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Janpriya Crest, 113 Pantheon Road,
Egmore, Chennai - 600 008

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Aban Offshore Limited

Annual Report 2010-11

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company reinforced its existing strategy, strengthening its viability across all segments and it expects to capitalise on the forthcoming industry opportunities

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"When I dream alone it remains as a dream,
but when we dream together it is the beginning of reality."

– M. A. Abraham, 1939 - 2004

CORPORATE INFORMATION

BOARD OF DIRECTORS

V. S. Rao	-	Chairman
P. Murari	-	Vice Chairman
Reji Abraham	-	Managing Director
K. Bharathan	-	Director
K.M. Jayarao	-	Nominee Director of ICICI Bank
Satish Chandra Gupta	-	Director
P. Venkateswaran	-	Deputy Managing Director
C.P. Gopalkrishnan	-	Deputy Managing Director & Secretary

AUDIT COMMITTEE

V. S. Rao	-	Chairman
P. Murari	-	Member
K. Bharathan	-	Member

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

K. Bharathan	-	Chairman
P. Venkateswaran	-	Member
C.P. Gopalkrishnan	-	Member

COMPENSATION COMMITTEE

V. S. Rao	-	Chairman
P. Murari	-	Member
K. Bharathan	-	Member
Reji Abraham	-	Member

AUDITORS

FORD, RHODES, PARKS & CO.,
Chartered Accountants
Paruvatham
No.2, 56th Street,
Off: 7th Avenue, Ashok Nagar
Chennai - 600 083

REGISTERED OFFICE

Janpriya Crest
113 Pantheon Road
Egmore
Chennai - 600 008.
Website : www.abanoffshore.com

COMPANY IDENTIFICATION NUMBER

CIN : L01119TN1986PLC013473

BANKERS & FINANCIAL INSTITUTIONS

AXIS BANK LIMITED
BANK OF BARODA
BANK OF INDIA
CANARA BANK
CENTRAL BANK OF INDIA
CITI BANK N.A.
CORPORATION BANK
DBS BANK LIMITED
DnB NOR BANK ASA
EXPORT-IMPORT BANK OF INDIA
ICICI BANK LIMITED
INDIAN BANK
INDIAN OVERSEAS BANK
IDBI BANK LIMITED
LIFE INSURANCE CORPORATION OF INDIA
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STANDARD CHARTERED BANK
STATE BANK OF INDIA
STATE BANK OF MYSORE
STATE BANK OF HYDERABAD
SYNDICATE BANK
THE LAKSHMI VILAS BANK LIMITED
UNION BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building"
No.1, Club House Road,
Chennai - 600 002.



Aban Offshore Limited

Registered Office
'Janpriya Crest' 113 Pantheon Road, Egmore, Chennai 600 008.

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **ABAN OFFSHORE LIMITED** will be held on Wednesday 28th September 2011 at 11.00 A.M. at Narada Gana Sabha Trust (Sathguru Gnanananda Hall), T.T.K. Road, Chennai - 600 018 to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended as on that date, together with the reports of the Board of Directors and Auditors thereon.
2. To consider and declare a dividend @ 8% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the Company for the year ended 31st March 2011.
3. To consider and declare a dividend @ 9% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the Company for the year ended 31st March 2011.
4. To consider and declare a dividend @ 9.25% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the Company for the year ended 31st March 2011.
5. To consider and declare a dividend on Equity Share for the year ended 31st March 2011.
6. To appoint a Director in place of Mr. P. Venkateswaran who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr. C. P. Gopalkrishnan who retires by rotation and being eligible offers himself for re-appointment.
8. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Chennai be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting to conduct the audit of the company on a remuneration as may be paid on a progressive billing basis to be agreed between the Auditors and the Board or any committee thereof.

SPECIAL BUSINESS

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

"**RESOLVED THAT** in accordance with the provisions of sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Mr. P. Venkateswaran as Deputy Managing Director of the Company for a period of 5 years from 1.8.2011 to 31.07.2016 on the terms and conditions with respect to remuneration as under

A :-

a) Basic Salary

In the range of Rs.4,50,000/- to Rs.10,00,000/- per month

b) Perquisites

I) Housing

Expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 60% of salary.

If the Company does not provide accommodation the HRA will be paid upto 60% of basic salary.

Gas, Electricity, water or reimbursement of expenses in lieu thereof shall be in accordance with the schemes and rules of the Company.

II) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years

III) Leave Travel Concession

Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary.

IV) Club Fees

Actual fees for a maximum of two clubs subject to a maximum of Rs.20,000/- per annum. No admission and life membership fees will be paid.

V) Personal Accident Insurance and other term insurance.

The premium shall be paid as per the rules of the Company.

VI) Contribution to Provident Fund and Superannuation Fund shall be paid as per the rules of the Company and shall not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

VII) Gratuity shall not exceed half a month's salary for each completed year of service.

VIII) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

IX) Leave:

Privilege Leave

On full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of the tenure will not be included in the computation of ceiling and perquisites. He will also be entitled to casual leave and sick leave as per the Leave Rules of the Company.

Commission

The Deputy Managing Director shall be paid Commission not exceeding 0.50% of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, 1956. The Managing Director be and is hereby authorised in his absolute discretion and from time to time to fix within the range stated above the salary payable to Mr. P. Venkateswaran.

B. Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year during the currency of tenure of the Director the Company has no profit or its profits are inadequate, the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Mr. C.P. Gopalkrishnan as Deputy Managing Director of the Company for a period of 5 years from 1.8.2011 to 31.07.2016 on the terms and conditions with respect to remuneration as under

A :-

a) **Basic Salary**

In the range of Rs.4,50,000/- to Rs.10,00,000/- per month

b) **Perquisites**

1) Housing

Expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 60% of salary.

If the Company does not provide accommodation the HRA will be paid upto 60% of basic salary.

Gas, Electricity, water or reimbursement of expenses in lieu thereof shall be in accordance with the schemes and rules of the Company.

II) **Medical Reimbursement:**

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years

III) **Leave Travel Concession**

Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary.

IV) **Club Fees**

Actual fees for a maximum of two clubs subject to a maximum of Rs.20,000/- per annum. No admission and life membership fees will be paid.

V) Personal Accident Insurance and other term insurance.

The premium shall be paid as per the rules of the Company.

VI) Contribution to Provident Fund and Superannuation Fund shall be paid as per the rules of the Company and shall not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

VII) Gratuity shall not exceed half a month's salary for each completed year of service.

VIII) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

IX) Leave:

Privilege Leave

On full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of the tenure will not be included in the computation of ceiling and perquisites. He will also be entitled to casual leave and sick leave as per the Leave Rules of the Company.

Commission

The Deputy Managing Director shall be paid Commission not exceeding 0.50% of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, 1956 and further subject to Deputy Managing Director confirming to the Board that no remuneration has been received by him from subsidiaries of the company during the financial year.

The Managing Director be and is hereby authorised in his absolute discretion and from time to time to fix within the range stated above the salary payable to Mr. C.P. Gopalkrishnan.

B. Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year during the currency of tenure of the Director the Company has no profit or its profits are inadequate, the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

11. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

“RESOLVED THAT, in accordance with the provisions of Section 81 and 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum of Association and Articles of Association of the Company, Foreign Exchange Management Act, 1999, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, guidelines prescribed by the Securities and Exchange Board of India (“SEBI”) and subject to such approvals, consents, permissions and / or sanction of the Ministry of Finance of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms and conditions, modifications, alterations as may be prescribed and/or specified by any of them in granting any such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof) to offer, issue, and allot, in the course of one or more offerings, in one or more foreign markets, any securities (including but not limited to Equity Shares, Global Depository Receipts American Depository Receipts/Shares, Foreign Currency Convertible Bonds, Convertible Bonds, Euro - Convertible Bonds that are convertible at the option of the Company and / or at the option of the holders of such securities, securities partly or fully convertible into Equity Shares and / or securities linked to Equity Shares and / or any instruments or securities with or without detachable warrants secured or unsecured or such other types of securities representing either Equity Shares or convertible securities) (hereinafter referred to as “Securities”) to Foreign/Domestic investors, Non-residents, Foreign Institutional Investors/Foreign Companies/NRI(s)/Foreign National(s) or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company through Prospectus, Offering Letter, Circular to the general public and / or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions as the Board may in its absolute discretion deem fit for an amount not exceeding US\$ 400 Million (US Dollar Four hundred Million only) or its equivalent currencies including green shoe option on such terms and conditions including pricing as the Board may in its sole discretion decide including the form and the persons to whom such Securities may be issued and all other terms and conditions and matters connected therewith.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above the aforesaid issue of the Securities may have all or any term or combination of terms in accordance with normal practice including but not limited to conditions in relation to payment of

interest, dividend, premium or redemption or early redemption at the option of the Company and / or to the holder(s) of the Securities and other debt service payment whatsoever and all such terms as are provided in offerings of this nature including terms for issue of additional Equity Shares of variation of interest payment and of variation of the price or the period of conversion of Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to voting rights or option for early redemption of Securities.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offering(s) and that the said Equity Shares shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank in all respects pari passu with the existing Equity Shares of the Company including payment of dividend.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and Section 293(1)(d) other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to borrow monies in excess of the paid up capital and free reserves and to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of a mortgage and / or charge on all or any of the Company's immovable and / or movable assets, both present and future in such form and manner and on such terms as may be deemed to be fit and appropriate by the Board.”

“RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such person in such manner and on such terms as the Board in its absolute discretion thinks fit, in the best interest of the Company and as is permissible in law.”

“RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for issue of Depository Receipts representing underlying Equity Shares/Preference Shares / other securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent.”

“RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities, Exercise of warrants / Redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute

discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the Appointment of Registrar, Book-Runner, Lead-Managers, Trustees / Agents, Bankers, Global Co-ordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies / intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and / or in one or more international stock exchanges with power on behalf of the Board to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing / Deputy Managing Director(s) or any Director or any other Officer or Officers of the company to give effect to the aforesaid resolution.”

12. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions if any, of the Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time the provisions of the Foreign Exchange management Act, 1999 and the Foreign Exchange Management (Transfer or issue of security by a Person Resident Outside India) Regulations 2000 applicable rules, regulations, guidelines or laws and / or any approval consent, permission or sanction of the Central Government, Reserve Bank of India or any other appropriate authorities, institution or bodies (hereinafter collectively referred to as the “appropriate authorities”) and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the “requisite approvals”) which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) the Board be and is hereby authorized to issue offer and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined

by the Board but not later than 60 months from the date of allotment (collectively referred to as “Qualified Institutional Placement (“QIP”) Securities”) to the Qualified Institutional Buyers (QIBs) as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as Amended, on the basis of placement document(s) at such time and times in one or more tranche or tranches at par or at such price or prices and on such terms and conditions and in such manner as the Board may in its absolute discretion determine in consultation with the Lead Managers, Advisors or other intermediaries for an amount not exceeding Rs.2500 crores (Rupees two thousand five hundred crores only) including such premium amount as may be finalized by the Board.

“RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue “(Relevant date)” or in case of securities which are convertible into or exchangeable with Equity Shares at a later date, the date on which the holder of such securities becomes entitled to apply for shares shall be the relevant date “(Relevant Date)”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred above or as may be necessary in accordance with the terms of the offering all such shares shall be subject to the provisions of Memorandum of Association and Articles of Association of the Company and being pari passu with the then existing shares of the Company in all respects as may be provided under the terms of the issue and in the offering document.”

“RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.”

“RESOLVED FURTHER THAT the issue to the holders of the securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of securities or instruments representing the same as described above the Board be and is hereby authorized on behalf of the Company to do all such acts deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution / trustees/ agents and similar agreements / and to remunerate the managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected such offerings of such securities, with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

“RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or

doubts that may arise in regard to the issue offer or allotment of securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / charge under section 293(1)(a) of the said Act in respect of the aforesaid Securities either on pari passu basis or other wise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution

“RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such Consultants, Book runners, Lead Managers, underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Banker(s), Lawyers, Merchant Bankers and any other advisors and professionals as may be required and to pay them such fees Commissions and other expenses as they deem fit.

“RESOLVED FURTHER THAT the allotment of securities shall be to Qualified Institutional Buyers in accordance with the Qualified Institutional Placement (QIP), Chapter VIII of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time, and such securities shall be fully paid up and the allotment of such securities shall be completed within 12 months from the date of this resolution with out the need for fresh approval from the shareholders and placements made in pursuance of this resolution if approved shall be separated by atleast 6 months between each placement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing / Deputy Managing Director(s)/ Directors or any other officers / Authorised representatives of the Company to give effect to the aforesaid resolution.

By Order of the Board

Chennai - 600 008

C.P. Gopalkrishnan

Date : 26th May 2011

Deputy Managing Director & Secretary

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2011 to 28.09.2011 (both days inclusive)
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating the Special Business to be transacted at the Meeting is annexed hereto
4. Dividend on Equity Shares if declared at the Annual General

Meeting will be paid on or after 28.09.2011 to those persons or their mandates.

- (i) Whose names appear as Beneficial Owners as at the end of the business hours on 20.09.2011 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held on electronic form; and
- (ii) Whose name appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agent on or before 20.09.2011
5. Dividend on Preference Shares, if declared at the Annual General Meeting will be paid on or after 28.09.2011
6. Members holding shares in Physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or Company's Share Transfer Agent, M/s Cameo Corporate Services Limited in this regard.
7. Members / Proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the Annual Report. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy of identification attendance at the Meeting.
8. Members holding shares in physical form may obtain the Nomination Forms from the Company's Registrar and Share Transfer Agent.
9. Pursuant to the provisions of section 205(A) and 205(C) of the companies Act, 1956 the company has transferred the unpaid of unclaimed dividends for the financial years 1995-96 to 2002-03, to the Investor Education and Protection Fund (IEPF) established by Central Government. No claim shall be made against the company in respect of unpaid / unclaimed dividend after a period of seven years from the dates they first become due for payment.
10. Members who are holding physical shares in identical order of names in more than one account are requested to intimate to the Share Transfer Agent the ledger folio of such accounts and send the share certificates to enable the Company to consolidate all the holdings into an account. The share certificate will be returned to the members after making the necessary endorsements in the due course.
11. The Members desiring any information as regards accounts of the Company are requested to write to the Company at an early date so as to enable the Company to keep information ready.
12. Members desirous of receiving Notice / Annual Report in electronic form may furnish their e mail id to the Company/RTA.
13. Brief resume of these directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, memberships and chairmanships in committees, shareholding and relationships between directors inter-se as stipulated in the listing agreement with Stock Exchanges in India are provided in the report on Corporate Governance forming part of the report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 26.05.2011

Item No.9

Mr.P.Venkateswaran has been working with the organization since its inception in the year 1986. At the Annual General Meeting held on 14 July, 2006 he was reappointed as Director (Operations) for a further period of 5 years from 01 August, 2006 to 31 July, 2011. During the term, he was re-designated as Deputy Managing Director with effect from 12.02.2007 and shall hold office upto 31 July, 2011.

Considering his contributions to the growth and in the best interest of the company, the Directors at their meeting held on 26.05.2011 recommended the re-appointment of Mr.Venkateswaran as Deputy Managing Director as detailed in the resolution. The resolution requires approval of the members and hence the item is placed before the Meeting for approval.

None of the Directors other than Mr.P.Venkateswaran is interested or concerned in the item of business.

The terms of contract and the interest of the Director set out in the resolution and the Explanatory Statement may be treated as the abstract of the Memorandum under Section 302 of the Companies Act, 1956.

Item No.10

Mr.C.P.Gopalkrishnan joined the organisation in the year 1987. At the Annual General Meeting held on 14 July, 2006 he was reappointed as Director (Finance) for a further period of 5 years from 01 August, 2006 to 31 July, 2011. During the term, he was re-designated as Deputy Managing Director with effect from 12.02.2007 and shall hold office upto 31 July, 2011.

Considering his contributions to the growth and in the best interest of the company, the Directors at their meeting held on 26.05.2011 recommended the reappointment of Mr.Gopalkrishnan as Deputy Managing Director as detailed in the resolution. The resolution requires approval of the members and hence the item is placed before the Meeting for approval.

None of the Directors other than Mr.C.P.Gopalkrishnan is interested or concerned in the item of business.

The terms of contract and the interest of the Director set out in the resolution and the Explanatory Statement may be treated as the abstract of the Memorandum under Section 302 of the Companies Act, 1956.

Item No.11

In view of the growing operations of the Company and to augment the fund requirements of the Company, your Company proposed to create offer issue and allot equity shares GDRs, ADRs, FCCBs, etc., as stated in the resolution. The proposed resolution would be for renewal of approval of issuance of equity shares FCCBs, GDRs, ADRs, etc. for an amount not exceeding USD 400 Million approved by the Members of the Company at the Annual General Meeting held on 24th September, 2010

None of the Directors is concerned or interested in the resolution

Item No.12

Your Company in order to increase the ability to compete with the peer group and to enhance its global competitiveness in domestic and international markets needs to strengthen its financial position by augmenting long term resources from time to time

The proposed special resolution seeks the enabling authorization of the Members to the Board of Directors without the need of any further approval from the shareholders to under the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB") in accordance with the provisions of SEBI. Pursuant to the above, the Board may in one or more tranches issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (Collectively referred to as "QIP Securities")determined by the Board but not later than 60 months from the date of allotment (Collectively referred to as "QIP Securities")

The said QIP by the Board shall be subject to the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended from time to time) including the pricing which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date. The relevant date for the determination of applicable price for the issue of the QIP securities shall be the date of the meeting in which the Board / Committee of the Company decide to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be. For reasons aforesaid an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of issue. The securities issued pursuant to the offering would be listed on the Indian Stock Exchanges.

