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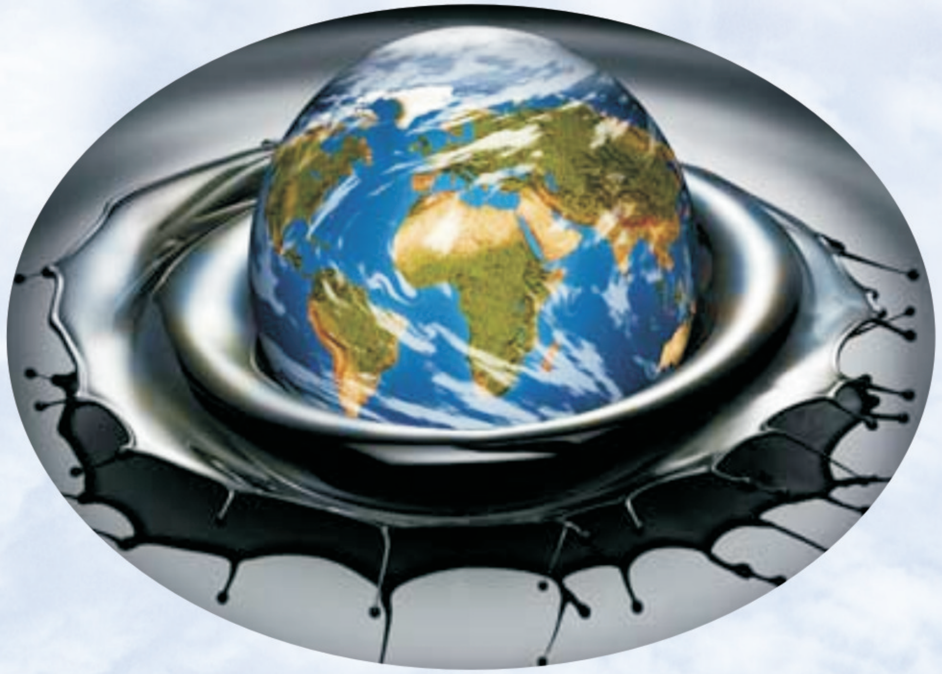

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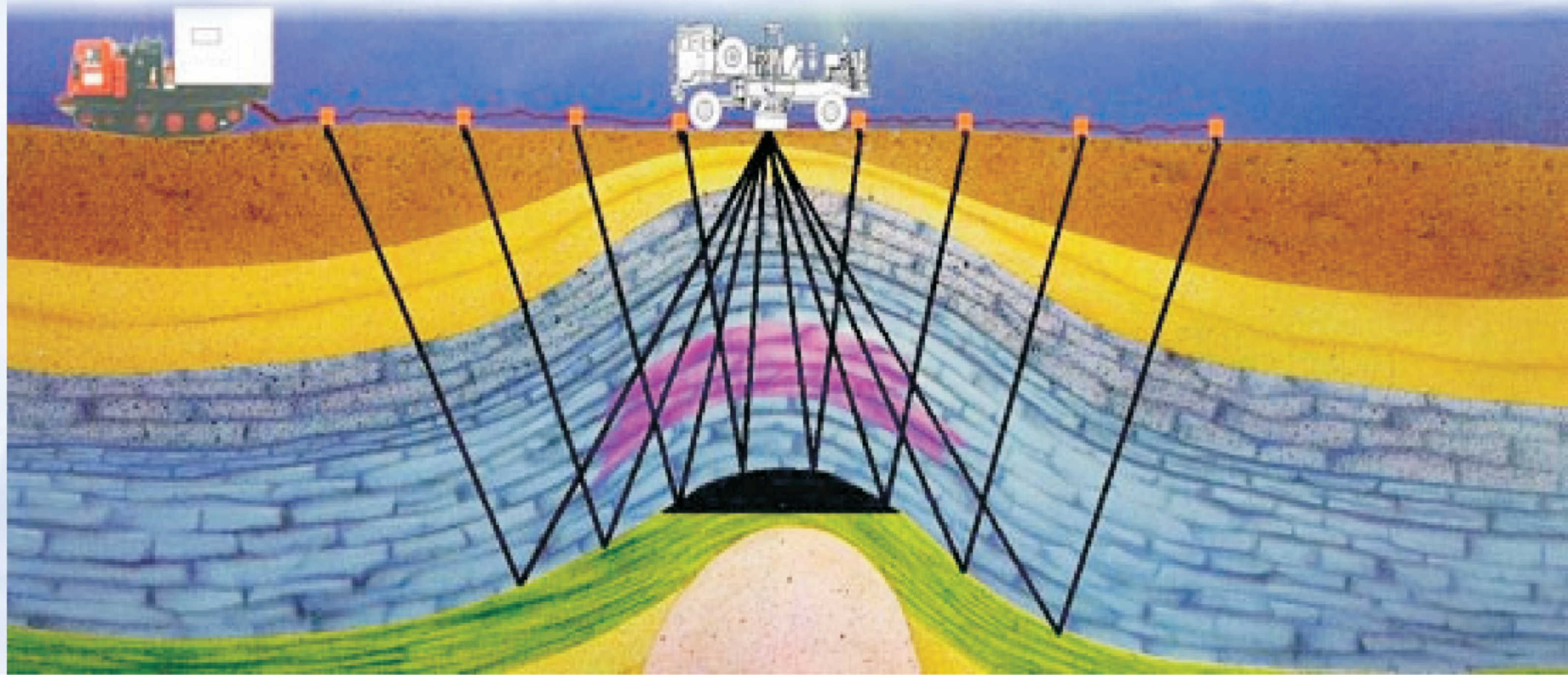
ASIAN OILFIELD SERVICES LTD.

Registered Office : 7th Floor, B-Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.
Visit us at www.asianoilfield.com

ASIAN OILFIELD SERVICES LTD.

17th Annual Report 2009-2010



Board of Directors	:	Avinash Manchanda	Managing Director
		Krishna Kant	Non Executive Professional Director
		Dali E. Ilavia	Independent Director
		Sumeet Narang	Investor Director
		Rameshwarlal B. Kabra	Independent Director
		Anand Prakash Agrawal	Independent Director
		Vaibhav Maloo	Promoter Director
		Gautam Gode	Promoter Director

Company Secretary : Mukesh Khanna

Auditors : M/s. Deloitte Haskins & Sells
Chartered Accountants
Vadodara.

Bankers : State Bank of India
AXIS Bank Ltd.
Central Bank of India

Registered Office : 7th Floor, B-Wing, Manubhai Tower
Sayajigunj , Vadodara – 390 020
Phone : 0265 - 2362071 E-mail : secretarial@asianoilfield.com

Registrar and Share Transfer Agent : Link Intime India Pvt. Ltd.
1st Floor, 308, Jaldhara Complex, Nr. Manisha Society
Off. Old Padra Road, Vasna Road, Vadodara – 390 015
Phone : 0265 - 2250241, 3249857 E-mail : vadodara@linkintime.co.in

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NOTES

ASIAN OILFIELD SERVICES LTD.

NOTICE

Notice is hereby given that 17th Annual General Meeting of Members of **Asian Oilfield Services Ltd.** will be held on Monday, the 13th September, 2010 at 11.00 a.m. at Dr. I. G. Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002 to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2010 and Balance Sheet as of that date together with the reports of Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Rameshwarlal B. Kabra, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Anand Prakash Agrawal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Special Business :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

   "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines"), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company 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, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer, issue and allot at any time to the benefit of such person(s) who are present and future permanent employees of the Company, including any Director of the Company, whether executive or non-executive, whether working in India or abroad, options exercisable into such number of equity shares being not more than 10% of the Paid-up Equity Share Capital of the Company at any point of time, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

   RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and/or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

   RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of securities allotted under the said schemes on the stock exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned stock exchanges and other guidelines, rules and regulations as may be applicable.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board acting on its own or through the Compensation Committee be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable and also to settle any question or difficulties that may arise in such manner and the Board/ Compensation Committee / such authorised person in its/ his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection without requiring the Board to secure any further consent or approval of the shareholders of the Company."

By order of the Board,

Place : Vadodara
Date : 29th May, 2010

Mukesh Khanna
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxy, in order to be effective, should be lodged duly completed before 48 hours of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business enumerated at Item No.5 is annexed herewith.
4. Register of Members and Share Transfer Register will remain closed from Friday, the 3rd September, 2010 to Monday, the 13th September, 2010, (both the days inclusive).
5. Shareholders are requested to:
   (a) bring their copy of the Annual Report at the meeting.
   (b) send all communications relating to their shareholding, quoting Folio No. / Client ID No. at Registered Office / at the office of the Registrar and Share Transfer Agents.
6. Information about directors retiring by rotation and being appointed is given in the Annexure to the notice.
7. **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 it's registered office so as to reach at least seven days before the date of the meeting.**
8. Pursuant to SEBI circular, the Shareholders holding shares in physical form are requested to submit notarize copy of PAN in compliance of the KYC norms.

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

Item No.5

The Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options to the employees of the Company.

The main features of the employee stock option schemes are as under:

a. **Total number of options to be granted**:

Employee Stock Options exercisable into such number of equity shares being not more than 10% of the Paid-up Equity Share Capital of the Company at any point of time would be available for being granted to eligible employees of the Company under one or more Employee Stock Option Schemes. Each option when exercised would be converted into one Equity share of Rs.10 each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

b. **Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s)**:

All permanent employees including the Directors of the Company, but excluding the promoters of the Company, as may be decided by the Compensation Committee from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

c. **Transferability of employee stock options**

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

d. **Requirements of vesting and period of vesting:**

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than one year and not later than five years from the date of grant of options.

e. Maximum period within which the options shall be vested:

The options would vest not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options

f. Exercise Price:

The options will be granted at a price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board of Directors, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

g. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire not later than three years from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Company, in such manner and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

h. Appraisal Process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

i. Maximum number of options to be issued per employee and in aggregate:

The total number of options that may be granted to any specific employee under one or more Schemes during any one year shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) at the time of grant and in aggregate shall not exceed 10% of the Paid up Equity Share Capital of the Company at any point in time.

j. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.

k. Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the schemes.

By order of the Board,

Place : Vadodara
Date : 29th May, 2010

Mukesh Khanna
Company Secretary

Annexure to the Notice of Annual General Meeting

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors upon retiring by rotation and appointment of Directors.

Name of the Directors	Rameshwarlal B. Kabra	Anand Prakash Agrawal
Date of Birth	05-08-1951	07-01-1945
Date of Appointment	23-02-2009	23-02-2009
Specialized Expertise	Corporate Management Consulting, Audit, Tax & International Advisory Services	Project Consultant
Qualifications	B.Com, FCA	M Sc. (Physics), M Sc. (Maths), Research in I.I.T. Kanpur in Quantum Physics
Directorship of other Companies as on 31st March, 2010	1. ITNL Enso Rail Systems Ltd. 2. R Kabra Corporate Advisors Ltd. 3. Ankur Capital Markets Pvt. Ltd. 4. Three DEnterprises Pvt. Ltd. 5. B M Trada RKCA Certifications Pvt. Ltd. 6. IGAF Asia Pacific Ltd.	1. EnSearch Petroleum Ltd., Singapore 2. Platinum Ocean Energy Ltd.
Chairman / Member of Committees of other Companies as on 31st March, 2010	ITNL-Enso Rail Systems Ltd.	None

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have great pleasure in presenting Company's 17th Annual Report. The Company's financial results for the year ended 31st March, 2010 are as follows :

FINANCIAL HIGHLIGHTS : (Rs. In lacs)

	31st March 2010 (9 Months)	30th June 2009 (12 Months)
Gross Income	**1942.78**	**6418.79**
Gross Profit before Depreciation & Interest	**339.00**	**1265.58**
Depreciation	356.59	390.44
Interest and Financial Charges	31.56	63.52
Profit / (Loss) before Tax	**(49.15)**	**811.62**
Less : Provision for Tax		
Current Tax	—	162.00
Excess Provision of Current Tax in earlier years	(45.91)	(97.39)
Deferred Tax Liability	83.09	209.93
Fringe Benefit Tax	—	7.01
Wealth Tax	0.47	—
Net Profit / (Loss) after Tax & other adjustments	**(86.81)**	**530.07**

Dividend :

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

Operations in Retrospect :

During the period under review, your Company registered Gross revenue of Rs.**1942.78** Lacs during 9 Months, compared with Rs. **6418.79** Lacs in the previous year of 12 months, and suffered a Net loss of Rs. **86.81** Lacs against profit of Rs. **530.07** Lacs of previous year.

