013-14 :

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended March 31, 2014 paid to Mr. Rahul Talwar, the Whole time Director is as follows:

(₹ in lakh)

Name of Directors	Salary	Benefits Perquisites and Allowances	Total	Stock Options granted
Mr. Rahul Talwar Whole time Director (w.e.f. May 21, 2012)	116,70,184	Nil	116,70,184	Nil

Mr. Rahul Talwar, the Whole time Director are not related to any Director. Mr. Rahul Talwar was appointed as Whole time Director for a period of 3 years with effect from May 21, 2012, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

vii) Details of sitting fees paid to Non-Executive Directors for the year ended March 31, 2014 :
Non-Executive Directors do not draw any remuneration but they were paid sitting fees @ ₹20,000/- per Board Meeting and ₹10,000/- per Committee Meetings of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and ₹5,000/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee.

Details of sitting fees paid to Non Executive Directors during the year 2013-2014 are given below: (₹ in lakh)

Name of Director	Sitting Fees paid
Mr. Naresh Chandra Sharma	150,000
Mr. Ajit Kapadia	120,000
Mr. Avinash Manchanda	120,000
Mr. Rabi Narayan Bastia	130,000

viii) Details of shares of the Company held by the Directors and their relative as on March 31, 2014 are given below :

Name	No. of Shares
Mrs. Neelam Manchanda Jointly with Mr. Avinash Manchanda	48500
Nimit Finance Private Limited (Mr. Avinash Manchanda is Director and Shareholder)	102063

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, change of address, dematerialization of shares etc.

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

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

iv) Two Meeting of Shareholders' Grievance Committee was held during the year on November 12, 2013.

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

Name	Category of Directors	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Naresh Chandra Sharma	Chairman, Independent, Non Executive	1	1
Mr. Ajit Kapadia	Member, Independent, Non Executive	1	–
Mr. Rabi Bastia	Member, Independent, Non Executive	1	1

vi) During the year under review, no complaint received by the Company and no requests for transfer and/or requests for dematerialization were pending for approval as on March 31, 2014.

6. General Body Meetings :

A. General Meeting

a) Annual General Meeting :

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

Date	Time	Place	Special Resolution
18.09.2013	9:30 a.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	–
14-08-2012	11.00 a.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	Appointment and payment of remuneration to Mr. Rahul Talwar, as the Whole time Director of the Company
10-08-2011	3.30 p.m.	Dr. I.G. Patel Seminar Hall Faculty of Social Works of M.S. University, Opp. Fatehgunj Post Office, Vadodara	i) Increase in remuneration of Mr. Miten Manchanda, the GM – Seismic Support Service, holding place of profit in the Company. ii) Alteration of Articles by removing Articles 205 to 232 from the Articles of Association

b) Extraordinary General Meeting :

Extraordinary General Meeting of the Members was held on 29.05.2013.

B. Postal Ballot:

Special Resolution was passed for issue of Equity shares on preferential basis to the promoter of the Company.

Notice dated September 18, 2013, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and said resolution was approved by the shareholders on October 22, 2013. Mr. Sanjay Shringarpure, Partner, PRS Associates was appointed as scrutinizer for conduct of Postal Ballot. The details of the voting are as under:

S. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
1	Votes in favour	34	5575491	5575491	Passed with requisite majority.
2	Votes against	2	250	250	
3	Invalid Votes	10	1819	1819	

Presently the Company has proposed Postal Ballot to take approval of its shareholders for addition/modification in main objects of the Company.

7. Disclosures:

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

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

8. Means of Communication :

A. **Quarterly Results :** The quarterly, half-yearly and annual results of the company were used to be published in widely circulated newspapers such as Business Standard, Vadodara Samachar in terms of Clause 41 of the Listing Agreement before shifting of registered office from Vadodara to Haryana and after shifting of registered office to Haryana the quarterly, half-yearly and annual results of the company are published in widely circulated newspapers such as Veer Arjun, Hindi daily, The Pioneer, English daily and Business Standard, English and Hindi both.

B. **Website:** The Company's website www.asianoilfield.com contains a separate dedicated section called"Investor Relations" where latest shareholders' information is available. The full Annual Reports for past Financial Years and past quarterly results with Code of Conduct and Ethics for Board of Directors and Senior Management Personnel are made available on the website in a user-friendly and downloadable form.

C. **Annual Report:** Annual Report containing notice and agenda of the Annual General Meeting, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report.

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

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

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

3. General Shareholder information :

i. **Annual General Meeting Details :**

At 10.00 a.m. on Thursday, the 18th September, 2014, at conference Hall of Lemon Tree Premier Hotel, Gurgaon, Haryana.

ii. **Financial Year :**
The Company follows 1st April to 31st March every year as its financial year.

iii. **Details of Book Closures :**
The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, the 13th September 2014 to Thursday, the 18th September 2014, (both the days inclusive).

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

v. **Listing on Stock Exchange:** BSE Ltd.
25th Floor, P. J. Towers, Dalal Street
Mumbai 400 001

vi. **Stock Code :** 530355

vii. **ISIN Code :** INE276G01015

viii. **Payment of Listing Fees:** Annual Listing Fees for the year 2014-15 has been paid by the company to BSE.

ix. **Payment of Depository Fees:** Annual Custody/Issuer fee for the year 2014-15 has been paid by the Company to NSDL & CDSL.

x. **Financial Calendar:**

Nature of Meeting	Purpose	Probable Date
Audit Committee/ Board Meeting	To review and approve the un-audited financial results of the Company for the quarter ending June 30, 2014, with limited review by the Auditors of the Company.	By the Second week of August, 2014
Audit Committee/ Board Meeting	To review and approve un-audited financial results of the Company for the quarter / half-year ending September 30, 2014, with limited review by the Auditors of the Company.	By the Second week of November, 2014
Audit Committee/ Board Meeting	To review and approve the un-audited financial results of the Company for the quarter / Nine Months' ending December 31, 2014, with limited review by the Auditors of the Company.	By the Second week of February, 2015
Audit Committee/ Board Meeting	To review and approve inter alia the, Audited financial results of the Company for the year ending March 31, 2015.	By the Fourth week of May 2015

xi. **Stock Market Data:**
High / Low of market price of the Company's shares traded on BSE Limited during each month in the last financial year ended March 31, 2014 is as under:

Months	High (₹)	Low (₹)	Total No. of Shares Traded
April, 2013	20.90	16.70	32,533
May, 2013	18.70	15.25	17,428
June, 2013	17.90	12.60	13,203
July, 2013	24.31	11.93	46,688
August, 2013	22.05	19.40	23,837
September, 2013	24.15	19.15	70,136
October, 2013	25.05	19.45	40,263
November, 2013	34.00	19.15	78,340
December, 2013	39.30	28.70	1,96,721
January, 2014	35.85	30.75	97,485
February, 2014	58.65	33.60	3,60,175
March, 2014	69.45	55.00	8,56,776

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

xiii. **Share Transfer System :**
Presently, the Share Transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

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

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

xi. **Distribution of Shareholding Pattern as on March 31, 2014:**

Category	No. of Shares	% of Total Capital
A. Promoters Holding		
a. Indian Promoters	5,000	0.02
b. Foreign Promoter	1,25,72,600	56.32
B. Non Promoters Holding		
a. Foreign Institutional Investors	8,96,509	4.02
b. Mutual Fund	0	0
c. Bodies Corporate	16,19,596	7.25
d. Indian Public	69,13,547	30.97
e. Non Residents Indians	1,26,844	0.57
f. Clearing Members	1,90,348	0.85
Total	2,23,24,444	100.00

xx. **Dematerialization of Shares as on March 31, 2014 :**

Sr. No.	Electronic / Physical	Mode of Holding %
1.	NSDL	87.91
2.	CDSL	8.54
3.	Physical	3.55
	Total	100.00

About 2,15,31,569 (96.44%) Equity Shares of the Company have been dematerialized. The Equity Shares of the Company are compulsorily traded in Electronic form at BSE Limited. The Equity Shares of the Company are actively traded on BSE thus ensure good liquidity for the investors.

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

xvii. **Address for Correspondence of Shareholders' Grievances relating to Shares**

Link Intime India Pvt. Ltd.	Secretarial Department
102 & 103, Shangrila Complex,	703, 7th Floor, Tower A,
1st Floor, Opp. HDFC Bank	IRIS Tech Park, Sohna Road
Near Radhakrishna Char Rasta,	Sector-48
Akota, Vadodara – 390 020	Gurgaon- 122018
Phone No. 0265 – 2356573, 2356794	PhoneNo.0124-4256145
Fax No. (0265) – 2356791	Fax No. (0124)6606406
E-mail : vadodara@linkintime.co.in	Email : secretarial@asianoilfield.com

xviii. **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.

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 comprises three Non-Executive Independent Directors.

b) Whistleblower policy :
The Company is in the process of formulating a Whistleblower Policy.

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

Risk management:
The Company addressed various risks and its policy on risk management is provided in the Management discussion and analysis report provided 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 has framed and adopted a Code of Conduct, which is approved by the Board. The Code is applicable to all directors and senior management personnel of the Company. This Code has been posted on the Company's website www.asianoilfield.com. All the Directors and senior management personnel have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board.

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

12. Board / Committee Meeting and procedure :

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

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

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

c) Briefing the Board :
At the beginning of each Meeting of the Board, the CEO & Whole time Director, briefs the Board Members about the operational status of projects under execution & the business development efforts in progress.

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

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

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

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

For and on behalf of the Board,

Date: 12.08.2014
Place: Mumbai

Rahul Talwar
CEO & Whole Time Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT :

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

I confirm that the Company has, in respect of the financial year ended March 31, 2014 received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Executive Officer, Chief Finance Officer, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2014.

For and on behalf of the Board,

Date: 26-05-2014
Place: Mumbai

Rahul Talwar
CEO & Whole Time Director

SECRETARIAL AUDIT REPORT

The Board of Directors,
Asian Oilfield Services Limited
703 - 704, 7th Floor, Tower A,
IRIS Tech Park, Sector 48, Sohna Road,
Gurgaon – 122018, Haryana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Oilfield Services Limited ("the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2014 according to the provisions of -
2. The Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013;
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
5. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI) and Foreign Direct Investment (FDI);
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   - The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 1992;
   - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
   - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
   - The Equity Listing Agreements with BSE Limited; and
   - The Memorandum and Articles of Association.