The securities issued under QIP issue pursuant to offer may, if necessary be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board of Directors in consultation with the Security Holders / Trustees in favour of security holder / Trustees for the holders of said securities. As the documents to be executed between the security holders / trustees for the holders of the said securities and the Company may contain the power to take over the management of the Company in certain events, enabling approval is also sought under section 293(1) (a) of the Companies Act,1956.

Section 81(1A) of the Companies Act, 1956 and the Listing Agreement entered with the Stock Exchanges provide, inter alia that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company in proportion to the Capital paid up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of securities in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares to issue to the holders of

such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules and regulations or guidelines

The Board recommend passing of this resolution

None of the directors are interested or concerned in the resolution

By Order of the Board

Chennai - 600 008
Date : 26th May 2011

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Aban Offshore is the largest offshore drilling rig service company in India.

Parentage

- Aban Offshore is the flagship Company of the Aban group
- Promoted by late Mr. M.A. Abraham in 1986
- Promoters held 53.80% in the Company (as on 31st March, 2011)

Our vision

- To man the operations by a powerful team of well qualified and highly experienced professionals with a rich proven track record of achievement and experience in both Indian and International Projects
- To achieve far-reaching success by developing innovative, integrated, enterprising and world-class services for the global hydrocarbon industry
- To provide quality assurance and quality systems, the highest priority and

today we are an accredited ISO 9001:2000 Company.

- To provide clients an unmatched value proposition, through its proven experience, modern technology and diverse range of services

Service

- The Company provides drilling services for offshore exploration and production (E&P) of Oil & Gas globally
- The Company provides drilling services in shallow to moderate deep waters with complete drilling operational management.

Existence

- Headquartered in Chennai, India
- Present across eight countries
- Shares listed on the Madras, Bombay and the National Stock Exchanges
- Two wholly-owned subsidiaries,

Aban Energies Ltd (India) and Aban Holdings Pte. Ltd (Singapore)

Clients

* Oil & Natural Gas Corporation of India Ltd. (ONGC)/OVL (Qatar), * Reliance Industries Ltd. (RIL), * Hardy Exploration & Production (India) Inc., * Shell Brunei, * Shell Malaysia, * Petronas Carigali SDN BHD, * Gujarat State Petroleum Corporation Ltd. (GSPC), * Hindustan Oil Exploration Co. Ltd., * Cairn Energy, * Chevron (Thailand), * Kosmos Energy/ Petro SA, * PEMEX Mexico, * Total E&P Qatar, * Petrobras

Performance in 2010-11

- EBITDA grew 4.1%
- PAT Rs.141.94 crores
- Uninterrupted dividend record for 24 years
- Revenue of Rs.3,373.20 crores

Promoters held

53.80%

in the Company

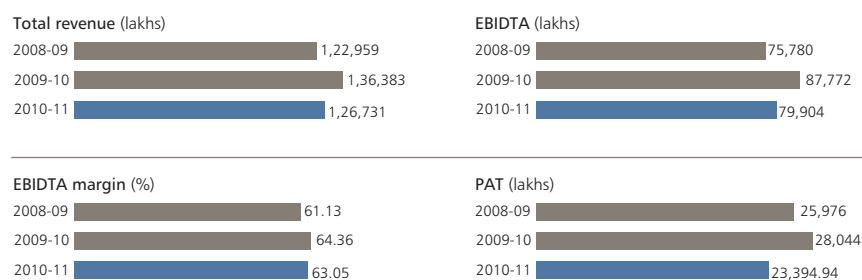
(as on 31st March, 2011)

Assets

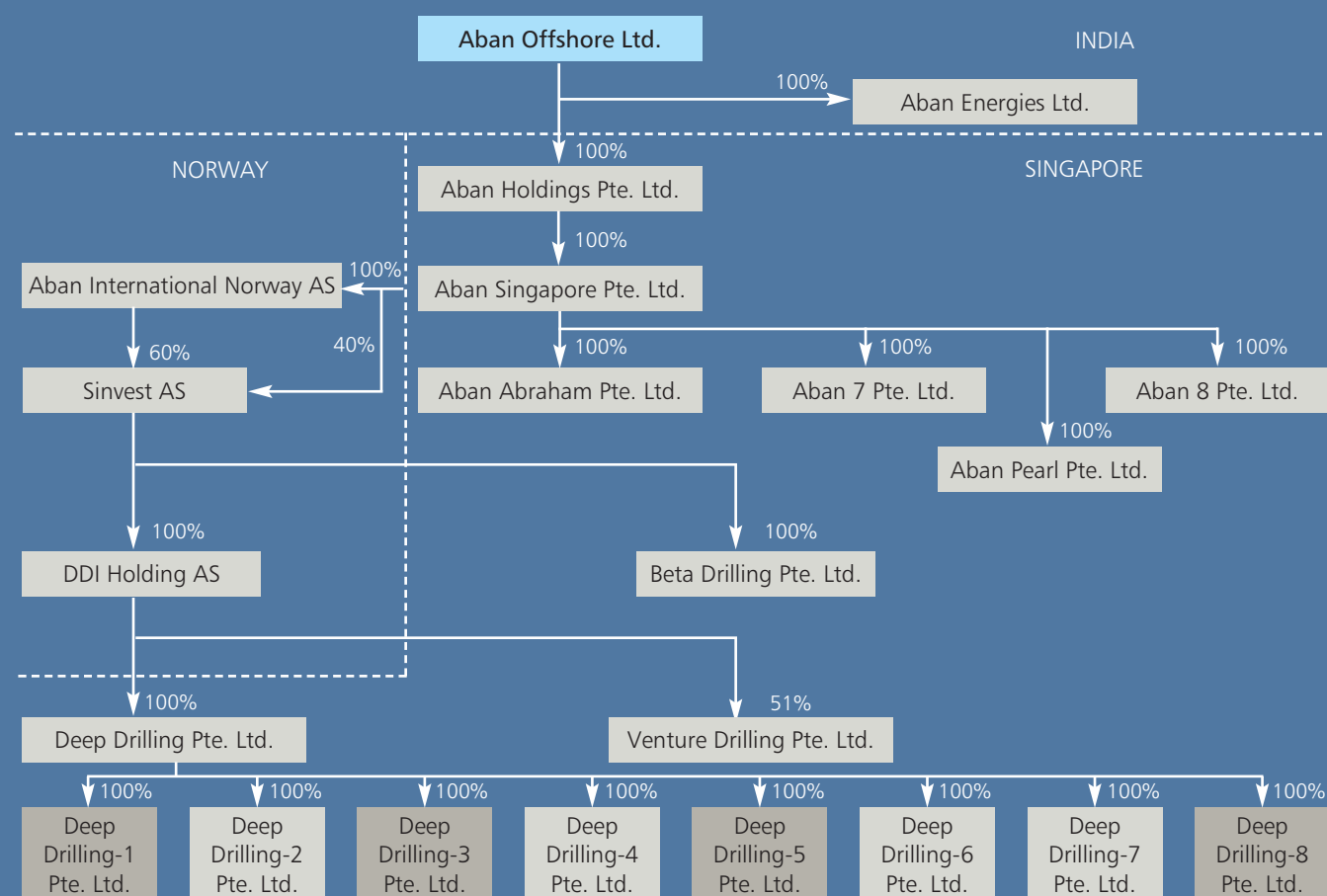
Number of assets	Employees	Uninterrupted dividend	Market capitalisation
18 as on 31st March 2011	1,604 as on 31st March 2011	24 years	Rs. 26.8 billion as on 31st March 2011



Highlights (standalone), 2010-11



AOL Group holding structure



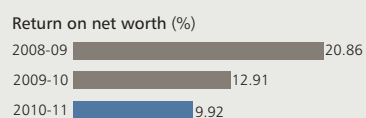
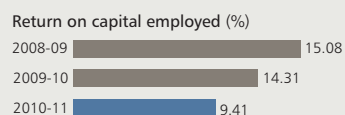
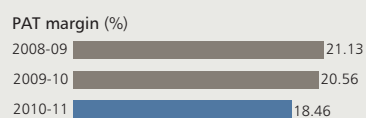


Consolidated results of AOL and its subsidiaries

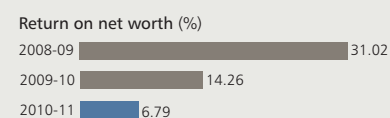
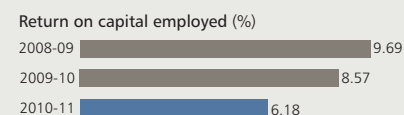
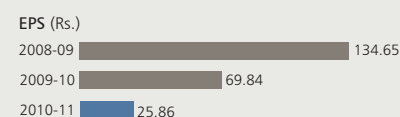
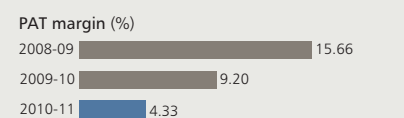
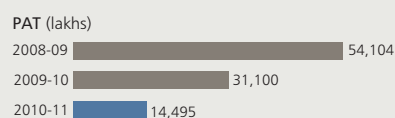
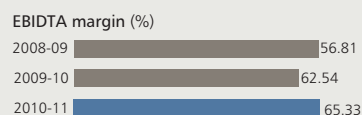
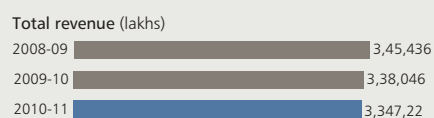
(Rs. in lakhs)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Turnover	3,34,722	3,35,866
Less: Expenditure	1,16,034	1,25,826
EBIDTA	2,18,688	2,10,040
EBIDTA %	65	62.54
Add: Other income	2,598	2,181
Less: Interest	92,377	97,682
Less: Depreciation	49,071	46,156
Profit before tax	79,838	68,383
Add: share of profit in joint venture	6,654	12,504
Profit before tax and after share in joint venture	86,492	80,887
Less: Provision for tax	25,309	25,707
Core profit after tax	61,183	55,180
Exchange fluctuation (Loss)/Gain	(7,830)	(12,028)
Impairment of investment/asset	(38,859)	(12,052)
Profit after tax	14,495	31,100

Highlights (standalone), 2010-11



Highlights (consolidated), 2010-11



Managing Director's review

“Going ahead, our focus will be on debt repayment, leading to enhanced creditability”

Mr. Reji Abraham reviews the Company's 2010-11 performance and prospects

Dear shareholders,

The financial year under review tested the resilience of Aban Offshore like never before in its history.

Setback

Aban Offshore suffered an unexpected setback during the first quarter of the financial year under review when Aban Pearl, one of its prized rigs, sank in the Venezuelan waters. This submergence was an inexplicable natural mishap despite the best investments having been made in safety, training and asset contemporariness.

The submergence had two impacts on our balance: one, a loss in revenues of what we would have earned from Aban Pearl, which was grossing US\$ 286,000 a day in rentals at the time of the mishap; two, the deficit between what we had paid for Aban Pearl and what we received from the insurance company, estimated at US\$ 74 mn.

The Company received the insurance amount during the course of the last financial year within 60 days of the mishap, while the deficit was written off from the profit and loss account of the financial year under review, to provide a fair and real-time picture of the Company's health to shareholders.

The proceeds of the cash inflow were utilised in the redemption of borrowings.

Course Correction Strategies

At Aban Offshore, we reinforced our existing strategy to strengthen our viability in the following ways:

- We ensured continuous deployment of our rig assets through suitably timed contracts.
- We adopted a flexible rig deployment strategy - long-term contracts, where it was important to lock the rigs for predictable revenue inflow, and

short-term contracts where it was possible to capitalise on higher day rates

- We continued to retain our position as one of the most cost competitive rig service providers in the world
- We strengthened our safety and environmental standards in line with the best industry benchmarks
- We upgraded our drillship Aban Abraham to meet contractual requirements so as to start its five year contract with Petrobras, Brazil.

The result of these initiatives was that your Company reported an improved EBIDTA margin of 65.33 per cent for 2010-11 compared with 62.54 per cent in 2009-10; Your Company's interest cover also improved 2.09 against the erstwhile figure of 1.88 times, indicating adequate comfort in meeting its debt servicing requirements.



Safety award for Rig DD3 from Exxon Mobil Exploration & Production Malaysia Inc.

Your Company emerged stronger after the setback; it expects to protect its viability against fluctuations and volatility of Rig markets inherent in Oil industry.

Safety management

In a challenging rig service business, success is measured by the high uptime of our assets deployed with our customers across the globe. This, in turn, is achieved through a rigorous compliance with safe operational as well as environmental processes.

The world is becoming increasingly sensitive to environmental compliance. In such a situation, we see complete compliance not as a cost but as an enabler, strengthening our health-safety-environment benchmarking in the following ways:

- We have benchmarked our documentation of compliances with the

best international standards

- We have trained our people in the safety management of daily operations and emergency requirements
- We have audited our ongoing compliance through internal and external experts
- We have constantly reviewed mishaps or near-misses with the objective of non-recurrence. As a result, we can state that Aban's rigs are operationally safe for people, customers, community and the world.
- It is noteworthy to mention that despite the unfortunate incident of loss of Aban Pearl, there was no incidence of any individual being hurt or losing life and the crew was safely evacuated.
- We received a safety award for our rig Deep Driller 3 from Exxon Mobil Exploration & Production Malaysia Inc.

We continue to retain our position as one of the most cost competitive rig service providers in the world

Debt management

In a capital-intensive business, economic management, debt procurement and timely interest repayment contributes immensely towards keeping up competitive advantage.

Your Company did well in this regard; it made a net repayment of US\$ 230 million during the course of the year, funded through accruals and debt refinancing. This helped reduce debt on the Company's books from a year-start of US\$ 3.1 billion to a year-end US\$ 2.9 billion.

Business review

The investments being made by E&P companies are largely dependent on their cash flows and oil prices. The higher the oil prices, the higher the capex that E&P companies are prepared to pay and vice versa. In 2010-11, E&P expenditures and oil prices rebounded sharply as oil demand continued to grow in developing markets. Besides, a large part of the international market emerged from the economic slowdown. A number of high-cost oil wells that were out of production during the slowdown, when oil realisations were depressed, now returned to production. The improved financials of oil companies prompted them to reinvest in their exploration programmes. The result was that global rig utilisation increased from 84% in 2009 to 88% in 2010.

Of Aban's fleet of 18 offshore units, drill ship Aban Abraham and rigs Aban II and Aban VII were in the shipyard during the third quarter. The issues related to the uncontracted drillship 'Deep Venture' were resolved and the drillship returned. Two rigs (Aban II and Aban VII) commenced their charters in January 2011, strengthening earnings from the fourth quarter. Aban Abraham's charter in 2011-12 will reinforce revenues. Jack-up rigs Aban III and Aban IV contracts are renewed for three years each with ONGC.

Outlook, 2011-12

As oil demand in developing countries rises on the back of a better-than-expected global economy recovery, oil prices are either expected to stabilise at the upper level at worst or strengthen further. Your Company believes that this will catalyse E&P spending by oil and gas companies, generating opportunities for rig service providers like us. Deepwater oil production doubled in the last five years and is expected to double again over the next five years, which will stand us in good stead on account of our diversified asset portfolio. Our presence in various countries represents adequate geographic spread.

The average age of nine of 15 jack-ups is 3.5 years, resulting in high uptime at the customer's end and high day rates.

Strengths



Rich heritage

Aban is the largest Indian-owned drilling rig provider and among the world's top ten companies in the space.

Diverse asset portfolio

The Company's diverse rig asset portfolio comprises 15 jack-ups, two floaters and one floating production unit to suit different industry needs.

Wide geographic presence

Aban enjoys a multi-geographic presence across eight countries, demonstrating its operational flexibility and strengthening its rig deployment prospects.

Deep knowledge capital

Aban's two-decade industry presence is characterised by low-cost operations, global competitiveness and industry respect.

Technology advancement

The average age of nine of 15 jack-ups is 3.5 years, resulting in high uptime at the customer's end and high day rates.

Brand-enhancing patrons

Aban's clientele comprises six national and 13 international companies. The Company enjoys long-term relationships with clients like ONGC for over two decades, resulting in domain insight and revenue predictability.

Management discussion and analysis

Global oil industry

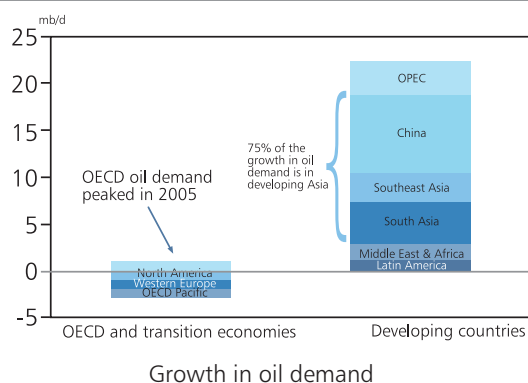
Crude oil is back in focus for a number of reasons:

- Political upheaval in the Middle East and North Africa
- Faster-than-expected economic recovery in developed countries like U.S. and Germany
- OECD consumption faster than expected, following economic activity and stimulus plans

The result is that in 2010, world oil consumption grew by 1.32 million b/d (1.6%) to 85.78 million b/d (84.5 million b/d in 2009), riding a global GDP growth of 4.1%. Global oil demand has been rising since the third quarter of 2009, led by developing economies outside the Organization for Economic Cooperation and Development (OECD), including Brazil, China and India (Source: OPEC).