Key operational highlights of FY 2009-10 :

a) Key Augmentation in Management: Company has recently added significant resources at senior management level to best capitalize the growing exploration opportunities in India. We have added Mr. Neeraj Sethi, B. Tech. IIT Mumbai, Ex-country Manager Baker Hughes as Chief Operating Officer (COO) and Mr. Ajit Singh, M. Sc. BHU, Ex-Mitchell Drilling as AVP for core drilling division.

b) Launch of 3D Seismic Services: AOSL being committed increase its shareholders value in long run, has expanded its services to include 3D Seismic Services. New management since joining has won first ever 3D Seismic contract with a leading private company.

c) Commencement of new Business relating to drilling services for Mining Sector: In order to seize growing opportunities for mineral/mining businesses, the Company has during the period under review set up a new Division to provide core drilling services. Company has already won two significant contracts in core drilling and has already started execution in one of them. In view of prevailing business climate, the Board is hopeful to generate decent returns in the coming future. Also company would like to use this platform of core drilling to enter into drilling business in Oil & Gas industry going forward.

After a challenging financial year in presence of global economic turmoil and highly volatile oil prices, company is expected to be back on its growth trajectory next financial year. The current order book of the company is INR 80 Crore. Board members have taken major steps to diversify into new service offerings and commence new division. We are pleased to inform all our shareholders that AOSL will continue to add several new service offerings in next financial year. Also we would like to thank all our shareholders for continuing to show belief in company's capabilities and future prospects.

Directorate :

During the year under review, Mr. Satya Pal Talwar resigned as Chairman and Director of the Company effective from 16-12-2009 whereas Mr. Vikram Walia, ceased to be Director effective from 18-12-2009 on non offering his candidature for reelection at last Annual General Meeting. The Board places on record its sincere appreciation for the contributions made by each of them during their tenure as Directors of the Company.

Mr. Rameshwarlal B. Kabra and Mr. Anand Prakash Agrawal retire by rotation and being eligible, offer themselves for reappointment.

A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the accompanying notice calling the Annual General Meeting.

Directors' Responsibility Statement :

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

i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.

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

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

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

Corporate Governance :

A separate section titled "Corporate Governance" including a certificate from the Practicing Company Secretary confirming the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement along with the report on Management Discussion Analysis Report are annexed hereto and form part of this report.

Management Discussion and Analysis :

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

Subsidiary Company :

In respect of AOSL Petroleum Pte. Limited, Singapore, the Wholly Owned Subsidiary Company , Audited Account together with the Reports of Directors and Auditors of the Subsidiary Company, alongwith the statement are annexed to this report pursuant to Section 212 of the Companies Act, 1956.

Consolidated Financial Statements :

In terms of listing requirement and in accordance with Accounting Standard AS-21, audited consolidated financial statements are provided in the Annual Report.

Change in Capital Structure and Listing of Shares :

During the period under review, 40,50,000 Equity Shares of Rs.10/- each were issued and allotted to M/s. Samara Capital Partners Fund I Ltd. on a premium of Rs.51.20 per share on preferential basis, in terms of SEBI (ICDR) Regulations, 2009 which are already listed at the Bombay Stock Exchange Ltd.

Dematerialization of Shares :

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

Audit Committee :

In compliance of Section 292A of the Companies Act, 1956 an Audit Committee has been constituted with Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal, Mr.Dali E. Ilavia, the Independent Directors and Mr. Gautam Gode, the Promoter Director as its members. It performed inter-alia, various functions as required in terms of the said provisions.

Statutory Disclosures :

Personnel :

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

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

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

Auditors, Audit Report and Audited Accounts :

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

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

Public Deposits :

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

Insurance :

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

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 : 29th May, 2010
Place : Vadodara

Avinash Manchanda
Managing Director

Annexure to the Directors' Report

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

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

(A) CONSERVATION OF ENERGY :

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

1. Wherever possible local power connections were tapped and the running of generators is minimal.

2. Inefficient engines have been replaced with new ones for the efficient and economic running.

3. All the engines are maintained properly to keep the fuel consumption minimal.

4. Running of automobiles is controlled by reducing possible trips and locating the working crew close to work spot.

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

1. Utilisation of energy sources with over capacity is limited / zeroed.

2. Additional manpower is deployed for maintenance of the equipment to optimize their utilization.

3. Induction of new equipment contributed to reduction of number of existing operating unit for the same output.

(c) Impact of the above measures :-

With the implementation of the various energy conservation measures, energy cost has reduced and consequently there is an 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 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 streamline the operations and improve 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 may be furnished:

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

(C) FOREIGN EXCHANGE EARNING & OUTGO :

a.	Foreign Exchange Earnings Seismic Survey and other related charges	:	Rs.	Nil
b.	Foreign Exchange outgo towards :			
	(i) Traveling expenses	:	Rs.	2,53,570/-
	(ii) Capital goods	:	Rs.	15,51,41,911/-
	(iii) Revenue Payment	:	Rs.	47,90,892/-

Management discussion and analysis

Industry Scenario and Developments :

Oilfield Services: India was sixth largest consumer of the oil in the world with consumption of 2722000 bbl/day in year 2007. In view of Rising fiscal deficit and Growing energy demand to support higher economic growth, the Government of India needs to deliver on its commitment of energy development and security. With a view to fulfill its requirement of energy security and reduce its dependence on oil and gas imports, the Government of India launched NELP to catalyse exploration and production. Following the introduction of NELP in 1999, investments in the seismic surveys (both 2D and 3D) increased significantly.

Indian Seismic market is expected to witness substantial growth primarily due to :

- Back log of committed onshore work program of > USD 2 bn to be executed during the period 2007-12
- Around 40% of the blocks offered under the NELP I – VII rounds are onshore. Around 18 additional blocks are on offer under NELP VIII
- Increased onshore exploration activities – Exploration has been initiated only in 22% of onshore area offered under NELP
- Minimum 2D and 3D surveys are largely mandatory as part of the MWP commitment

The Indian seismic services industry is marked by a few large scale third party service providers. A large and growing opportunity base on the one hand, and high entry barriers on the other, translates into the business flowing to incumbents.

Mineral Drilling: India is world's 4th largest coal reserves, 3rd largest and highest grade iron ore reserves and has enormous exploration potential for several other minerals. Enormous coal reserves providing significant opportunities to develop Coal Bed Methane (CBM) fields. Increasing population and rising domestic consumption is putting a strain on the existing infrastructure. Thus Government of India has a major focus on infrastructure development which places huge demands on the resource sector and there are understandably massive requirements for Steel, Cement and Power. The creation of which requires exploration of minerals like Coal and Iron Ore on a large scale. This will translate into a huge opportunity for core drilling services for the mining sector.

Operational Review: Currently the Company has four seismic crews and is engaged in the three different seismic projects. Two of these are 2D seismic projects being executed in North East and one 3D seismic project client being executed in Gujarat for a private client. Of these three projects the work on two projects began in the month of March 2010. Thus, almost all the revenues for the seismic vertical for the 9 months ending March 2010, was contributed by a single 2D project being executed in North East. The primary reason for this slow pace of execution for this project compared to last year is that the terrain, where field work is being executed currently, is not accessible by tractor mounted rigs. The shot hole drilling is currently being carried out by man portable rigs.

AOSL has made its foray in the shallow drilling market by winning its first contract, the work for which commenced in the month of February 2010. Since then the Company has won another significant contract in core drilling along with a JV partner. The Company would like to use this platform of core drilling to enter into drilling business in Coal Bed Methane (CBM) and Oil & Gas industry going forward.

Augmentation of the Senior Management Team: Mr. Neeraj Sethi, formerly country manager of Baker Atlas, has joined AOSL as the new Chief Operating Officer. He is an IIT Mumbai alumnus and brings with him over 13 years of rich global experience in oilfield services. Mr. Ajit Singh will be heading the initiative for CBM (Coal Bed Methane) and Mining Drilling. He worked previously for Mitchell Drilling.

Technical Collaboration: To further enhance our portfolio of service offerings, Company has tied with a few leading global seismic services players. With these technical collaborations, Company expects to foray in more sophisticated oilfield services in the near future. It is the company's philosophy to continuously upgrade the existing units and performance to level of best international standards and satisfaction of the clients.

Opportunities and Threats:

The continuing surge in seismic activity is attributed to the increase in the search of oil and gas reserves. Various oil and gas projects have announced by Companies in India which amounts to huge investments and these will translate into direct investment in this seismic services industry in the search of oil and gas reserves. This is expected to pose the demand of the services rendered by the Company. Further rising mineral demand from domestic consumption should create opportunities for Company's mineral drilling division.

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

Internal Control Systems:

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

Financials :

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

Cautionary Statement :

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

Report on Corporate Governance

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

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

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

2. Board of Directors :

The Board of Directors consist of Eight Directors with Managing Director, two Promoter Directors and Investor Director with four Non Executive Independent Directors as on 31st March, 2010. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee position in other Public Companies as at 31st March, 2010 have been made by the Director.

A brief resume of the Directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they holds directorship and membership of the committees of the Board, is annexed to the Notice. Whereas the names and categories of the Directors, their attendance at Board Meetings, Annual General Meetings, Number of directorships in other Companies and committee meetings etc. are given below :

Name of Directors	Category of Directors	No. of Board Meeting Attended during 09-10	Whether attended last A.G.M	No. of Directorship in domestic public companies	No. of Committee membership Chairman	No. of Committee membership Member
Satya Pal Talwar *	Chairman Non Executive	1	No	13	5	4
Avinash Manchanda	Managing Director & Promoter	7	Yes	–	–	–
Krishna Kant **	Non Executive Professional Director	2	No	–	–	–
Dali E. Ilavia	Non Executive Independent	2	No	–	–	–
Vikram Walia***	Non Executive Independent	None	No	1	–	–
Sumeet Narang	Investor Director	3	No	1	–	–
Vaibhav Maloo	Promoter Non Executive	3	No	2	–	–
Rameshwarlal Kabra	Non Executive Independent	6	No	3	1	–
Anand Prakash Agrawal	Non Executive Independent	7	Yes	2	–	–
Gautam Gode	Promoter Non Executive	4	No	–	–	–

* Ceased to be as the Chairman and Director effective from 16-12-2009

** Ceased as the Executive Chairman / Vice Chairman effective from 31-03-2010

*** Ceased to be the Director effective from 18-12-2009.

Board Meetings :

During the year 2009-2010, the Board met 7 times on 9th September, 2009, 26th September, 2009, 22nd October, 2009, 16th December, 2009, 22nd December, 2009, 19th January, 2010 and 22nd February, 2010. The longest gap between any two Board Meetings did not exceed four months.

None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committees of the Board in more than 10 Committees or Chairman of more than 5 Committees.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Shareholding of Directors :

Names of Directors	No. of Shares held
Mr. Krishna Kant	30 (0.00 %)
Mr. Avinash Manchanda	1,84,927 (1.21%)

3. Audit Committee :

Audit Committee consists of Mr. Rameshwarlal B. Kabra Mr. Anand Prakash Agrawal and Mr. D.E.Ilavia, the Non Executive Independent Directors and Mr. Gautam Gode, the Promoter Director, with Mr. Rameshwarlal B. Kabra as the Chairman of the Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The constitution of Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956 and Clause 49II(D) of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified, which are as under.

A. The Audit Committee shall have the following powers :

1. To investigate any activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of the Audit Committee shall include the following :

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
   - matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
   - changes, if any, in accounting policies and practices and reasons for the same.
   - major accounting entries involving estimates based on the exercise of judgment by the management.
   - significant adjustment made in the financial statements arising out of audit findings.
   - compliance with listing and other legal requirements relating to financial statements.
   - disclosure of related party transactions.
   - qualification in draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. 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.

6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.

7. 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.

8. Discussion with Internal Auditors about any significant findings and follow-up thereon.

9. 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.

10. 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.

11. 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.

12. To review the functioning of the Whistle Blower Mechanism.

13. 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.

14. Reviewing information related to

- the management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letter/letters of internal control weakness issued by the Statutory Auditors;
- internal Audit Reports relating to internal control weakness; and
- the appointment, removal and terms of remuneration of Internal Auditors.

15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2009-2010, 3 meetings of the Audit Committee, were held on 26th September, 2009, 22nd October, 2009, 19th January, 2010, details of attendance of members are as under;

Name of Directors	Number of Meetings	Meetings attended
Mr. Dali E. Ilavia	3	2
Mr. Rameshwarlal B. Kabra	3	3
Mr. Anand Prakash Agrawal	3	3
Mr. Gautam Gode	3	1

4. Remuneration Committee :

The Board of Directors has constituted a Remuneration Committee to review and recommend the remuneration package of the Wholetime Directors and Senior Executives, based on performance and defined criteria.

Remuneration Committee consists of Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal and Mr. Dali E. Ilavia, the Non Executive Independent Directors and Mr. Sumeet Narang, the Investor Director, with Mr. Dali E. Ilavia as the Chairman of the Committee.

During the year under one Remuneration Committee meeting was held on 01-07-2009.

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

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

Details of remuneration paid during 2009-10 :

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended 31st March, 2010 paid to Mr. Krishna Kant , the Executive Vice Chairman and to Mr. Avinash Manchanda, the Managing Director are as follows :

(In Rs.)

