



P. MURALI & CO.,
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Limited Review Report – Consolidated Financial Results

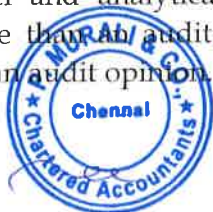
To
The Board of Directors,
Aban Offshore Limited,
113 'Janapriya Crest,
Pantheon Road,
Egmore,
Chennai-600008
Tamilnadu
India.

Limited Review Report on the unaudited Consolidated Financial Results for the Quarter ended 31st December, 2019 and year to date 1st April, 2019 to 31st December, 2019.

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **Aban Offshore Limited Group** comprising **Aban Offshore Limited** ("the Parent") and its subsidiaries (together referred to as 'the Group'), for the quarter and nine months ended 31st December, 2019 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including relevant circulars issued by SEBI from time to time.

2. The preparation of "the Statement" in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 10th February 2020. Our responsibility is to express a conclusion on "the Statement" based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





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We also performed procedures in accordance with the Circular issued by the Securities and Exchange board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable

4. The consolidated unaudited financial results include the results of the following entities:

- (a) **Aban Holdings Pte Ltd, Singapore** - Wholly owned subsidiary (includes its subsidiary corporations)
- (b) **Aban Energies Ltd, India**-Wholly owned subsidiary

Disclaimer Conclusion

Our review of the accompanying statements of unaudited financial results of "the Group" indicates that, because of the significance of the matters described in the Basis for Disclaimer Conclusion section of our report, we are unable to conclude as to whether the preparation of the accompanying interim financial information of "the Group" is appropriate.

Basis for Disclaimer Conclusion:

- (a) In case of wholly owned subsidiary of "the company", "Aban Holdings Pte Ltd, Singapore and its subsidiary corporations" whose financial information have been reviewed by other auditors "Nexia TS Public Accounting Corporation, Public accountants and Chartered Accountants, Singapore" have expressed disclaimer conclusion on the Interim financial information for the financial period from 1st April, 2019 To 31st December, 2019, which is reproduced below:

"Basis for disclaimer Conclusion:

1) Going concern

In preparing this interim financial information, the Board of Directors have considered the operations of the Group as going concerns notwithstanding that the Group incurred a net loss of US\$162,487,000 for the nine-month period then ended and as at 31st December, 2019, the Group is in net current liabilities position and net liabilities position of US\$2,362,477,000 and US\$1,003,616,000 (31 March 2019: US\$2,246,469,000 and US\$841,129,000) respectively.





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The carrying amount of the Group's rigs amounting to US\$1,331,862,000 (31 March 2019: US\$1,371,563,000) have been pledged as security for the borrowings of the Group. An Impairment loss on the rigs amounting to US\$516,270,000 was made during the financial year ended 31 March 2019. In addition, the Group has defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders have issued recall notices to the Group. Although management had reclassified these borrowings of the Group, with original repayment terms beyond 12 months from the balance sheet date as current liabilities, the Group has not concluded on any re-negotiation, obtain replacement financing or raise funds through any fund raising exercises as discussion are still on-going with the lenders as of the date of this report.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as going concern. Nevertheless, the Board of Director believes that the use of the going concern assumption on the preparation of the interim financial information of the Group for the three-month period then ended is still appropriate after taking into consideration of the above actions and measures.

The ability of the Group to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the actions and measures undertaken as disclosed above and it is uncertain whether the Group will raise further funds through any fund raising exercises. Therefore, we are unable to conclude as to whether the going concern basis of preparation of the accompanying interim financial information of the Group is appropriate.

If the Group is unable to continue in operational existence in the foreseeable future, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets, in particularly the rigs of the Group, may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The interim financial information does not include any adjustment which may arise from these uncertainties"

"Disclaimer Conclusion

Our review indicates that, because of the matters as described in the Bases for Disclaimer Conclusion, we are unable to conclude as to whether the preparation of the accompanying interim financial information of the Group is appropriate."