	2009	2010	2011	2012	2013	2014
North America	23.3	23.6	23.8	23.8	23.9	23.8
Western Europe	14.5	14.1	14.0	14.0	13.9	13.9
OECD Pacific	7.7	7.7	7.6	7.6	7.6	7.6
OECD	45.5	45.4	45.5	45.4	45.4	45.3
Latin America	4.9	5.0	5.0	5.1	5.2	5.3
Middle East and Africa	3.4	3.5	3.5	3.6	3.7	3.8
South Asia	3.9	4.0	4.1	4.3	4.5	4.7
Southeast Asia	6.0	6.1	6.1	6.3	6.4	6.5
China	8.3	8.7	9.1	9.6	10.0	10.5
OPEC	7.9	8.2	8.4	8.6	8.7	8.9
Developing countries	34.3	35.4	36.4	37.4	38.5	39.6
Russia	3.0	3.0	3.0	3.1	3.1	3.1
Other transition economies	1.7	1.7	1.7	1.7	1.8	1.8
Transition economies	4.7	4.7	4.8	4.8	4.9	4.9
World	84.5	85.5	86.6	87.6	88.8	89.9

Source: OPEC | Note: Estimated figures from 2010 onwards



World oil consumption grew by

1.32
million b/d in 2010

During 2010-11, India's crude oil production was estimated at 37.96 million metric tonne (MMT), i.e., 12.67 percent higher than the preceding year (33.69 million metric tonnes).

Oil demand growth is expected to increase by 1.17 million b/d or 1.4% to 86.95 million b/d in 2011, as petrochemical and transport sectors continue to grow in dominant oil user countries like Asia, North America, Europe and the Pacific regions, among others.

By 2014, world oil demand is projected to increase to 89.9 mb/d, an increase of 5.4 mb/d over the five years from 2009, owing to sustained growth in developing Asia's oil demand (Source: OPEC).

On the supply side, OPEC accounts for about 40 percent of the world's oil supply; this is expected to rise to 50 percent by 2035 (Source: IEA). Supply is expected to rise over the coming months from Basra (1.3 mn bpd), Libya (1.3 mn bpd), Saudi Arabia (1.6 mn bpd) and China (1.3 mn bpd), enhancing global supply to 94.1 million bpd (Source: CNI Research Limited, 5th March, 2011). Non-OPEC supply is expected to increase by 2.2 mb/d over 2009-2014.

Indian oil market

India accounted for 10.8% of the Asia/Pacific regional oil demand in 2010, while providing 10.2% of supply (Source: Business Monitor International). Oil accounts for 31% of India's total energy consumption; this is only expected to increase.

During 2010-11, India's crude oil production was estimated at 37.96 million metric tonne (MMT), i.e., 12.67 percent higher than the preceding year (33.69 million metric tonnes).

The Government of India awarded 47.3% of India's estimated

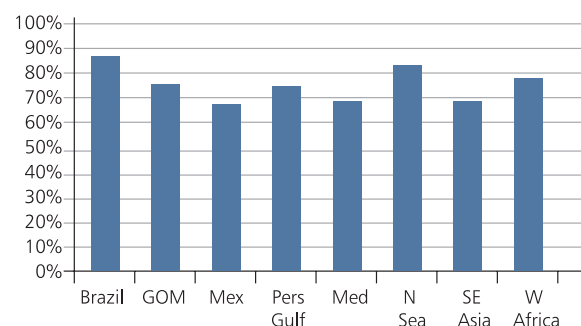
sedimentary area of 3.14 million sq km (onland and offshore 1.79 million sq. km; deep water 1.35 million sq km) comprising 26 sedimentary basins for onward exploration (11% awarded prior to NELP's operationalisation in 1999). Until the end of 2010-11, some 87 oil and gas discoveries were made by private/joint venture (JV) companies in 26 blocks; more than 640 MMT of oil-equivalent hydrocarbon reserves were added (Source: Economic Survey 2010-11).

Since NELP's inception, the government awarded 235 blocks, including 34 blocks under NELP IX — 19 new blocks (seven deep sea, two shallow waters and 10 onland blocks), 15 recycled blocks (one deep water, five shallow water and nine onland blocks), covering a sedimentary area of about 88,807 sq km (Source: Economic Survey 2010-11).

Exploration & Production (E&P)

World: The combination of technological progress, rising oil demand in developing countries and rising crude oil prices, prompted E&P companies to explore deeper. Until 2010, 87 oil & gas discoveries were made in India's in 26 blocks (over 640 MMT of oil-equivalent hydrocarbon reserves). In the last five years, the share of offshore discoveries in the global pie has risen from 48% in 2005 to 66% in 2009, as the number of ultra-deepwater wells grew 29.8% from 2005-2009 (25.5% growth for shallow water wells). During this period, major deepwater discoveries were made in Brazil, the US, Angola, Nigeria, Ghana, India, Malaysia and Australia, among others. The capex for deepwater exploration is expected to record a quicker rebound of 11% in 2010 to US\$ 28 billion in compared

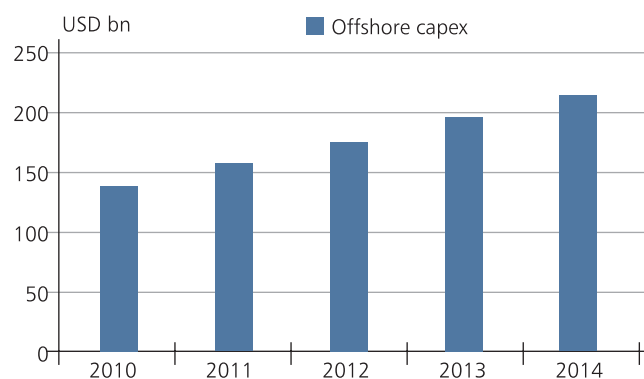
Wind energy



to a 17% contraction in 2009 (Source: Douglas Westwood).

India: In India, significant steps in exploring the hydrocarbon potential of the sedimentary basins were under taken reducing the unexplored area from 50% in 1995-96 to 15%. As on 1 October 2010, industry investments were around US\$ 14.8 billion (US\$ 7.5 billion in hydrocarbon exploration and US\$ 7.3 billion in discovery development) as per Economic Survey, 2010-11.

Global exploration and production spending is set to rise by 11% to US\$ 490 billion in 2011 mainly in South America, the Middle East, North Africa and South-East Asia. This will be on account of rising demand from developing countries, strengthening oil prices and the economic viability of tapping large deep and ultra-deepwater reserves. In view of this, offshore capex is expected to rebound 14% to US\$ 158bn in 2011 (CAGR of 10% till 2014), while deepwater capex is expected to increase 18% to US\$ 33 billion in 2011 - a total capex of US\$ 167 billion for 2010-14 (Source: Douglas Westwood).



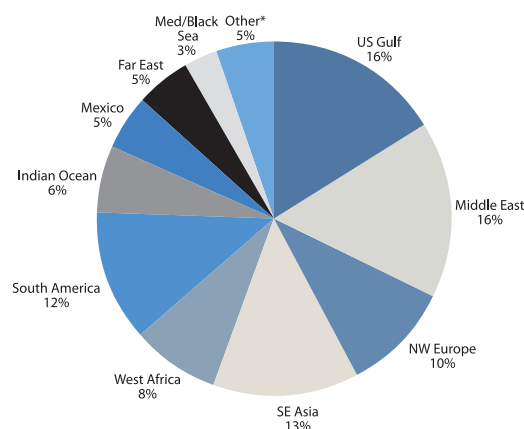
Source: Douglas Westwood

Rig industry

The global offshore mobile rig fleet grew again in 2010-11, predominantly due to newly manufactured units. Forty rigs (counted as new) were added in 2010, quite identical to 43 in

2009. Besides these new builds, six offshore rigs were reactivated; reductions numbered at six, a decline from 14 in 2009. The available count for global offshore mobile units was 745, widely distributed across the US, the Middle East, SouthEast Asia and South America.

Global offshore mobile fleet by region in 2010



Source: World Oil, November 2010

Future ahead

Buoyed by signals that the global recession is fading, an increase in oil prices, increased global energy demand and the call for new, more sophisticated rigs to construct increasingly complex wells, drilling contractors are feeling generally optimistic about the current and near-term offshore drilling market. Rig utilization is expected to recover, with operators willing to pay higher rates for rig designs that feature improved safety, more automation and greater hoisting and pipe-handling capacity at greater depths and in harsher environments. Despite concerns about unrest in the Middle East and frustration over the pace at which permits are being issued for post-Macondo Gulf of Mexico, contractors believe they are at the dawn of an uptick in business in most regions, including the newest deepwater frontiers – West Africa and Brazil.

The current annual wind power accretion is about 2,200 MW which is expected to reach 5,000 MW by 2015 and a cumulative capacity of 64,000 MW by 2020 (*Source: World Institute of Sustainable Energy*).

Wind energy

India is the world's fifth largest wind energy market with a cumulative installed base of over 13,000 MW (growing 23% in three years). In over a decade, India's wind energy market grew from around 50 MW per year to an excess of 2,000 MW

per year. India's total estimated on-shore wind power potential is over 48,000 MW [Source: The Ministry of New and Renewable Energy (MNRE)]. India installed 2,350 MW of wind power in 2010-11 compared with 683 MW in 2009-10, to reach a cumulative 14,157 MW.

State-wise wind power installed capacity (MW)

States	Cumulative installed capacity upto January, 2011
Andhra Pradesh	180.90
Gujarat	2,035.81
Karnataka	1,594.10
Kerala	27.75
Madhya Pradesh	237.20
Maharashtra	2,202.80
Rajasthan	1,381.00
Tamil Nadu	5,519.72
Others	4.30
Total	13,183.58

Future ahead

India has abundant, untapped renewable energy resources, including a large coastline of 7,500 kms for realising its on-shore and offshore wind potential. The current annual wind power accretion is about 2,200 MW which is expected to reach 5,000 MW by 2015 and a cumulative capacity of 64,000 MW by 2020 (*Source: World Institute of Sustainable Energy*). The industry accretion was catalysed by fiscal incentives (excise duty exemption, income tax exemption on related profits, 80% accelerated depreciation) and various states' obligation on renewable energy purchase.

Opportunities and threats

Opportunities for rig industry

With rising oil demand and prices, exploration and production activities by oil and gas companies is expected to grow, with

strengthening prospects for the global rig industry.

Threats for rig industry

- The global E&P business capex is connected to crude oil prices. E&P spends in the coming years can be affected, as a result of low crude oil prices, reducing rig-rates.
- With an increased emphasis on deep-sea drilling, jack-up rig demand, the Company's vital revenue spinner, may be impacted in the long term.
- With an increasing number of players entering the field, the new built-up jack rigs are affecting charter rates unfavourably, which could marginally impact the Company's performance.

Opportunities for wind energy business

- It is a pollution-free, clean source of energy, with no greenhouse gas effect or harmful emissions.

The Company reported a total income of Rs. 3,37,320 lakhs in 2010-11 (Rs. 338,047 lakhs in 2009-10). The Company's core profit after tax increased to Rs. 61,183 lakhs in 2010-11 from Rs. 55,180 lakhs in 2009-10, registering a growth of 10.87%.

- Among the various sources of non-conventional energy, wind power is privileged to receive various excise duties and income tax exemptions, encouraging wind power generation. Resultantly, wind energy is the fastest-growing energy sector.

- Wind turbines can be set up on farms and ranches, requiring little space. The turbine occupies about 2% of the total area (the turbine's foundation is located underground), making the land available for various other uses.

- Wind energy is ideal in remote areas which are not connected to the main electricity grid.

Threats for wind energy business

- It is capricious; even advanced equipment may not accurately predict climatic conditions.
- It cannot be saved (unless batteries are used); not all types of wind can be harnessed.
- It can never be utilised in high demand areas or be a

primary supplier of energy.

- Wind turbines can impact the use of land since it is vital in setting up several turbines together, which can generate a substantial amount of power.

Operational review

Drilling division: Revenue generated from drilling declined to Rs. 3,338.57 crore in 2010-11 compared with Rs. 3,347.31 crore in the previous year. As on 31st March 2011, 17 rigs were operational, forecasting a positive revenue generation in the coming financial year.

Wind energy division: Revenue from the Company's wind energy division declined to Rs. 8.64 crore in 2010-11 compared with Rs 11.34 crore in 2009-10. Further, 315.75 lakhs units of power were generated in 2010-11 compared with 413.83 lakhs units of power in 2009-10.

Segment wise performance

(Rs. in lakhs)

Years	Drilling		Wind Energy	
	Revenues	Profit	Revenues	Profit/ (Loss) before tax
2007-08	212,292	20,399	1,209	(2,331)
2008-09	344,190	70,175	1,245	(2,154)
2009-10	336,705	46,183	1,341	(1,879)
2010-11	336,340	34,753	979	(1,604)

Financial review

The Company reported a total income of Rs. 3,37,320 lakhs in 2010-11 (Rs. 338,047 lakhs in 2009-10). The Company's core profit after tax increased to Rs. 61,183 lakhs in 2010-11 from

Rs. 55,180 lakhs in 2009-10, registering a growth of 10.87%.

Risks and concerns

The section has been addressed in a later part of the report.

Aban identifies, assesses and takes proactive measures to minimise the potential loss arising, owing to exposure to particular risks and to maximise returns on the other hand.

De-risking our business

01 The economic slowdown could hamper oil exploration, affecting the Company's profitability.

Mitigation

- A combination of technological advancements, rising oil demand (especially in developing countries) and strengthening crude oil prices prompted E&P companies to explore deeper.
- Global exploration and production spending by the oil and gas industry is set to rise by 11% to US\$ 490 billion in 2011, mainly in South America, the Middle East, North Africa and SouthEast Asia.

02 Increasing global and domestic competition could hamper rig rate realisations.

Mitigation

- Aban's diversified portfolio (15 jack-ups and two floaters) possesses a high entry barrier, leading to lower competition.
- The Company is India's largest drilling contractor and among the top 10 in the world, resulting in attractive prospects.

03 Overdependence on its domestic client base could impact the utilisation of its assets in the event of decline in domestic demand

Mitigation

- The Company's off-shore services has a global presence and

having global clients provides flexibility to move assets across overseas waters in case of decline in domestic demand

- The Company enjoys a global footprint — Southeast Asia, South Asia, Latin America, West Africa and the Middle East— leading to healthy revenues.
- The acquisition of Sinvest of Norway enabled the Company to extend its exposure across clients, continents and geographies.

04 In a highly technology-critical business, technology obsolescence could affect the Company's business

Mitigation

- Aban's assets are relatively contemporary with nine of its rigs possessing an average age of 3.5 years.
- During five years, four rigs were upgraded (three rigs in 2010-11), improving the Company's operational capability.

05 Fluctuation in the global crude oil prices can impact the Company's business

Mitigation

- The Company deployed its assets in long-term contracts with attractive returns
- Long-term contracts ensured better relationship with customers who continued to patronise the Company even during difficult times

- 06** If assets are not optimally utilised, the Company's profitability could be affected.

Mitigation

- The Company enjoys a combination of long-term and short-term contracts, ensuring steady revenues on the one hand and enabling it to capitalise on rising rig rates.
- The Company enjoys over two decades of industry presence and experience; long-term relationships with leading global oil and gas exploration companies, facilitating the renewal of short-term contracts well before expiry

- 07** The Company's operations can be hampered owing to its inability to service debt and/or interest obligations.

Mitigation

- The Company's low-cost structure and viability even in a challenging environment indicates an ability to service its debt and interest obligations.

- 08** Inefficient cost management can impact the Company's profitability.

Mitigation

- The Company exercises strict inventory control measures, ensuring reduction in the inventory holding cost
- The Company efficiently utilizes its equipment spares and consumables, controlling the consumption cost of such spares and consumables

- 09** The Company's operations can potentially be affected following the loss of key personnel.

Mitigation

- Aban's long-term retention plan, attractive performance-based remuneration and inspiring work environment resulted in a 95% people retention in 2010-11.

Human resource management

Continuous learning represents the cornerstone of the Company's human resource policy. The Company adopted a progressive human resource policy to meet the aspirations of employees. It provided training programmes and motivated its employees to attain greater efficiency and competence, leading to effective retention. Value-centric management helped enhance people loyalty. The Company provided various compensation packages and performance-based incentives. As on 31st March 2011, the Company and its subsidiaries had a committed workforce of 1,604 employees.