	Executive Vice- Chairman	Managing Director
Salary	22,50,000	22,50,000
Gratuity	—	—
Contribution to Provident Fund	—	—
Total	22,50,000	22,50,000

These Wholetime Directors are not related to any Director. Mr. Krishna Kant was appointed as an Executive Vice Chairman for a tenure of Five years effective from 18th June, 2008, resigned from the post from 31st March, 2010. Whereas Mr. Avinash Manchanda was appointed as Managing Director for a period of 5 years with effect from 1st February, 2008, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

Non-Executive Directors do not draw any remuneration but are paid sitting fees @ Rs.2,000/- per Board Meeting and Rs.1,500/- per Committee Meetings of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and Rs.750/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee till 30th September, 2009.

Effective from 1st October, 2009, sitting fees to Non Executive Directors were increased to Rs.3,000/- per Board Meeting, Rs.2,250/- per Committee Meetings of Audit Committee, Remuneration Committee, Shareholders' Grievance Committee and Management Committee and Rs.1,125/- 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 2009-2010.

Name of Directors	Sitting Fees paid (in Rs.)
Mr. Dali E. Ilavia	23,750
Mr. Rameshwarlal B. Kabra	29,000
Mr. Anand Prakash Agrawal	33,250
Mr. Vaibhav Maloo	14,250
Mr. Satya Pal Talwar	3,000

There were no other pecuniary relationship or transactions of the Non Executive Director vis a vis the Company. As of now, the Company does not have any employee stock option plan.

5. Shareholders' Grievance Committee.

Shareholders' Grievance Committee consists of Mr. Anand Prakash Agrawal, Mr. Rameshwarlal B. Kabra and Mr. Dali E. Ilavia, the Non Executive Independent Directors with Mr. Vaibhav Maloo, the Promoter Director. Mr. Rameshwarlal B. Kabra is the Chairman of the Committee.

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend, issue of Duplicate Share Certificate, dematerialisation of shares etc. 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.

During the year 2009-2010, the Shareholders' Grievance Committee met on 26th September, 2009, 22nd October, 2009, 19th January, 2010.

Attendance of Members at the Meetings of the Shareholders' Grievance Committee held during 2009-2010.

Name of Director	Number of Meetings	Meetings attended
Mr. Dali E. Ilavia	3	2
Mr. Rameshwarlal B. Kabra	3	3
Mr. Anand Prakash Agrawal	3	3
Mr. Vaibhav Maloo	3	1

The Company has appointed Mr. Mukesh Khanna, the Company Secretary and Mr. Anil Davadkar the Manager - Secretarial Services, as the Compliance Officers.

During the year under review, the Company had received and resolved 4 complaints and one complaint relating to non issue of duplicate share certificates is pending for want of requisite duly executed documents. No requests for transfer and/or requests for dematerialization were pending for approval as on 31.03.2010.

Share Transfer Committee

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

Number of pending share transfers

As the shares are compulsorily traded in demat mode, the transfer of which gets effected electronically through NSDL and CDSL depository. The approval of the Company is required for transfer of shares which are in physical mode. As on 31st March, 2010, no share transfer request was pending. All the Share Transfers and other requirement have been completed during the year in the stipulated time period.

6. Board / Committee Meeting and procedure :

a) Institutionalized decision-making process:

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

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

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

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

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

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

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

c) Briefing by the Managing Director :

At the beginning of each Meeting of the Board, the Managing Director briefs the Board Members about the key developments relating to the Company in diverse areas.

d) Recording minutes of proceedings at the Board :

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

e) Compliance :

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

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

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly results of the Company.
- Minutes of meetings of Board and other Committee of the Board.
- Presentation by the Executive Director / COO with regard to future plans of the Company.
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences etc.

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

7. General Body Meetings :

A. Annual General Meeting

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

Date	Time	Place	Special Resolution
18-12-2009	3.00 p.m.	Auditorium of Vanijyabhavan Central Gujarat Chamber of Commerce, Race Course, Vadodara.	Increase in remuneration of Mr. Miten Manchanda, Vice President – Business Development, holding place of profit in the Company.
23-12-2008	11.30 a.m.	Auditorium of Central Gujarat Chamber of Commerce, Race Course, Vadodara.	Reappointment of Mr. Krishna Kant as the Executive Chairman of the Company for a period of 5 years. Special Resolution passed through Postal Ballot for authorizing Board to make any Loan, give guarantee or provide security, to acquire by way of subscription, purchase or otherwise the securities of any body corporate in excess of limit prescribed under Section 372A, upto an aggregate amount of Rs.200 Crores.
28-09-2007	11.30 a.m.	As above	Revision of terms of Appointment of Managing Director and Executive Chairman.

No Special Resolution was passed through postal ballot during the year 2009-2010 under the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the resolutions by Postal Ballot) Rules, 2001. Presently the Company does not have any proposal that requires a postal ballot.

B. Extra Ordinary General Meeting

During the period under review, one Extra-Ordinary General Meeting of the Members of the Company was held on 19th January, 2010 for availing the approval of the Shareholders on the proposal relating to increase in authorized share capital, consequent changes in the Memorandum and Articles of Association and to offer, issue and allotment of 40,50,000 Equity Shares at a premium of Rs.51.20 per share to M/s. Samara Capital Partners Fund I Ltd., an existing Shareholder and 40,50,000 Convertible Warrants at a premium of Rs.51.20 per warrant to Non Promoter Investors.

8. 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.

9. Compliance of mandatory requirements :

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

10. Compliance of non-mandatory requirements :

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

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

a) **Remuneration Committee :**

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

b) **Whistleblower policy :**

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

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

Risk management:

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

Management Discussion and Analysis :

The Management discussion and analysis is included as a part of this annual report.

CEO / CFO Certifications

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

11. Means of Communication :

- **Quarterly Results :** The Quarterly Results are published in accordance with the provisions of the listing agreement. The results are published in English newspaper and in Gujarati news paper.

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

- **Email ID :** secretarial@asianoilfield.com

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

12. General Shareholder information :

12.1 Annual General Meeting :

- Date and time : Monday, the 13th September, 2010, at 11.00 a.m.

- Venue : **Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara - 390002**

12.2 Financial Calendar :

Board Meeting to approve Quarterly Financial Results ending	Period
September 30th, 2010	By November 15, 2010
December 31st, 2010	By February 14, 2011
March 31st, 2011	By May 14, 2011
June 30th, 2011	By August 14, 2011
Audited Results for the year 2010-2011	By August 31, 2011

12.3 Dividend payment Date : Not applicable

12.4 Details of Book Closures : Friday, the 3rd September, 2010 to Monday, the 13th September, 2010 (Both the days inclusive)

12.5 Listing of Equity Shares on Stock Exchange : The Bombay Stock Exchange Ltd., Mumbai

12.6 Stock Code : 530355

Demat ISIN number in NSDL and CDSL for Equity Shares : **ISIN - INE276G01015**

12.7 Stock Market Data :

High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd. during each month in the last financial year ended 31st March, 2010 is as under :

Months	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
July, 2009	81.40	51.00	13,41,938
August, 2009	71.30	55.00	32,57,641
September, 2009	69.70	53.90	20,71,303
October, 2009	75.40	54.50	42,64,290
November, 2009	61.95	53.00	6,85,045
December, 2009	67.50	56.30	26,14,526
January, 2010	85.00	63.25	29,79,671
February, 2010	72.10	60.15	5,51,904
March, 2010	69.00	55.15	5,51,193

12.8 Registrar and Share Transfer Agent :

Link Intime India Pvt. Ltd.
1st Floor, 308, Jaldhara Complex,
Opp.Manisha Society, Vasna Road,
Vadodara - 390 015, Gujarat
Phone 0265 – 2250241, 3249857
E-mail : vadodara@linkintime.co.in

12.9 Share Transfer System :

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

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

12.10 Distribution of Shareholding as on 31st March, 2010 :

No. of Shares	No. of Share holders	Percentage of share holders	Total No. of Shares	Percentage holding
Upto - 500	9,384	85.67	17,92,623	11.70
501 - 1000	933	8.52	7,61,671	4.97
1001 - 2000	293	2.67	4,65,723	3.04
2001 - 3000	107	0.98	2,79,435	1.82
3001 - 4000	42	0.38	1,48,977	0.97
4001 - 5000	53	0.48	2,55,533	1.67
5001 - 10000	69	0.63	5,15,713	3.37
10001 and above	72	0.67	1,11,04,769	72.46
Total	**10953**	**100.00**	**1,53,24,444**	**100.00**

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

12.11 Distribution of Shareholding Pattern as on 31st March, 2010 :

Category	No. of Shares	% of Total Capital
A. Promoters holding		
a. Indian Promoters	5,85,957	3.82
b. Foreign Promoter	55,50,000	36.22
B. Non Promoters holding		
a. Foreign Institutional Investors	7,71,500	5.03
b. Bodies Corporate	24,59,892	16.05
c. Indian Public	56,19,663	36.67
d. Non Residents Indians	1,67,510	1.09
e. Clearing Members	1,69,922	1.11
Total	**1,53,24,444**	**100 %**

ASIAN OILFIELD SERVICES LTD.

12.12 Dematerialisation of Shares :

About 1,03,57,569 (67.59%) Equity Shares of the Company have been Dematerialised. The Equity Shares of the Company are compulsorily traded in Electronic form at Bombay Stock Exchange Ltd. The Equity Shares of the Company are actively traded on BSE thus ensure good liquidity for the investors.

12.13 Plant locations : The Company has no plants.

12.14 Address of Correspondence for Grievances relating to Shares

Link Intime India Pvt. Ltd.

308, Jaldhara Complex,
Opp.Manisha Society, Off. Old Padra Road,
Vasna Road, Vadodara – 390 015.
Phone : (0265) 2250241, 3249857
E-Mail : vadodara@linkintime.co.in

Secretarial Dept.

Asian Oilfield Services Ltd.
7th Floor, B-Wing, Manubhai Tower,
Sayajigunj, Vadodara 390 020.
PhoneNo.0265–2362071, 2362292
Fax No. (0265) – 2226216
Email : secretarial@asianoilfield.com

Declaration

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

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

I confirm that the Company has , in respect of the financial year ended 31st March, 2010 received from the Senior Management Team of the Company and the Members of the Board , a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Finance Officer, the Company Secretary and other employees in the Executive Vice President cadre on 31st March, 2010.

Date : 29th May, 2010
Place : Vadodara

Avinash Manchanda
CEO & Managing Director

Report of Practicing Company Secretary on Corporate Governance

To

The Members,

Asian Oilfield Services Limited,

Vadodara.

We have examined the compliance of conditions of Corporate Governance by Asian Oilfield Services Limited, for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

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

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

We state that generally no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee and the Company, however one grievance is pending for redressal as at 31st March, 2010, for want of duly executed documents.

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

For Jayesh Vyas & Associates
Practicing Company Secretaries

Place : Vadodara
Date : 28th May, 2010

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

CERTIFICATE

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

This is to certify that;

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

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

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

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

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

We have indicated to the auditors and the Audit Committee,

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

Mohan Akalkotkar
Chief Finance Officer
Asian Oilfield Services Ltd

Place : Vadodara
Date : 29th May, 2010

AUDITORS' REPORT

To the Shareholders of
Asian Oilfield Services Limited

1. We have audited the attached Balance Sheet of **ASIAN OILFIELD SERVICES LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

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

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

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

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

6. On the basis of the written representations received from the Directors as on 31st March, 2010, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

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

Place: Vadodara
Date: 29th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

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

(i) Having regard to the nature of the Company's business and activities, clauses (ii), (x), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

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

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

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

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

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

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

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

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

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the period.

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

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

Place: Vadodara
Date: 29th May, 2010

ASIAN OILFIELD SERVICES LTD.

