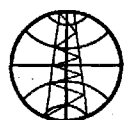
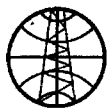


11th Annual Report 2003-2004



**ASIAN OILFIELD
SERVICES LTD.**

Regd. Office : 7th Floor, B-Wing, Manubhai Tower, Sayajigunj, Baroda – 390 005
Gujarat

**Board of Directors**

Shri Krishnakant	Chairman
Shri Avinash Manchanda	Managing Director
Shri V.G. Dharwarkar	
Shri N.M. Patel	
Shri D.E. Ilavia	

Dy. Company Secretary

Somesh Shastri

Auditors

K. Parikh & Co.
Chartered Accountants
Baroda

Bankers

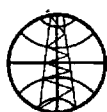
Central Bank of India
UTI Bank Ltd.

Registered Office7th Floor, Manubhai Tower, Sayajigunj, Baroda – 390 005**INDEX**

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**Registrar and Share
Transfer Agent :**

Intime Spectrum Registry Ltd.,
201, Sidcup Towers, Race Course
Baroda – 390 007 Gujarat
Phone No. 0265 - 2332474
E-mail : BARODA@intimespectrum.com



NOTICE

Notice is hereby given that 11th Annual General Meeting of Members of Asian Oilfield Services Ltd. will be held on Tuesday, 21st September, 2004 at 11.30 a.m. at the Auditorium of Central Gujarat Chamber of Commerce, Race Course, Baroda to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To take on record Interim Dividend paid.
3. To appoint Director in place of Shri Venketesh G. Dharwarkar 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 modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Dali Eruchshaw Ilavia who was appointed as additional Director of the Company pursuant to section 260 of the Companies Act 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation".

6. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT the Company hereby consents to and approves under Section 314 and other applicable provisions, if any, of the Companies Act, 1956 appointment of Shri Miten Avinash Manchanda holding an office or place of profit as a Project Coordinator, on a monthly Salary of Rs. 9,900/- in the grade of Rs. 9,000-450-13,500 and all other benefits and perquisites (including Bonus, PF, Gratuity, Superannuation etc.) as are applicable to employees of the similar cadre in the Company, with effect from 01.10.2003, with an authority to the Board of Directors of the Company, to sanction, at its absolute discretion such additional increments, as it may deem fit and proper".

By Order of the Board,

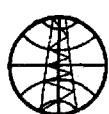
Date: 18-08-2004

Place: BARODA

Krishnakant
Chairman

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 in terms of Section 173 of the Companies Act, 1956 in respect of Special Business at Item Nos. 5 & 6 of Notice, is attached herewith.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 13th September, 2004 to Monday, the 20th September, 2004. (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 & Transfer Agents.
6. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

**Explanatory Statement pursuant to Section 173 (2) of the
Companies Act, 1956.****Item No. 5**

The Board of Directors of the Company has appointed Shri. Dali Eruchshaw Ilavia as an Additional Director with effect from 29.10.2003 and pursuant to Article No 114 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, he holds office of Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing with the requisite deposit from a member, under Section 257 of the Companies Act 1956 signifying his intention to propose Shri Dali Eruchshaw Ilavia for appointment as Director of the Company. Consent in writing has been received from him to act as a Director of the Company, if appointed.

None of the Directors except Mr. Dali Eruchshaw Ilavia is considered to be concerned and interested in passing the said resolution.

The Board recommends the resolution for adoption.

Item No. 6

Shri Miten Avinash Manchanda, Son of Shri Avinash Manchanda has joined the Company at the post of Project coordinator. He is First class Graduate B.Sc. (Hons.) from M.S. University of Baroda and holds Diploma in Information Technology from Corporate Education Division of Mahindra British Telecom. He is a member of Actuarial Society of India and has two years executive experience in the Management cadre. He has been actively participating in coordinating site activities; his appointment assumes greater importance and value to the organization as a whole. Shri Miten Manchanda son of Shri Avinash Manchanda being a relative Director of the Company, his appointment on total monthly remuneration of Rs. 15,000/- including perquisites, effective from 01.10.2003, though within the ceiling, requires to be approved by the Shareholders of the Company in terms of Section 314 and other applicable provision of the Companies Act, 1956.