Further that the Company has duly created, maintained and updated ;

(a) various statutory registers and documents and making necessary entries therein;

(b) observed closure of the Register of Members;

(c) filed various forms, returns, documents and resolutions as required to be filed with the Registrar of Companies and the Central Government;

(d) served of documents by the Company on its Members, Auditors and the Registrar of Companies;

(e) issued from time to time on regular basis the notice of Board meetings and Committee meetings of Directors;

(f) held meetings of Directors and Committees of Directors and those are , including passing of resolutions by circulation properly , recorded in the Minutes Book kept for the purpose;

(g) recorded proceedings of General Meetings and of the Board and its Committee meetings in the Minutes Books General Meeting, Board Meetings and Committee Meetings held on September 18, 2013 , kept for the purpose;

(h) obtained approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

(i) maintained and updated the details of constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Whole-time Director in the register meant for it;

(j) paid remuneration to Directors including the Whole-time Director as approved ;

(k) observed applicable provisions of appointment and remuneration of Auditors;

(l) recorded transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

(m) Since the company has not issued debenture and hence the payment of interest on debentures and redemption of debentures were not required to be complied;

(n) the Company had not declared the payment of dividends since last seven years, hence no provisions relating thereto were required to be complied with. In view thereof, there were no unpaid amount which were required to be transferred to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

(o) all the borrowings availed by the Company from Banks are with requisite approval of the Board and necessary forms as required in terms of Companies Act are filed with ROC / MCA for their registration by way of creation, modification and /or satisfaction of charges wherever applicable within the stipulated time and the same are also properly recorded in the Register of Charges ;

(p) All the investments made by the Company out of its funds including inter-corporate loans and investments and loans to others and giving guarantees in connection with loans taken by subsidiaries are with requisite prior approval of the Board of Directors and the Shareholders and are properly recorded in the registers meant for the same ;

(q) We confirm the adherence of form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act, ;

(r) There was no issue and allotment of equity shares of the Company pursuant to Employees Stock Option Scheme, during the Financial Year under review;

(s) The Company has complied with all the requirements as laid down under Section 217 of the of the Companies Act, 1956 with regard to the Directors' report;

(t) The Company has been availing, from time to time, prior approval of the Board in terms of related party contracts and transactions and extract thereof are duly recorded in the Register of Contracts. As regards maintenance of Common Seal register , proper records are made thereunder as required.. The Company has been keeping its Board / hoarding of its name and address of its Registered Office and other particulars at its registered office place and whenever required, the same are published ; and

(u) generally, all other applicable provisions of the Companies Act, and the Rules made under the Act are complied with, within statutory time, generally , with few exception of delayed filings of forms, on MCA Site, due to its non working and being non functional for some time.

7. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

Date : 10-08-2014 **(Jayesh Vyas)**

Place : Baroda *Practicing Company Secretary*

F C S no. 5072 ; C P No. 1790

CERTIFICATE

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

This is to certify that;

We have reviewed financial statements and the Cash Flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief that:

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

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

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

(b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

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

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

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

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

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 12-08-2014 **Tarun Pal**

Place : Mumbai *Chief Financial Officer*

FINANCIAL SECTION

Independent Auditors' Report

To
The Members of
ASIAN OILFIELD SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ASIAN OILFIELD SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March , 2014; the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

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

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

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

(Gaurav J. Shah)
(Partner)
Vadodara, 26th May,2014 (Membership No. 35701)

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Asian Oilfield Services Limited for the year ended on 31st March 2014)

(i) In respect of its fixed assets:

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

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

(c) The fixed assets disposed off during the year, 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 regular intervals.

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

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

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

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

(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 need to be entered in the Register maintained under the said sections.

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

(vii) In our opinion, the internal audit functions carried out during the year by a 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, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it with appropriate authorities, *except for some delays which have been paid along with interest.*

(b) There were no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at March 31, 2014 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, customs duty and excise duty which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount (₹)	Period to which the amount relates
Income Tax Act, 1961	Income Tax	C.I.T. Appeals	98,00,000	AY 2008-09

(x) The accumulated losses of the Company as at the end of the financial year are not more than fifty percent of its net worth and the Company has incurred cash losses in the financial year covered by our audit 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 repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(xii) Based on our examination of records and the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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

(xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans during the year.

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

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.

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

(xx) According to the information and explanations given to us, during the period covered by our audit report, the Company has not raised any money by way of public issues.

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

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

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Vadodara, 26th May,2014

Balance Sheet as at March 31, 2014

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2014	As at Mar 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	223,244,440	153,244,440
(b) Reserves and surplus	4	415,630,145	585,142,976
		638,874,585	738,387,416
2 Non-current liabilities			
(a) Long-term borrowings	5	778,988	1,883,127
(b) Other Long term liabilities	6	-	22,839,840
(c) Long-term provisions	7	1,107,708	574,093
		1,886,696	25,297,060
3 Current liabilities			
(a) Short-term borrowings	8	425,678,093	245,919,819
(b) Trade payables	9	58,962,106	139,652,375
(c) Other current liabilities	10	50,562,576	49,882,356
(d) Short-term provisions	11	2,422,699	2,482,978
		537,625,474	437,937,528
TOTAL		1,178,386,755	1,201,622,004
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	12	247,842,136	315,982,916
(ii) Intangible assets		1,026,065	2,037,305
(iii) Capital work-in-progress		-	23,474,898
(iv) Intangible assets under development		1,232,280	1,232,280
		250,100,481	342,727,399
(b) Non-current investments	13	3,157,059	3,157,059
(c) Long-term loans and advances	14	22,650,867	33,588,317
		275,908,407	379,472,775
2 Current assets			
(a) Current investments	15	-	59,478,674
(b) Inventories (Stores and spares)		39,150,006	49,787,584
(c) Trade receivables	16	121,153,753	200,169,157
(d) Cash and cash equivalents	17	60,692,043	177,332,816
(e) Short-term loans and advances	18	646,252,188	159,922,358
(f) Other current assets	19	35,230,358	175,458,639
		902,478,348	822,149,229
TOTAL		1,178,386,755	1,201,622,004
See accompanying notes forming part of the financial statements	25		

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : May 26, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

Particulars		Note No.	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
I.	Revenue from operations (Gross)	20	202,174,053	535,090,932
	Less : Service Tax		22,239,866	57,157,314
	Net Revenue from operations		179,934,187	477,933,618
II.	Other income	21	86,209,389	66,410,053
III.	Total Revenue (I + II)		266,143,576	544,343,671
IV.	Expenses:			
	Employee benefits expense	22	87,068,943	126,180,736
	Finance costs	23	72,157,665	31,684,179
	Depreciation and amortization expense	12	77,745,890	88,135,486
	Other expenses	24	271,291,747	378,959,320
	Total expenses		508,264,245	624,959,720
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(242,120,669)	(80,616,049)
VI.	Exceptional items	25.15	7,823,192	13,842,477
VII.	Profit / (Loss) before tax (V- VI)		(249,943,861)	(94,458,526)
VIII.	Tax expense:			
	(1) Deferred tax		-	(1,005,708)
	(2) Income Tax - Earlier Year		-	-
	(3) Wealth Tax		68,970	84,140
IX	Profit / (Loss) for the period from continuing operations (VII-VIII)		(250,012,831)	(93,536,958)
X	Earnings per equity share:			
	(1) Basic		(13.88)	(6.10)
	(2) Diluted		(13.88)	(6.10)
	See accompanying notes forming part of the financial statements	25		

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : May 26, 2014

Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

	For the year ended Mar 31, 2014		For the year ended Mar 31, 2013	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) before Tax as per Profit & Loss Account		(249,943,861)		(94,458,525)
Adjusted for:				
Interest and finance charges	72,157,665		30,669,955	
Dividend received	(870,693)		(6,750,674)	
Profit on Sale of Fixed Assets (net)	(12,125,909)		(852,051)	
Depreciation	77,745,890		88,135,486	
Interest income from Bank and Others	(48,337,754)		(22,126,639)	
Unrealised Gain due to Foreign Exchange Fluctuation	(13,778,557)		(196,882)	
Excess Provision Written Back	-		(7,394,471)	
Provision for Doubtful Debts	7,948,192		15,999,108	
		82,738,834		97,483,832
Operating Profit before Working Capital Changes		(167,205,026)		3,025,306
Adjusted for:				
Inventories	10,637,578		(14,922,344)	
Sundry debtors	71,067,213		(30,118,042)	
Loans and advances	173,216,528		(131,008,383)	
Trade Payables, Current liabilities & Other Provisions	(91,789,602)		57,681,833	
		163,131,717		(118,366,936)
Cash Generated from Operations		(4,073,309)		(115,341,630)
Taxes paid (net of refunds)		(7,570,518)		(666,614)
Net Cash Used in Operating Activities		(11,643,827)		(116,008,244)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(33,414,830)		(94,367,139)
Proceeds from the sale of Asset		71,647,993		44,833,829
Change in Payables for Capital Goods		(22,839,840)		22,839,840
Purchase of investments		-		-
Sale of investments		59,478,674		48,386,826
Investment in Subsidiary		-		(3,026,000)
Loan to Subsidiary		(495,193,248)		(61,601,795)
Margin Money Deposited		85,518,402		(2,607,662)
Dividend Income received		870,693		6,750,674
Interest Income received		45,204,255		13,431,375
Net Cash used in Investing Activities		(288,727,901)		(25,360,052)

Cash Flow Statement for the year ended March 31, 2014 *(Contd.)*

(Amount in ₹)

	For the year ended Mar 31, 2014		For the year ended Mar 31, 2013	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
Proceeds from Share Capital		150,500,000		-
Proceeds from Borrowings		335,000,000		116,671,133
Repayment of Borrowings		(182,190,215)		(42,268,215)
Interest and finance charges paid		(34,060,426)		(27,736,888)
Net Cash Flow from Financing Activities		269,249,359		46,666,030
Net Increase / (Decrease) in Cash and Cash Equivalents		(31,122,369)		(94,702,266)
Opening Balance of Cash and Cash Equivalents		39,069,057		133,771,323
Closing Balance of Cash and Cash Equivalents		7,946,687		39,069,057

Notes :

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

(ii) Cash & Cash Equivalents comprise of:

(Amount in ₹)

	As at Mar 31, 2014	As at Mar 31, 2013
Cash on Hand	294,206	2,079,659
Balances with Scheduled Banks		
- on current accounts	7,642,481	36,979,398
- on fixed deposit accounts	10,000	10,000
	7,946,687	39,069,057

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board of Directors

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : May 26, 2014

Notes forming part of the financial statements

1. Corporate Information

Asian Oilfield Services Limited (the "Company") is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956 and is listed on the Bombay Stock Exchange (BSE). The Company is a reservoir imaging company, offering a suite of geophysical services specializing in land and well seismic services. The portfolio of services include 2D and 3D seismic data acquisition, processing and interpretation, topographic survey, continuous core drilling for mineral and CBM exploration, wire-line logging and directional core drilling to target shallow horizons. In addition to the core services the Company also provides specialized high technology services to oil and gas companies for targeted applications. The Company possesses an experience of working in difficult terrains while respecting local socio-economic realities and environment. The Company has expanded its activities through its foreign subsidiaries to cater to the international markets. The Registered Office of the Company is located at 29, Payal Complex, Station Road, Vadodara – 390020 (Gujarat) and Corporate Office at 703, IRIS Tech Park, Tower-A, Sector-48, Sohna Road, Gurgaon-122018 (Haryana).

2. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention

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

B. Use of Estimates

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

C. Fixed Assets and Depreciation

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

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

D. Intangible Assets and Amortization

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

E. Inventories

Inventories of stores and consumables are stated at lower of cost and net realizable 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. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO).

F. Cash Flow

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

Notes forming part of the financial statements

G. Foreign Currency Transactions

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

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

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

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

H. Investments

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

I. Employee Stock Option Scheme

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

J. Employee Benefits

i. Post-employment benefit plans

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

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

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

ii. Short-term employee benefits

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

iii. Long-term employee benefits

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

K. CENVAT Credit

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

Notes forming part of the financial statements

L. Revenue Recognition

a. Services

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

b. Interest

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

c. Dividend

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

M. Taxes on Income

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

Current Tax:

Provision for taxation is based on assessable income of the Company as determined under the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

Deferred Tax:

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

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

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

N. Borrowing Costs

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

Earnings per share

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

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

O. Provisions, Contingent liabilities and Contingent Assets

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

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

Notes forming part of the financial statements

Note 3 Share Capital

(Amount in ₹)

Particulars	As at Mar 31, 2014		As at 31 March 2013	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹10 each	50,000,000	500,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹10 each	22,324,444	223,244,440	15,324,444	153,244,440
Subscribed & fully Paid up				
Equity Shares of ₹10 each	22,324,444	223,244,440	15,324,444	153,244,440
Total	22,324,444	223,244,440	15,324,444	153,244,440

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

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the year	15,324,444	10
Shares Issued during the year	7,000,000	10
Shares bought back during the year	-	-
Shares outstanding at the end of the year	22,324,444	10

Pursuant to preferential allotment, the Company alloted 7,000,000 equity shares of ₹10 each at premium of ₹11.50 each on November 7, 2013 to Samara Capital Partners Fund I Ltd. Out of the issue proceeds of preferential allotment of ₹1,505 lacs, the Company has utilised full amount in Investment /Grant of loan to subsidiary to support growth Plans/ long term working capital and for general corporate purpose.

ii. Terms & Rights attached to each class of shares

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

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

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

Name of Shareholder	As at Mar 31, 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share				
Samara Capital Partners Fund I Ltd.	12,566,700	56.29%	5,566,700	36.33%

iv. As at 31st March, 2014 5,77,683 shares (as at 31st March, 2013 5,77,683 shares) of ₹10 each were reserved for issuance towards outstanding employee stock options granted.

The ESOS compensation committee of the company at their meeting held on 7th December 2010 has granted 5, 77,683 stock options to the eligible employees (38), under the Employees Stock Option Scheme-2010 (ESOS-2010) at the exercise price of ₹55.70 per option, being the latest available price on the stock exchange prior to the date of grant, out of which 6 employees are continuing in the Company, having an option of exercising grant of 114,080 shares. The vesting of the option granted would be graded over a period of four years i.e. on 15th December 2012, 1st October 2013, 1st October 2013, 1st October 2014, with the exercise period being 2 years from the date of vesting. The company has applied the intrinsic value method for accounting of such options.

Notes forming part of the financial statements

Note 4 Reserves & Surplus

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
a. Capital Reserves		
Opening Balance	44,578,226	44,578,226
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	44,578,226	44,578,226
b. Securities Premium Account		
Opening Balance	590,194,704	590,194,704
Add : Securities premium credited on Share issue	80,500,000	
Closing Balance	670,694,704	590,194,704
c. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	(49,629,954)	43,907,003
(+) Net Loss For the current year	(250,012,831)	(93,536,957)
Closing Balance	(299,642,785)	(49,629,954)
Total	415,630,145	585,142,976

Note 5 Long Term Borrowings

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Secured		
Term loans		
From banks	-	-
Finance lease obligations	778,988	1,883,127
Total	778,988	1,883,127

Notes:

1. Vehicle Loan from HDFC Bank was taken during FY 2012-13 and carries interest of 12% per annum, maturing on 15/12/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.
2. Vehicle Loan from OAIS was taken during FY 2012-13 and carries interest of 16.40% per annum, maturing on 15/10/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.

Note 6 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
(a) Trade Payables	-	22,839,840
Total	-	22,839,840

Note 7 Long Term Provisions

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Provision for employee benefits		
Leave Encashment (Refer Note 25.7)	1,107,708	574,093
Total	1,107,708	574,093

Notes forming part of the financial statements

Note 8 Short Term borrowings

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Secured		
Loans repayable on demand		
from banks	65,678,093	220,870,504
Unsecured		
Loans repayable on demand		
from other parties	360,000,000	25,049,315
Total	425,678,093	245,919,819

Notes:

1. Cash Credit from Banks is secured by hypothecation of all chargeable current assets of the company and pledge of Term Deposits. Cash Credit is repayable on demand and carries rate of interest of 14.5% per annum
2. Unsecured ICD of ₹25 Crores from Global Coal & Mining Pvt Ltd carries rate of interest of 15.25% per annum and is repayable in 2 equal installments wherein the first installment falls due on 28th May, 2014 (12 months from the date of deposit i.e. 28th May 2013.)
3. Unsecured ICD of ₹11 Crores from Thriveni Earthmovers Pvt Ltd repayable on demand and carries rate of interest of 15.00% per annum

Note 9 Trade Payables

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Due To		
- Micro Enterprises & Small Enterprises	-	-
- Others	58,962,106	139,652,375
Total	58,962,106	139,652,375

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

Note 10 Other Current Liabilities

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
(a) Current maturities of long-term debt	-	26,000,000
(b) Current maturities of finance lease obligations	1,104,308	948,658
(c) Interest accrued and due on borrowings		
- Term Loan	12,333	350,942
- Others	44,228,950	5,793,102
(d) Other payables -		
Deposits	-	954,923
TDS Payable	2,009,470	2,875,095
Service Tax Payable	1,533,799	11,617,513
PF Payable	43,210	241,991
VAT Payable	-	662,019
Outstanding severance pay	1,630,506	438,113
Total	50,562,576	49,882,356

Note 11 Short Term Provisions

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Provision for employee benefits		
Bonus & Ex gratia	2,385,850	2,465,666
Gratuity (Funded) (Refer Note 25.7)	-	-
Leave Encashment (unfunded) (Refer Note 25.7)	36,849	17,312
Total	2,422,699	2,482,978

Notes forming part of the financial statements

Note 12 Fixed Assets

(Amount in ₹)

DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1-Apr-13	Addition	Deductions	As at Mar 31, 2014	As at 1-Apr-13	Adjustments	For the period	As at Mar 31, 2014	As at Mar 31, 2014	As at Mar 31, 2013
	a	b	c	d[a+b-c]	e	f	g	h[e-f+g]	i[d-h]	j[a-e]
(i) TANGIBLE ASSETS										
Freehold Land	794,750			794,750	-		-	-	794,750	794,750
Building	2,274,959			2,274,959	741,660		176,582	918,242	1,356,717	1,533,299
Oilfield Equipment	321,695,817	65,050,367	58,723,062	328,023,122	119,153,257	17,369,216	36,703,115	138,487,155	189,535,967	202,542,560
Furniture & Fixture	2,016,728	187,062	-	2,203,790	1,384,707	-	72,710	1,457,417	746,373	632,021
Office Equipments	2,468,810	335,579	85,379	2,719,010	400,632	7,898	119,098	511,832	2,207,178	2,068,178
Computer	299,587,301	2,243,601	63,609,098	238,221,804	205,071,539	46,791,329	37,688,498	195,968,708	42,253,096	94,515,762
Vehicles	17,900,281	-	1,895,798	16,004,483	4,297,479	622,812	1,652,173	5,326,840	10,677,643	13,602,802
Vessels	327,147	-	-	327,147	33,607	-	23,130	56,737	270,410	293,540
TOTAL	647,065,793	67,816,609	124,313,337	590,569,065	331,082,881	64,791,255	76,435,306	342,726,932	247,842,133	315,982,912
(ii) INTANGIBLE ASSETS										
Computer Software	10,410,850	299,344		10,710,194	8,373,545		1,310,584	9,684,129	1,026,065	2,037,305
TOTAL	10,410,850	299,344	-	10,710,194	8,373,545	-	1,310,584	9,684,129	1,026,065	2,037,305
GRAND TOTAL	657,476,643	68,115,953	124,313,337	601,279,259	339,456,426	64,791,255	77,745,890	352,411,061	248,868,198	318,020,217
Previous year	663,340,806	59,083,736	64,947,899	657,476,643	272,287,058	20,966,118	88,135,486	339,456,426	318,020,217	391,053,748

Notes forming part of the financial statements

Note 13 Non Current Investments

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Trade Investments		
Investment in Equity instruments	3,157,059	3,157,059
Total	3,157,059	3,157,059

A. Details of Trade Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)	
		2014	2013			2014	2013	2014	2013
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Investment in Equity Instruments of Subsidiaries								
1	AOSL Petroleum Pte Ltd.	1,000	1,000	Unquoted	Fully Paid up	100%	100%	31,059	31,059
2	Asian Offshore Private Limited	10,000	10,000	Unquoted	Fully Paid up	100%	100%	100,000	100,000
3	Asian Oilfield & Energy Services DMCC	200	200	Unquoted	Fully Paid up	100%	100%	3,026,000	3,026,000
	Total							3,157,059	3,157,059

Note 14 Long Term Loans & Advances

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
a. Security Deposits		
Unsecured, considered good	23,550,867	23,262,092
Less: Provision for doubtful deposits	(900,000)	(900,000)
	22,650,867	22,362,092
c. Inter - Corporate Loan		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	-	-
d. Capital Advances		
Secured, considered good	-	11,226,225
Total	22,650,867	33,588,317