Balance Sheet as at March 31, 2010

	Schedule No.	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	153,244,440	112,744,440
Share Warrants (Refer Note 13 of Schedule 13 B)		-	22,800,030
Reserves and Surplus	2	837,348,148	615,868,983
		990,592,588	751,413,453
Loan Funds			
Secured Loans	3	65,961	145,661
Deferred Tax Liability (Net)		41,813,126	33,503,474
TOTAL		**1,032,471,675**	**785,062,588**
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		499,865,086	315,666,544
Less : Accumulated Depreciation		102,045,923	75,994,687
Net Block		397,819,163	239,671,857
Capital Work in Progress		8,518,573	-
		406,337,736	239,671,857
Investments	5	171,994,982	112,053,055
Current Assets, Loans and Advances	6		
Sundry Debtors		98,389,057	198,959,625
Cash and Bank Balances		79,347,713	74,296,005
Loans and Advances		357,102,891	326,886,261
Other Current Assets		30,667,826	8,936,902
Total - A		565,507,487	609,078,793
Less : Current Liabilities & Provisions	7		
Current Liabilities		109,761,020	174,661,405
Provisions		1,607,510	1,079,712
Total - B		111,368,530	175,741,117
Net Current Assets (A) - (B)		454,138,957	433,337,676
TOTAL		**1,032,471,675**	**785,062,588**
Significant Accounting Policies and Notes to Accounts	13		

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

Profit and Loss Account for the year ended March 31, 2010

	Schedule No.	2009-10 (9 Months) Rupees	2008-09 Rupees
INCOME			
Service Income - Seismic Survey related - Gross		201,678,214	688,106,053
Less : Service Tax		16,103,239	71,058,376
Net Income from Services		185,574,975	617,047,677
Other Income	8	8,702,529	24,831,194
		194,277,504	**641,878,871**
EXPENDITURE			
Operating Expenses	9	75,464,104	418,246,207
Personnel Expenses	10	41,439,186	36,122,863
Administrative and Other Expenses	11	43,473,990	60,951,187
Interest and Finance Charges	12	3,156,316	6,352,230
Depreciation / Amortisation	4	35,658,789	39,043,897
		199,192,385	**560,716,384**
Profit before Tax		**(4,914,881)**	**81,162,487**
Less : Provision for Taxation			
- Current Tax		-	16,200,000
- Short / (Excess) Provision of Current Tax in Earlier Years		(4,590,696)	(9,738,687)
- Deferred Tax		8,309,652	20,993,189
- Wealth Tax		46,997	-
- Fringe Benefit Tax		-	701,274
Profit after Tax		**(8,680,834)**	**53,006,711**
Add : Balance brought forward from Previous year		211,256,053	158,249,342
Surplus carried to Balance Sheet		202,575,219	211,256,053
Earnings Per Share (Refer Note 15 of Schedule 13 B)			
Basic and Diluted [Nominal value per share Rs.10 (Previous Year : Rs.10)] (Rs.)		(0.72)	4.74
Significant Accounting Policies and Notes to Accounts	13		

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 1 : SHARE CAPITAL		
Authorised:		
20,000,000 (Previous year 17,000,000) Equity Share of Rs.10 each	200,000,000	170,000,000
Issued, Subscribed and Paid Up:		
15,324,444 (Previous year 11,274,444) Equity Shares of Rs.10 each fully paid up	153,244,440	112,744,440
TOTAL	**153,244,440**	**112,744,440**
Schedule 2 : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	21,778,225	-
Add : Share Warrants forfeited during the year (Refer Note 13 of Schedule 13 B)	22,800,000	21,778,225
	44,578,225	**21,778,225**
Securities Premium Account		
As per last Balance Sheet	382,834,704	349,616,400
Add : Received during the year	207,360,000	33,218,304
	590,194,704	382,834,704
Profit and Loss Account	202,575,219	211,256,053
TOTAL	**837,348,148**	**615,868,983**
Schedule 3 : SECURED LOANS		
From Banks		
Vehicle Loan (Secured by hypothecation of vehicles purchased out of finance)	65,961	145,661
TOTAL	**65,961**	**145,661**

SCHEDULE 4 : FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at July 1, 2009	Additions	Deductions / Adjustments	As at March 31,2010	As at July 1, 2009	For the Period	Deductions / Adjustments	As at March 31, 2010	As at March 31, 2010	As at June 30, 2009
Land	794,750	-	-	794,750	-	-	-	-	794,750	794,750
Building	1,830,195	-	-	1,830,195	447,602	22,394	-	469,996	1,360,199	1,382,593
Plant & Machinery	119,474,829	73,139,669	11,366,504	181,247,994	28,339,092	11,109,163	8,131,365	31,316,890	149,931,104	91,135,737
Furniture & Fixtures	1,604,076	137,370	-	1,741,446	1,110,229	54,186	-	1,164,415	577,031	493,847
Office Equipments	503,902	151,646	-	655,548	122,001	17,428	-	139,429	516,119	381,901
Computers	185,047,612	123,224,532	3,444,405	304,827,739	44,741,822	23,979,731	1,082,346	67,639,207	237,188,532	140,305,790
Vehicles	6,411,180	3,093,885	737,651	8,767,414	1,233,941	475,887	393,842	1,315,986	7,451,428	5,177,239
TOTAL	**315,666,544**	**199,747,102**	**15,548,560**	**499,865,086**	**75,994,687**	**35,658,789**	**9,607,553**	**102,045,923**	**397,819,163**	**239,671,857**
Previous Year	248,479,154	87,293,543	20,106,153	315,666,544	37,380,105	39,043,897	429,315	75,994,687	239,671,857	211,099,049

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 5 : INVESTMENTS		
Long Term Investments (At Cost) (Unquoted)		
Investments in Subsidiary - AOSL Petroleum Pte Limited, Singapore		
1000 (Previous year - 1000) Ordinary Shares of SGD 1 each fully paid up	31,059	31,059
Current Investments (At lower of cost or fair value)		
Investments in Equity Shares (Quoted)		
900 (Previous Year - 900) Equity Shares of Rs.10 each fully paid up of Reliance Power Ltd	-	100,800
Investments in Mutual Funds (Unquoted)		
53,66,381.279 (Previous year - 68,66,970.666) units of Rs.10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	53,696,011	68,706,788
91,995.405 (Previous Year - 43,165.355) units of Rs.1000 each of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	92,118,578	43,214,408
99,970 (Previous Year - Nil) units of Rs.10 each of Reliance Quarterly Interval Fund - Series III - Retail Dividend Plan	1,003,609	-
25,12,863.784 (Previous year - Nil) units of Rs.10 each of Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment	25,145,725	-
TOTAL	**171,994,982**	**112,053,055**
Book Value of Quoted Investments	-	100,800
Market Value of Quoted Investments	-	150,750
Book Value of Unquoted Investments	171,994,982	111,952,255
Particulars of Investments acquired and sold during the year	**Units**	**Purchase Cost**
		Rupees
Mutual Funds		
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.10)	33,212,220	332,310,273
SBI Magnum Insta Cash Fund - Daily Dividend Option (Face Value Rs.10)	6,269,637	105,018,305
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Weekly Dividend (Face Value Rs.10)	10,407,409	104,903,565
Reliance Money Manager Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.1000)	164,812	165,000,000
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Plan (Face Value Rs.10)	981,293	15,001,223

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	4,052,186	4,403,099
- considered doubtful	4,897,624	4,897,624
Others - Considered Good	94,336,871	194,556,526
Less: Provision for Doubtful Debts	4,897,624	4,897,624
	98,389,057	**198,959,625**
Cash and Bank Balances		
Cash on Hand	1,436,519	32,065
Balances with Scheduled Banks		
- on current accounts	2,339,858	1,630,544
- on margin money accounts	67,191,462	51,699,100
- on cash credit accounts	8,379,874	20,934,296
	79,347,713	**74,296,005**
Loans and Advances (Unsecured, Considered Good)		
Inter-Corporate Loan	69,807,577	69,807,577
Loans to Subsidiary - AOSL Petroleum Pte Limited, Singapore	211,986,929	211,523,454
Advances recoverable in cash or in kind or for value to be received	7,576,438	5,728,741
Deposits - Others	5,934,863	723,740
Balances with Customs, Excise etc.	20,408,635	16,771,436
Advance Income Tax (Net of Provisions)	41,446,517	22,331,313
Less: Provision for Doubtful Advances	58,068	-
	357,102,891	**326,886,261**
Other Current Assets		
Interest accrued but not due	1,434,970	3,557,670
Accrued Service Income	29,232,856	5,379,232
	30,667,826	8,936,902
TOTAL	**565,507,487**	**609,078,793**
Schedule 7 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors - Micro, Small and Medium Enterprises	-	-
(Refer note 5 of Schedule 13 B)		
- Others	56,369,026	98,333,343
Deposits	34,934,834	39,807,807
Other Current Liabilities	17,950,672	36,013,767
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
- Unpaid dividends	506,488	506,488
	109,761,020	**174,661,405**
Provisions		
For Employee Benefits	1,607,510	1,079,712
TOTAL	**111,368,530**	**175,741,117**

Schedules forming part of the Profit and Loss Account

	2009-10 (9 Months) Rupees	2008-09 Rupees
Schedule 8 : OTHER INCOME		
Dividend Income from Non Trade Current Investments	5,042,727	11,783,432
Interest from Banks and Others	2,923,806	8,842,487
[Tax deducted at source Rs.4.20 lacs (previous year Rs.7.12 lacs)]		
Exchange Rate Variance (Net)	608,133	-
Profit on Sale of Fixed Assets (Net)	70,881	3,100,038
Profit on Sale of Investments from Non Trade Current Investments	33,919	-
Miscellaneous Income	23,063	1,105,237
TOTAL	**8,702,529**	**24,831,194**
Schedule 9 : OPERATING EXPENSES		
Sub-contract Charges	43,817,846	346,052,960
Shot Hole Drilling Expenses	10,371,560	43,961,183
Stores and Consumables Consumed	10,069,728	17,534,720
Camp Establishment and Maintenance	2,952,819	1,504,450
Mobilisation and Demobilisation Expenses	190,000	81,350
Tender Fees	57,500	201,396
Survey Expenses	7,525,733	-
Liquidated Damages	-	8,910,148
Site Administrative Expenses	478,918	-
TOTAL	**75,464,104**	**418,246,207**
Schedule 10 : PERSONNEL EXPENSES		
Salaries, Exgratia and Bonus	32,920,381	27,065,045
Contribution to Provident Fund	1,241,762	901,315
Staff Welfare Expenses	2,777,043	906,503
Remuneration to Directors (Refer note 4 of Schedule 13 B)	4,500,000	7,250,000
TOTAL	**41,439,186**	**36,122,863**
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES		
Business Promotion Expenses	340,605	677,896
Rent, Rate and Taxes	1,146,321	1,702,770
Travelling and Conveyance	17,634,346	18,512,511
Printing and Stationery	665,629	526,317
Advertisement	44,552	126,875
Postage and Telephone Expenses	3,072,646	2,771,761
Insurance	1,721,046	2,328,479
Miscellaneous Expenses	1,804,292	1,428,183
Power and Fuel	3,432,684	309,484
Audit Fees	500,000	500,000
Legal and Professionals Charges	9,321,516	10,110,988
Provision for Doubtful Debts	-	4,897,624
Provision for Doubtful Advances	58,068	-
Bad Debts written off	-	6,597,217
Exchange Rate Variance (Net)	-	1,013,517

Schedules forming part of the Profit and Loss Account

	2009-10 (9 Months) Rupees	2008-09 Rupees
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES (Contd...)		
Directors Sitting Fees	103,250	65,750
Repairs and Maintenance		
- Building	1,475	2,247,287
- Plant and Machinery	2,259,038	1,425,362
- Others	817,422	434,545
Donation	551,100	29,311
Loss on Sale of Investments	-	220,310
Miscellaneous Expenditure Written Off	-	5,025,000
TOTAL	**43,473,990**	**60,951,187**
Schedule 12 : INTEREST AND FINANCE CHARGES		
Interest to		
- Bank	45,465	3,207,644
- Others	4,525	16,201
Bank Charges	3,106,326	3,128,385
TOTAL	**3,156,316**	**6,352,230**

SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

1 Accounting Convention

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

2 Use of Estimates

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

3 Fixed Assets and Depreciation

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

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

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

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

4 **Intangibles**

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

5 **Foreign Currency Transactions**

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

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

6 **Investments**

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

7 **Inventories**

Inventories of spares and consumables is stated at lower of cost or net realisable value.

8 **Retirement Benefits**

a **Defined Benefit Schemes**

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

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

b **Defined Contribution Schemes**

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

9 **CENVAT Credit**

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

10 **Revenue Recognition**

a **Services**

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

b **Interest**

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

c **Dividend**

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

11 **Taxes on Income**

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

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

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

B NOTES TO ACCOUNTS :

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

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

	March 31, 2010	June 30, 2009
Outstanding balance on bank guarantees	116,610,843	115,675,555
Open letter of credit(LCs) given by the bank on behalf of the Company	30,319,011	–
Demand for Income Tax contested by the Company	810,922	6,919,546
3 Estimated amount of contracts remaining to executed on capital account and not provided for	29,021,720	-

4 **Information in respect of related parties**

During the year, the Company entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at 31st March, 2010 are presented below:

(a)	Subsidiary	AOSL Petroleum Pte Ltd
(b)	Key Management Personnel	Mr. Krishnakant - Executive Vice Chairman
		Mr. Avinash Manchanda - Managing Director
(c)	Relatives of Key Management Personnel	Mr. Miten Manchanda - Son of Mr. Avinash Manchanda
(d)	Associates	Nimit Finance Private Limited

Transactions with Related Parties (Amt in Rs.)

		2009-10 (9 Months)	2008-09
a	Subsidiary - AOSL Petroleum Pte Ltd		
	Investment in equity shares	-	31,059
	Other long term investment	463,475	211,523,454
Remuneration to key managerial person and relative of key managerial person :			(Amt in Rs.)
b	**Executive Vice Chairman**		
	Salaries	2,250,000	4,250,000
		2,250,000	4,250,000
c	**Managing Director**		
	Salaries	2,250,000	3,000,000
	Contribution to provident fund and other funds	-	7,020
		2,250,000	3,007,020
d	**Relative of Key Managerial Person**		
	Salaries	1,076,730	652,780
	Contribution to provident fund and other funds	7,020	9,360
		1,083,750	662,140
	(The above figures do not include provision for leave encashment)		
e	**Nimit Finance Private Limited**		
	Equity Shares allotted on conversion of warrants (at a premium of Rs.10.50 per share)	-	6,150,000

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

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

7 Components of Deferred Tax Assets / (Liability)

(Amt in Rs.)