Internal audit and controls

The Company's internal control system is aimed at proper utilisation and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant areas of operation on a regular basis. The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the internal auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the statutory and internal auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

DIRECTORS' REPORT

The Directors of your company are pleased to present the Twenty Fifth Annual Report along with the accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS

(Rs. In lacs)

Particulars	(Standalone)		(Consolidated)	
	For the year ended		For the year ended	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Income from Operations	1,19,074	1,18,200	3,34,722	3,35,866
Other Income	7,657	18,183	2,598	2,181
Less Expenditure	46,827	48,611	1,28,994	1,49,905
Profit before Interest and Depreciation	79,904	87,772	2,08,326	1,88,142
Less Interest	32,865	33,714	92,377	97,682
Less Depreciation	11,481	10,912	49,071	46,156
Less Exceptional Item	33,729	-	-	-
Profit for the year before Tax	35,558	43,146	33,149	44,304
Provision for Tax	13600	15,900	26,746	26,506
Fringe Benefit Tax	-	-	-	-
Provision for Deferred Tax	(1,437)	(798)	(1,437)	(799)
Profit after Tax before share in Earnings of Joint Ventures	23,395	28,044	7,840	18,597
Share in Earnings of Joint Ventures	-	-	6,654	12,504
Profit brought forward from the previous year	62,676	47,627	78,669	60,563
Available for appropriation	86,071	75,671	93,163	91,664
Transfer to Capital Redemption Reserve	5,000	5,000	5,000	5,000
Transfer to General Reserve	2,400	2,900	2,400	2,900
Proposed Dividend – Preference	2,789	2,789	2,789	2,789
Proposed Dividend – Equity	1,567	1,566	1,567	1,566
Tax on Dividend – Preference	452	474	452	474
Tax on Dividend – Equity	254	266	254	266
Balance Carried forward	73,609	62,676	80,701	78,669

2. PERFORMANCE

The Revenue earned during the year under review stood at Rs. 1,26,731 Lacs. Rigs Aban II, Aban VI, Drillship Aban Ice and Floating Production Unit Tahara were working satisfactorily under the existing contracts. LOI received from ONGC for rigs Aban III And IV for three years each. Aban V is being actively marketed.

3. Foreign Currency Convertible Bonds (FCCB):

Your Company had in April, 2001 issued 1161 unsecured Foreign Currency Convertible Bonds ("FCCB") of Japanese Yen (JPY) 10,000,000 each aggregating JPY 11.61 Billion.

As per the terms of the issue, the bond holder have the right to convert the bonds into equity shares on or after 19, April, 2007 upto and including 8th April, 2011. As on 31.03.2010, 620 bonds have been converted into equity shares. Balance 541 bonds along with redemption premium were redeemed on the due date.

3. CHANGES IN SHARE CAPITAL

During the year the following changes were effected in the Share Capital of the Company

Issue of Shares under Employee Stock Option Scheme - 13,740 Equity Shares of Rs.2/- each were issued and allotted upon exercise of options under the Employee Stock Option Scheme 2005.

4. SUBSIDIARY COMPANIES

INDIAN

Aban Energies Limited

The Subsidiary Company activities relating to the maintenance of windmills of the Company has been satisfactory.

INTERNATIONAL

All rigs are under contract and are performing well.

5. CONSOLIDATION OF ACCOUNTS

The Audited consolidated accounts and cash flow statement comprising Aban Offshore Ltd and its Subsidiaries in accordance with the Accounting Standard Rules 2006 prescribed by the

Institute of the Chartered Accountants of India in this regard is attached.

Government of India, Ministry of Corporate Affairs, vide General Circular No. 2/2011 dated 08.02.2011 has granted general exemption under section 212(8) of the Companies Act, 1956 from the year ending 31st March, 2011 from not attaching the full text of the financial statements of subsidiaries subject to fulfillment of certain conditions prescribed in the circular.

Accordingly financial statements of Aban Energies Ltd, India, Aban Holdings Pte Ltd and Aban Singapore Pte. Ltd, Aban 7 Pte Ltd, Aban 8 Pte Ltd and Aban Abraham Pte Ltd. Aban Pearl Pte. Ltd, Aban International Norway AS, Sinvest AS, DDI Holding AS, Deep Drilling Invest Pte Ltd., Deep Drilling 1 Pte Ltd., Deep Drilling 2 Pte Ltd., Deep Drilling 3 Pte Ltd., Deep Drilling 4 Pte Ltd., Deep Drilling 5 Pte Ltd., Deep Drilling 6 Pte Ltd., Deep Drilling 7 Pte Ltd., Deep Drilling 8 Pte Ltd., Beta Drilling Pte Ltd., Venture Drilling Pte Ltd and Sinvest (Cyprus) Ltd are not attached.

Pursuant to the said general exemption, necessary disclosures have been made in respect of the said subsidiaries in this Annual Report along with the Statement pursuant to Section 212 of the Companies Act, 1956.

The Audited Accounts of the said Subsidiaries and the related detailed information will be made available to the investors of the Companies / Subsidiaries seeking such information. The Annual Accounts of the Subsidiary Companies will be available for inspection by any investor at the Registered Office of the Company till the conclusion of Annual General Meeting.

The subsidiary Company accounts details shall be available in the Company's website.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

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

7. DIVIDEND

The Directors are pleased to recommend a dividend of 8% p.a., 9% p.a and 9.25% p.a respectively on the Non-Convertible Cumulative Redeemable Preference Share Capital of the Company and a dividend of 180% (Rs.3.60 per share) on the paid-up Equity Share Capital of the Company for the year ended 31st March 2011.

8. DIRECTORS

Mr. P. Venkateswaran and Mr. C. P. Gopalkrishnan retire by rotation and being eligible, offer themselves for reappointment.

The Board recommends the appointment of Mr. P. Venkateswaran and Mr. C.P. Gopalkrishnan as Deputy Managing Directors for a further period of 5 years effective 01.08.2011

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the financial year ended on 31st March 2011, the applicable accounting standards had been followed along with a proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors had prepared the accounts for the financial year ended on 31st March 2011 on a going concern basis.

10. STOCK EXCHANGES

Your Company's Equity shares are listed in the following stock exchanges:

Madras Stock Exchange Limited., Bombay Stock Exchange Limited, and National Stock Exchange of India Limited.

Preference Shares aggregating to Rs.306 Crores issued by the Company are listed with Bombay Stock Exchange Limited.

Necessary stock exchange regulations are complied with. Applicable listing fees for the year 2011-12 has already been paid to the respective stock exchanges.

11. AUDITORS

M/s Ford, Rhodes, Parks & Co., Chartered Accountants, Chennai, hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, are recommended for re-appointment.

12. ADDITIONAL DISCLOSURES

In line with the requirements of Accounting Standards Rules 2006 of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of the financial reporting of interests in the joint venture in the notes on accounts.

13. PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and relevant particulars of the employees who were employed throughout the financial year / part of the financial year under review and were in receipt of remuneration for the Financial Year in aggregate of not less than Rs.60,00,000/- (Rs.5,00,000/- per month or part thereof), are annexed.

A. CONSERVATION OF ENERGY

The Company took appropriate measures to conserve energy wherever possible although the Company's activities in general are not energy intensive.

B. RESEARCH AND DEVELOPMENT

The Company's research and development activities are focused on indigenization of equipment, tools and spares, which are used in rigs and wind mills.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company took appropriate measures to reduce its dependence on import of technology for its operations, largely relied on the innovative skills of its employees.

14. In terms of Section 217(1) of the Companies Act, 1956 (as amended) and the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, your Directors furnish hereunder the additional information as required.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rupees in lacs)	
	2010 - 11	2009 - 10
Foreign exchange earned during the year	1,00,498.66	1,09,724.29
Foreign exchange outflow during the year	9,304.26	7,789.80

15. CORPORATE GOVERNANCE

A detailed note on the Company's philosophy on Corporate Governance and such other disclosures as required under the listing agreement with the Stock Exchanges is separately annexed herewith and forms part of this report.

16. COMPLIANCE CERTIFICATE

A Certificate from the Auditors of the company has been attached to this report which testifies that the requirements of a sound Corporate Governance process, as stipulated under Clause 49 of the listing agreement with the stock exchanges, was met.

17. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels. The Directors also record their sincere appreciation of the support and co-operation received from the Bankers, Financial Institutions, Investors, relevant Central and State Governments Ministries Valued Clients and Members of the Company.

For and on behalf of the Board

Place : Chennai	Reji Abraham	V. S. Rao
Date : 26th May 2011	Managing Director	Chairman

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objective's estimates expectation of projection may be Forward Looking Statement within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Government Regulations, Law Laws, economic developments in India and in the countries in which the Company conducts business, litigations and other allied factors.

ANNEXURE TO THE REPORT OF THE DIRECTORS

Statemet as at 31st March 2011 pursuant to clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

Employee Stock Options - 2005

	2005	2006	2008	2009	Total
a) (i) No of options granted	96200	47000	125000	175000	443200
b) Pricing Formula	Options were granted at the closing market price of the Equity Shares of the Company on the Stock Exchange where high volume of shares were traded on the day preceding the date of grant of options				
c) Exercise Price	431.60	1288.25 & 1211.50	3622.85	649.75	
d) Total No. of Options vested	3,20,700				
e) Total No. of Options exercised	95130				
f) Total No of equity shares arising as a result of exercise of options	95130 Equity shares of Rs.2/- Per share fully paid				
g) Total No. of Options Lapsed	40210				
h) Variation of terms of Options	None				
i) Money raised by exercise of options	Rs. 2,28,08,794				
j) Total No of options in force	1,85,360				
k) Details of Options granted to Senior Managerial Personnel	No options granted during the year 2010-11				
S. No.	Name	Designation	No. of Options granted during the year		
	Not Applicable	Not Applicable	NIL		
l) Any other employee who received grant in any one year of options amounting to 5% or more of the options granted during the year	NO				
m) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant)	None				
n) Diluted Earnings per Share (EPS) pursuant to issue of Equity Share on exercise of options calculated in accordance with the accounting standard (AS 20) Earnings per share	Rs. 46.05				
o) Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the intrinsic value method of accounting to account for the options issued under the Aban Employee Stock Option Scheme. The Stock based Compensation cost as per the intrinsic value method for the financial year 2010 -11 is NIL.				
Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	NIL				
The impact of this difference on profits and on EPS of the Company	NOT APPLICABLE				
p) Weighted average exercise prices and weighted average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price Rs. 1507.60 Weighted average fair value Rs. 473.86				
q) A description of the method and significant assumptions used during the year to estimate the fair values of Options	The fair value of each option is estimated using the Black Scholes Option pricing model after applying the key assumptions i) Risk free interest rate 6.9694 % ii) Expected Life 3 yrs iii) Expected volatility 43.72% iv) Expected dividends Rs. 3.42 per share v) The price of the underlying share in the market at the time of option grant - Rs. 787.05				

Annexure to the Directors' Report

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (amendment) Rules 1988, and forming part of the Directors Report for the year ended 31st March 2011. Employed throughout the Financial Year under review, were in receipt of remuneration for the Financial year in aggregate of not less than Rs. 60,00,000/- (Rupees Sixty Lakhs only) per annum or Rs.5,00,000/- (Rupees Five Lakhs only) per month where employed for the part of the year

S. No.	Name	Age	Remuneration Rs.	Nature of Duties / Designation	Qualification (s)	Date of Commencement of Employment	Experience in Years	Details of Previous Employment
1	A.C.D'souza	54	92,26,424	Tool Pusher	SSC	02/05/1987	35	Derrick Man, Zapata Offshore Drilling Co.
2	A.P.S Sandhu	59	1,26,46,973	Chief Operating Officer	B.Sc Engg (Mechanical)	20/03/1992	35	Chief Engineer - ONGC Ltd
3	Anil Kishore Sharma	43	60,25,815	Rig Manager	B.E. (Mech)	18/03/2009	29	Saudi Aramco - Drilling Supervisor
4	C.P. Gopalkrishnan	55	80,72,275	Deputy Managing Director & Secretary	B.Com (Hons) , ACA, ACS, LLB	11/11/1987	32	Deputy Manager - Nirlon Synthetic Fibres and Chemicals Ltd
5	Felix D'Mello	60	69,39,520	Tour Pusher	SSC	01/07/1993	37	Asst Driller - Arya Offshore
6	James Ravichandran	51	72,53,915	Chief Mechanic	ITI	13/04/1988	27	Not Applicable
7	K. C. Kushalappa	46	60,50,883	Rig Manager	B.E. (Industrial and Production Engineering)	27/03/1992	23	G.E.T. in Triveni Engineering Works Ltd
8	K. Jayarajan	50	83,32,489	General Manager (Drilling)	B.Sc Engg (Mechanical)	11/08/1997	29	Dy . SE (Drilling) - ONGC Ltd
9	P. Venkateswaran	60	1,25,66,218	Deputy Managing Director	B. Tech	01/10/1986	38	Project Manager - Aban Constructions
10	Radhesham Varma	53	62,20,323	Rig Manager	B.E. (Mech)	26/09/2008	29	Saudi Aramco - Drilling Supervisor
11	Reji Abraham	45	8,35,97,034	Managing Director	BE, PGDM	26/09/1997	20	Business
12	Sandipta Bose	46	62,06,500	Offshore Installation Manager	B.Sc, MA (Eco)	09/09/1996	25	Sr. Operator cum Acting Supervisor in United Engineering Services
13	Suresh Kumar	50	109,65,541	Tool Pusher	B.E. (Mechanical)	01/04/2002	29	Rig Super in tendant - Jagson International
14	Taneja D.K.	53	68,55,533	Tool Pusher	Diploma (Mechanical Engg.)	10/07/1996	31	Drilling Superintendent-Triveni Oil Field Services
15	Tomar R.S.	45	65,60,044	Driller	SSC	01/06/1996	20	Roustabout Arya Offshore Limited
16	Vinodhan V.K.	58	65,49,136	Rig Manager	B.Sc Engg (Mechanical)	23/11/2004	35	Base-Manager-NICO Resources Ltd.

Notes

- Remuneration includes Salary and taxable value of perquisites as per Income tax rules
- Nature of employment is contractual

CORPORATE GOVERNANCE REPORT

ABAN'S GOVERNANCE PHILOSOPHY

At Aban Offshore Ltd (Aban) your directors are committed to practice sound governance principles and believe that good governance is an ongoing process for two reasons: to protect stakeholders' interest and to ensure that no stakeholder benefits at the expense of others and the Board of Directors remain committed towards this end.

The company's Corporate governance philosophy revolves around transparency and accountability in all its interactions with the Government, shareholders and employees.

The following paragraphs contain the Company's report on its Corporate Governance practices in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges in India.

The names of the Directors on the Board, their attendance at the meetings and the other Directorships that they held as on 31st March, 2011 are set out below:

Name of Director(s)	Category of Directorship	Financial year 2010-2011 Attendance at		As on 31st March 2011			
				No. of Other Directorships		Committee Positions in other Companies*	
		Board Meetings	Last AGM	Public Ltd. Cos.	Private Ltd. Cos.	Member	Chairman
V. S. Rao	Non- Executive - Independent	6	No	1	-	-	-
P. Murari	Non- Executive - Independent	5	Yes	9	-	2	3
Reji Abraham	Executive - Promoter	8	Yes	7	17	-	-
Satish Chandra Gupta	Non- Executive - Independent	4	Yes	9	-	-	-
K. Bharathan	Non-Executive - Independent	8	Yes	1	-	-	-
K.M. Jaya Rao	Non-Executive Independent Nominee –ICICI Bank Ltd.(lender)	5	Yes	1	-	-	-
P. Venkateswaran	Executive Non Promoter	8	Yes	4	5	-	-
C.P. Gopalkrishnan	Executive Non Promoter	8	Yes	4	16	-	-

Excludes Directorships in associations foreign and Section 25 companies

* Represents Memberships / Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee

The required information (as enumerated in Annexure IA as referred to in Clause 49 of the Listing Agreement) was made available to the Board of Directors.

The Directors who will retire by rotation and offer themselves for reappointment are: Mr. P. Venkateswaran and Mr. C.P. Gopalkrishnan

Board recommends the reappointment of Mr.Venkateswaran and Mr.Gopalkrishnan as Deputy Managing Director for a further period of 5 years effective 01.08.2011

Name of Director	P. Venkateswaran	C.P.Gopalkrishnan
Date of Birth	12.02.1951	09.03.1956
Nationality	Indian	Indian
Date of Appointment on Board	01.08.2001	01.08.2001
Date of Appointment as Wholetime Director	01.08.2001	01.08.2001
Qualifications	B Tech	B.Com (Hons), ACA,ACS, LLB
Shareholding in the Company	11,505	21,500
Equity Shares of Rs.2/- each		

I BOARD OF DIRECTORS

COMPOSITION OF BOARD

Aban's Board comprises of Eight Directors - One Promoter Director, Four Non - Executive Independent Directors, Two Executive Directors and one Nominee Non Executive Independent Director representing ICICI Bank Ltd (Lender). The Board functioned directly or through various focused committees (Audit Committee, Shareholders' / Investors' Grievance Committee and Compensation Committee). The Board and its committees met at regular intervals. The Board is vested with functions related to goal-setting, performance evaluation and control.