Note 15 Current Investments

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Investments in Mutual Funds (Unquoted)		
5,496,800.001 units of L296G SDFS - 366 Days - 5 - Growth	-	59,478,674
Total	-	59,478,674

Notes forming part of the financial statements

Note 16 Trade Receivables

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	70,543,225	142,175,240
	70,543,225	142,175,240
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	48,557,830	59,794,492
Unsecured, considered doubtful	34,681,020	22,879,555
Less: Provision for doubtful trade receivables	32,628,322	24,680,130
	50,610,528	57,993,917
Total	121,153,753	200,169,157

Note 17 Cash & Cash equivalents

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Cash & Cash Equivalents		
Cash on hand	294,206	2,079,659
Balances with banks		
- in Current Account	7,642,481	36,979,399
- in Deposit Account	52,755,356	138,273,758
[including margin money of ₹52,745,356 (Previous year ₹138,263,758)]		
Total	60,692,043	177,332,816

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

Note 18 Short Term Loans & Advances

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
a. Loans and advances to related parties		
Unsecured, considered good	556,810,043	61,616,795
Less: Provision for doubtful loans and advances	-	-
	556,810,043	61,616,795
b. Other loans and advances		
Deposits	764,484	764,484
Prepaid Expenses	4,332,455	5,473,966
Employee Advances	1,413,674	6,091,876
Advance to suppliers	29,034,242	42,750,830
Income Tax receivable	49,279,595	41,778,047
Service Tax receivable	4,617,695	1,446,360
	89,442,145	98,305,563
Total	646,252,188	159,922,358

Notes forming part of the financial statements

Note 19 Other Current assets

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Interest Accrued on Deposits	19,275,895	16,142,396
Accrued Service Income	15,954,463	159,316,243
Total	35,230,358	175,458,639

Note 20 Revenue from Operations

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Sale of services - Seismic Survey & Mining Related (Gross)	202,174,053	535,090,932
Less: Service Tax	22,239,866	57,157,314
Total	179,934,187	477,933,618

Note 21 Other Income

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Interest Income	48,337,754	22,126,639
Dividend Income from current investments	870,693	6,750,674
Rental Income	359,157	20,302,957
Realised net gain on foreign currency transactions (other than considered as finance cost)	6,062,855	-
Unrealised net gain on foreign currency translations (other than considered as finance cost)	13,778,557	465,169
Interest on Income Tax Refund	-	1,138,418
Insurance Claim	-	6,013,979
Miscelleneous Income	4,674,464	1,365,695
Excess Provision written back	-	7,394,471
Profit on disposal of Asset	12,125,909	852,051
Total	86,209,389	66,410,053

Notes:

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
(i) Interest Income comprises :		
Interest on Loan to Subsidiary	39,719,909	841,101
Interest on Bank Deposits	8,617,845	21,285,538
Total	48,337,754	22,126,639

Notes forming part of the financial statements

Note 22 Employee Benefit Expenses

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Salaries, Exgratia and Bonus	66,670,559	97,320,263
Contribution to Provident Fund and Other Funds	1,640,143	3,808,899
Staff Welfare Expenses	6,738,057	19,956,060
Remuneration to Directors	12,020,184	5,095,514
Total	87,068,943	126,180,736

Note 23 Finance Cost

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
(a) Interest expense		
- Bank	18,401,969	24,992,108
- Others	48,104,112	49,315
- Interest on delayed payments of statutory dues	2,908,577	1,014,224
(b) Bank Charges	2,743,007	5,896,819
(c) Net gain on foreign currency transactions and translation (considered as finance costs)	-	(268,287)
Total	72,157,665	31,684,179

Note 24 Other Expenses

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Operating Expenses		
Sub-contract Charges	145,814,170	134,060,426
Stores and Consumables Consumed	21,349,809	18,434,331
Camp Establishment & Maintainance	-	512,603
Machinery Hire Charges	2,432,923	9,698,251
Vehicle Hire Charges	3,242,365	20,298,320
Fuel Expenses Rig	4,217,620	25,654,505
Crop Compensation	1,442,620	2,924,555
Labour Charges	12,159,725	47,602,224
Other Operational Expenses	3,993,651	8,549,672
Administration & Other Expenses		
Business Promotion Expenses	2,001,872	3,792,583
Rent	9,826,872	6,632,439
Rates & Taxes	350,056	461,737
Travelling and Conveyance	17,820,840	31,158,136
Loss on sale of Asset	-	1,875,995
Printing and Stationery	1,392,717	1,703,571
Advertisement	89,072	426,325
Freight, Telephone and Postage Expenses	10,693,510	14,285,891
Insurance	3,773,751	5,048,892
Power and Fuel	508,782	476,219

Notes forming part of the financial statements

Note 24 Other Expenses *(Contd.)*

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Auditor's Remuneration	945,161	703,031
Legal and Professionals Charges	15,810,858	20,018,611
Provision for Doubtful Trade Receivables	125,000	768,689
Bad Debts	391,558	298,135
Provision for Doubtful Advances	-	1,089,807
Directors Sitting Fees	493,000	451,000
Repairs and Maintenance		
- Building	1,274,612	1,093,216
- Plant and Machinery	3,609,873	8,340,363
- Others	986,786	9,676,858
Donation	4,500	45,663
ST Penalty	-	1,099,487
Miscellaneous Expenses	6,540,043	1,777,785
Total	271,291,747	378,959,320

Notes:

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
(i) Payments to the auditors comprises :		
As auditors - Statutory audit	925,000	675,000
For taxation and other matters	370,000	965,000
Reimbursement of expenses	20,161	11,818
Total	1,315,161	1,651,818

Note 25 Additional Information

1. Contingent Liabilities

(Amount in ₹)

Particulars	Mar 31, 2014	Mar 31, 2013
Towards Guarantees issued by bank	15,380,000	100,588,064
Demand for Income Tax contested by the Company	30,072,513	16,290,153

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

2. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

(Amount in ₹)

Name of the Party	Relationship	Amount outstanding as on 31st March, 2014	Maximum balance outstanding during the year
Asian Oilfield and Energy Services DMCC	Subsidiary	506,937,162	509,208,932
Asian Offshore Private Limited	Subsidiary	281,645	281,645
AOSL Petroleum Pte. Ltd.	Subsidiary	102,038,661	133,651,017

Notes forming part of the financial statements

Note 25 Additional Information *(Contd.)*

3. Dues of Micro, Small & Medium Enterprises

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

4. Information in respect of related parties

During the year, the Company entered into transactions with related parties. List of related parties along with nature and volume of transaction and balance at 31st March 2014 are presented below:

a) Holding : Samara Capital Partners Fund I Ltd

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

c) Key Management Personnel : Mr. Rahul Talwar- Whole Time Director

Transactions with Related Parties

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

(Amount in ₹)

S. No.	Nature of Relation/ Nature of Transaction	2013-14	2012-13
A	Holding Company -		
	Samara Capital Partners' Fund (I) Limited Preferential allotment of shares (70 Lakhs Equity Shares @ ₹21.50 per share)	150,500,000	Nil
B	Subsidiary -		
	1. AOSL Petroleum PTE LTD.		
	Loan to Subsidiary	13,635,500	61,024,795
	Reimbursement of expense/ other advance	10,126,519	24,607,756
	Sale of Equipment	Nil	13,096,148
	Rental Income	Nil	134,940
	Administrative Charges Recovered	Nil	1,230,395
	Interest on Loan Advanced	7,489,198	839,444
	2. Asian Oilfield & Energy Services DMCC		
	Investment in equity shares	Nil	3,026,000
	Loan to Subsidiary	482,543,500	592,000
	Reimbursement of Expense/other advance	34,965,171	790,507
	Sale of Equipment	76,060,246	Nil
	Interest on Loan Advanced	32,230,554	1,657
	3. Asian Offshore Private Limited		
	Investment in equity shares	Nil	Nil
	Reimbursement of Expense/other advance	43,450	35,000
C	Balances with Related Parties -		
	1. Subsidiary - AOSL Petroleum Pte Ltd.		
	Investment in equity shares	31,059	31,059
	Unsecured Loan	82,456,926	61,024,795
	Other Advances	19,581,735	46,463,710

Notes forming part of the financial statements

Note 25 Additional Information *(Contd.)*

(Amount in ₹)

S. No.	Nature of Relation/ Nature of Transaction	2013-14	2012-13
	2. Subsidiary - Asian Oilfield & Energy Services DMCC		
	Investment in equity shares	3,026,000	3,026,000
	Unsecured Loan	474,353,117	592,000
	Other Advances	32,584,045	790,507
	3. Subsidiary - Asian Offshore Private Limited		
	Investment in equity shares	100,000	100,000
	Other Advances	281,645	238,195
D	Remuneration to key managerial person and relative of key Managerial person		
	Managing Director/Whole Time Director		
	Salaries	11,660,824	14,276,165
	Contribution to provident fund and other funds	9,360	7,800
		11,670,184	14,283,965
E	Relative of Key Managerial Person		
	Salaries	Nil	1,381,311
	Contribution to provident fund and other funds	Nil	7,800
		Nil	1,399,111
	(The above figures do not include provision for leave encashment)		

5. Segment Reporting

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

6. Leases

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

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

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

7. Employee Benefits

a) Defined Contribution Plan

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

Notes forming part of the financial statements

Note 25 Additional Information *(Contd.)*

The Company recognized ₹16,40,143 (March 31, 2013: ₹15,10,032) for provident fund contributions in the profit and loss account.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

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

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2014.