	March 31, 2010	June 30, 2009
Depreciation	(48,793,838)	(36,626,772)
Deferred Tax Assets		
- Employee benefits	628,515	206,064
- Provision for doubtful debts	1,626,868	1,664,703
- Preliminary expenses written off	778,950	1,252,531
- Unabsorbed Depreciation / Business Loss	3,946,379	-
	(41,813,126)	**(33,503,474)**

8 Employees benefit

Defined contribution plan

The Company has recognised, in the profit and loss account for the period ended 31st March, 2010, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

(Amt in Rs.)

Benefit (Contribution to)	2009-10 (9 Months)	2008-09
Provident Fund	1,241,762	740,058
Total	**1,241,762**	**740,058**

The Company has determined the leave entitlement liability on actuarial basis and also obtained actuarial valuation of gratuity from an actuary as of the period end i.e., 31st March, 2010. The Company has recognised leave entitlement expense and provision at Rs.1,586,622 (Previous year - Rs.1,079,712) as of the period end and gratuity expense and net liability as follows.

Defined benefit plan

Sr.	Particulars	2009-10 (9 Months) Gratuity (Amt in Rs.)	2008-09 Gratuity (Amt in Rs.)
I	**Expense recognized in Profit & Loss Account**		
a.	Current service cost	122,555	226,227
b.	Interest cost	46,969	64,409
c.	Expected return on plan assets	(75,852)	(92,950)
d.	Actuarial (Gain)/Loss	505,897	(114,132)
e.	Addl. charge / (write-back) on account of change in policy	-	-
f.	Net expense recognised in Profit & Loss Account	**599,569**	**83,554**
II	**Changes in Obligation during the year**		
a.	Obligation as at the beginning of the year	760,137	604,856
b.	Current service cost	122,555	226,227
c.	Interest cost	46,969	64,409
d.	Actuarial (Gain)/Loss	539,022	(135,355)
e.	Benefits paid	(149,261)	-
f.	PV of obligation as at the end of the year	**1,319,422**	**760,137**
III	**Changes in Plan Assets during the year**		
a.	Fair value of plan assets as at the beginning of the year	1,233,600	527,638
b.	Expected return on plan assets	75,851	92,950

c.	Actuarial (Gain)/Loss	33,125	(21,223)
d.	Contributions	105,218	634,235
e.	Benefits paid	(149,261)	-
f.	Fair value of plan assets as at the end of the year	**1,298,533**	**1,233,600**
IV	**Net Assets / Liabilities recognized in the Balance Sheet**		
a.	PV of obligation as at the end of the year	1,319,422	760,137
b.	Fair value of plan assets as at the end of the year	1,298,533	1,233,600
c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	**20,889**	**(473,463)**
V	**Principal Actuarial Assumptions**		
a.	Discount rate (per annum) (Refer Note-1)	8.00%	7.75%
b.	Expected return on plan assets (per annum) (Refer Note-2)	8.00%	8.00%
c.	Expected increase in salary costs (per annum) (Refer Note-3)	5.00%	5.00%

Notes :

1. Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 21 years. The rate is taken as per the deal rate as on 31st March, 2010 available on Reserve Bank of India site.
2. As the investment is with the Insurance Company, list of investment is not available, so expected return is assumed to be available on risk free investment like PPF.
3. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
4. 100% of plan assets are invested in group gratuity scheme offered by LIC of India.

9 Remuneration to Auditors (for other services) (Amt in Rs.)

	2009-10 (9 Months)	2008-09
Taxation matters	485,320	185,577
Other services	210,300	53,217
Reimbursement of expenses	231	686
Total (Including Service Tax)	**695,851**	**239,480**

10 Value of imports during the year (CIF basis) (Amt in Rs.)

Particulars	2009-10 (9 Months)	2008-09
Capital goods	155,141,911	64,608,065
Stores and spares consumable	799,016	-

11 Expenditure in foreign currency during the year (on payment basis) (Amt in Rs.)

Particulars	2009-10 (9 Months)	2008-09
Travelling expenses	253,570	659,546
Contractual expenses	3,991,876	17,066,567

12 Earnings in foreign currency (Amt in Rs.)

Particulars	2009-10 (9 Months)	2008-09
Export of services	-	932,296

13 As on 1st July 2009, following warrants issued by the Company were outstanding:-

Date of Allotment of warrant	No. of Warrants	Exercise Price per share (Rs.)	Upfront Payment Received Amount (Rs.)
21st January, 2008	1,200,000	190.00	22,800,000

Above mentioned warrant holders holding 12,00,000 warrants, who paid 10% consideration of Rs. 22,800,000 expressed their inability to pay remaining amount. Accordingly, the Board of Directors forfeited the same on 21st July, 2009 and credited the amount received against those warrants to the Capital Reserve.

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

Particulars		Amount in foreign currency		Equivalent amount in Indian currency	
Currency		2009-10 (9 Months)	2008-09	2009-10 (9 Months)	2008-09
Receivables	US Dollar	131,136	131,136	4,897,624	4,897,624
Payables	US Dollar	360,561	3,723	16,275,709	178,236
Advances	US Dollar	170,535	-	7,781,872	-

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

Particulars	2009-10 (9 Months)	2008-09
Net Profit after tax for the year	(8,680,834)	53,006,711
Number of Equity Shares outstanding as at year end	15,324,444	11,274,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	12,116,962	11,176,636
Basic and Diluted Earnings Per Shares (in Rs.)	(0.72)	4.74

16 Till previous year, the Company's accounting year was July 1 to June 30. From current year, the accounting year has been changed to financial year and accordingly financial statements have been prepared for the period July 1, 2009 to March 31, 2010. Thus, figures of current year are not directly comparable with figures reported for previous period as the current period covers transactions for 9 months ending 31st March, 2010.

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

ASIAN OILFIELD SERVICES LTD.

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

I Registration Details

Registration No.	17254	State code (Refer Code List)	04
Balance Sheet Date	31 03 2010 (Date Month Year)		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	40500

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

Total Liabilities	1032472	Total Assets	1032472
Sources of Funds			
Paid-up Capital	153244	Reserves & Surplus	837348
Secured Loans	66	Unsecured Loans	NIL
Share Warrants	NIL	Deferred Tax Liability	41813
Application of Funds			
Net Fixed Assets (including CWIP)	406338	Investment	171995
Net Current Assets	454139	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other incomes)	194278	Total Expenditure	199192
Profit / Loss Before Tax	– 4915	Profit / Loss After Tax	– 8681
Earning Per Share in Rs.	– 0.72	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
Item Code No. (ITC Code)	NA	Product Description	NA

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Place : Vadodara
Date : May 29, 2010

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Cash Flow Statement for the period ended March 31, 2010

		2009-10 (9 Months) Rupees	2008-09 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Net Loss) before Tax		(4,914,881)	81,162,487
Adjusted for:			
(Profit)/Loss on Sale of Fixed Assets (net)		(70,881)	(3,100,038)
(Profit)/Loss on Sale of Investment		(33,919)	220,310
Depreciation		35,658,789	39,043,897
Miscellaneous Expenditure written off		-	5,025,000
Interest Income from Banks and Others		(2,923,806)	(8,842,487)
Interest and Finance Charges		3,156,316	6,352,230
Unrealised Gain due to Foreign Exchange Fluctuation		(352,565)	-
Provision for Doubtful Debts		58,068	-
Dividend Income		(5,042,727)	(11,783,432)
Operating Profit before Working Capital Changes		25,534,394	108,077,967
Adjusted for:			
Trade and Other Receivables		66,020,925	(34,349,692)
Inventories		-	1,029,215
Trade Payables and Other Current Liabilities		(64,020,022)	92,291,110
		27,535,297	167,048,600
Less : Taxes paid		(14,571,505)	(30,516,140)
Net Cash from Operating Activities	**A**	**12,963,792**	**136,532,460**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets and CWIP		(208,265,675)	(87,293,543)
Sale of Fixed Assets		6,011,888	22,776,876
Loans given		(463,475)	(276,523,454)
Purchase of Investments		(782,276,093)	(1,281,746,205)
Sale of Investments		722,368,086	1,512,879,037
Interest Income from Banks and Others		5,046,506	477,240
Dividend Income		5,042,727	11,783,432
Net Cash used in Investing Activities	**B**	**(252,536,037)**	**(97,646,617)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares / Warrants (net)		247,859,970	30,400,000
Repayment of Term Loans		(79,700)	(29,453,205)
Proceeds / (Repayment) of Working Capital Loans		-	(1,309,541)
Interest and Finance Charges		(3,156,316)	(6,352,230)
Net Cash from Financing Activities	**C**	**244,623,953**	**(6,714,976)**
Changes in Cash and Cash Equivalents (A+B+C)		5,051,708	32,170,867
Opening Balance of Cash and Cash Equivalents		74,296,005	42,125,138
Closing Balance of Cash and Cash Equivalents		79,347,713	74,296,005

Notes

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

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Cash on Hand	1,436,519	32,065
With Scheduled Banks		
- in Current Accounts	2,339,858	1,630,544
- in Cash Credit Accounts	8,379,874	20,934,296
- in Deposit Accounts	67,191,462	51,699,100
	79,347,713	**74,296,005**

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

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

ASIAN OILFIELD SERVICES LTD.

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

1.	Name of the Subsidiary	:	AOSL Petroleum Pte. Ltd.
2.	Financial year/period ended on	:	31st March, 2010
3.	No. of equity shares held by Asian Oilfield Services Ltd. in the Subsidiary.	:	1000 (One Thousand) Equity Shares of SGD $ 1 each fully paid.
4.	Extent of interest of Asian Oilfield Services Ltd. in the capital of the Subsidiary	:	100%
5.	Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Asian Oilfield Services Ltd., and is not dealt with in the Company's accounts	:	
	(a) Profit/(Loss) for the financial year ended on 31st March, 2010 of the subsidiary	:	USD $ (6,040), {Rs. (2,86,394)}
	(b) Profit / (Loss) for the previous financial years of the subsidiary since it became subsidiary of Asian Oilfield Services Ltd.	:	NIL
6.	Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those Profit / (Loss) in Asian Oilfield Services Ltd.'s accounts	:	
	(a) For the subsidiary's Financial year ended on 31st March, 2010	:	NIL
	(b) For its previous financial years since it became the subsidiary of Asian Oilfield Services Ltd.	:	NIL

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

INFORMATION PERTAINING TO SUBSIDIARY COMPANY :

Sr No.	PARTICULARS	AOSL Petroleum Pte. Ltd. Amount Rs.
1	Share Capital	31,059
2	Reserves and Surplus	NIL
3	Total Assets (Investment)	22,52,48,600
4	Total Liabilities	22,61,92,412
5	Turnover	NIL
6	Profit/(loss) Before Taxation	(2,86,393)
7	Provision for Taxation	NIL
8	Profit/(loss) After Taxation	(2,86,393)
9	Proposed Dividend	NIL

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Asian Oilfield Services Limited

1. We have audited the attached Consolidated Balance Sheet of **ASIAN OILFIELD SERVICES LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at 31st March, 2010 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 225,906,019 as at 31st March, 2010, total revenues of Rs. Nil and net cash flows amounting to Rs. 332,568 for the period ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.