Shri Avinash Manchanda the Managing Director, being relative of Shri Miten Manchanda is interested in the proposed resolution.

The Board recommends the resolution for adoption.

By Order of the Board,

Date: 18-08-2004

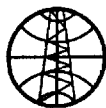
Place: BARODA

Krishnakant
Chairman

Annexure to the Notice of Annual General Meeting

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors.

Name of the Director	: Venketesh G. Dharwarkar	Dali Eruchshaw Ilavia
Date of Birth	: 16.04.1940	17.11.1934
Date of Appointment	: 30.10.2002	29.10.2003
Specialized Expertise	: Taxation & Commercial Laws	Banking Finance & Accounts
Qualification	: B. Com., LL.B.	B.Com.
Directorship of other Companies as on 31 st March, 2004	: Nil	Nil
Chairman/member of Committees of Companies as on 31 st March, 2004	: Chairman of Audit Committee and Member of shareholders' Grievance Committee and Remuneration Committee of Asian Oilfield Services Ltd.,	Member of Shareholders' Grievance Committee and Audit Committee and Chairman of Remuneration Committee of Asian Oilfield Services Ltd.


DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have great pleasure in presenting 11th Annual Report of the Company.
Following figures summarise the financial results of the Company for the year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

	31.03.2004	31.03.2003
Gross Income	974.01	568.16
Gross Profit before Depreciation & Interest	149.76	146.08
Depreciation	53.55	56.96
Interest and Financial Charges	13.16	6.52
Profit before Tax	83.05	82.60
Less Provision for Tax		
Current Tax	26.16	8.60
Deferred Tax	8.06	1.11
Net Profit after Tax & Other adjustments	48.83	72.89
Appropriation :		
Interim Dividend paid	42.86	—
Tax on Interim dividend	5.49	—
Transfer to General Reserves	0.48	72.89
Balance brought forward from previous year (After transfer of Bad debt Rs. 20.81 Lacs)	116.07	63.99
Balance carried to Balance Sheet	116.55	136.88

DIVIDEND

The Company has declared and paid Interim Dividend @ 8 % for the year 2003-04 to the members on 14th November, 2003. Your Directors do not recommend payment of final dividend to the Shareholders for the said year.

OPERATIONS IN RETROSPECT

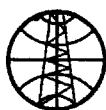
During the year under review, your Company fetched Gross Income of Rs. 974.01 lacs against Rs. 568.16. lacs of previous year which shows phenomenal rise whereas the Gross Profit before interest depreciation and tax reached to Rs.149.76 lacs against Rs. 146.08 lacs and net profit reached to Rs. 48.83 lacs as against Rs. 72.89 lacs of previous year.

During the year under review, the Company executed various projects of shot hole drilling and seismic job services in logistically difficult areas of lower Assam & Tripura for major oil exploration Companies. Your Company also offered workovering services with man power in CBM Block of Ranigunj. Also successfully completed the 118 GLK seismic data Acquisition Project with technical co-operation of Geophysical Institute of Israel.

The lower ratio of profit to the turnover in this year in comparison to last year, is because of the tough competition faced by the Company in bidding. It however, is expected to gain in the years to come, by hopefully getting greater share of jobs in these difficult areas, on better terms.

MANAGEMENT DISCUSSION & ANALYSIS
Introduction :

With the growth of Industry as a whole in the Country, the requirement of Petroleum is on the increase every year and a large portion of our total requirement is imported. Therefore the search of New Oil and Gas fields is going on in the Country and is to be continued for the decades to come. Our Company is engaged in a very intensive manner in helping the exploratory activities in the field of Petroleum in the Country and hence there is a big scope expansion in our activities in the times



to come. With the perseverance with which the Company is perusing our activities, it is hoped to achieve a formidable success.

Industry Structure and Developments :

Your Company is one of the few in India offering the special type of service in the Petroleum Industry in the Country and its market share is increasing steadily every year as is evident from the Directors' Report.

Our Operations :

The Company is in the business of Geophysical Data Acquisition shot hole drilling & seismic job services for exploration of Petroleum and are regularly trying to improve on the technology applied. your Company is also operating work over rig operation, segment.