(Amount in ₹)

S. No.	Nature of Relation/ Nature of Transaction	2013-14	2012-13
		Gratuity	
I	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	515,407	638,774
	b. Interest Cost	135,659	181,772
	c. Expected return on plan assets	(266,505)	(305,389)
	d. Actuarial (Gain)/Loss	1,029,978	(1,509,981)
	e. Addl. Charge/(write-back) on account of change in policy		-
	f. Net expense recognised in Profit & Loss Account	1,414,539	(994,824)
II	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	1507,317	2,209,352
	b. Current service cost	515,407	638,774
	c. Interest Cost	135,659	181,772
	d. Actuarial (Gain)/Loss	1,029,978	(1,509,981)
	e. Benefits paid	(1,784,548)	(12,600)
	f. PV of obligation as at the end of the year	1,403,813	1,507,317
III	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	4,046,829	3,754,040
	b. Expected return on plan assets	266,505	305,389
	c. Actuarial (Gain)/Loss	-	-
	d. Contributions	656,796	-
	e. Benefits paid	(1,784,548)	(12,600)
	f. Fair value of plan assets as at the end of the year	3,185,582	4,046,829
IV	Net Assets/ Liabilities recognized in the Balance sheet		
	a. PV of obligation as at the end of the year	1,403,813	1,507,317
	b. Fair value of plan assets as at end of the year	3,185,582	4,046,829
	c. Net Liabilities/(Assets) recognised in the Balance sheet at year end	(1,781,769)	(2,539,512)
V	Principal Actuarial Assumptions		
	a. Discount rate (per annum) (Refer Note-a)	9.00%	8.25%
	b. Expected return on plan assets (Per annum) (Refer Note-b)	9.10%	8.15%
	c. Expected increase in salary costs (per annum (Refer Note-c)	5%	5%

Notes forming part of the financial statements

Note 25 Additional Information *(Contd.)*

Notes:

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

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

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

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

8. Deferred Income Tax

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

	Mar 31, 2014	Mar 31, 2013
Depreciation	(18,926,965)	(38,026,160)
Deferred Tax Assets		
- Employee benefits	(12,027)	(347,378)
- Provision for doubtful debts	10,916,206	7,373,523
- Unabsorbed Depreciation (restricted to the extent of deferred tax liability on depreciation on account of virtual certainty)	8,022,786	31,000,015
	Nil	Nil

9. Earnings Per Share

(Amount in ₹)

Particulars	2013-14	2012-13
Net Profit/ (Loss) after tax for the year	(250,012,831)	(93,536,957)
Number of Equity Shares outstanding as at year end	22,324,444	15,324,444
Nominal value of Equity Share (in ₹)	10	10
Weighted average number of Equity Shares	18,009,332	15,324,444
Basic and Diluted Earnings/ (Loss) Per Shares (in ₹)	(13.88)	(6.10)

10. Stores & Consumables Consumed

Particulars	2013-14	%	2012-13	%
Imported	226,824	1.06%	2,750,101	14.92%
Indigenous	21,180,592	98.94%	15,684,230	85.08%
Total	21,407,416	100%	18,434,331	100%

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

(Amount in ₹)

Particulars	2013-14	2012-13
Capital Goods	10,256,727	48,888,227
Stores and spares consumable	226,824	2,750,101

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

(Amount in ₹)

Particulars	2013-14	2012-13
Travelling Expenses	3,720,550	3,472,105
Professional Services	Nil	1,831,323

Notes forming part of the financial statements

Note 25 Additional Information *(Contd.)*

13. Earnings in foreign currency

(Amount in ₹)

Particulars	2013-14	2012-13
Interest Income	39,719,909	841,101
Export of Goods	Nil	1,625,221
Rental Income	Nil	19,341,757

14. Derivative Instruments

There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2014 (Previous year: ₹ Nil). Details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars		Amount in foreign currency		Equivalent amount in Indian currency	
	Currency	2013-14	2012-13	2013-14	2012-13
Receivables	US Dollar	937,608	938,667	53,748,517	51,053,441
Payables	Euro	Nil	265,447	Nil	18,460,176
	US Dollar	21,271	Nil	1,278,400	Nil
Advances	US Dollar	9,533,668	1,391,715	592,038,892	75,694,429
	AED	Nil	40,000	Nil	592,000

15. Current assets and loans and advances

In the opinion of the Board of Directors the current assets, loans and advances have a value realisation in the ordinary course of businessat least equal to the amount at which they are stated and provision for all known liabilities has been made.As a matter of prudence, Company has made provision of ₹78.23 Lacs in the current year (Previous year : ₹138.42 Lacs) towards doubtful recovery of debt, which has been reflected as Exceptional Items in the Statement of Profit and Loss.

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

For and on behalf of the Board

N C Sharma *Chairman*	Rahul Talwar *Whole Time Director*
Kanika Bhutani *Company Secretary*	Tarun Pal *Chief Financial Officer*

Place : Mumbai
Date : May 26, 2014

Balance Sheet Abstract

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

I Registration Details

Registration No.	17254	State Code (Refer Code List)	04
Balance Sheet Date	31032014		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	70000

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

Total Liabiilities	1178387	Total Assets	1178387
Source of Funds			
Paid-up Capital	223244	Reserve & Surplus	415630
Secured loans	66457	Unsecured Loans	360000
Share Warrants	NIL	Deferred Tax Liability	NIL
Application of Funds			
Net fixed assets (including CWIP)	250100	Investment	25808
Net Current Assets	790531	Misc. Expenditure	NIL
Accumulated losses	NIL		

IV Performance of Company (Amount in ₹ Thousands)

Turnover (including other income)	266144	Total Expenditure	516087
Profit/Loss Before Tax	- 249944	Profit/Loss After Tax	- 250013
Earning Per Share in ₹	- 13.88	Dividend rate %	NIL

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

Item Code No. (ITC Code)	NA	Product Description	OILFIELD SERVICES
Item Code No. (ITC Code)	NA	Product Description	NA

For and on behalf of the Board

N C Sharma *Chairman*	Rahul Talwar *Whole Time Director*
Kanika Bhutani *Company Secretary*	Tarun Pal *Chief Financial Officer*

Place : Mumbai
Date : May 26, 2014

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

1	Name of subsidiary	Asian Offshore Pvt. Ltd.	AOSL Petroleum Pte. Ltd.	Asian Oilfield & Energy Services DMCC
2	Financial year/period end on	March 31, 2014	March 31, 2014	March 31,2014
3	No. of equity shares held by Asian Oilfield Services Limited in the subsidiary	10,000 Equity (of ₹10 each fully paid up)	1,000 Equity (of SGD1 each fully paid up)	200 Equity (of AED 1,000/- each fully paid up)
4	Extent of interest of Asian Oilfield Services Limited in the capital of the subsidiaries	100%	100%	100%
5	Net aggregate amount of profits of the subsidiaries so far as it concerns the members of the Asian Oilfield Services Limited and is not dealt with in the company's accounts:			
	(a) Profit/(Loss) for the financial year ended March 31, 2014 of the subsidiaries'	₹(-) 31,490 [₹(-) 23,980]	USD (-)371,936 [USD131,137]	USD 1,044,174 [USD (-)10,967]
	(b) Profit/(Loss) for the previous financial years of the subsidiaries' since it became a subsidiary of Asian Oilfield Services Limited	₹(-) 298,295	USD (-) 672,339	USD 1,033,207
6	Net aggregate amount of profits of the subsidiaries so far as dealt with or provision is made for those profit/ (loss) in the accounts of Asian Oilfield Services Limited			
	(a) For the subsidiary's financial year ended March 31, 2014	Nil	Nil	Nil
	(b) For its previous financial years since it became a subsidiary of Asian Oilfield Services Limited	Nil	Nil	Nil

INFORMATION PERTAINING TO SUBSIDIARY COMPANY

(in ₹)

Sl	Particulars	Asian Offshore Pvt. Ltd.	AOSL Petroleum Pte. Ltd.	Asian Oilfield & Energy Services DMCC
1	Share capital	100,000	31,059	3,026,000
2	Reserves and surplus	(-) 298,295	(-)40,407,439	62,095,534
3	Total assets (investment)	113,350	114,645,657	1,144,587,890
4	Total liabilities	113,350	114,645,657	1,144,587,890
5	Turnover	Nil	187,095,109	851,264,240
6	Profit/(Loss) before taxation	(-) 41,550	(-)22,224,570	64,376,754
7	Provision for taxation	(-) 100,60	(-) 14,891	206,064
9	Proposed dividend	Nil	Nil	Nil

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

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : May 26, 2014

Independent Auditors' Report

To
The Board of Directors of
ASIAN OILFIELD SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ASIAN OILFIELD SERVICES LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

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

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

Emphasis of Matter

The Group's fixed assets are carried in the Balance Sheet at ₹124.93 crores as at 31st March, 2014 of which the physical verification of ₹93.02 crores at one of the subsidiary could not be observed by the other auditors and they have relied on the management representation regarding physical verification of the said assets. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets (net) of ₹120.60 crores as at 31st March, 2014 (As at 31st March, 2013 ₹0.26 crores), total revenues of ₹98.68 crores (Previous year ended 31st March, 2013 ₹1.56 crores) and net cash outflows amounting to ₹32.11 crores (Previous year ended 31st March, 2013 inflows of ₹0.46 crores) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Vadodara, 18th July,2014

Consolidated Balance Sheet as at March 31, 2014

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2014	As at Mar 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	223,244,440	153,244,440
(b) Reserves and surplus	4	426,830,954	569,179,929
2 Non-current liabilities			
(a) Long-term borrowings	5	778,988	1,883,127
(b) Deferred tax liabilities (Net)		-	10,060
(c) Other Long term liabilities	6	359,799,048	22,839,840
(d) Long-term provisions	7	1,107,708	574,093
3 Current liabilities			
(a) Short-term borrowings	8	464,577,268	245,919,819
(b) Trade payables	9	184,727,295	158,214,713
(c) Other current liabilities	10	62,659,517	49,884,482
(d) Short-term provisions	11	2,422,699	2,496,086
TOTAL		1,726,147,916	1,204,246,590
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	12	1,159,163,374	381,871,227
(ii) Intangible assets		8,475,315	2,037,305
(iii) Capital work-in-progress		80,463,894	34,685,349
(iv) Intangible assets under development		1,232,280	1,232,280
(b) Long-term loans and advances	13	22,867,407	33,602,291
2 Current assets			
(a) Current investments	14	-	59,478,674
(b) Inventories (Stores and spares)		42,221,406	59,103,003
(c) Trade receivables	15	109,796,307	152,865,966
(d) Cash and cash equivalents	16	93,548,397	182,410,888
(e) Short-term loans and advances	17	174,812,099	102,840,814
(f) Other current assets	18	33,567,438	194,118,792
TOTAL		1,726,147,916	1,204,246,590
See accompanying notes forming part of the financial statements	24		