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

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

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;

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

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

For Deloitte Haskins & Sells
Chartered Accountants

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

Place: Vadodara
Date: 29th May, 2010

Consolidated Balance Sheet as at March 31, 2010

	Schedule No.	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	153,244,440	112,744,440
Share Warrants (Refer Note 13 of Schedule 13 B)		-	22,800,030
Reserves and Surplus	2	850,968,680	643,412,099
		1,004,213,120	**778,956,569**
Loan Funds			
Secured Loans	3	65,961	145,661
Deferred Tax Liability (Net)		41,813,126	33,503,474
TOTAL		**1,046,092,207**	**812,605,704**
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		499,865,086	315,666,544
Less : Accumulated Depreciation		102,045,923	75,994,687
Net Block		397,819,163	239,671,857
Capital Work in Progress		8,518,573	-
		406,337,736	239,671,857
Investments	5	397,212,523	350,893,296
Current Assets, Loans and Advances	6		
Sundry Debtors		98,389,057	198,959,625
Cash and Bank Balances		79,854,816	74,470,539
Loans and Advances		145,266,279	115,522,214
Other Current Assets		30,667,826	8,936,902
Total - A		**354,177,978**	**397,889,280**
Less : Current Liabilities & Provisions	7		
Current Liabilities		110,028,520	174,769,017
Provisions		1,607,510	1,079,712
Total - B		111,636,030	175,848,729
Net Current Assets (A) - (B)		**242,541,948**	**222,040,551**
TOTAL		**1,046,092,207**	**812,605,704**
Significant Accounting Policies and Notes to Accounts	13		

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

Consolidated Profit and Loss Account for the period ended March 31, 2010

	Schedule No.	2009-10 (9 Months) Rupees	2008-09 Rupees
INCOME			
Service Income - Seismic Survey related - Gross		201,678,214	688,106,053
Less : Service Tax		16,103,239	71,058,376
Net Income from Services		185,574,975	617,047,677
Other Income	8	8,702,529	24,831,194
		194,277,504	**641,878,871**
EXPENDITURE			
Operating Expenses	9	75,464,104	418,246,207
Personnel Expenses	10	41,439,186	36,122,863
Administrative and Other Expenses	11	43,754,930	61,284,606
Interest and Finance Charges	12	3,161,769	6,506,702
Depreciation / Amortisation	4	35,658,789	39,043,897
		199,478,778	**561,204,275**
Profit before Tax		**(5,201,274)**	**80,674,596**
Less : Provision for Taxation			
- Current Tax		-	16,200,000
- Short / (Excess) Provision of Current Tax in Earlier Years		(4,590,696)	(9,738,687)
- Deferred Tax		8,309,652	20,993,189
- Wealth Tax		46,997	-
- Fringe Benefit Tax		-	701,274
Profit after Tax		**(8,967,227)**	**52,518,820**
Add : Balance brought forward from Previous year		210,768,162	158,249,342
Surplus carried to Balance Sheet		201,800,935	210,768,162
Earnings Per Share (Refer Note 15 of Schedule 13 B)			
Basic and Diluted [Nominal value per share Rs.10 (Previous Year : Rs.10)] (Rs.)		(0.74)	4.70
Significant Accounting Policies and Notes to Accounts	13		

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 1 : SHARE CAPITAL		
Authorised: 20,000,000 (Previous year 17,000,000) Equity Share of Rs.10 each	200,000,000	170,000,000
Issued, Subscribed and Paid Up: 15,324,444 (Previous year 11,274,444) Equity Shares of Rs.10 each fully paid up	153,244,440	112,744,440
TOTAL	**153,244,440**	**112,744,440**
Schedule 2 : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	21,778,226	-
Add : Share Warrants forfeited during the year (Refer Note 13 of Schedule 13 B)	22,800,000	21,778,226
	44,578,225	**21,778,226**
Securities Premium Account		
As per last Balance Sheet	382,834,704	349,616,400
Add : Received during the year	207,360,000	33,218,304
	590,194,704	382,834,704
Profit and Loss Account	**201,800,935**	**210,768,162**
Foreign Currency Translation Reserve		
Arising on consolidation during the year	14,394,816	28,031,007
TOTAL	**850,968,680**	**643,412,099**
Schedule 3 : SECURED LOANS		
From Banks		
Vehicle Loan (Secured by hypothecation of vehicles purchased out of finance)	65,961	145,661
TOTAL	**65,961.00**	**145,661**

SCHEDULE 4 : FIXED ASSETS (Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at July 1, 2009	Additions	Deductions / Adjustments	As at March 31,2010	As at July 1, 2009	For the Year	Deductions / Adjustments	As at March 31, 2010	As at March 31, 2010	As at June 30, 2009
Land	794,750	-	-	794,750	-	-	-	-	794,750	794,750
Building	1,830,195	-	-	1,830,195	447,602	22,394	-	469,996	1,360,199	1,382,593
Plant & Machinery	119,474,829	73,139,669	11,366,504	181,247,994	28,339,092	11,109,163	8,131,365	31,316,890	149,931,104	91,135,737
Furniture & Fixtures	1,604,076	137,370	-	1,741,446	1,110,229	54,186	-	1,164,415	577,031	493,847
Office Equipments	503,902	151,646	-	655,548	122,001	17,428	-	139,429	516,119	381,901
Computers	185,047,612	123,224,532	3,444,405	304,827,739	44,741,822	23,979,731	1,082,346	67,639,207	237,188,532	140,305,790
Vehicles	6,411,180	3,093,885	737,651	8,767,414	1,233,941	475,887	393,842	1,315,986	7,451,428	5,177,239
TOTAL	**315,666,544**	**199,747,102**	**15,548,560**	**499,865,086**	**75,994,687**	**35,658,789**	**9,607,553**	**102,045,923**	**397,819,163**	**239,671,857**
Previous Year	248,479,154	87,293,543	20,106,153	315,666,544	37,380,105	39,043,897	429,315	75,994,687	239,671,857	211,099,049

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 5 : INVESTMENTS		
Long Term Investments (At Cost) (Unquoted)		
12% Convertible Bonds of EnSearch Petroleum Ltd., Singapore	225,248,600	238,871,300
Current Investments (At lower of cost or fair value)		
Investments in Equity Shares (Quoted)		
900 (Previous Year - 900) Equity Shares of Rs.10 each fully paid up of Reliance Power Ltd	-	100,800
Investments in Mutual Funds (Unquoted)		
53,66,381.279 (Previous year - 68,66,970.666) units of Rs.10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	53,696,011	68,706,788
91,995.405 (Previous Year - 43,165.355) units of Rs.1000 each of Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	92,118,578	43,214,408
99,970 (Previous Year - Nil) units of Rs.10 each of Reliance Quarterly Interval Fund - Series III - Retail Dividend Plan	1,003,609	-
25,12,863.784 (Previous year - Nil) units of Rs.10 each of Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment	25,145,725	-
TOTAL	**397,212,523**	**350,893,296**
Book Value of Quoted Investments	-	100,800
Market Value of Quoted Investments	-	150,750
Book Value of Unquoted Investments	397,212,523	350,792,496

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	4,052,186	4,403,099
- considered doubtful	4,897,624	4,897,624
Others - Considered Good	94,336,871	194,556,526
Less: Provision for Doubtful Debts	4,897,624	4,897,624
	98,389,057	**198,959,625**
Cash and Bank Balances		
Cash on Hand	1,436,519	32,065
Balances with Scheduled Banks		
- on current accounts	2,846,961	1,805,078
- on margin money accounts	67,191,462	51,699,100
- on cash credit accounts	8,379,874	20,934,296
	79,854,816	**74,470,539**
Loans and Advances (Unsecured, Considered Good)		
Inter-Corporate Loan	69,807,577	69,807,577
Advances recoverable in cash or in kind or for value to be received	7,576,438	5,728,741
Deposits - Others	6,085,179	883,147
Balances with Customs, Excise etc.	20,408,635	16,771,436
Advance Income Tax (Net of Provisions)	41,446,518	22,331,313
Less: Provision for Doubtful Advances	58,068	-
	145,266,279	**115,522,214**
Other Current Assets		
Interest accrued but not due	1,434,970	3,557,670
Accrued Service Income	29,232,856	5,379,232
	30,667,826	**8,936,902**
TOTAL	**354,177,978**	**397,889,280**
Schedule 7 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	56,369,026	98,333,343
Deposits	34,934,834	39,807,807
Other Current Liabilities	18,218,172	36,121,379
Liability towards Investor Education and Protection Fund		
under Section 205C of the Companies Act, 1956 not due		
- Unpaid dividends	506,488	506,488
	110,028,520	**174,769,017**
Provisions		
For Employee Benefits	1,607,510	1,079,712
TOTAL	**111,636,030**	**175,848,729**

Schedules forming part of the Consolidated Profit and Loss Account

	2009-10 (9 Months) Rupees	2008-09 Rupees
Schedule 8 : OTHER INCOME		
Dividend Income from Non Trade Current Investments	5,042,727	11,783,432
Interest from Banks and Others	2,923,806	8,842,487
[Tax deducted at source Rs.4.20 lacs (previous year Rs.7.12 lacs)]		
Exchange Rate Variance (Net)	608,133	-
Profit on Sale of Fixed Assets (Net)	70,881	3,100,038
Profit on Sale of Non Trade Current Investments	33,919	-
Miscellaneous Income	23,063	1,105,237
TOTAL	**8,702,529**	**24,831,194**
Schedule 9 : OPERATING EXPENSES		
Sub-contract Charges	43,817,846	346,052,960
Shot Hole Drilling Expenses	10,371,560	43,961,183
Stores and Consumables Consumed	10,069,728	17,534,720
Camp Establishment and Maintenance	2,952,819	1,504,450
Mobilisation and Demobilisation Expenses	190,000	81,350
Tender Fees	57,500	201,396
Survey Expenses	7,525,733	-
Liquidated Damages	-	8,910,148
Site Administrative Expenses	478,918	-
TOTAL	**75,464,104**	**418,246,207**
Schedule 10 : PERSONNEL EXPENSES		
Salaries, Exgratia and Bonus	32,920,381	27,065,045
Contribution to Provident Fund	1,241,762	901,315
Staff Welfare Expenses	2,777,043	906,503
Remuneration to Directors (Refer note 4 of Schedule 13 B)	4,500,000	7,250,000
TOTAL	**41,439,186**	**36,122,863**
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES		
Business Promotion Expenses	340,605	677,896
Rent, Rate and Taxes	1,146,321	1,702,770
Travelling and Conveyance	17,634,346	18,512,511
Printing and Stationery	665,629	531,308
Advertisement	44,552	126,875
Postage and Telephone Expenses	3,078,194	2,777,088
Insurance	1,721,046	2,328,479
Miscellaneous Expenses	1,824,634	1,448,098
Power and Fuel	3,432,683	309,484
Audit Fees	584,685	582,971

Schedules forming part of the Consolidated Profit and Loss Account

	2009-10 (9 Months) Rupees	2008-09 Rupees
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES (Contd...)		
Legal and Professionals Charges	9,491,882	10,331,203
Provision for Doubtful Debts	-	4,897,624
Provision for Doubtful Advances	58,068	-
Bad Debts written off	-	6,597,217
Exchange Rate Variance (Net)	-	1,013,517
Directors Sitting Fees	103,250	65,750
Repairs and Maintenance		
- Building	1,475	2,247,287
- Plant and Machinery	2,259,038	1,425,362
- Others	817,422	434,545
Donation	551,100	29,311
Loss on Sale of Investments	-	220,310
Miscellaneous Expenditure Written Off	-	5,025,000
TOTAL	**43,754,930**	**61,284,606**
Schedule 12 : INTEREST AND FINANCE CHARGES		
Interest to		
- Bank	45,465	3,207,644
- Others	4,525	16,201
Bank Charges	3,111,779	3,282,857
TOTAL	**3,161,769**	**6,506,702**

SCHEDULE 13 : NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

1 Principles of Consolidation

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

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

2 Accounting Convention

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

3 Use of Estimates

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

4 **Fixed Assets and Depreciation**

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

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

Machinery spares that can be used only in connection with an item of fixed assets and their use is expected to be irregular are capitalised. Replacement of such spares is charged to revenue.

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

5 **Intangibles**

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

6 **Foreign Currency Transactions**

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

7 **Investments**

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

8 **Inventories**

Inventories of spares and consumables is stated at lower of cost or net realisable value.

9 **Retirement Benefits**

a **Defined Benefit Schemes**

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

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

b **Defined Contribution Schemes**

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

10 **CENVAT Credit**

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

11 **Revenue Recognition**

a **Services**

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

b **Interest**

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

c **Dividend**

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

12 **Taxes on Income**

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

13 Provisions, Contingent Liabilities and Contingent Assets

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

B NOTES TO ACCOUNTS :

1 Till previous year, the Company's accounting year was July 1 to June 30. From current year, the accounting year has been changed to financial year and accordingly consolidated financial statements have been prepared for the period July 1, 2009 to March 31, 2010. Thus, figures of current year are not directly comparable with figures reported for previous period as the current period covers transactions for 9 months ending 31st March, 2010.

2 The following subsidiary company is considered in the consolidated financial statements

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

3 The Financial Statements of AOSL Petroleum Pte Ltd reflecting total income of Rs. Nil and total expenditure of Rs. 286,393/- for the 9 months period ending 31st March 2010 and total assets of Rs. 225,996,019/- and total liabilities of Rs. 267,500/- as on 31st March, 2010 are prepared as per the Singapore Financial Reporting Standards. The proportion of Income, Expenditure, Assets and Liabilities are Nil, 0.14%, 19.51%, and 0.17% respectively to the Consolidated Financial Statements.

4 Contingent liabilities (Amt in Rs.)

		March 31, 2010	June 30, 2009
	Outstanding balance on bank guarantees	116,610,843	115,675,555
	Open letter of credits (LCs) given by the bank on behalf of the Company	30,319,011	-
	Demand for Income Tax contested by the Company	810,922	6,919,546
5	Estimated amount of contracts remaining to executed on capital account and not provided for	29,021,720	-

6 Information in respect of related parties

During the year, the Group entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at 31st March, 2010 are presented below:

(a)	Subsidiary	AOSL Petroleum Pte Ltd
(b)	Key Management Personnel	Mr. Krishnakant - Executive Vice Chairman
		Mr. Avinash Manchanda - Managing Director
(c)	Relatives of Key Management Personnel	Mr. Miten Manchanda - Son of Mr. Avinash Manchanda
(d)	Associates	Nimit Finance Private Limited

Transactions with Related Parties (Amt in Rs.)