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The above Disclaimer conclusion indicating the existence of material uncertainties which may cast doubt on the ability to continue as a going concern of the subsidiary "Aban Holdings Pte Ltd and its Subsidiary Corporations" which is material to the Group, also cast a significant doubt on the ability of "the Group" to continue as a going concern and on the appropriateness of the preparation of accompanying financial information of "the Group" as a going concern.

Also, we refer to the Emphasis of Matter Paragraph in Independent Auditor's Limited review report on Unaudited Standalone Financial results of Aban Offshore Limited ("the Company") for the Quarter ended 31st December, 2019 and for the Nine months Ended 31st December, 2019.

"The Company" has defaulted in repayment of instalments and payment of interest on term loans from banks for an amount of Rs. 5,979.23 million as at 31st December, 2019. The Banks have recalled the entire loan outstanding including interest. As such, "the Company" has re-classified these dues to banks from Non-current Liabilities to Current Liabilities.

Our conclusion is not modified in respect of the above matter."

5. We did not review the interim financial statements/financial information/ financial results of "Aban Holdings Pte Ltd, Singapore and it's subsidiary corporations" included in the consolidated unaudited financial results of "the Group", whose interim financial statements/financial information/ financial results reflect total revenue of Rs.2,466.04Million/Rs.4,617.99 Million and total comprehensive loss of Rs.3,690.59 Millions / Rs. 11,432.74 Million for the Quarter ended 31st December, 2019 and for the Nine months ended 31st December, 2019.

These interim financial statements/financial information/ financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on "the statement", in so far as it relates to the amounts and disclosures included in respect of "Aban Holdings Pte Ltd and it's subsidiary corporations", is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter.





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6. The consolidated unaudited financial results include the interim financial results of **Aban Energies Limited, Chennai, India**, an Indian wholly owned subsidiary which reflects the total revenue of Rs.3.25 million/Rs.9.66 million and total comprehensive loss of Rs.5.56 million / Rs.10.40 million for the Quarter ended 31st December, 2019 and for the Nine months ended 31st December, 2019 which are certified by the management. According to the information and explanations given to us by the management, these interim financial results are not material to **"the Group"**.