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : July 18, 2014

For and on behalf of the Board

N C Sharma, *Chairman*
Rahul Talwar, *Whole Time Director*

Kanika Bhutani, *Company Secretary*
Tarun Pal, *Chief Financial Officer*

Place : Mumbai
Date : July 18, 2014

Statement of Consolidated Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

Particulars	Note No.	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
I. Revenue from operations (Gross)	19	1,240,533,401	553,772,322
Less : Service Tax		22,239,866	57,157,314
Net Revenue from operations		1,218,293,536	496,615,008
II. Other income	20	34,691,096	63,340,792
III. Total Revenue (I + II)		1,252,984,632	559,955,800
IV. Expenses:			
Employee benefits expense	21	252,017,655	130,800,203
Finance costs	22	94,699,154	31,862,466
Depreciation and amortization expense	12	141,454,471	88,169,355
Other expenses	23	991,018,468	399,155,771
Total expenses		1,479,189,749	649,987,795
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(226,205,117)	(90,031,994)
VI. Exceptional items	24.14	7,823,192	13,842,477
VII. Profit/(Loss) before tax (V- VI)		(234,028,309)	(103,874,471)
VIII. Tax expense:			
(1) Deferred tax		(10,060)	(1,009,728)
(2) Income Tax		191,173	-
(3) Wealth Tax		68,970	84,140
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		(234,278,392)	(102,948,883)
X Earnings per equity share:			
(1) Basic		(13.01)	(6.72)
(2) Diluted		(13.01)	(6.72)
See accompanying notes forming part of the financial statements	24		

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : July 18, 2014

For and on behalf of the Board

N C Sharma, *Chairman*
Rahul Talwar, *Whole Time Director*

Kanika Bhutani, *Company Secretary*
Tarun Pal, *Chief Financial Officer*

Place : Mumbai
Date : July 18, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

	For the year ended Mar 31, 2014		For the year ended Mar 31, 2013	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit before Tax as per Profit & Loss Account		(234,028,309)		(103,874,471)
Adjusted for:				
Interest and finance charges	94,699,154		30,848,241	
Dividend received	(870,693)		(6,750,674)	
Loss on disposal of Assets (net)	5,350,693		2,674,524	
Depreciation	141,454,471		88,169,355	
Interest income from Bank and Others	(8,617,844)		(21,285,554)	
Unrealised Gain due to Foreign Exchange Fluctuation	(506,783)		2,344,220	
Excess Provision Written Back	-		(7,394,471)	
Provision for Doubtful Debts	7,948,192		15,999,108	
		239,457,190		104,604,749
Operating Profit before Working Capital Changes		5,428,881		730,277
Adjusted for:				
Inventories	16,881,597		(24,237,762)	
Sundry debtors	36,718,599		16,988,267	
Loans and advances	(64,454,294)		11,226,225	
Other Current Asset	148,279,939		(165,462,704)	
Trade Payables	29,052,869		73,445,903	
Other Current liabilities	(11,459,410)		(6,279,020)	
Provisions	460,228		(56,810)	
		155,479,528		(94,375,901)
Cash Generated from Operations		160,908,409		(93,645,624)
Taxes paid (net of refunds)		(7,761,691)		(666,614)
Net Cash Flow From Operating Activities		153,146,718		(94,312,238)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(1,083,247,325)		(171,499,731)
Proceeds from the sale of Asset		124,260,118		41,307,217
Change in Payables for Capital Goods		338,150,771		22,839,840
Sale of investments		59,478,674		48,386,826
Margin Money Deposited		85,518,402		(2,607,662)
Dividend Income received		870,693		6,750,674
Interest Income received		20,889,259		12,590,290
Net Cash used in Investing Activities		(454,079,408)		(42,232,546)

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

	For the year ended Mar 31, 2014		For the year ended Mar 31, 2013	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
Proceeds from Share Capital		150,500,000		-
Proceeds from Borrowings		515,299,400		116,580,071
Proceeds/(Repayment) of Borrowings		(323,590,440)		(42,268,215)
Interest and finance charges paid		(44,620,359)		(27,824,113)
Net Cash Flow from Financing Activities		297,588,601		46,487,743
Net Increase / (Decrease) in Cash and Cash Equivalents		(3,344,089)		(90,057,041)
Opening Balance of Cash and Cash Equivalents		44,147,130		134,204,171
Closing Balance of Cash and Cash Equivalents		40,803,040		44,147,130

Notes :

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

(ii) Cash & Cash Equivalents comprise of:

(Amount in ₹)

	As at Mar 31, 2014	As at Mar 31, 2013
Cash on Hand	496,712	2,817,156
Balances with Scheduled Banks		
- on current accounts	40,296,328	41,319,974
- on fixed deposit accounts	10,000	10,000
	40,803,040	44,147,130

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

Gaurav J Shah
Partner
Membership No.35701

Place : Mumbai
Date : July 18, 2014

For and on behalf of the Board of Directors

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : July 18, 2014

Notes forming part of the Consolidated Financial Statements

1. Corporate Information

Asian Oilfield Services Limited (the "Company") is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956 and is listed on the Bombay Stock Exchange (BSE). The Company is a reservoir imaging company, offering a suite of geophysical services specializing in land and well seismic services. The portfolio of services include 2D and 3D seismic data acquisition, processing and interpretation, topographic survey, continuous core drilling for mineral and CBM exploration, wire-line logging and directional core drilling to target shallow horizons. The Registered Office of the Company is located at 29, Payal Complex, Station Road, Vadodara – 390020 (Gujarat) and Corporate Office at 703, IRIS Tech Park, Tower-A, Sector-48, Sohna Road, Gurgaon-122018 (Haryana).

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

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

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

B. Accounting Convention

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

C. Use of Estimates

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

D. Fixed Assets and Depreciation

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

Notes forming part of the Consolidated Financial Statements

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

E. Intangible Assets and Amortization

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

F. Inventories

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

G. Cash Flow

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

H. Foreign Currency Transactions

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

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

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

Investments

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

I. Employee Stock Option Scheme

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

J. Employee Benefits

i. Post-employment benefit plans

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

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

Notes forming part of the Consolidated Financial Statements

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

ii. Short-term employee benefits

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

iii. Long-term employee benefits

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

K. CENVAT Credit

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

L. Revenue Recognition

a. Services

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

b. Interest

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

c. Dividend

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

M. Taxes on Income

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

Current Tax:

Provision for taxation is based on assessable income of the Company as determined under the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

Deferred Tax:

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

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

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

N. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset up to the commencement of commercial operation. A qualifying asset is one that necessarily takes substantial

Notes forming part of the Consolidated Financial Statements

period of time to get ready for intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

O. Earnings per share

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

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

P. Provisions, Contingent liabilities and Contingent Assets

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

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

Note 3 Share Capital

(Amount in ₹)

Particulars	As at Mar 31, 2014		As at 31 March 2013	
	Number	(₹)	Number	(₹)
Authorised				
Equity Shares of ₹10 each	50,000,000	500,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹10 each	22,324,444	223,244,440	15,324,444	153,244,440
Subscribed & fully Paid up				
Equity Shares of ₹10 each	22,324,444	223,244,440	15,324,444	153,244,440
Total	22,324,444	223,244,440	15,324,444	153,244,440

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

Particulars	Equity Shares	
	Number	(₹)
Shares outstanding at the beginning of the year	15,324,444	10
Shares Issued during the year	7,000,000	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	22,324,444	10

Pursuant to prefrential allotment, the Company allotted 7,000,000 equity shares of ₹10 each at premium of ₹11.50 each on November 7, 2013 to Samara Capital Partners Fund I Ltd. Out of the issue proceeds of preferential allotment of ₹1,505 lacs, the Company has utilised full amount in Investment /Grant of loan to subsidiary to support growth Plans/ long term working capital and for general corporate purpose.

ii. Terms & Rights attached to each class of shares

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

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

Notes forming part of the Consolidated Financial Statements

Note 3 Share Capital *(Contd.)*

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

Name of Shareholder	As at Mar 31, 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share				
Samara Capital Partners Fund I Ltd.	12,566,700	56.29%	5,566,700	36.33%

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

The ESOS compensation committee of the company at their meeting held on 7th December 2010 has granted 5, 77,683 stock options to the eligible employees (38), under the Employees Stock Option Scheme-2010 (ESOS-2010) at the exercise price of ₹55.70 per option, being the latest available price on the stock exchange prior to the date of grant, out of which 6 employees are continuing in the Company, having an option of exercising grant of 114,080 shares. The vesting of the option granted would be graded over a period of four years i.e. on 15th December 2012, 1st October 2013, 1st October 2013, 1st October 2014, with the exercise period being 2 years from the date of vesting. The company has applied the intrinsic value method for accounting of such options.

Note 4 Reserves & Surplus

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
a. Capital Reserves		
Opening Balance	44,578,226	44,578,226
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	44,578,226	44,578,226
b. Securities Premium Account		
Opening Balance	590,194,704	590,194,704
Add : Securities premium credited on Share issue	80,500,000	
Closing Balance	670,694,704	590,194,704
c. Foreign Currency Translation Reserve		
Arising on consolidation during the year	12,858,406	1,428,989
d. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	(67,021,991)	35,926,893
(+) Net Profit/(Net Loss) For the current year	(234,278,392)	(102,948,883)
(-) Proposed Dividend	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(301,300,382)	(67,021,991)
Total	426,830,954	569,179,928

Notes forming part of the Consolidated Financial Statements

Note 5 Long Term Borrowings

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Secured		
Term loans		
From banks	-	-
Finance lease obligations	778,988	1,883,127
Total	778,988	1,883,127

Notes:

1. Vehicle Loan from HDFC Bank was taken during FY 2012-13 and carries interest of 12% per annum, maturing on 15/12/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.
2. Vehicle Loan from OAIS was taken during FY 2012-13 and carries interest of 16.40% per annum, maturing on 15/10/2015. The loan is repayable in 35 monthly installment from the date of loan. Vehicle loan is secured by way of hypothecation of vehicle acquired out of the loan.