		2009-10 (9 Months)	2008-09
a	Subsidiary - AOSL Petroleum Pte Ltd		
	Investment in equity shares	10,780,502	31,059
	Other long term investment	(207,510,023)	211,523,454

Remuneration to key managerial person and relative of key managerial person : (Amt in Rs.)

b	**Executive Vice Chairman**		
	Salaries	2,250,000	4,250,000
		2,250,000	**4,250,000**

c	**Managing Director**			
	Salaries		2,250,000	3,000,000
	Contribution to provident fund and other funds		-	7,020
			2,250,000	**3,007,020**
d	**Relative of Key Managerial Person**			
	Salaries		1,076,730	652,780
	Contribution to provident fund and other funds		7,020	9,360
			1,083,750	**662,140**
	(The above figures do not include provision for leave encashment)			
e	**Nimit Finance Private Limited**			
	Equity Shares allotted on conversion of warrants (at a premium of Rs.10.50 per share)		-	6,150,000

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

8 Components of Deferred Tax Assets / (Liability)

(Amt in Rs.)

		March 31, 2010	June 30, 2009
Depreciation		(48,793,838)	(36,626,772)
Deferred Tax assets			
-	Employee benefits	628,515	206,064
-	Provision for Doubtful Debts	1,626,868	1,664,703
-	Preliminary Expenses written off	778,950	1,252,532
-	Unabsorbed Depreciation / Business Loss	3,946,379	-
		(41,813,126)	**(33,503,474)**

9 Employees benefit

Defined contribution plan

The Group has recognised, in the profit and loss account for the period ended 31st March, 2010, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

(Amt in Rs.)

	2009-10 (9 Months)	2008-09
Benefit (Contribution to)		
Provident Fund	1,241,762	740,058
Total	**1,241,762**	**740,058**

The Group has determined the leave entitlement liability on actuarial basis and also obtained actuarial valuation of gratuity from an actuary as of the period end i.e., 31st March, 2010. The Company has recognised leave entitlement expense and provision at Rs.1,586,622 (Previous year - Rs.1,079,712) as of the period end and gratuity expense and net liability as follows.

Defined Benefit Plans

Sr.	Particulars		2009-10 (9 Months) Gratuity (Amt in Rs.)	2008-09 Gratuity (Amt in Rs.)
I	**Expense recognized in Profit & Loss Account**			
	a.	Current Service Cost	122,555	226,227
	b.	Interest cost	46,969	64,409
	c.	Expected return on Plan Assets	(75,852)	(92,950)
	d.	Actuarial (Gain)/Loss	505,897	(114,132)
	e.	Addl. Charge / (write-back) on account of change in Policy	-	-
	f.	Net expense recognised in Profit & Loss Account (In schedule 10 - Personnel Expenses)	**599,569**	**83,554**
II	**Changes in Obligation during the year**			
	a.	Obligation as at the beginning of the year	760,137	604,856
	b.	Current service cost	122,555	226,227
	c.	Interest cost	46,969	64,409
	d.	Actuarial (Gain)/Loss	539,022	(135,355)
	e.	Benefits Paid	(149,261)	-
	f.	PV of Obligation as at the end of the year	**1,319,422**	**760,137**
III	**Changes in Plan Assets during the year**			
	a.	Fair Value of Plan Assets as at the beginning of the year	1,233,600	527,638
	b.	Expected return on Plan assets	75,851	92,950
	c.	Actuarial (Gain)/Loss	33,125	(21,223)
	d.	Contributions	105,218	634,235
	e.	Benefits Paid	(149,261)	-
	f.	Fair Value of Plan Assets as at the end of the year	**1,298,533**	**1,233,600**
IV	**Net Assets / Liabilities recognized in the Balance Sheet**			
	a.	PV of Obligation as at the end of the year	1,319,422	760,137
	b.	Fair Value of Plan Assets as at the end of the year	1,298,533	1,233,600
	c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	**20,889**	**(473,463)**
V	**Principal Actuarial Assumptions**			
	a.	Discount rate (per annum) (Refer Note-1)	8.00%	7.75%
	b.	Expected return on Plan Assets (per annum) (Refer Note-2)	8.00%	8.00%
	c.	Expected increase in salary costs (per annum) (Refer Note-3)	5.00%	5.00%

Notes :

1. Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 21 years. The rate is taken as per the deal rate as on 31st March, 2010 available on Reserve Bank of India site.
2. As the investment is with the Insurance Company, list of investment is not available, so expected return is assumed to be available on risk free investment like PPF.
3. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
4. 100% of plan assets are invested in group gratuity scheme offered by LIC of India.

10 As on 1st July 2009, following warrants issued by the Group were outstanding:-

Date of Allotment of warrant	No. of Warrants	Exercise Price per share (Rs.)	Upfront Payment Received Amount (Rs.)
21st January, 2008	1,200,000	190.00	22,800,000
			22,800,000

Above mentioned warrant holders holding 12,00,000 warrants, who paid 10% consideration of Rs. 22,800,000 expressed their inability to pay remaining amount. Accordingly, the Board of Directors forfeited the same on 21st July, 2009 and credited the amount received against those warrants to the Capital Reserve.

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

Particulars		Amount in foreign currency		Equivalent amount in Indian currency	
	Currency	2009-10 (9 Months)	2008-09	2009-10 (9 Months)	2008-09
Receivables	US Dollar	131,136	131,136	4,897,624	4,897,624
Payables	US Dollar	360,561	3,723	16,275,709	178,236
Advances	US Dollar	170,535	-	7,781,872	-

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

Particulars	2009-10 (9 Months)	2008-09
Net Profit after Tax for the year	(8,967,227)	52,518,820
Number of Equity Shares outstanding as at year end	15,324,444	11,274,444
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	12,116,962	11,176,636
Basic and Diluted Earnings Per Shares (in Rs.)	(0.74)	4.70

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

Gaurav J. Shah
Partner
Membership No. 35701
Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

Consolidated Cash Flow Statement for the period ended March 31, 2010

		2009-10 (9 Months) Rupees	2008-09 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Net Loss) before Tax		(5,201,274)	80,674,596
Adjusted for:			
(Profit)/Loss on Sale of Fixed Assets (net)		(70,881)	(3,100,038)
(Profit)/Loss on Sale of Investment		(33,919)	220,310
Depreciation		35,658,789	39,043,897
Miscellaneous Expenditure written off		-	5,025,000
Interest Income from Banks and Others		(2,923,806)	(8,842,487)
Interest and Finance Charges		3,161,769	6,506,702
Unrealised Gain due to Foreign Exchange Fluctuation		(352,565)	-
Provision for Doubtful Debts		58,068	-
Dividend Income		(5,042,727)	(11,783,432)
Operating Profit before Working Capital Changes		25,253,454	107,744,548
Adjusted for:			
Trade and Other Receivables		66,030,015	(34,509,098)
Inventories		-	1,029,215
Trade Payables and Other Current Liabilities		(63,860,135)	92,398,722
		27,423,335	166,663,386
Less : Taxes paid		(14,571,506)	(30,516,140)
Net Cash from Operating Activities	**A**	**12,851,829**	**136,147,246**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets and CWIP		(208,265,675)	(87,293,543)
Sale of Fixed Assets		6,011,888	22,776,876
Loans given		-	(65,000,000)
Purchase of Investments		(782,289,585)	(1,492,555,439)
Sale of Investments		722,368,085	1,512,879,037
Interest Income from Banks and Others		5,046,506	477,240
Dividend Income		5,042,727	11,783,432
Net Cash used in Investing Activities	**B**	**(252,086,054)**	**(96,932,397)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares / Warrants (net)		247,859,970	30,400,000
Repayment of Term Loans		(79,700)	(29,453,205)
Proceeds / (Repayment) of Working Capital Loans		-	(1,309,541)
Interest and Finance Charges		(3,161,769)	(6,506,702)
Net Cash from Financing Activities	**C**	**244,618,501**	**(6,869,448)**
Changes in Cash and Cash Equivalents (A+B+C)		5,384,276	32,345,401
Opening Balance of Cash and Cash Equivalents		74,470,539	42,125,138
Closing Balance of Cash and Cash Equivalents		79,854,816	74,470,539

Notes

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

	As at March 31, 2010 Rupees	As at June 30, 2009 Rupees
Cash on Hand	1,436,519	32,065
With Scheduled Banks		
- in Current Accounts	2,846,961	1,805,078
- in Cash Credit Accounts	8,379,874	20,934,296
- in Deposit Accounts	67,191,462	51,699,100
	79,854,816	**74,470,539**

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

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : May 29, 2010

For and on behalf of the Board

Avinash Manchanda
Managing Director

A. P. Agrawal
Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : May 29, 2010

REPORT OF THE DIRECTORS

For the period from 01 July 2009 to 31 March 2010

The directors present their report together with the financial statements of the Company for the period from 01 July 2009 to 31 March 2010.

1 **DIRECTORS**

The directors holding office at the date of this report are:

Avinash Chandra Manchanda

Ng Puay Chye (Huang Peicai)

2 **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

During and as at the end of the financial period, the Company was not a party to any arrangement, the object of which was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 **DIRECTORS' INTEREST IN SHARES OR DEBENTURES**

The directors holding office at the end of the financial period and their interest in the share capital of the Company as recorded in the register of directors[1] shareholdings kept by the Company under Section 164 of the Companies Act Cap. 50 were as follows:-

	No of Shares	
Name of Directors	**At date of incorporation**	**At end of year**
Avinash Chandra Manchanda	–	–
Ng Puay Chye (Huang Peicai)	–	–

4 **DIRECTORS' CONTRACTUAL BENEFITS**

No director has received or become entitled to receive a benefit by reason of a contract made by the Company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accounts.

5 **AUDITORS**

The Auditors, Messrs Lim Wan Chat & Co., retire and have expressed their willingness to be re-appointed.

6 **SHARE OPTIONS EXERCISED**

There were no shares issued by virtue of the exercise of option to take up unissued shares.

7 **SHARE OPTIONS OUTSTANDING**

There were no unissued shares under option.

On behalf of the directors

Avinash Manchanda
Director

Ng Puay Chye (Huang Peicai)
Director

Singapore
19 April 2010

STATEMENT OF DIRECTORS PURSUANT TO SECTION 201 (15)

In the opinion of the directors, the accompanying balance sheet, profit and loss statement together with the notes thereon are drawn up in accordance with the provisions of the Companies Act , Cap.50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the results and changes in equity and cash flows of the business of the Company for the period then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statement for issue.

On behalf of the directors

Avinash Manchanda
Director

Ng Puay Chye (Huang Peicai)
Director

Singapore
19 April 2010

AUDITORS' REPORT

TO
THE MEMBERS OF
AOSL PETROLEUM PTE LTD
for the financial period from 01 July 2009 to 31 March 2010

We have audited the accompanying financial statements of AOSL Petroleum Pte Ltd set out on pages 6 to 28, for the financial period from 01 July 2009 to 31 March 2010, comprising the balance sheet of the Company, and the income statements and statement of changes in equity of the Company, and the cash flow statement of the Company for the year ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50(the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a systems of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transaction are properly authorized and that they are recorded as necessary to permit the preparation of the true and fair profit and loss accounts and balances sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and 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 controls relevant to the entity'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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of the results and changes in equity and cash flows of the Company for the period from 01 July 2009 to 31 March 2010; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

"The Company has an accumulated losses of US$16,207 for the period from 01 July 2009 to 31 March 2010 and, as of that date, the Company's total liabilities exceeded its total assets by US$15,472. These factors raise substantial doubt that the Company will be able to continue as a going concern unless the Company obtained financial support from the holding company."

Lim Wan Chat & Co.

Public Accountants and
Certified Public Accountants
Singapore

Singapore
19 April 2010

Profit and loss account for the period from 1 July 2009 to 31 March 2010

(Amount in U.S dollars)

	Notes	2010 US$	2009 US$
Revenue	3	–	–
Cost of service		–	–
Gross profit		–	–
Other income		–	–
		–	–
Other operation expenses		(6,040)	(10,167)
		(6,040)	**(10,167)**
(Loss) before taxation	4	(6,040)	(10,167)
Taxation	5	–	–
(Loss) after taxation		**(6,040)**	**(10,167)**

The accompanying accounting policies and explanatory notes from an integral part of the financial statements.