The Company's Board met 8 times during the year 2010 - 2011 on the following dates: 28.04.2010, 15.05.2010, 25.05.2010, 29.07.2010, 24.09.2010, 08.11.2010, 14.12.2010 and 11.02.2011

	Aban Investments Private Limited	Aban Investments Private Limited
	Perunad Plantations Limited	Ratan Plantations Limited
	Aban Marketing & Exports Private Limited	Tyford Tea Limited
	Aban Energies Limited	Aban Informatics Private Limited
	Pathanamthitta Estates Private Limited	North Chennai Power Company Limited
	North Chennai Power Company Limited	Mahanadhi Aban Power Company Limited
	Mahanadhi Aban Power Company Limited	Aban Infrastructure Private Limited
	Hydrill Pressure Control Private Limited	Tuticorin Power Company Private Limited
	Aban Ventures Private Limited	Ernakulam Estates Private Limited
		Plasma Estates & Developers Private Limited
		Ginger Estates & Developers Private Limited
		Jamin Estates & Developers Private Limited
		EKK Estates Private Limited
		Blue Bay Estates Private Limited
		Canal Bay Estates Private Limited
		Sign City Estates Private Limited
		Adbhoot Estates Private Limited
		North Chennai Logistics Private Limited
		Nagani Solar Energy Private Limited
		Aban Constructions Private Limited.
Membership of Committees in the Company	Shareholders' Grievance Committee	Audit Committee Shareholders' Grievance Committee

No Director is related to any other Director on the Board in terms of the definition of relative given under the Companies Act, 1956

REMUNERATION TO DIRECTORS

Amount in Rupees

Name of the Director (s)	Consolidated Salary	Perquisites and other benefits	Commission	Sitting Fees	Total
V S Rao	-	-	-	69,000	69,000
P Murari	-	-	-	56,000	56,000
K Bharathan	-	-	-	1,04,000	1,04,000
Reji Abraham	92,06,400	22,62,318	7,31,95,116	-	8,46,63,834
Satish Chandra Gupta	-	-	-	40,000	40,000
K M Jayarao	-	-	-	50,000	50,000
P Venkateswaran	87,37,200	12,50,502	36,59,756	-	1,36,47,458
C P Gopalkrishnan	87,37,200	6,58,989	-	-	93,96,189

- Sitting fees for the meetings attended by Mr. Jayarao was paid to the institution M/s ICICI Bank Ltd.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

No remuneration, other than sitting fees and other expenses (travelling, boarding and lodging incurred for attending the Board/ Committee meetings) were paid to the non-executive Directors in 2010-11

CODE OF CONDUCT

The Board has laid down a code of conduct for all Board Members and senior management of the Company. The code of conduct is available on the website of the Company, www.abanoffshore.com

All Board members and senior management personnel have affirmed the compliance with the code of conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

II. COMMITTEES OF THE BOARD

The Board has constituted committees of Directors to deal with matters which need quick decisions and timely monitoring of the activities falling within the terms of reference. The Board Committees are as follows:

A. AUDIT COMMITTEE

Terms of Reference

The Audit Committee's Power and responsibilities include the following functions :

- Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees and approval of payment to statutory auditors for any other services rendered by the them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, focusing to primarily on:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 b) any changes in accounting policies and practices c) Major accounting entries based on exercise of judgment by management d) qualifications in draft audit report e) significant adjustments made in the financial statements arising out of audit findings f) The going concern assumption g) Compliance with accounting standards h) Compliance with Stock Exchange and legal requirements concerning financial statements i) Disclosure of any related party transactions i.e., Transactions of material nature with their subsidiaries, promoters, directors, management or their relatives etc., that may have potential conflict with the interests of company at large. Its scope also included a review with management performance of statutory and internal auditors, adequacy of internal controls, the adequate structure and staffing of the internal audit function, reporting structure coverage and frequency of internal audit. j) Discussion with internal auditors on significant findings and follow up there on. k) 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. l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern. m) Investigating the reasons behind the substantial default in the event of non payments to shareholders

Reviewing with the Management the annual financial statements of the Indian Subsidiary Company

4 meetings of Audit Committee were held during the year ended 31st March 2011 on the following dates: 25.05.2010, 29.07.2010, 08.11.2010 and 11.02.2011

Mr. C. P. Gopalkrishnan, Deputy Managing Director & Secretary, is the Secretary of the Committee.

Composition and Attendance

Name	Category	No. of Meeting Attended
V. S. Rao	Chairman	3
P. Murari	Member	2
K. Bharathan	Member	4

Executives of Accounts Department, the Statutory and Internal Auditors were invited to attend the Audit Committee Meetings

The Chairman of the Audit committee was present at the Last Annual General Meeting

B. SHAREHOLDER'S / INVESTORS' GRIEVANCE COMMITTEE

The Company's Shareholders / Investor Grievance Committee monitored and redressed shareholder complaints relating to share transfer, the non-receipt of Annual Report and dividend.

The Committee met 4 times during the year on 28.04.2010, 29.07.2010, 08.11.2010 and 11.02.2011

Composition and Attendance

Name	Category	No. of Meetings attended
Mr. K. Bharathan	Chairman	4
Mr. P. Venkateswaran	Member	4
Mr. C.P. Gopalkrishnan	Member	4

The Company received 48 Complaints from shareholders which were answered and resolved, there were no pending complaints at the beginning or at the end of the year.

Name and Designation of Compliance Officer: Mr. C.P. Gopalkrishnan, Deputy Managing Director & Company Secretary

C. COMPENSATION COMMITTEE

The Compensation Committee has been formed in the year 2005 with the following powers :

- a) Identification of Classes of employees entitled to participate in the Employee Stock Option Scheme (ESOS) and the quantum of option to be granted under ESOS per employee and in aggregate.
- b) Conditions under which option vested in employees shall lapse.
- c) The exercise period within which the employee should exercise the option granted and the conditions where the granted options will lapse on failure to exercise the option within the exercise period.
- d) Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee, the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- e) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and other.
- f) Grant, vest and exercise of option in case of employee who are on long leave.
- g) Framing suitable policies and systems to ensure that there is no

violation of Securities and Exchange Board of India (Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 1995, by any employee

h) Monitoring and from time to time altering ESOS 2005

The details of options under the Employee Stock Option 2005 (ESOS 2005) are given below:

Maximum number of options that may be granted under the scheme is 18,44,000 numbers of equity shares of Rs.2/- each options granted during the year NIL (upto previous year 4,43,200 Equity shares of Rs.2/- each) – Options lapsed during the year 16,320 (upto previous year 23,890 Equity Shares) Options exercised during the year 13740 number of equity shares of Rs.2/- each (upto previous year 81390 Equity shares of Rs.2/- each) Outstanding at the end of the period 307860 number of equity shares of Rs.2/- each (Upto previous year 337920 Equity shares of Rs.2/- each) Options yet to be granted under the scheme 14,41,010 number of equity shares of Rs.2/- each. (Previous year 14,24,690 of Rs.2/- each)

There was no committee meeting during the year.

III. Subsidiary Company

The Indian subsidiary of the Company does not come under the purview of the material non-listed subsidiary.

IV. GENERAL BODY MEETINGS

The details of the date and location of the last three Annual General Meetings are given below:

Annual General Meeting	Day and Date	Time	Venue
24th Annual General Meeting***	24.09.2010	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014
23rd Annual General Meeting**	Wednesday 16.09.2009	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014
22nd Annual General Meeting*	Wednesday 17.09.2008	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014

*** Three Special Resolutions were passed and No Postal Ballot were used / invited for voting.

** Three Special Resolutions were passed and No Postal Ballot were used / invited for voting.

* Seven Special Resolutions were passed. No Postal Ballot were used / invited for voting.

A Summary of the items of business approved by the members as Special Resolutions, in the last three (AGMS) is given hereunder.

1. ***AGM held on 24th September 2010

- Auditors appointment
- Raising fund through issue of FCCBs, GDRs, ADRs, etc
- Issue of equity related securities to QIBs

2. **AGM held on 16th September 2009

- Auditors appointment
- Raising fund through issue of FCCBs, GDRs, ADRs, etc
- Issue of equity related securities to QIBs

3. *AGM Held on 17th September 2008

- Auditors appointment
- Raising fund through issue of FCCBs, GDRs, ADRs, etc
- Issue of equity related securities to QIBs
- Three special resolutions for Increase of Authorised capital from Rs.250 crores to Rs.1000 crores and and corresponding alteration of Memorandum and Articles of Association
- Issue of Cumulative Non-convertible redeemable preference shares on private placement basis.

V. CEO /CFO CERTIFICATION

As required by Clause 49 V of the Listing Agreement, the CEO and CFO Certification of the Financial Statement, the Cash Flow Statement and the Internal Control Systems for financial reporting are enclosed at the end of this report.

VI. DISCLOSURES

Related Party Disclosure

There has been no materially significant related party transaction (transactions of a material nature) with the Company's Subsidiaries, promoters, management, Directors or their relatives etc., that may have a potential conflict with the interest of the Company at large. Please refer Balance Sheet Notes to Accounts for details of related party transactions

Details of Non-compliance

No penalties, strictures were imposed on the Company by Stock Exchanges in India or SEBI or any statutory authority on any matter related to the Capital Market during the last 3 years

VII. MEANS OF COMMUNICATION

A timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end

Quarterly un-audited financial results were published in Business Standard (English) and Makkal Kural (vernacular language). The results were also displayed on the company's web site, www.abanoffshore.com

The presentations made by the Company to Financial Institutions and others were posted on the website, www.abanoffshore.com

The Company also regularly posts information relating to its Financial Results and Shareholding Pattern on Corp filing.

Management Discussion and Analysis forms Part of the Annual Report.

VIII. GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar

Financial Year

1st April 2011 to 31st March 2012

Board meeting for considering the accounts and Dividend	26.05.2011
Posting of Annual Report	On or before 28.08.2011
Book closure dates	21.09.2011 to 28.09.2011
Last date for the receipt of proxy forms	25.09.2011
Twenty Fifth Annual General Meeting	28.09.2011
Venue	Narada Gana Sabha Trust 314 T.T.K. Road, Chennai 600 018.
Time	11.00 a.m.
Dividend payment date	On or after 28.09.2011
Probable date of dispatch of dividend warrants	On or after 28.09.2011
Board Meeting to consider unaudited results for the first 3 quarters of the financial year 2011-2012	
Results of the quarter ended on 30 th June 2011	On or Before 15/08/2011
Results of the quarter ended on 30 th September 2011	On or Before 15/11/2011
Results of the quarter ended on 31 st December 2011	On or Before 15/02/2012

Listing on Stock Exchanges

a. Equity shares of the Company are listed on the following Stock Exchanges

Madras Stock Exchange Limited

Exchange Building

Post Box No.183, 11 Second Line Beach

Chennai – 600 001

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

21st Floor, Dalal Street

Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza

5th Floor, Plot No :: C/1 G Block,

Bandra – Kurla Complex Bandra (E)

Mumbai 400 051

The listing fees for the Financial Year 2010-2011 were paid to the Stock Exchanges in India where the Company's Equity shares are listed.

Stock Codes :

EQUITY SHARES:

Madras Stock Exchange Limited	ABAN
Bombay Stock Exchange Limited	523204
National Stock Exchange of India Limited	ABAN
ISIN No. for Dematerialised shares	INE421A01028

The Non Convertible Cumulative Redeemable Preference Shares are listed on the Bombay Stock Exchange Limited.

700099	-	15,00,00,000	-	8% p.a. Non Convertible Cumulative Redeemable Preference Shares
700129	-	5,50,00,000	-	9% p.a. Non Convertible Cumulative Redeemable Preference Shares
700130	-	4,00,00,000	-	9% p.a. Non Convertible Cumulative Redeemable Preference Shares
700131	-	6,10,00,000	-	9% p.a. Non Convertible Cumulative Redeemable Preference Shares

ISIN No. of 8% p.a. Non convertible Cumulative Redeemable Preference Shares

INE 421A04014

ISIN No of 5,50,00,000 - 9% p.a. Non Convertible Cumulative Redeemable Preference shares

INE421A04022

ISIN No of 4,00,00,000 - 9% p.a. Non Convertible Cumulative Redeemable Preference shares

INE421A04030

ISIN No of 6,10,00,000 - 9% p.a. Non - Convertible Cumulative Redeemable Preference shares

INE421A04048

ISIN No of 20,00,00,000 - 9.25% p.a. Non Convertible Cumulative Redeemable Preference shares

INE421A04055

Care Rating

Credit Analysis & Research Ltd. (CARE) has revised the ratings for the Non-Convertible Cumulative Redeemable Preference Shares (CRPS) issued by the Company. The revised ratings stands at 'CARE BB (RPS)' [Double 'B' (Redeemable Preference Shares)].

INVESTOR'S HELP DESK

Company's Registered Office Address

Aban Offshore Limited

Janpriya Crest, 113 Pantheon Road

Egmore, Chennai – 600 008

Phone: 91-44-2819 5555

Fax: 91-44-2819 5527

Email Id: ir@aban.com

Registrar and Share Transfer Agent (Both Physical and Demat Mode)

Cameo Corporate Services Limited

Unit : Aban Offshore Limited

Subramanian Buildings

1 Club House Road

Chennai -600 002.

E-mail Id : investor@cameoindia.com

Phone: 91-44-28460390

Fax: 91-44-28460129

Investors' complaints are to be addressed to the Registrar and Share Transfer Agents.

Shareholders' rights: The Half-Yearly declaration of the financial performance (including a summary of the significant events in last six months) should be sent to the households of each shareholder. As the Company's half-yearly results are published in English and Tamil newspapers, the same are not sent to the households of the shareholders of the Company.

Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Company delegated the authority to approving transfer, transmission etc., of the Company securities to the Company Secretary / Officer of the Company. A summary of transfer / transmission of securities of the Company so approved are placed in the subsequent Board Meeting for ratification.

The Company obtains certificate from Mr. G. Ramachandran, Company Secretary in Practice for compliance of Listing Agreement provisions and submit the same to the Stock Exchanges where the Company's shares are listed.

Liquidity

The Company's Equity Shares are among the most liquid and actively traded shares on the Indian Stock Exchanges more specifically in National Stock Exchange of India Ltd and Bombay Stock Exchange Limited. The Company's Non convertible Cumulative Redeemable Preference Shares are listed in the Bombay Stock Exchange Limited.

Dematerialisation of shares

78.31 % of Equity shares of the Company have been dematerialized as at 31st March, 2011. The company has entered into agreement with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby share holders have an option to dematerialize their shares with either of the depositories.

Plant Locations

DRILLING LOCATIONS as at 31 March, 2011

<u>S.No.</u>	<u>RIGS</u>	<u>LOCATION</u>
1.	Aban II	East Coast of India, Offshore Godavari
2.	Aban III	Bombay High
3.	Aban IV	GSPC Field, Gujarat
4.	Aban V	Bombay High
5.	Aban VI	Middle East
6.	Tahara	East Coast of India
7.	Aban Ice	Bombay High

WIND ENERGY DIVISION

The Company has installed and operates 165 Wind Energy Generators at Nagercoil, Tamil Nadu.

Remuneration Committee

The Company has not set up a Remuneration Committee

Whistleblower Policy

The Company does not have a Whistle Blower Policy. Even then no employee has been denied access to the Audit Committee proceedings.

Categories of shareholders as on 31st March 2011

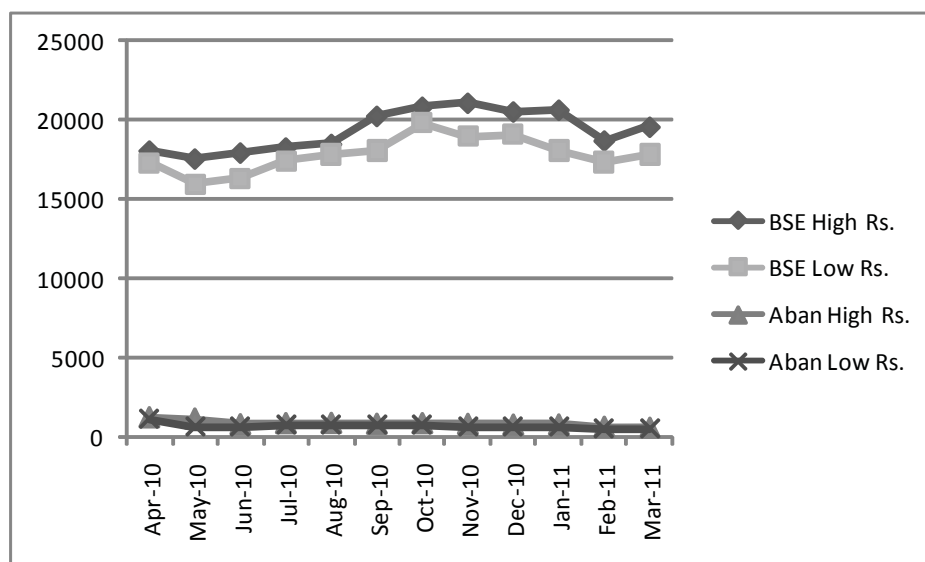
<u>Category</u>	<u>Number of folios</u>	<u>Number of shares</u>	<u>%</u>
Promoters	6	1,50,87,139	34.67
Collaborators	1	83,28,750	19.13
FII's, NRIs/OCB	2765	37,03,469	8.51
Mutual Funds, FIIs, Banks	32	18,78,129	4.32
Bodies corporate	1,798	29,06,363	6.68
Public	1,72,407	1,16,12,665	26.69
Total	1,77,009	4,35,16,515	100.00

Share price volume

The monthly high and low quotation and the volume of shares traded on BSE & NSE are as under:

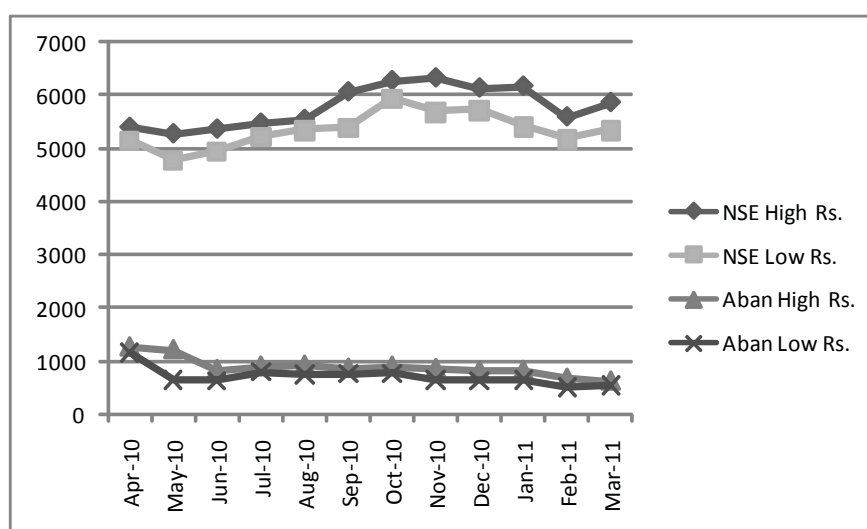
<u>Month</u>	<u>Bombay Stock Exchange</u>			<u>National Stock Exchange</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
April 2010	1276.90	1161.00	39,87,047	1280.00	1160.05	1,78,23,669
May 2010	1195.00	650.00	2,04,74,539	1228.35	650.05	6,54,25,495
June 2010	848.00	637.00	1,53,37,610	848.90	636.05	4,99,61,084
July 2010	916.60	797.60	1,40,01,921	915.90	797.45	4,50,82,957
August 2010	932.00	746.25	1,12,60,445	932.00	744.55	3,92,58,167
September 2010	877.00	766.00	71,87,912	875.00	765.05	2,43,17,812
October 2010	915.00	777.00	48,06,303	913.35	775.65	1,72,15,324
November 2010	867.50	651.50	39,00,459	868.40	650.10	1,40,50,841
December 2010	824.80	645.00	49,07,390	824.50	641.60	1,78,05,451
January 2011	833.65	655.00	36,77,267	834.00	654.00	1,37,46,054
February 2011	689.00	515.15	69,78,964	684.90	511.70	2,56,27,659
March 2011	630.00	553.00	52,42,740	629.90	552.00	1,98,77,751

CHART - Stock Performance Chart



Distribution of shareholdings as on 31st March 2011

Category (Shares)	Folio		Shares Amount (Paid up)	
	Numbers	%	Rs.	%
1-100	1,55,918	88.08	40,57,285	9.32
101-500	17,483	9.88	39,98,643	9.19
501-1000	2,158	1.22	16,56,955	3.80
1001-2000	840	0.48	12,38,353	2.85
2001-3000	234	0.13	5,87,130	1.35
3001-4000	95	0.05	3,37,599	0.77
4001-5000	55	0.03	2,55,346	0.59
5001 -10000	103	0.06	7,24,736	1.67
10001 & above	123	0.07	3,06,60,468	70.46
Total	1,77,009	100.00	4,35,16,515	100.00





Aban Offshore Limited

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Business Conduct Guidelines (Code of Conduct)

In accordance with Clause 49 1D of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct) as applicable to them, for the Financial Year ended on 31st March 2011.