Note 6 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
(a) Trade Payables	359,799,048	22,839,840
Total	359,799,048	22,839,840.00

Note 7 Long Term Provisions

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Provision for employee benefits		
Leave Encashment (Refer Note 24.7)	1,107,708	574,093
Total	1,107,708	574,093

Note 8 Short Term borrowings

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Secured		
Loans repayable on demand		
from banks	65,678,093	220,870,504
Unsecured		
Loans repayable on demand		
from other parties	398,899,175	25,049,315
Total	464,577,268	245,919,819

Notes:

1. Cash Credit from Banks is secured by hypothecation of all chargeable current assets of the company and pledge of Term Deposits. Cash Credit is repayable on demand and carries rate of interest of 14.5% per annum
2. Unsecured ICD of ₹25 Crores from Global Coal & Mining Pvt Ltd carries rate of interest of 15.25% per annum and is repayable in two equal installments wherein the first installment falls due on 28th May, 2014 (12 months from the date deposit i.e. 28th of May, 2013)
3. Unsecured ICD of ₹11 Crores from Thriveni Earthmovers Pvt Ltd repayable on demand and carries rate of interest of 15.00% per annum

Notes forming part of the Consolidated Financial Statements

Note 9 Trade Payables

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Due To		
- Micro Enterprises & Small Enterprises	-	-
- Others	184,727,295	158,214,713
Total	184,727,295	158,214,713

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

Note 10 Other Current Liabilities

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
(a) Current maturities of long-term debt	-	26,000,000
(b) Current maturities of finance lease obligations	1,104,308	948,658
(c) Interest accrued and due on borrowings		
- Term Loan	12,333	350,942
- Others	56,210,506	5,793,102
(d) Other payables -		
Deposits	-	954,049
TDS Payable	2,012,470	2,878,095
Service Tax Payable	1,533,799	11,617,513
PF Payable	43,210	241,991
VAT Payable	-	662,019
Outstanding Employee Severance Pay	1,742,890	438,113
Total	62,659,517	49,884,482

Note 11 Short Term Provisions

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
(a) Provision for employee benefits		
Bonus & Ex gratia	2,385,850	2,465,666
Gratuity (Funded) (Refer Note No. 24.7)	-	-
Leave Encashment (unfunded) (Refer Note No. 24.7)	36,849	17,312
(b) Provision for Income Tax	-	13,108
Total	2,422,699	2,496,086

Notes forming part of the Consolidated Financial Statements

Note 12 Fixed Assets

(Amount in ₹)

DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION				NET BLOCK	
	As at 1-Apr-13	Addition	Sale or Transfer	Foreign Exchange Adjustment	As at Mar 31, 2014	As at 1-Apr-13	Deletion	For the period	As at Mar 31, 2014	As at Mar 31, 2014	As at Mar 31, 2013
	a	b	c	d	e[a+b-c-d]	f	g	h	i[f-g+h]	j[e-i]	k[a-f]
(i) TANGIBLE ASSETS											
Freehold Land	794,750				794,750	-			-	794,750	794,750
Building	2,274,959				2,274,959	741,660		176,582	918,242	1,356,717	1,533,299
Oilfield Equipment	387,354,551	1,012,327,276	131,863,127	6,076,330	1,273,895,030	119,153,257	14,850,011	97,230,852	201,534,097	1,072,360,933	268,201,294
Furniture & Fixture	2,053,060	187,062	-	3,632	2,243,754	1,386,447		74,693	1,461,140	782,614	666,613
Office Equipments	2,516,292	1,275,660	85,379	4,671	3,711,244	403,623	7,898	143,678	539,403	3,171,841	2,112,669
Computer	299,766,894	14,506,845	86,000	15,801	314,203,540	205,100,637	64,997	39,419,434	244,455,073	69,748,466	94,666,257
Vehicles	17,900,281	-	1,895,798		16,004,483	4,297,479	622,812	1,652,173	5,326,840	10,677,643	13,602,802
Vessels	327,147	-	-		327,147	33,607		23,130	56,737	270,410	293,540
TOTAL	712,987,934	1,028,296,843	133,930,304	6,100,434	1,613,454,907	331,116,710	15,545,718	138,720,541	454,291,533	1,159,163,374	381,871,224
(ii) INTANGIBLE ASSETS											
Computer Software	10,410,850	8,334,387	-	-	18,745,237	8,373,545	-	1,896,377	10,269,922	8,475,315	2,037,305
TOTAL	10,410,850	8,334,387	-	-	18,745,237	8,373,545	-	1,896,377	10,269,922	8,475,315	2,037,305
GRAND TOTAL	723,398,784	1,036,631,230	133,930,304	6,100,434	1,632,200,144	339,490,255	15,545,718	140,616,918	464,561,455	1,167,638,689	383,908,529
Previous year	663,340,806	125,005,877	64,947,899	-	723,398,784	272,287,058	20,966,118	88,169,315	339,490,255	383,908,529	391,053,748

Note: Difference in amount of depreciation for the period is on account of foreign exchange rates.

Notes forming part of the Consolidated Financial Statements

Note 13 Long Term Loans & Advances

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
a. Security Deposits		
Unsecured, considered good	23,767,407	23,276,066
Less: Provision for doubtful deposits	(900,000)	(900,000)
	22,867,407	22,376,066
b. Inter - Corporate Loan		
Doubtful	69,807,577	69,807,577
Less: Provision for Doubtful Inter - Corporate Loan	(69,807,577)	(69,807,577)
	-	-
c. Capital Advances		
Secured, considered good	-	11,226,225
Total	22,867,407	33,602,291

Note 14 Current Investments

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Investments in Mutual Funds (Unquoted)		
5,496,800.001 units of L296G SDFS - 366 Days - 5 - Growth	-	59,478,674
Total	-	59,478,674

Note 15 Trade Receivables

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	78,709,390	102,266,520
	78,709,390	102,266,520
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	29,034,219	52,400,021
Unsecured, considered doubtful	34,681,020	22,879,555
Less: Provision for doubtful trade receivables	32,628,322	24,680,130
	31,086,917	50,599,446
Total	109,796,307	152,865,966

Note 16 Cash & Cash equivalents

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Cash & Cash Equivalents		
Cash on hand	496,712	2,817,156
Balances with banks		
- in Current Account	40,296,329	41,319,974
- in Deposit Account	52,755,356	138,273,758
[including margin money of ₹52,745,356 (Previous year ₹138,263,758)]		
Total	93,548,397	182,410,888

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

Notes forming part of the Consolidated Financial Statements

Note 17 Short Term Loans & Advances

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Unsecured, considered good		
a. Other Loans and Advances		
Deposits	764,484	945,600
Prepaid Expenses	13,323,135	7,211,160
Employee Advances	42,372,654	6,461,886
Advance to suppliers	64,454,536	44,997,761
Income Tax receivable	49,279,595	41,778,047
Service Tax receivable	4,617,695	1,446,360
Total	174,812,099	102,840,814

Note 18 Other Current assets

(Amount in ₹)

Particulars	As at Mar 31, 2014	As at Mar 31, 2013
Interest Accrued on Deposits	3,870,981	16,142,396
Accrued Service Income	29,696,457	177,976,396
Total	33,567,438	194,118,792

Note 19 Revenue from Operations

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Sale of services - Seismic Survey & Mining Related (Gross)	1,240,533,401	553,772,322
Less: Service Tax	22,239,866	57,157,314
Total	1,218,293,536	496,615,008

Note 20 Other Income

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Interest Income	8,617,844	21,285,554
Dividend Income	870,693	6,750,674
Rental Income	359,157	20,302,957
Realised net gain on foreign currency transactions (other than considered as finance cost)	9,262,732	309,439
Interest on Income Tax Refund	-	1,138,418
Unrealised net gain on foreign currency translation (other than considered as finance cost)	506,783	-
Insurance Claim	-	6,013,979
Miscelleneous Income	15,073,887	145,300
Excess Provision written back	-	7,394,471
Total	34,691,096	63,340,792

Note 21 Employee Benefit Expenses

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Salaries, Exgratia and Bonus	162,368,740	101,691,334
Contribution to Provident Fund and Other Funds	1,640,143	3,879,433
Staff Welfare Expenses	69,816,318	20,133,922
Remuneration to Directors	18,192,455	5,095,514
Total	252,017,655	130,800,203

Notes forming part of the Consolidated Financial Statements

Note 22 Finance Cost

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
(a) Interest expense		
- Bank	18,401,969	24,993,686
- Other	65,770,988	48,742
- Interest on delayed payments of statutory dues	2,918,657	1,014,224
(b) Bank Charges	7,607,540	6,074,101
(c) Net gain on foreign currency transactions and translation (considered as finance cost)	-	(268,287)
Total	94,699,154	31,862,466

Note 23 Other Expenses

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
Operating Expenses		
Sub-contract Charges	235,584,869	134,984,913
Stores and Consumables Consumed	50,631,608	18,743,130
Camp Establishment and Maintenance	922,431	5,649,790
Machinery Hire Charges	10,263,698	9,818,316
Vehicle Hire Charges	113,246,360	22,037,977
Fuel Expenses Rig	19,744,634	25,682,000
Crop Compensation	12,422,544	2,924,555
Labour Charges	93,664,074	49,270,462
Other Operational Expenses	36,032,966	5,436,899
Administration & Other Expenses		
Business Promotion Expenses	73,561,005	6,066,656
Rent	44,435,342	7,166,404
Rates & Taxes	388,986	461,737
Travelling and Conveyance	56,165,014	38,438,313
Loss/ (Profit) on disposal of Asset	5,350,693	798,529
Loss on Asset held for disposal	-	1,875,995
Printing and Stationery	2,186,776	1,793,391
Advertisement	827,995	426,325
Freight, Postage and Telephone Expenses	15,497,902	15,081,020
Insurance	16,557,294	5,050,144
Power and Fuel	13,204,872	476,219
Audit Fees	1,713,902	1,018,809
Legal and Professionals Charges	168,271,166	21,243,121
Provision for Doubtful Debts	125,000	768,689
Bad Debts	391,558	298,135
Provision for Doubtful Advances	-	1,089,807
Directors Sitting Fees	493,000	451,000
Repairs and Maintenance		
- Building	1,359,148	1,093,216

Notes forming part of the Consolidated Financial Statements

Note 23 Other Expenses *(Contd.)*

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
- Plant and Machinery	8,188,921	8,379,543
- Others	1,772,660	9,641,590
Donation	14,947	48,440
ST Penalty	-	1,099,487
Miscellaneous Expenses	7,999,103	1,841,161
Total	991,018,468	399,155,771

Notes:

(Amount in ₹)

Particulars	For the Year ended Mar 31, 2014	For the Year ended Mar 31, 2013
(i) Payments to the auditors comprises :		
As auditors - Statutory audit	1,693,741	675,000
For taxation matters	370,000	965,000
Reimbursement of expenses	20,161	11,818
Total	2,083,902	1,651,818

Note 24 Additional Information

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

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

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

Particulars	AOSL Petroleum Pte Ltd		Asian Offshore Private Limited		Asian Oilfield & Energy Services DMCC	
	Amount (In Lakhs)	% (Refer Note)	Amount	% (Refer Note)	Amount	% (Refer Note)
Income	1,906.86	15.22%	0	0.00%	8,646.76	69.01%
Expenditure	2,110.33	14.19%	0.78	0.01%	7,596.16	51.08%
Assets	438.49	2.54%	1.13	0.01%	11,316.18	65.56%
Liabilities	8.11	0.08%	0.27	0.00%	5,357.19	49.78%

3. Contingent Liabilities

(Amount in ₹)

Particulars	Mar 31, 2014	Mar 31, 2013
Towards Guarantees issued by bank	15,380,000	100,588,064
Demand for Income Tax contested by the Company	30,072,513	16,290,153

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions pending at various forums/ authorities.