Our conclusion is not modified in respect of the above matter

For P. Murali & Co.
Chartered Accountants
FRN: 007257S



A. Krishna Rao
Partner
M.No. 020085
UDIN: 20020085AAAABQ4745

Place: Chennai
Date: 10-02-2020

Aban Offshore Limited



STATEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

Rs. Millions

PARTICULARS	QUARTER ENDED 31.12.2019 (UNAUDITED)	QUARTER ENDED 30.09.2019 (UNAUDITED)	QUARTER ENDED 31.12.2018 (UNAUDITED)	NINE MONTHS ENDED 31.12.2019 (UNAUDITED)	NINE MONTHS ENDED 31.12.2018 (UNAUDITED)	YEAR ENDED 31.03.2019 (AUDITED)
1. INCOME						
INCOME FROM OPERATIONS	3,049.60	1,778.89	1,942.49	6,196.49	7,093.68	8,482.66
OTHER INCOME	28.46	32.70	6.18	77.83	1,123.80	1,127.01
TOTAL INCOME	3,078.06	1,811.59	1,948.67	6,274.32	8,217.48	9,609.67
2. EXPENSES						
COST OF MATERIALS CONSUMED	297.64	272.21	334.96	873.00	872.76	1,297.24
EMPLOYEE BENEFITS EXPENSE	565.63	459.18	511.02	1,472.71	1,552.89	2,104.18
FINANCE COSTS	3,071.11	3,060.43	2,879.59	9,142.09	8,408.68	11,372.78
DEPRECIATION AND AMORTISATION EXPENSES	1,708.70	1,468.47	1,732.20	4,530.91	5,100.68	6,746.19
IMPAIRMENT LOSS OF PROPERTY, PLANT AND EQUIPMENT	-	-	-	-	-	36,269.70
OTHER EXPENDITURE	1,813.48	822.01	899.59	3,286.66	3,363.14	3,991.17
TOTAL EXPENSES	7,456.76	6,082.30	6,357.36	19,305.37	19,298.15	61,781.26
3. LOSS FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS (1-2)	(4,378.70)	(4,270.71)	(4,408.70)	(13,031.05)	(11,080.67)	(52,171.59)
4. EXCEPTIONAL ITEMS	-	-	-	-	-	-
5. LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (3-4)	(4,378.70)	(4,270.71)	(4,408.70)	(13,031.05)	(11,080.67)	(52,171.59)
6. TAX EXPENSES						
-CURRENT TAX	(177.55)	46.35	130.26	(100.26)	520.17	752.40
-DEFERRED TAX (NET)	(40.99)	(676.76)	(63.10)	(1,266.24)	(182.95)	(212.92)
7. NET LOSS FROM ORDINARY ACTIVITIES AFTER TAX (5-6)	(4,160.16)	(3,640.30)	(4,475.85)	(11,664.55)	(11,417.89)	(52,711.07)
8. EXTRAORDINARY ITEMS (NET OF TAX EXPENSE)	-	-	-	-	-	-
9. NET LOSS FOR THE PERIOD (7-8)	(4,160.16)	(3,640.30)	(4,475.85)	(11,664.55)	(11,417.89)	(52,711.07)
10. SHARE OF PROFIT/ (LOSS) OF ASSOCIATE	(1.62)	0.20	13.54	(1.57)	(25.38)	(23.42)
11. NON CONTROLLING INTERESTS	-	-	-	-	-	-
12. NET LOSS AFTER NON CONTROLLING INTEREST AND SHARE OF PROFIT OF ASSOCIATE (9+10-11)	(4,161.78)	(3,640.10)	(4,462.31)	(11,666.12)	(11,443.27)	(52,734.49)
13. OTHER COMPREHENSIVE INCOME / (LOSS) (NET OF TAX)	(423.57)	(1,662.26)	1,221.99	(1,693.63)	(2,119.55)	(538.65)
14. TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD (12+13)	(4,585.35)	(5,302.36)	(3,240.32)	(13,359.75)	(13,562.82)	(53,273.14)
15. PAID UP EQUITY SHARE CAPITAL (Equity Share of Rs.2/-each)	116.73	116.73	116.73	116.73	116.73	116.73
16. Other Equity	-	-	-	-	-	(53,203.05)
17 (i) Earning per share (before extraordinary items) (of Rs. 2/- each) (not annualised)						
(a) Basic	(71.31)	(62.37)	(76.46)	(199.90)	(196.17)	(903.61)
(b) Diluted	(71.31)	(62.37)	(76.46)	(199.90)	(196.17)	(903.61)
(ii) Earning per share (after extraordinary items) (of Rs. 2/- each) (not annualised)						
(a) Basic	(71.31)	(62.37)	(76.46)	(199.90)	(196.17)	(903.61)
(b) Diluted	(71.31)	(62.37)	(76.46)	(199.90)	(196.17)	(903.61)



Aban Offshore Limited



Notes:

- (i) The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 10th February 2020
- (ii) The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND- AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting principles and policies to the extent applicable.
- (iii) The Limited Review under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been carried out by the statutory auditors.
- (iv) The Company is engaged primarily in the business of Offshore drilling services. The wind energy Division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.
- (v) The standalone financial results are as under:

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Total Income	640.76	534.37	778.76	1727.24	3486.98	4187.79
Profit/(Loss) before tax	(470.15)	(451.56)	(391.24)	(1,472.23)	161.77	(431.06)
Profit/ (Loss) after tax	(427.10)	197.70	(406.07)	(230.99)	75.88	(689.79)

The Standalone financial results of the Company for the aforesaid period can be viewed on its website at www.abanoffshore.com

- (vi) The figures for the previous period have been regrouped wherever necessary.

Place: Chennai
Date: 10th February 2020

By Order of the Board

C.P. Gopalkrishnan
Dy Managing Director and Chief Financial Officer