Aban Offshore Limited

Chennai
Date : 26th May 2011

Reji Abraham
Managing Director

Certificate by the Chief Executive Officer / Chief Financial Officer pursuant to Clause 49 of the Listing Agreement.

We, Reji Abraham and C.P. Gopalkrishnan certify that

- a) We have reviewed the financial statements and cash flow statements of M/s. Aban Offshore Limited ("the Company") for the year ended 31st March 2011 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of 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.
- c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of internal control systems of the Company. There are no deficiencies in the design or operation of internal control.
- d) We have indicated to the auditors and the Audit Committee that there are no
 - i) Significant changes in the internal control during the year.
 - ii) Significant changes in accounting policies during the year.
 - iii) Instances of significant fraud of which we 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.

Aban Offshore Limited

Chennai
Date : 26th May 2011

C.P. Gopalkrishnan
Deputy Managing Director

Reji Abraham
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ABAN OFFSHORE LIMITED

We have examined the compliance of conditions of Corporate Governance by Aban Offshore Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor complaints were pending for a period exceeding one month against the Company as certified by the Registrars and Share Transfer Agents of the Company based on the records maintained by them.

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 FORD, RHODES, PARKS & CO.,

Chartered Accountants

ICAI - Registration No.102860W

RAMASWAMY SUBRAMANIAN

Partner

Membership No: 016059

Place : Chennai

Date : May 26, 2011



Aban Offshore Limited

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABAN OFFSHORE LIMITED

We have audited the attached Balance Sheet of M/s. Aban Offshore Limited, as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date 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.

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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of sub - section (4A) of Section 227 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.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March 2011, prima-facie disqualified from being appointed as director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Notes thereon, 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For FORD, RHODES, PARKS & CO.,

Chartered Accountants

ICAI - Registration No.102860W

RAMASWAMY SUBRAMANIAN

Partner

Membership No: 016059

Place : Chennai

Date : May 26, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- i (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the Management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As explained to us no material discrepancies have come to the notice on such physical verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii (a) As explained to us the inventories have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been dealt with in the books of account.
- iii (a) The Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year, except unsecured loans to its wholly owned foreign subsidiary as shown below:

Company	Unsecured Loan Granted during the year	Amount Outstanding including Interest receivable and exchange difference at the end of the year	Maximum Amount Outstanding including interest receivable during the Year
	Rupees in Crores	Rupees in Crores	Rupees in Crores
Aban Holdings Pte., Ltd., Singapore	419.40	745.22	961.74

- (b) The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie, not prejudicial to the interest of the Company.
- (c) The repayment of principal and payment of Interest is on "on demand" basis as per the loan agreement.
- (d) The loan given by the Company to its wholly owned foreign subsidiary company is repayable on demand and therefore the question of overdue amount does not arise.
- (e) The Company has taken loan from a company, covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year, as shown below:

Company	Unsecured Loan taken during the year	Amount Outstanding including Interest payable at the end of the year	Maximum Amount Outstanding including interest payable during the Year
	Rupees in Crores	Rupees in Crores	Rupees in Crores
Aban Investments Private Limited	108	151.01	151.01

- (f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
- (g) The principal is not due for repayment during the year and payment of interest is as per stipulations.

- iv In our opinion and according to the information and explanations given to us, 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 fixed assets and for the sale of services. During the course of our audit no major weakness has been noticed in the internal controls in respect of these areas.
- v (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the Register maintained under the said Section have been entered in the said Register.

(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules made thereunder.
- vii In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the wind power generating activity of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- ix (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Customs Duty, Sales Tax, Value Added Tax, Service Tax, Cess and other material statutory dues applicable to it. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Customs Duty, Sales Tax, Value Added Tax, Service Tax and Cess, which have not been deposited with appropriate authorities on account of any dispute.
- x The Company has no accumulated loss as at 31st March 2011 and has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- xi Based on our verification and according to the information and explanations given to us, we have noted delay in payment of term loan instalments during the year which are due to banks and financial institution. However, these have been paid subsequently before the date of our report. In April 2006, the Company has issued 1161 Foreign Currency Convertible Bonds, out of which, 620 bonds have been converted into equity shares upto the end of the year under audit. The Balance amount has not become due for payment as at the close of the year.
- xii Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv The Company has given guarantees for loans taken from banks by a subsidiary of its wholly owned foreign subsidiary. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima – facie prejudicial to the interest of the Company.
- xvi In our opinion and according to the explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were obtained.
- xvii According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that the Company has not utilised short term funds towards long term Investment.

- xviii The Company has allotted Equity Shares under Employee Stock Option Scheme to its employees in accordance with SEBI guidelines during the year. The price fixed by the Board for these shares is reasonable and not prejudicial to the interest of the Company.
- xix No debentures have been issued by the Company during the year and hence the provisions of clause 4 (xix) of the Order are not applicable to the Company.
- xx During the year the Company has not raised money by way of public issue. Hence the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- xxi During the course of our examination of the books of account, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of any such case by the management.

For FORD, RHODES, PARKS & CO.,
Chartered Accountants
ICAI - Registration No.102860W

RAMASWAMY SUBRAMANIAN
Partner
Membership No: 016059
Place : Chennai
Date : May 26, 2011



Aban Offshore Limited

Balance Sheet

As at 31st March 2011

	Schedule	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
Share Capital	1		334,70,46,430	334,70,18,950
Reserves and Surplus	2		2022,36,18,420	1838,21,31,654
Share Application Money pending allotment of Equity shares			-	1,55,376
2. Loan Funds				
Secured Loans	3		2462,36,51,849	2851,30,08,289
Unsecured Loan	4		440,10,98,865	301,84,90,263
3. Deferred Tax (Net)	5		29,19,81,807	43,56,82,948
TOTAL FUNDS EMPLOYED			5288,73,97,371	5369,64,87,480
II APPLICATION OF FUNDS				
1. Fixed Assets	6			
Gross Block		1419,70,88,883		1387,63,02,673
Less: Depreciation		939,82,69,090		825,93,61,306
Net Block		479,88,19,793		561,69,41,367
Add: Capital Work in Progress		17,51,37,776		13,94,76,472
			497,39,57,569	575,64,17,839
2. Investments	7		3959,06,80,953	3968,63,83,333
3. Current Assets, Loans and Advances				
(a) Inventory of Stores, Spares and Fuel		77,36,95,590		65,90,69,846
(b) Sundry Debtors	8	264,69,64,284		174,73,53,990
(c) Cash and Bank Balances	9	81,00,51,490		63,06,10,937
(d) Loans and Advances	10	786,73,38,747		865,11,64,998
		1209,80,50,111		1168,81,99,771
Less: Current Liabilities and Provisions	11			
(a) Current Liabilities		274,61,68,166		275,83,22,577
(b) Provisions		102,91,23,096		67,61,90,886
		377,52,91,262		343,45,13,463
Net Current Assets			832,27,58,849	825,36,86,308
TOTAL ASSETS			5288,73,97,371	5369,64,87,480
Notes to Accounts	16			

Per our Report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

Ramaswamy Subramanian
Partner

Membership No: 016059
Place: Chennai
Date : 26th May 2011

V. S. Rao
Chairman

P. Murari
Vice Chairman

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

For and On behalf of the Board

Satish Chandra Gupta
Director

P. Venkateswaran
Deputy Managing Director

Reji Abraham
Managing Director

K. Bharathan
Director

Profit and Loss Account

For the year ended 31st March 2011

	Schedule	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
I INCOME			
Income from Operations	12	1190,74,29,212	1182,00,46,015
Other Income	13	76,57,11,132	181,82,83,046
TOTAL		1267,31,40,344	1363,83,29,061
II EXPENDITURE			
Operating, Administrative and Other Expenses	14	468,26,96,658	486,11,44,741
Interest	15	328,65,69,654	337,14,23,057
Depreciation		114,80,81,051	109,11,57,111
TOTAL		911,73,47,363	932,37,24,909
Profit for the Year before taxation		355,57,92,981	431,46,04,152
Less: Provision for taxation			
- Current Tax		136,00,00,000	159,00,00,000
- Deferred Tax		(14,37,01,141)	(7,98,27,445)
Profit for the year after taxation		233,94,94,122	280,44,31,597
Add: Profit brought forward from Previous Year		626,76,49,811	476,27,43,127
Profit available for Appropriation		860,71,43,933	756,71,74,724
Transfer to Capital Redemption Reserve		50,00,00,000	50,00,00,000
Transfer to General Reserve		24,00,00,000	29,00,00,000
Proposed Dividend - Preference		27,89,00,000	27,89,00,000
Proposed Dividend - Equity		15,66,59,454	15,66,09,990
Tax on Preference Dividend		4,52,44,553	4,73,99,055
Tax on Equity Dividend		2,54,14,080	2,66,15,868
Balance Carried to Balance Sheet		736,09,25,846	626,76,49,811
Earnings per Equity Share of Rs. 2/- each (see Note 16)			
- Basic		46.32	62.18
- Diluted		46.05	61.22
Notes to Accounts	16		

Per our Report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

V. S. Rao
Chairman

P. Murari
Vice Chairman

For and On behalf of the Board
Satish Chandra Gupta
Director

Reji Abraham
Managing Director

Ramaswamy Subramanian
Partner

Membership No: 016059
Place: Chennai
Date : 26th May 2011

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

P.Venkateswaran
Deputy Managing Director

K. Bharathan
Director



Aban Offshore Limited

Cash Flow Statement

For the year ended 31st March 2011

	2010-2011 Rupees in Lakhs	2009-2010 Rupees in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	35,557.93	43,146.04
ADJUSTMENTS FOR:		
Depreciation	11,480.81	10,911.57
Interest	32,865.70	33,714.23
Interest and Dividend Income	(7,091.00)	(17,992.70)
Profit on sale of Long Term and Current Investments (Net)	-	(2.11)
(Profit) / Loss on sale of Assets (Net)	(40.64)	0.54
Provision for Employee Benefits	69.53	31.79
Unrealised Exchange (Gain) / Loss - Net	4,639.31	7,808.07
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	77,481.64	77,617.43
ADJUSTMENTS FOR:		
Inventories	(1,146.26)	(612.00)
Trade and other receivables	(10,223.02)	3,910.71
Trade and other payables	(38.38)	5,293.13
CASH GENERATED FROM OPERATIONS	66,073.98	86,209.27
Direct taxes paid	(9,765.16)	(15,385.55)
NET CASH FROM OPERATING ACTIVITIES	56,308.82	70,823.72
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including Capital advances	(3,674.48)	(16,051.72)
Sale of fixed assets	58.90	0.71
Interest and dividend received	377.02	2,091.80
Purchase of Investments	(123,313.31)	(183,124.21)
Sale of Investments	123,930.74	182,180.07
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(2,621.13)	(14,903.35)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Term Borrowings	(30,120.82)	9,486.67
Proceeds from partly paid shares	-	0.13
Share application money received	-	1.55
Proceeds from allotment of Equity shares under QIP and ESOS	80.83	69,824.69
Dividend paid including tax on dividend	(5,095.25)	(4,781.03)
Loans / Advance (given to) / Repaid by Foreign Subsidiary	14,201.41	(113,825.89)
Interest paid	(30,642.64)	(33,561.15)
NET CASH USED IN FINANCING ACTIVITIES	(51,576.47)	(72,855.03)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,111.21	(16,934.66)
CASH AND CASH EQUIVALENTS -at beginning of the year	6,306.11	23,427.56
Effect of Exchange (Loss) / Gain on cash and cash equivalents	(316.82)	(186.79)
CASH AND CASH EQUIVALENTS- at end of the year	8,100.51	6,306.11

Per our Report attached

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 26th May 2011

For and On behalf of the Board

V. S. Rao

Chairman

P. Murari

Vice Chairman

Satish Chandra Gupta

Director

Reji Abraham

Managing Director

C.P. Gopalkrishnan

Deputy Managing Director & Secretary

P.Venkateswaran

Deputy Managing Director

K. Bharathan

Director

Schedules annexed to and forming part of the accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
250,00,00,000 Equity Shares of Rs.2/- each (Previous year 250,00,00,000 Equity Shares of Rs.2/- each)	500,00,00,000	500,00,00,000
100,00,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 100,00,00,000 cumulative redeemable Preference Shares of Rs.10/- each)	1000,00,00,000	1000,00,00,000
	<u>1500,00,00,000</u>	<u>1500,00,00,000</u>
Issued and Subscribed		
3,68,86,595 Equity Shares of Rs.2/- each. (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each)	7,37,73,190	7,37,73,190
Out of the above, 54,92,795 Equity shares of Rs.2/- each, have been issued in pursuance of Scheme of Amalgamation of Hitech Drilling Services India Ltd with the Company		
8,51,055 Equity Shares of Rs.2/- each issued against conversion of Foreign Currency Convertible Bonds (Previous year 851055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
95,130 Equity Shares of Rs.2/- each issued against Employee Stock Options Scheme (Previous Year : 81390 Equity Shares of Rs.2/- each) (See Note 17)	1,90,260	1,62,780
56,97,135 Equity Shares of Rs.2/- each issued against Qualified Institutional Placement (Previous Year 56,97,135) Equity Shares of Rs.2/- each	1,13,94,270	1,13,94,270
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous year: 15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
	<u>334,70,59,830</u>	<u>3,347,032,350</u>
Called up and Paid up		
3,68,73,195 Equity Shares of Rs.2/- each (Previous Year: 3,68,73,195 Equity Shares of Rs.2/- each)	7,37,46,390	7,37,46,390
8,51,055 Equity Shares of Rs.2/- each against conversion of Foreign Currency Convertible Bonds (Previous year 8,51,055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
95,130 Equity shares of Rs.2/- each against exercise of Stock Options under the Employees Stock Option Scheme.(Previous Year : 81390 Equity shares of Rs.2/- each) (See Note 17)	1,90,260	1,62,780
56,97,135 Equity Shares of Rs.2/- each against Qualified Institutional Placement (Previous Year 56,97,135 Equity Shares of Rs.2/- each)	1,13,94,270	1,13,94,270
	<u>8,70,33,030</u>	<u>8,70,05,550</u>
Add: Shares Forfeited, 13,400 equity shares at Rs.1/- each (Previous Year 13,400 equity shares at Rs.1/- each)	13,400	13,400
	<u>8,70,46,430</u>	<u>8,70,18,950</u>
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year :15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
TOTAL	<u>334,70,46,430</u>	<u>334,70,18,950</u>



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

Notes: a. 15,00,00,000 Non-Convertible 8% Cumulative Redeemable Preference Shares will be redeemed at par on 16-06-2011, 16-06-2012 & 16-06-2013 in the ratio of 30:30:40 respectively.

b. 15,60,00,000 Non convertible 9% Cumulative Redeemable Preference Shares will be redeemed at par at the end of 5th year from the date of allotment of shares as per details given below:
5,50,00,000 shares will be redeemed on 29-12-2011
4,00,00,000 shares will be redeemed on 28-02-2012
6,10,00,000 shares will be redeemed on 30-03-2012

c. 2,00,00,000 Non-Convertible 9.25% Cumulative Redeemable Preference Shares will be redeemed at par on 03-08-2013.
The Company has call option at the end of 3rd year (2009-10) to call Non Convertible Cumulative redeemable preference Shares at par.
The option has not been exercised.

d. In April 2006, the Company had issued 1,161 un secured Foreign Currency Convertible Bonds(FCCB) of Japanese Yen (JPY) 10,000,000 each aggregating JPY 11.61 Billion. As per the terms of issue, the bond holders shall have the right to convert the Bonds into equity shares on or after 19th April 2007 upto and including 8th April 2011. The conversion price of Equity Shares of Rs.2/- each for the purpose of the Bond has been fixed at Rs.2,789.04 per equity share. As on 31-03-2011, 620 bonds have been converted into 8,51,055 Equity shares. Outstanding Bonds as at 31-03-2011 - 541 Bonds - (See Note 18)

e. The Company has reserved 18,44,000 Equity shares of Rs.2/- each for offering to Employees under Employees stock option scheme (upto previous year: 18,44,000 equity shares of Rs.2/- each), out of which 95,130 equity shares of Rs.2/- each have been already allotted upto the date of Balance Sheet under the said scheme and included under paid up capital (upto previous year: 81,390 equity shares of Rs. 2/- each allotted) - (See Note 17)

f. During the year 2009 - 2010 the Company has allotted 56,97,135 Equity Shares of Rs.2/- each at a premium of Rs.1,222.30 per share to the Qualified Institutional Buyers as per SEBI Guidelines.