Balance Sheet as at 31 March 2010

(Amount in U.S dollars)

	Notes	2010 US$	2009 US$
ASSETS			
Non-current assets			
Investment securities	6	4,990,000	4,990,000
		4,990,000	4,990,000
Current assets:			
Trade and other receivables	7	3,330	3,330
Cash and cash equivalents	8	11,234	3,646
		14,564	6,976
TOTAL ASSETS		**5,004,564**	**4,996,976**
EQUITY AND LIABILITIES			
Current liabilities:			
Other liabilities	**10**	5,926	2,248
		5,926	2,248
Net Current Assets		**8,638**	**4,728**
Non-current liabilities			
Payable to shareholder	9	5,014,110	5,004,160
		5,014,110	5,004,160
Total liabilities		5,020,036	5,006,408
Net Assets		**(15,472)**	**(9,432)**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	**11**	735	735
Accumulated (loss)		(16,207)	(10,167)
TOTAL EQUITY		(15,472)	(9,432)
TOTAL EQUITY AND LIABILITIES		**5,004,564**	**4,996,976**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity as at 31 March 2010

(Amounts in U.S dollars)

	Attributable to equity holders of the Company		
	Total US $	Share Capital US $	Accumulated (Loss) US $
At the beginning of period	735	735	–
(Loss) for the year	(10,167)	–	(10,167)
Total recognised income for the year	(10,167)	–	(10,167)
Balance as at 30 June 2009	(9,432)	735	(10,167)
(Loss) for the year	(6,040)	–	(6,040)
Total recognised income for the year	(6,040)	–	(6,040)
Balance as at 31 March 2010	(15,472)	735	(16,207)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash Flows Statement for the period from 01 July 2009 to 31 March 2010

(Amounts in U.S dollars)

	2010 US $	2009 US $
CASH FLOW FROM OPERATION ACTIVITIES		
(Loss) for the year	(6,040)	(10,167)
Adjustments for :		
Depreciation on fixed assets	–	–
Interest received	–	–
Hire purchase interest	–	–
Operating (loss) before working capital changes	(6,040)	(10,167)
(Increase) / Decrease in working capital		
(Increase) in trade and other receivable	–	(3,330)
Increases in trade and other payables	9,950	–
Increases in other liabilities	3,678	2,248
	13,628	(1,082)
Cash generated from operations	7,588	(11,249)
Tax paid	–	–
Net cash used in operating activities	7,588	(11,249)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment securities	–	(4,990,000)
Purchase of fixed assets	–	–
Net cash (used in) investing activities	–	(4,990,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	–	735
Loan from shareholders	–	5,004,160
	–	5,004,895
Net increase in cash and cash equivalents	7,588	3,646
Cash and cash equivalents at beginning of the period	3,646	–
Cash and cash equivalents at end of the period	11,234	3,646
Represented by		
Cash and cash equivalents	11,234	3,646

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Singapore Financial Reporting Standards (FRS) including related interpretations promulgated by the Council on Corporate Disclosure and Governance (CCDG) as required by the Singapore Companies Act.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1 (c).

The measurement currency of the Company is Singapore dollars and the financial statements are also presented in United States Dollars.

The accounting policies have been consistently applied by the Company.

(b) Future changes in accounting policies

FRS and INT FRS not yet effective

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2009, the company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-Based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosures
- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments : Recognition and Measurement - Embedded Derivatives
- INT FRS 118 Transfers of Assets from Customers

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the company. They did however give rise to additional disclosures, including, in come cases, revision to accounting policies.

The principal effects of these change are as follows:

<u>FRS 108 Presentation of Financial statements - Revised presentation</u>

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In additional, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as two linked statements.

<u>Amendments to FRS 107 Financial Instruments: Disclosures</u>

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy each class of financial instrument. In additional, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarity the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in note to the financial statements respectively.

<u>FRS 108 Operating Segments</u>

FRS 108 Requires disclosure of information about the Company's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Company. The Company determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in note, including revised comparative

<u>Improvements to FRSs issued in 2008</u>

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company:

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Company amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the Classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.
- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Company amended its accounting policy accordingly, which did not result in any change in the position.
- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of item that are considered components of "borrowing costs" into one - the interest expense calculated using the effective interest rate method calculated in accordance FRS 39. The Company has amended its accounting policy accordingly which did not result in any change in its financial position.

(c) Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments', estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Depreciation of fixed assets

  The cost of plant and equipment is depreciated on a straight-line basis over the estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. The carrying amount of the Company's plant and equipment at 31 March 2010 was $Nil. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

- Income taxes

  The Company has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's income tax payables and deferred tax liabilities at the balance sheet date was $Nil respectively.

(ii) Critical judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

- Impairment of financial assets

The Company follows the guidance of FRS 39 on determining when a financial asset is other-than-temporary impaired. This determination requires significant judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost; and the financial health of and near-term business outlook for the financial asset, including factors such as industry performance, changes in technology and operational and financing cash flows.

(d) Functional and foreign currency

(i) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States Dollars (USD). Sales, collections and purchases of direct materials are primarily influenced by fluctuations in USD.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit and loss account.

(e) Property, plant & equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

N.A

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

(f) Inventories

Stocks are valued at the lower of cost and net realisable value. Historical cost is determined by applying the first-in-first-out formula.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Finished goods and work-in-progress - cost of direct materials and all direct expenditure incurred.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the profit and loss account as 'impairment losses' or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit and loss account.

(h) Financial assets

Financial assets are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

All regular purchases and sales of financial assets are recognised or derecognised on the trade date., the date that the company commits to purchase or sell the asset. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) Financial assets at fair value through profit or loss

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are financial assets that are not classified in any of the preceding categories. After initial recognition, available-for sale financial assets are measured at. fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment loss, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and short term deposits carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note (h).

(j) Trade and other receivables

Trade and other receivables, including amounts due from holding, fellow subsidiary and affiliated companies are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note (h). An affiliated company is a company, not being a subsidiary or an associated company, in which the directors or shareholders of the Company have a significant equity interest or exercise significant influence.

An allowance is made for uncollectible amounts when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note (k) below.

(k) Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) *Assets carried at cost*

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(l) Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30 - 60 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Subsequently, it is measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss accounts when the liabilities are derecognsied as well through the amortisation process.

(m) Derecognition of financial assets and liabilities

(i) *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The Company retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither'transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the profit and loss account.

(ii) *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit and loss account.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Services income

Revenue from rendering services is recognised by reference to the stage of completion when it can be measured reliably. The stage of completion is determined based on completion of work performed.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(p) Income taxes

(i) *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(ii) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(iii) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event's not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company.

(r) Employee benefits

(i) *Pensions and other post employment benefits*

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

(iii) *Employee share option plans*

Employees of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reassurance of treasury shares.

(s) Leases

Finance lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the lease item, are capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased fixed assets. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

(t) Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

2 CORPORATE AND GENERAL INFORMATION

The company is a private company limited by shares, incorporated and domiciled in Singapore. The registered office of the company is located at 192 Waterloo Street #05-01 Sky Line Building Singapore 187966.

The company ultimate and immediate holding company is Asian Oilfield Services Ltd, a company incorporated in India.

The principal activities of the company are to carry the business of oil and gas exploration and investment holding.

The directors have authorised the financial statement for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

3 REVENUE

	2010 US $	2009 US $
Sales income	–	–

4 (LOSS) BEFORE TAXATION

	2010 US $	2009 US $
This is arrived at after charging / (crediting):-		
Non-audit fees paid to:		
- Auditors of the Company	429	415

5 TAXATION

	2010 US $	2009 US $
Current income tax		
- Current income taxation	–	–
- under provision in respect of previous year	–	–
Deferred taxation		
- origination and reversal of temporary differences	–	–

A reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial period from 01 July 2009 to 31 March 2010 is as follows:

	2010 US $	2009 US $
(Loss) before taxation	(6,040)	(10,167)
Tax at statutory rate of 17%	1,027	1,728
Utilisation losses brought forward	1,728	–
Utilisation losses carried forward	(2,755)	(1,728)

Provision for current taxation is based on the company's estimated chargeable income arrived at after adjustment for non-allowable expenses in the profit and loss account.

6 INVESTMENT IN SECURITIES

	2010 US $	2009 US $
Held-to-maturity investment		
- 12% p.a Ensearch Petroleum Ltd convertible bonds due 31 December 2010	4,990,000	4,990,000

7 TRADE AND OTHER RECEIVABLES

	2010 US $	2009 US $
Trade and other receivables		
Deposit	3,330	3,330
	3,330	**3,330**
Total trade and other receivables (current and non-current)	3,330	3,330
Add: Cash and cash equivalents	11,234	3,646
Total and receivables and cash	14,564	6,976

Trade receivables

Trade receivables are non-interest bearing and are generally on 30-90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company do not have any trade receivables that are past due at the balance sheet date but not impaired.

Receivables that are impaired

The Company do not have any trade receivables that are impaired at the balance sheet date.

8 CASH AND CASH EQUIVALENTS

	2010 US $	2009 US $
Cash at banks and in hand	11,234	3,646

Cash at banks does not earns interest.

9 PAYABLE TO SHAREHOLDER

	2010 US $	2009 US $
Payable to shareholder (non-current)	5,014,110	5,004,160
	5,014,110	5,004,160
Payable to shareholder	5,014,110	5,004,160
Add:		
- Other liabilities	5,926	2,248
Total financial liabilities carried at amortized cost	5,020,036	5,006,408

10 OTHER LIABILITIES

	2010 US $	2009 US $
Accrued operating expenses	5,926	2,248

11 SHARE CAPITAL

	2010		2009	
	No. of shares	US $	No. of shares	US $
At 01 July 2009	1,000	735	–	–
Issued for working capital	–	–	1,000	735
At 31 March 2010	1,000	735	1,000	735

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

12 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the director. The Board of Directors provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial year policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company do not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. The company does not invest in investment securities and does not use derivatives.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's, policy that all customers who wish to trade on credit terms are . subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of the Directors.

Exposure to credit risk

At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and information regarding credit enhancements for trade and other receivable is disclosed in note 8.

Credit risk concentration profile

As an investment holding company, the Company do not monitor concentrations of credit risk by monitoring the country or industry sector profile of its trade receivables on an on-going basis.

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain continuity of funding through accumulation of cash and cash equivalents.

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	1 year or less	1 to 5 years	over 5 years	Total
2010				
Company				
Payable to shareholder	-	5,014,110	–	5,014,110
Other liabilities	5,926	–	–	5,926
	5,926	–	–	5,020,036
2009				
Company				
Payable to shareholder	–	5,004,160	–	5,004,160
Other liabilities	2,248	–	–	2,248
	2,248	–	–	5,006,408

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest .rate risk as the company uses fixed interest rate bearing loans or borrowings. The Company's profit net of tax would not be affected by lower/higher interest rates with all other variables held constant.

Sensitivity analysis for interest rate risk

The Company's profit net of tax would not be affected by lower/higher interest rate with all other variables held constant.

Foreign currency risk

The Company has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency of the company which is the USD. All of the Company's sales are denominated in local currencies of the Company's purchases are denominated in the local currencies. The Company's trade receivable and trade payable balances at the balance sheet date have similar exposures. The foreign currencies in which these transactions are denominated are mainly the U.S Dollar (USD).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a possible change in the USD exchange rates (against SGD), with all other variables held constant, on the Company's profit net of tax and equity.

	2010 Profit net of tax and Equity US $	2009 Profit net of tax and Equity US $
USD - strengthened 3% (2009:3%)	Nil	Nil
- weakened 3% (2009:3%)	Nil	Nil

12 CAPITAL MANAGEMENT

The primary objective of the Company's capital management polices are to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust its dividend policy to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2010 and 30 June 2009.

The Company monitors capital using gearing ratio, which is defined as net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio as low as possible. The Company defined net debt as trade and other payables and liabilities, less cash and cash equivalents. Capital is represented by equity attributable to equity holders of the company. During the year, the company's cash and cash equivalents is more than its trade and other payables, and other liabilities.

	2010 US $	2009 US $
Payable to shareholder	5,014,110	5,004,160
Other liabilities	5,926	2,248
Less: - Cash and cash equivalents	(11,234)	(3,646)
Net Debt	5,008,802	5,002,762
Equity attributable to the equity holders of the company	(15,472)	(9,432)
Total capital	(15,472)	(9,432)
Capital and net debt	4,993,330	4,993,330
Gearing ratio	100%	100%

N.A = Not applicable

ASIAN OILFIELD SERVICES LTD.

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

ATTENDANCE SLIP

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

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company held at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fatehgunj Post Office, Fatehgunj, Vadodara-390002 on Monday, 13th September, 2010 at 11.00 a.m.

Full name of the Member (IN BLOCK LETTERS) ____________________

Folio No. ____________ / DP ID No. ____________ Client ID ____________

No. of Shares held ____________

Full name of Proxy (IN BLOCK LETTERS) ____________

Member's/Proxy's Signature

———————— TEAR HERE ————————

ASIAN OILFIELD SERVICES LTD.

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

PROXY

I/We ____________________

of ____________________

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

of____________________ or

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

and on my/our behalf at the 17th ANNUAL GENERAL MEETING of the Company, to be held on Monday, 13th September, 2010 at 11.00 a.m. and at any adjournment thereof.

Signed this ____________ day of ____________ 2010.

Folio No. ________ / DP ID No. ________ Client ID No. ________

No. of shares held ____________

Singnature ____ Affix Re.1 Revenue Stamp ____

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