Notes forming part of the Consolidated Financial Statements

Note 24 Additional Information *(Contd.)*

4. Information in respect of related parties

During the year, the Company entered into transactions with related parties. List of related parties along with nature and volume of transaction and balance at 31st March 2014 are presented below:

a) Holding : Samara Capital Partners Fund I Ltd

b) Key Management Personnel : Mr. Rahul Talwar- Whole Time Director

Transactions with Related Parties

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

(Amount in ₹)

S. No.	Nature of Relation/ Nature of Transaction	2013-14	2012-13
A	Holding Company -		
	Samara Capital Partners' Fund (I) Limited Preferential allotment of shares (70 lakhs Equity Shares @ ₹21.50 per share)	150,500,000	Nil
B	Remuneration to key managerial person and relative of Key Managerial person		
	Managing Director/Whole Time Director Salaries Contribution to provident fund and other funds	 11,660,824 9,360 11,670,184	 14,276,165 7,800 1,42,83,965
C	Relative of Key Managerial Person		
	Salaries	Nil	1,381,311
	Contribution to provident fund and other funds	Nil	7,800
		Nil	13,99,111
	(The above figures do not include provision for leave encashment)		

5. Segment Reporting

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

6. Leases

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

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

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

Notes forming part of the Consolidated Financial Statements

Note 24 Additional Information *(Contd.)*

7. Employee Benefits

a) Defined Contribution Plan

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

The Company recognised ₹1,640,143 (March 31, 2013: ₹1,510,032) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

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

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2014.

(Amount in ₹)

S. No.	Particulars	2013-14	2012-13
		Gratuity	
I	Expense recognized in Profit & Loss Account		
	a. Current Service Cost	515,407	638,774
	b. Interest Cost	135,659	181,772
	c. Expected return on plan assets	(266,505)	(305,389)
	d. Actuarial (Gain)/Loss	1,029,978	(15,09,981)
	e. Net expense recognised in Profit & Loss Account	1,414,539	(994,824)
II	Changes in obligation during the year		
	a. Obligation as at the beginning of the year	1,507,317	22,09,352
	b. Current service cost	515,407	638,774
	c. Interest Cost	135,659	181,772
	d. Actuarial (Gain)/Loss	1,029,978	(1,509,981)
	e. Benefits paid	(1,784,548)	(12,600)
	f. PV of obligation as at the end of the year	1,403,813	1,507,317
III	Changes in Plan Assets during the year		
	a. Fair value of plan assets as at the beginning of the year	4,046,829	3,754,040
	b. Expected return on plan assets	266,505	305,389
	c. Actuarial (Gain)/Loss	-	-
	d. Contributions	656,796	-
	e. Benefits paid	(1,784,548)	(12,600)
	f. Fair value of plan assets as at the end of the year	3,185,582	4,046,829

Notes forming part of the Consolidated Financial Statements

Note 24 Additional Information *(Contd.)*

IV	Net Assets/ Liabilities recognized in the Balance sheet			
	a.	PV of obligation as at the end of the year	1,403,813	1,507,317
	b.	Fair value of plan assets as at end of the year	3,185,582	4,046,829
	c.	Net Liabilities/(Assets) recognised in the Balance sheet at year end	(1,781,769)	(2,539,512)
V	Principal Actuarial Assumptions			
	a.	Discount rate (Refer Note-a)	9.00%	8.25%
	b.	Expected return on plan assets (Refer Note-b)	9.10%	8.15%
	c.	Expected increase in salary costs (Refer Note-c)	5%	5%

Notes:

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

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

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

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

8. Deferred Income Tax

Components of Deferred Tax Assets/ (Liability)

(Amount in ₹)

	Mar 31, 2014	Mar 31, 2013
Depreciation	(18,926,965)	(38,026,160)
Deferred Tax Assets		
- Employee benefits	(12,027)	-
- Provision for doubtful debts	10,916,206	-
- Preliminary expenses written off	-	(930)
- Unabsorbed Depreciation	8,022,786	38,017,030
	Nil	(10,060)

9. Earnings Per Share

(Amount in ₹)

Particulars	2013-14	2012-13
Net Profit after tax for the year	(234,278,392)	(102,948,882)
Number of Equity Shares outstanding as at year end	22,324,444	15,324,444
Nominal value of Equity Share (in ₹)	10	10
Weighted average number of Equity Shares	18,009,332	15,324,444
Basic and Diluted Earnings Per Shares (in ₹)	(13.01)	(6.72)

Notes forming part of the Consolidated Financial Statements

Note 24 Additional Information *(Contd.)*

10. Derivative Instruments

There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2014 (Previous year: ₹ Nil). Details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars		Amount in foreign currency		Equivalent amount in Indian currency	
	Currency	2013-14	2012-13	2013-14	2012-13
Receivables	US Dollar	937,836	73,049	56,363,737	3,873,567
Payables	Euro	Nil	265,447	Nil	18,460,176
	US Dollar	8,869,580	340,735	562,374,322	18,532,338
Advances	US Dollar	1,085,457	92,762	65,235,749	5,045,260

11. Current assets and loans and advances

In the opinion of the Board of Directors the current assets, loans and advances have a value realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made. As a matter of prudence, Company has made provision of ₹78.23 Lacs in the current year (previous year: ₹138.42 Lacs) towards doubtful recovery of debt, which has been reflected as Exceptional Items in the Consolidated Statement of Profit and Loss.

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

For and on behalf of the Board

N C Sharma
Chairman

Rahul Talwar
Whole Time Director

Kanika Bhutani
Company Secretary

Tarun Pal
Chief Financial Officer

Place : Mumbai
Date : July 18, 2014

ASIAN OILFIELD SERVICES LIMITED

CIN : L23200HR1992PLC052501
Regd. Office : 703, 7th Floor, Tower-A, IRIS Tech Park, Sohna Road, Sector 48, Gurgaon, Haryana -122018
Tel. 0124-6606400, Fax : 0124-6606406, Email id- investor.relations@asianoilfield.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the members	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We being a member / members of.......................... shares of the above named company, hereby appoint

1) .... of ....having email id
....or failing him

2) .... of ....having email id
....or failing him

3) .... of ....having email id
....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual general meeting of the company, to be held on Thursday, September 18, 2014 at 9.00 a.m. at Conference Hall of Hotel lemon Tree Premier, Leisure Valley, Sector 29 Gurgaon-122002,Haryana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Short description of the Resolutions to be passed in the AGM		For	Against
1.	To adopt Audited Financial Statements of the Company for the year ended March 31, 2014 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Sanjay Bhargava (DIN: DIN 03412222), who retires by rotation and eligible for reappointment.		
3.	To re-appoint the Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration.		
4.	To appoint Mr. Naresh Chandra Sharma (DIN: 00054922) as an Independent Director		
5.	To appoint Mr. Ajit Chandulal Kapadia (DIN: 00065081) as an Independent Director		
6.	To appoint Dr. Rabi Narayan Bastia (DIN:05233577) as an Independent Director		
7.	To Borrowing money(ies) for the purpose of business of the Company		
8.	To Create security on the properties of the Company, both present and future, in favour of lenders.		
9.	To make any loans or investments and to give any guarantees or to provide security		
10.	To Appoint Mr. Ashwin Madhav Khandke as a Director and Wholetime Director of the Company		

Signed ....day of.. 2014

.... Signature of shareholder

.... Signature of shareholder

.... Signature of shareholder

Affix
Revenue
Stamp

.... Signature of first proxy holder

.... Signature of second proxy holder

.... Signature of third proxy holder

Note :

1. The proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, you proxy will be entitled to vote in the manner as he/she

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ATTENDENCE SLIP

Regd. Folio / DPID & Client ID	
Name and Address of the Shareholder	
No. of Shares held	

1. I / We hereby record my/our presence at the 21st Annual General Meeting of the Company being held on Thursday, September 18, 2014 at 10.00 a.m. at Conference Hall of Hotel lemon Tree Premier, Leisure Valley, Gurgaon, Haryana, India.
2. Name of Proxy, if any : ______________________
3. Signature of Member / Proxy : ______________________
4. Member / Proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.

Note : **Please cut here and bring the above attendance slip to the meeting.**

ELECTRONIC VOTING PARTICULARS

Shareholders may please note the User ID and Password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 , read with rule 20 of the Companies (Management and Administration) , Rules 2014. Details instructions for e-voting are given in the AGM Notice.

E Voting event number (Even)	User ID	Password

Note: The voting period starts from 11th September, 2014 (9.00 a.m.) and ends on 13th September, 2014 (6.00 p.m.) . The voting module shall be displayed by NSDL for voting thereafter.

NOTES

COMPANY INFORMATION

Board of Directors	Naresh Chandra Sharma	Chairman - Non-Executive Independent Director
	Rahul Talwar*	Group CEO & Non-Executive Director
	Ashwin Madhav Khandke**	Whole Time Director
	Ajit Kapadia	Non-Executive Independent Director
	Rabi Narayan Bastia	Non-Executive Independent Director
	Avinash Chandra Manchanda	Non-Executive Director
	Gautam Gode	Non-Executive Promoter Director
	Sanjay Bhargava	Non-Executive Promoter Director
	Vikram Agarwal	Non-Executive Promoter Director
Company Secretary	Kanika Bhutani	
Auditors	Deloitte Haskins & Sells Chartered Accountants Vadodara	
Bankers	State Bank of India HDFC Bank Limited Axis Bank Ratnakar Bank Limited	
Registered & Corporate Office	703, IRIS Teck Park, Tower-A, Sector-48, Sohna Road, Gurgaon - 122018 Tel: 0124-6606400, Fax: 0124-6606406 Email: secretarial@asianoilfield.com Website: www.asianoilfield.com	
Registrar & Share Transfer Agent	Link Intime India (P) Limited, 102 & 103 Shangrila Complex,1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Tel: 0265-2356573 / 2356794, Fax: 0256-2356791 Email: vadodara@ linkintime.co.in	

* Redesignated as Group CEO & Non-Executive Director and resigned as Whole Time Director w.e.f. 12.08.2014

** Appointed as Whole Time Director w.e.f. 12.08.2014

ASIAN OILFIELD SERVICES LIMITED
703-704, IRIS Tech Park | 7th Floor,
Tower-A | Sector-48 | Sohna Road
Gurgaon-122 018 | Haryana, India