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 2		
RESERVES AND SURPLUS		
(a) Capital Reserve	33,500	33,500
(b) Securities Premium Account		
- As per last Balance Sheet	950,26,85,958	253,16,44,880
Add: On Allotment under ESOS (see Note 17)	82,10,731	74,32,967
Add: On Allotment to Qualified Institutional Buyers	-	696,36,08,111
	951,08,96,689	950,26,85,958
(c) Investment Allowance Reserve-Utilised	5,24,00,000	5,24,00,000
(d) Capital Redemption Reserve		
As per last Balance Sheet	150,00,00,000	100,00,00,000
Transfer from Profit and Loss Account	50,00,00,000	50,00,00,000
	200,00,00,000	150,00,00,000
(e) General Reserve		
- As per last Balance Sheet	105,93,62,385	76,93,62,385
Add: Transfer from Profit and Loss Account	24,00,00,000	29,00,00,000
	129,93,62,385	105,93,62,385
(f) Profit and Loss Account	736,09,25,846	626,76,49,811
TOTAL (a+b+c+d+e+f)	2022,36,18,420	1838,21,31,654

Schedules annexed to and forming part of the accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 3		
SECURED LOANS		
Rupee Term Loans from Banks	1982,89,37,758	2472,47,72,468
Rupee Term Loans from Others	101,24,73,026	116,40,75,345
Cash Credit from Banks	206,72,73,145	132,68,49,000
Short term loan from Banks	170,55,58,723	128,71,09,735
Loan - Others	94,09,197	1,02,01,741
TOTAL	2462,36,51,849	2851,30,08,289

Notes:

1. Rupee Term Loans from Banks are secured by (a).First pari-passu charge on the specific offshore drilling rigs, drillship and accessories and windmills (b).Second pari-passu charge on three offshore drilling rigs and drill ship owned by the company (c).Second charge on drilling rigs of the foreign subsidiaries.
2. Rupee term loan from others is secured by first pari-passu charge on two specific rigs of the Company to a financial institution.
3. Cash Credits from Banks are secured by way of hypothecation of inventory of stores and spares and Book debts. Moreover, two offshore Jack up rigs of the Company have been offered as a second charge for certain cash credit facilities.
4. Short term loan from Banks represent loan availed against Letter of Credit secured by charge on current assets second charge on three jack up rigs and a Drill ship of the company.
5. Loan others represent Hire purchase loan for vehicles availed from Non-Banking finance company secured by hypothecation of vehicles
6. The Company has offered a first pari-passu charge on three offshore drilling rigs, Floating Production unit , Drill ship for some of the term loans availed by a subsidiary of wholly owned subsidiary Aban Holdings Pte Ltd.

SCHEDULE 4		
UNSECURED LOAN		
Foreign Currency Convertible Bonds (See Note 18)	290,10,98,865	259,84,90,263
From a Company	150,00,00,000	42,00,00,000
TOTAL	440,10,98,865	301,84,90,263

SCHEDULE 5		
DEFERRED TAX (NET)		
Deferred Tax Liability on Timing differences		
On depreciation	29,19,81,807	43,56,82,948
TOTAL	29,19,81,807	43,56,82,948



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

SCHEDULE 6

FIXED ASSETS

FIXED ASSETS										(Rupees)
Description of the asset	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1st April, 2010	Additions during the Year	Deductions during the Year	As at 31st March, 2011	As at 1st April, 2010	Additions during the Year	On Deductions during the Year	As at 31st March, 2011	As at 31st March, 2010	
Goodwill	-	-	-	-	-	-	-	-	-	
Land-Freehold	12,85,69,908	-	-	12,85,69,908	-	-	-	12,85,69,908	12,85,69,908	
Building	15,03,66,491	-	-	15,03,66,491	3,20,11,649	24,50,974	-	3,44,62,623	11,83,54,842	
Offshore Jackup Drilling Rigs, Floating Production unit and connected machineries	809,80,25,219	31,02,91,695	-	840,83,16,914	546,64,22,583	62,77,00,418	-	609,41,23,001	263,16,02,636	
Drillship and connected machineries	288,61,90,938	1,21,79,822	-	289,83,70,760	79,57,92,049	32,69,62,899	-	112,27,54,948	209,03,98,889	
Other Machineries	8,08,24,706	-	-	8,08,24,706	7,67,35,196	-	-	7,67,35,196	40,89,510	
Wind Mills and connected machineries	240,78,13,800	-	1,10,00,000	239,68,13,800	181,13,50,385	17,89,73,916	91,73,267	198,11,51,034	59,64,63,415	
Office Equipment	5,33,39,074	46,48,789	-	5,79,87,863	4,42,61,408	61,81,258	-	5,04,42,666	90,77,666	
Furniture and Fixtures	2,30,98,711	269,913	-	2,33,68,624	1,48,32,047	14,73,809	-	1,63,05,856	82,66,664	
Vehicles	4,80,73,826	43,95,991	-	5,24,69,817	1,79,55,989	43,37,777	-	2,22,93,766	3,01,17,837	
TOTAL	1387,63,02,673	33,17,86,210	1,10,00,000	1419,70,88,883	825,93,61,306	114,80,81,051	91,73,267	939,82,69,090	561,69,41,367	
Capital Work- in- progress **	13,94,76,472	418,60,521	61,99,217	17,51,37,776	-	-	-	17,51,37,776	13,94,76,472	
TOTAL	1401,57,79,145	37,36,46,731	1,71,99,217	1437,22,26,659	825,93,61,306	114,80,81,051	91,73,267	939,82,69,090	575,64,17,839	
Previous Year	1241,13,07,019	188,97,36,502	28,52,64,376	1401,57,79,145	716,87,79,207	109,11,57,111	5,75,012	825,93,61,306	524,25,27,812	

** Includes Capital advance Rs.5,67,72,13,926/- (Previous year Rs.13,32,77,255/-)

* Amount capitalised under offshore jack up drilling rigs, floating production unit, drillship and connected machineries on completion of work in progress Rs.61,99,217/- (Previous year Rs.28,45,64,712/-)

Schedules annexed to and forming part of the accounts

	No. of Shares	Face Value Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 7				
INVESTMENTS				
LONG TERM INVESTMENTS (AT COST)				
Subsidiaries				
Equity Shares - Fully Paid (Unquoted)				
Aban Energies Limited, India	2,00,070	10.00	20,00,700	20,00,700
(A wholly owned Subsidiary Company)				
Aban Holdings Pte Ltd, Singapore	85,00,00,000	#	3943,52,23,291	3943,52,23,291
(A wholly owned Subsidiary Company)				
Trade Investments				
Equity Shares - Fully Paid (Unquoted)				
Aban Informatics Private Limited	3,00,750	10.00	1,98,49,500	1,98,49,500
Frontier Offshore Exploration (India) Limited	49,993	100.00	49,99,300	49,99,300
Aban Power Company Limited	1,19,40,000	10.00	11,94,00,000	11,94,00,000
Others (Non Trade)				
Equity Shares - Fully paid (Quoted)				
Arihant Threads Ltd	13,600	10.00	1,70,000	1,70,000
Punjab Woolcombers Ltd	300	10.00	27,000	27,000
State Bank of Travancore Ltd	2,450	10.00	1,47,000	1,47,000
ICICI Bank Ltd	2,100	10.00	7,86,374	7,86,374
Oil & Natural Gas Corporation Ltd	50,572	5.00	63,21,750	63,21,750
Indian Bank Ltd	32,318	10.00	29,40,938	29,40,938
Equity Shares - Fully paid (Unquoted)				
Madras Stock Exchange Limited	7,995	10.00	39,97,500	39,97,500
CURRENT INVESTMENTS (At lower of cost and fair value) (See note no: 3)				
Mutual Funds (Unquoted)	No. of of units	Face Value Rupees		
HDFC Cash Management Fund Saving Plan - DDR	1,882,104.00	10.00	-	2,00,18,811
HDFC Floating Rate Income Fund - STP - WP - DDR	5,966,713.86	10.00	-	6,01,49,846
ICICI Prudential Flexible Income Plan Premium DDR	143,299.79	100.00	-	1,51,51,803
IDFC Money Manager Fund TP Super Institutional Plan- DDR	108.96	10.00	-	1,090
Kotak Flexi Debt Scheme Institutional plan - DDR	37,902.91	10.00	-	3,80,830
ICICI prudential Institutional Liquid Plan - DDR	92,409.18	10.00	-	-
			3959,58,63,353	3969,15,65,733
Less: Provision for diminution in value of Long Term Investment including provision relating to joint venture investment of Rs.49,99,300/- (Previous Year : Rs.49,99,300/-)			51,82,400	51,82,400
			3959,06,80,953	3968,63,83,333
Aggregate Value of Quoted Investments-Cost (Net of provision for Diminution in value of investments)			1,02,09,962	1,02,09,962
Aggregate Value of Quoted Investments- Market Value			2,63,62,971	2,17,28,777
Aggregate Value of Unquoted Investments-Cost (Net of provision for Diminution in value of investments)			3958,04,70,991	3967,61,73,371

Note: Face value of the investment not provided, since investment in share capital in Singapore Companies has no face value according to the Company law of Singapore.



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 8		
SUNDRY DEBTORS		
Considered Good-Unsecured		
(a) Outstanding for more than six months	3383,88,165	21,92,22,258
(b) Others	230,85,76,119	152,81,31,732
TOTAL	264,69,64,284	174,73,53,990

SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	7,10,264	5,21,362
Balances with Scheduled Banks		
- In Current Accounts	65,17,23,797	40,24,87,119
- In Deposit Accounts *	15,42,33,573	21,82,45,225
Balances with other banks in current account		
Standard Chartered Bank, Dubai	16,30,048	75,32,764
Emirates bank, Dubai	17,53,808	18,24,467
TOTAL	81,00,51,490	63,06,10,937
Maximum amount outstanding at any time during the year with other banks,		
Standard Chartered Bank, Dubai	76,03,906	1,56,23,029
Emirates Bank, Dubai	1,47,19,964	1,13,67,986
* includes unutilised proceeds from foreign currency convertible bonds issued - Rs.59.73 lakhs (previous year Rs. 60.14 lakhs)		

SCHEDULE 10		
LOANS AND ADVANCES (Unsecured, Considered Good)		
Loans to Subsidiary Companies (See Note No.12 &14)	745,21,70,708	828,12,37,816
Advance to Subsidiary Companies (See Note No.12 &14)	95,36,220	7,21,36,711
Advance recoverable in Cash or in Kind or for value to be received (See Note No.15)	34,72,83,304	23,94,19,516
Deposit with Customs and other tax authorities	2,91,82,828	2,91,82,828
Sundry Deposits	2,91,65,687	2,91,88,127
TOTAL	786,73,38,747	865,11,64,998

Schedules annexed to and forming part of the accounts

	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities			
Sundry Creditors - Amount due to Micro Enterprises and Small Enterprises (see Note 23)		-	-
Sundry Creditors - others		269,31,78,429	269,66,33,268
Unclaimed Dividends*		1,00,44,923	81,62,877
Other Liabilities		2,42,66,732	2,79,61,307
Interest accrued but not due on secured loans		1,86,78,082	2,55,65,125
		<u>274,61,68,166</u>	<u>275,83,22,577</u>
(b) Provisions			
Provision for taxation (Net of Advance payment of taxes)		50,28,22,375	15,32,99,833
Proposed Dividend - Preference		27,89,00,000	27,89,00,000
Proposed Dividend - Equity		15,66,59,454	15,66,09,990
Tax on Dividend		7,06,58,633	7,40,14,923
Provision for Provident Fund		38,47,104	25,66,549
Provision for Leave Encashment and Gratuity		1,62,35,530	1,07,99,591
		<u>102,91,23,096</u>	<u>67,61,90,886</u>
TOTAL (a+b)		<u>377,52,91,262</u>	<u>343,45,13,463</u>
		Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 12			
INCOME FROM OPERATIONS			
Drilling and Production Services		1182,09,88,121	1170,66,08,287
Wind Power generation		8,64,41,091	11,34,37,728
TOTAL		<u>1190,74,29,212</u>	<u>1182,00,46,015</u>
SCHEDULE 13			
OTHER INCOME			
(a) Rental Income(Gross)		63,49,904	86,74,618
(b) Dividend Income from Long term Investments		11,62,267	9,29,769
(c) Dividend Income from Current Investments		1,85,01,599	2,09,77,608
(d) Interest on Bank Deposits (Gross)		26,23,620	1,34,28,755
(e) Interest-Others (Gross)			
- On Loan to foreign subsidiaries	68,67,99,258		176,34,59,075
- On Staff loans	12,792		66,833
- On call money relating to equity shares	-		62,144
- On Others	-	68,68,12,050	3,45,390
(f) Miscellaneous Income		4,61,98,034	1,01,28,123
(g) Profit on Sale of Assets (Net)		40,63,658	-
(h) Profit on Sale of Current Investments (Net)		-	2,10,731
TOTAL		<u>76,57,11,132</u>	<u>181,82,83,046</u>
Note: Tax deducted at source on a,d, and e Rs.6,81,80,152/- (Previous year: Rs 17,89,37,755/-)			



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 14			
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES			
Consumption - Stores and Spares		47,28,65,789	47,80,29,079
Power and Fuel		22,44,40,164	10,45,01,639
Salaries and Bonus		71,30,31,034	64,83,67,343
Contribution to Provident funds and Other funds		3,19,08,179	2,51,49,675
Staff Welfare		4,09,06,372	2,45,60,742
Rent		78,04,542	95,24,712
Rates and Taxes		2,59,81,227	3,33,06,138
Rental Charges for Machinery		31,32,77,041	28,42,81,788
Repairs and Maintenance			
- Machinery	47,01,60,689		43,53,30,990
- Buildings	15,89,561		11,89,770
- Other assets	66,37,673		81,81,461
		47,83,87,923	
Insurance		19,23,85,812	23,17,87,506
Drilling Services and Management Fees		36,54,46,193	37,93,72,923
Consultancy and Professional Fees		36,80,22,388	54,48,84,166
Catering Expenses		5,84,38,387	5,22,03,767
Communication Expenses		1,73,48,185	2,00,15,133
Travelling and Transportation Expenses		14,59,15,343	12,17,16,451
Guarantee Commission , Bank and Other Charges		13,14,99,007	6,53,91,081
Loss on Forex contracts		50,01,85,009	55,55,03,695
Loss on transfer of interest in Joint venture (See Note 21)		-	3,47,00,000
Loss on Sale of Assets (Net)		-	53,777
Auditors' Remuneration : (See Note 24)			
Audit Fees	37,00,000		39,51,600
Tax Audit Fee	5,60,000		5,00,000
For Certification and Other Services	13,93,000		14,82,000
Reimbursement of Expenses	1,28,000	57,81,000	1,08,000
Foreign currency exchange difference (Net)		50,02,70,902	74,36,07,565
Other Expenses		8,88,02,161	5,34,43,740
TOTAL		468,26,96,658	486,11,44,741

SCHEDULE 15

INTEREST

On Term Loans	296,92,70,837	325,31,82,597
Others	31,72,98,817	11,82,40,460
TOTAL	328,65,69,654	337,14,23,057

Schedules annexed to and forming part of the accounts

SCHEDULE-16

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS AND CONCEPTS

Financial statements are prepared based on historical cost convention and on the basis of a going concern and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principals (GAAP) requires that the management makes prudent and reasonable estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results may differ from those estimates and such differences are accounted in the period in which they arise.

C. FIXED ASSETS

Fixed Assets are capitalised at cost inclusive of installation expenses and interest upto the date the asset is put to use. The Foreign Exchange differences, in respect of Foreign Currency Loans / Liabilities relating to acquisition of Fixed Assets, are accounted in the Profit and Loss Account. Capital Work in Progress include the cost of Fixed Assets, that are not ready for use at the Balance Sheet date, and advances paid to acquire Fixed Assets before the Balance Sheet date.

D. DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line basis at rates prescribed in Schedule XIV of the Companies Act, 1956 on a pro-rata basis. Depreciation on Drillship is provided at a higher rate of 11.31% p.a and on windmills a higher rate of 10% p.a on straight line method based on technical evaluation of the expected useful life of the respective assets.