Technology :

The Company is continuously trying to improve the technology and in this effort have made a collaboration with the internationally recognized Company viz Geophysical Institute of Israel (GII).

Internal Control and its Adequacy :

For effective inter departmental communications and follow up process, high speed computers, requisite softwares have been installed. The system of internal control provides updated accounting records, the reliability of financial information essential for running business. The Company has clearly defined organization structure and delegated authority. Sufficient control is exercised through monthly, quarterly and annual business review by the management.

Financials :

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

Risk and concerns :

There are not many risks in our business as long as the requirement of Petroleum is concerned. In these, however the basic concern is the competition in our field of activities as well as the seasonal nature of the job. Also as the search for hydrocarbon in the easily accessible areas is already reached its culmination, the Company has to go into more inaccessible & logistically difficult areas like deep in the deserts or up in the hills and mountains or in the partially water logged areas. However, the Company is continuously trying to gear itself with technology to perform better every day.

Future Prospects & Strategy :

In addition to the Oil industry, the Company is making serious studies to enter areas such as Micronisation project, Agriculture Biotech project etc. have made some headway in forcing our entry into these areas. Thus with sustained effort it is hoped to venture into this area where though there is a gestation period, yet once the project is in operation the returns are for much longer duration.

The Company is trying to diversify its activities in the some other areas as aforesaid, for which efforts are on and some concrete shape will emerge in near future.

DIRECTORATE

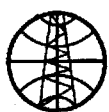
Shri Venkatesh G. Dharwarkar retires by rotation, being eligible, offers himself for reappointment.

In order to implement provisions of Corporate Governance, Shri D.E. Ilavia has been appointed as an additional Director on the Board of Directors of the Company. The Board hopes that his association as a Director would be immensely helpful to the Company.

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) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and other profit of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

The Company has been complying with mandatory provisions of the Corporate Governance as prescribed under the Listing Agreement and a separate Report thereon together with the Auditors' declaration thereon, is attached herewith.

DELISTING OF SHARES

In terms of resolution passed by shareholders at their last Annual General Meeting held on 27.09.2003, the Company has already applied for delisting of its equity shares at the Stock Exchanges at BARODA, Ahmedabad and New Delhi and has already availed approval for delisting of shares from the Stock Exchange Ahmedabad whereas the Company awaits to receive delisting approval from Stock Exchanges at BARODA and New Delhi.

DEMATERIALISATION OF SHARES:

The Company has been allotted ISIN No. INE276G01015 for the Equity Shares of the Company by National Securities Depository Ltd. (NSDL). Whereas it awaits to receive the same from Central Depository Services Ltd (CDSL). Members are requested to Dematerialise Shares held by them for their better convenience.

AUDIT COMMITTEE :

In compliance of Section 292 A of the Companies Act, 1956, an Audit Committee constituted by Shri V.G. Dharwarkar, Shri N.M. Patel and Shri D.E. Ilavia, the Independent Directors as its Members, performed inter alia, various functions as required in terms of the said provisions.

STATUTORY DISCLOSURES :

The Company is not engaged in manufacturing activity hence the disclosures as required under Section 217 (1) (e) of the Companies Act, 1956 are not required to be made by the Company. However details of Foreign Exchange inflow and outflow during the period under review are given hereinafter in the report.

Information in accordance with the provision of Section 217 (2-A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding particulars of Employees, is not furnished, as no employee is covered thereunder.

PUBLIC DEPOSITS

There is no unpaid and unclaimed deposit as at the end of financial year. The Company has been complying with all applicable provisions and rules of the Companies Act 1956, for acceptance of Public deposits.

INSURANCE :

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

Auditors :

The Auditors M/s. K. Parikh & Co. retire at the conclusion of the ensuing Annual General Meeting, being eligible, offer themselves for reappointment. Members are requested to consider their reappointment as Auditors of the Company and fix remuneration.

APPRECIATIONS :

The Board places on record its deep appreciation for Oil & Natural Gas Corporation Ltd., Premier Oil, Geophysical Institute of Israel and the continued support given by Central Bank of India, other Government Authorities, Employees and Shareholders in furthering the interest of the Company.

By Order of the Board,

Date: 18-08-2004
Place: BARODA

Krishnakant
Chairman