E. INVENTORY VALUATION

Inventory of Stores, Spares & Fuel are valued at cost based on 'First in First out' Cost formula / Weighted average method as applicable.

F. REVENUE RECOGNITION

Income from drilling and production services is recognised as earned, based on contractual day rate billed on a monthly basis. Mobilisation / demobilisation fees if any, is recognised as earned in the year of mobilisation / demobilisation. Income from wind power generation is recognised based on the number of units of power generated every month at contracted rates.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding loan and the applicable rate. Dividend income is recognised when the Company's right to receive the dividend is established.

G. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the profit and Loss account. Exchange differences in respect of foreign currency loans/liabilities relating to Fixed Assets are accounted in the Profit and Loss Account.

Foreign currency current assets and current liabilities are translated at year end rates. In circumstances, where the year end rate is not stable / highly volatile, monetary items shall be reported based on the subsequent actual realisation rate. Resulting gains / losses are recognised in the profit and Loss Account. Non monetary items such as Investments / Fixed Assets, denominated in foreign currency are translated at exchange rate prevailing on the date of transaction.

In the case of forward exchange contracts / options relating to foreign currencies:

- a. The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract.
- b. Any profit or loss arising on the cancellation of such contracts is recognised as income / expense under respective head of account

Schedules annexed to and forming part of the accounts

for the period.

- c. In respect of derivative contracts, gains / losses on any such contracts, is recognised in the Profit and Loss Account.

H. INVESTMENTS

- (a) Long Term Quoted Investments are stated at cost unless there is a permanent fall in the value. A provision for diminution is made to recognise a decline other than temporary, in the value of Long Term Investments.
- (b) Long Term Unquoted Investments in Subsidiary Companies and investment in Joint Venture Company and other investments of long term nature are stated at cost and no loss is recognised in the fall in their net worth unless there is a permanent fall in their net worth. However, a provision for diminution in value of investment is made if a material fall in net worth is anticipated.
- (c) Current Investments are stated at lower of cost and fair value of the category of such investments.

I. PROPOSED DIVIDEND

The Dividend as proposed by the board of directors, including tax thereon is provided in the books of account pending approval at the Annual General Meeting.

J. EMPLOYEE BENEFITS

- (a) Contribution to Provident Fund, which is a defined contribution retirement plan, is made monthly at predetermined rate to the Provident Fund authorities and debited to the Profit and Loss Account on accrual basis.
- (b) Contribution to Super annuation scheme, which is a defined contribution retirement plan, is made annually at predetermined rate to Insurance Companies, which administer the fund and debited to Profit and Loss Account.
- (c) Company makes annual contribution to Gratuity funds administered by Insurance Companies, which is considered as defined benefit plan. The present value of the defined benefit is measured using the 'Projected unit Credit' Method with actuarial valuation being carried out at each Balance Sheet date by an independent valuer. Actuarial gain and losses are immediately recognised in the Profit and Loss Account. Amount of contribution, computed by the insurers is paid by the Company and charged to Profit and Loss Account. No additional liability is anticipated under the scheme administered by the insurance Companies.
- (d) The Company makes provision for leave encashment based on actuarial valuation carried out by an Independent actuary at each Balance Sheet date.

K. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

L. TAXES ON INCOME

The Income tax provision comprises of current tax and deferred tax. Current tax is the amount of tax payable in respect of income for the period. In accordance with the Accounting Standard - 22 - Accounting for Taxes on Income of the Companies (Accounting Standards) Rules, 2006 the Deferred Tax on timing difference between book profit and tax profit for the period is accounted based on the rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. However deferred tax assets arising from timing difference are recognised to the extent of virtual / reasonable certainty about its realisability in future years.

M. IMPAIRMENT OF ASSETS

An Asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company provides for all liabilities except liabilities of a contingent nature, which will be disclosed at their estimated values in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

Schedules annexed to and forming part of the accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
2. Contingent liabilities not provided for		
a. Guarantees given by banks on behalf of the Company	100,89,36,378	132,92,82,799
b. Corporate Guarantee given by the Company to Banks on behalf of subsidiaries of Company's foreign subsidiary:	2023,22,66,600	2166,78,53,600
c. Capital commitments not provided for	6,32,39,655	8,18,32,091
d. Indemnity obligation relating to a Novation Agreement	-	75,00,000
e. Letter of Credit	-	1,62,56,392
3. During the year the Company acquired and sold the following Current Investments:		
Particulars	Purchase / Dividend received in units	Redemption / Transfers in units
Investments in Mutual Funds		
Axis Liquid Fund- Instl-DDRI	10,001.15	10,001.15
Axis Treasury Advantage Fund-Instl-DDRI	10,010.81	10,010.81
Birla Cash Manager Fund - Instit - ddr	4,84,14,433.15	4,84,14,433.15
Birla Cash Plus Fund - Instit - ddr	41,66,332.13	41,66,332.13
Birla Cash Plus Fund - Instit Pre - ddr	8,17,21,458.07	8,17,21,458.07
Birla Savings Fund - Instit - ddr	13,85,37,415.45	13,85,37,415.45
Birla Sunlife Cash Manager- IP-DDRI	4,84,14,433.14	4,84,14,433.14
Birla Sunlife Cash Plus Instl Premium-DDRI	4,37,98,031.63	4,37,98,031.63
Birla Sunlife Savings Fund Instl DDRI	1,00,08,929.48	1,00,08,929.48
Canara Liquid Fund - Super Instit - ddr	10,87,34,142.32	10,87,34,142.32
Canara Robeco Floating Rate ST Fund - DDR	97,61,768.04	97,61,768.04
Canara Robeco Liquid Fund- Super Instl-DDRI	99,46,621.11	99,46,621.11
Canara Robeco Treasury Advantage Instl-DDRI	1,34,38,223.62	1,34,38,223.62
Canara Treasury Adv Fund - Super Instit - ddr	1,00,80,044.45	1,00,80,044.45
HDFC Cash Management Fund - Savings Plan - DDR	24,91,959.82	24,91,959.82
HDFC Cash management Fund - Treasury Advantage Plan - DDR	14,98,190.10	14,98,190.10
HDFC Cash Management Fund Savings Plan DD Reinvestment	6,575.76	18,88,679.80
Hdfc CMF - Savings Plan - ddr	1,54,29,517.93	1,54,29,517.93
Hdfc FRIF - ST - W - ddr	1,33,51,136.94	1,93,17,850.80
ICICI Prudential Flexible Income Plan Premium - DDR	9,97,164.11	9,97,164.11
ICICI Prudential Liquid Plan DD	1,69,191.35	1,69,191.35
IDFC Cash Fund - Super Instit Plan C - ddr	49,99,460.46	49,99,460.46
IDFC Cash Fund - Super Institutional Plan C -DDR	2,87,47,598.79	2,87,47,598.79
IDFC Money Manager Fund - TP -Super Institutional Plan C -DDR	1,50,46,026.37	1,50,46,026.37
IDFC Money Manager Fund - TP -Super Institutional Plan C -DDR	1,92,69,469.46	1,92,69,578.42
Kotak Flexi Debt Scheme Institutional - DDR	89,68,797.78	90,06,700.70
Kotak Floater Fund - LT - ddr	1,98,54,776.93	1,98,54,776.93
Kotak Floater Fund - Short Term DD	39,54,655.82	39,54,655.82
Kotak Liquid - Institutional Premium - DDR	40,89,392.77	40,89,392.77
Kotak Liquid Fund - Instit Pre	1,63,57,306.24	1,63,57,306.24
Prudential Flexible Income Plan	86,71,337.66	88,14,637.44
Prudential Liquid Fund - Super Instit - ddr	66,79,208.27	66,79,208.27
Reliance Liquid Fund-Cash Plan-DDRI	1,75,33,336.17	1,75,33,336.17
Reliance Liquidity Fund -DDR	13,03,20,691.46	13,03,20,691.46

Schedules annexed to and forming part of the accounts

Reliance Medium Term Fund - DDR	9,04,30,357.99	9,04,30,357.99
Reliance Money Manger Fund - Institutional Option - DDR	15,85,684.47	15,85,684.47
SBI Magnum Insta Cash Fund- Instl- DDRI	11,94,416.96	11,94,416.96
SBI SHF Ultra Short term fund Institutional Plan DD	20,40,578.42	20,40,578.42
SBNPP Money Fund- Super Instl-DDRI	7,50,99,855.05	7,50,99,855.05
SBNPP Ultra ST Fund Super Instl-DDRI	3,88,33,632.37	3,88,33,632.37
TATA Floater Fund -DDRI	2,04,87,908.14	2,04,87,908.14
TATA Liquid - SHIP- DDRI	3,12,271.35	3,12,271.35
UTI Liquid Cash Plan- Institutional - DDRI	6,30,879.61	6,30,879.61
UTI Money Market Fund-Institutional - DDRI	39,907.00	39,907.00
UTI Treasury Advantage Fund - Institutional Plan DDR	6,52,428.24	6,52,428.24

**As at
31st March, 2011
Rupees**

**As at
31st March, 2010
Rupees**

4. a. Managerial Remuneration

Salary & Allowances	2,17,20,000	1,95,36,000
Monetary Value of Perquisites	91,32,609	63,47,402
Sitting fees	3,19,000	3,15,000
Commision	7,68,54,872	9,31,08,843
	<u>10,08,026,481</u>	<u>11,93,07,245</u>

b. Computation of Net Profit in accordance with Section 309(5), 198&349 of the Companies Act, 1956 and calculation of Managing Director and Wholetime Director's Commission.

Net Profit as per Profit & Loss Account	355,57,92,981	431,46,04,152
Add : Director's Remuneration	10,77,07,481	11,89,92,245
Director's Sitting Fees	3,19,000	3,15,000
Adjustment relating to Profit on sale of Asset	-	-
Loss on sale of Asset (Net)	-	53,777
	<u>366,38,19,461</u>	<u>443,39,65,174</u>
Less: Profit on Sale of Assets (Net)	40,63,658	-
Less: Profit on Sale of Investments(Net)	-	2,10,731
	<u>40,63,658</u>	<u>2,10,731</u>
Profit as per Section 309(5), 198 & 349 of the Companies Act, 1956	365,97,55,803	443,37,54,443
Commission to Managing Director @ 2% p.a.	7,31,95,116	8,86,75,089
Commission to a Deputy Managing Director @.0.10% p.a.	<u>36,59,756</u>	<u>44,33,754</u>
	<u>7,68,54,872</u>	<u>9,31,08,843</u>

	31.03.2011		31.03.2010	
	NOT APPLICABLE		NOT APPLICABLE	
	Units	Value (Rs.)	Units	Value (Rs.)
5. Licence/Installed capacities				
6. Generation of Wind Power (Net)	3,15,75,597	8,64,41,091	4,13,83,719	11,34,37,728
7. Value of Imports by the Company on CIF basis		R upees		Rupees
a. Capital items		19,26,73,488		54,31,49,235
b. Stores & Spare Parts		36,74,58,694		44,92,99,235
8. Expenditure in Foreign Currency (Cash Basis)				
a. Interest on Foreign Currency Loans		2,98,61,439		1,68,09,894

Schedules annexed to and forming part of the accounts

b.	Drilling Services & Management Fees	10,69,48,706	3,76,15,926
c.	Travel and Transport	5,57,31,974	8,22,84,848
d.	Consultancy fees	13,71,24,972	9,92,18,911
e.	Rental charges for Machinery	30,04,36,691	16,63,66,908
f.	Insurance	14,10,75,203	22,59,35,407
g.	Repairs to machinery , and other maintenance charges	11,02,892	-
h.	Catering	2,03,62,691	1,42,15,288
i.	Salary, Staff welfare	12,37,80,642	12,98,64,133
j.	Others	1,40,00,573	66,69,395
9.	Income Earned in Foreign Currency		
a.	Drilling and Production services	931,70,77,143	920,84,90,332
b.	Interest from Foreign Subsidiary	68,67,99,258	176,34,59,075
d.	Others	459,89,988	4,79,246
10.	a. Value of Imported Stores & Spares Consumed	29,10,17,917	37,50,70,809
	% of above to total consumption	61.54%	78.46%
	b. Value of Indigenous Stores & Spares consumed	18,18,47,872	10,29,58,270
	% of above to total consumption	38.46%	21.54%
11.	Dividend remitted in Foreign Currency	No. of Non-Resident Shareholders	No. of Equity Shares held
	For the Financial year 2009-10 (Equity Shares of Rs.2/- each)	1	83,28,750
	Previous year (Equity shares of Rs.2/- each)	1	83,28,750
12.	Related Party disclosure:		
	Enterprise where control exists		
	A. Subsidiary Companies (Wholly owned subsidiaries)		
	Aban Energies Limited, India		
	Aban Holdings Pte Ltd, Singapore		
	B. Subsidiaries of Aban Holdings Pte Ltd		
	Aban Singapore Pte Ltd, Singapore		
	Aban 7 Pte Ltd, Singapore		
	Aban 8 Pte Ltd, Singapore		
	Aban Abraham Pte Ltd, Singapore		
	Aban Pearl Pte Ltd, Singapore		
	Aban International Norway AS		
	Sinvest AS, Norway		
	DDI Holding AS Norway		
	Deep Drilling Invest Pte Ltd, Singapore		
	Deep Drilling 1 Pte Ltd, Singapore		
	Deep Drilling 2 Pte Ltd, Singapore		
	Deep Drilling 3 Pte Ltd, Singapore		
	Deep Drilling 4 Pte Ltd, Singapore		
	Deep Drilling 5 Pte Ltd, Singapore		
	Deep Drilling 6 Pte Ltd, Singapore		
	Deep Drilling 7 Pte Ltd, Singapore		
	Deep Drilling 8 Pte Ltd, Singapore		
	Beta Drilling Pte Ltd , Singapore		
	Venture Drilling Pte. Ltd, Singapore		
	C. Other related parties with whom the company had transactions		
	a. Key Management personnel		
	(i) Mr. Reji Abraham	-	Managing Director
	(ii) Mr. P Venkateswaran	-	Deputy Managing Director
	(iii) Mr. C P Gopalkrishnan	-	Deputy Managing Director and Secretary

TRANSACTION WITH RELATED PARTIES DURING THE YEAR

Nature of Transaction	Subsidiary companies Rs.		Joint venture operator Rs.		Key Management Personnel Rs.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
i) Machinery maintenance charges paid	1,05,88,800	1,05,88,800	-	-	-	-
ii) Rent paid	-	-	-	-	53,11,920	52,25,752
iii) Remuneration	-	-	-	-	10,77,07,481	11,89,92,245
iv) Interest received/receivable	68,67,99,258	176,34,59,075	-	-	12,792	66,833
v) Interest paid / payable	-	-	-	-	-	-
vi) Investment in Foreign Subsidiary *	-	2578,42,68,575	-	-	-	-
vii) Advances recoverable / (payable)	61,83,652	6,93,40,728	-	-	-	-
viii) Loan given to Foreign Subsidiary	419,40,07,678	1346,48,51,589	-	-	-	-
ix) Loan repaid	570,41,11,585	308,19,24,384	-	-	3,75,000	5,40,000
x) Dividend paid -	-	-	-	-	1,77,85,098	1,75,15,480
xi) Final Settlement @	-	-	-	3,47,00,000	-	-
xii) Amount Outstanding as at 31.03.2011						
- Receivable	746,17,06,928	835,33,74,527	-	-	-	3,75,000
- Payable	-	-	-	-	7,68,54,872	9,31,08,843

* Allotment of Equity Shares by Aban Holdings Pte Ltd (wholly owned foreign subsidiary) against loan given in earlier years.

@ Final settlement on Termination of Joint venture agreement during the year 2009-2010

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	2010-11 Rs.	2009-10 Rs.
i) Machinery maintenance charges paid		
- Aban Energies Limited	105,88,800	105,88,800
ii) Remuneration to Key Management Personnel		
- Mr. Reji Abraham	8,46,63,834	9,79,75,732
- Mr. C.P. Gopalkrishnan	93,96,189	78,23,279
- Mr. P. Venkateswaran	1,36,47,458	1,31,93,234
iii) Interest received/receivable		
- Aban Holdings Pte Ltd	68,67,99,258	176,34,59,075
iv) Investment in Foreign Subsidiary		
- Aban Holdings Pte Ltd	-	2578,42,68,575
v) Advances recoverable		
Aban Energies Limited	61,83,652	74,43,468
Aban Holdings Pte Ltd	-	6,19,80,968
vi) Loan given to Foreign Subsidiaries		
Aban Holdings Pte Ltd	419,40,07,678	1346,48,51,589
vii) Loan repaid by Foreign subsidiaries		
Aban Holdings Pte Ltd	570,41,11,585	308,19,24,384
viii) Rent paid		
Mr. Reji Abraham	53,11,920	52,25,752
ix) Dividend paid		
Mr. Reji Abraham	1,76,66,280	1,74,10,702
x) Amount payable towards commission to:		
Mr. Reji Abraham	7,31,95,116	8,86,75,089
Mr. Venkateswaran	36,59,756	44,33,754

13. SEGMENT REPORTING

A. Primary Segment

The Company's primary segments are Offshore Oil Drilling and Production services ('Drilling') and Wind Power generation ('Wind Energy') The above business segments have been identified considering the nature of services rendered and the internal financial reporting system. Income and Expenses have been accounted for based on their relationship to the operating activities of the segment

B. Secondary Segment

Substantial Assets of the Company are Rigs/Drillship, which are mobile assets and can operate across the world, in view of which geographical segment is not considered.

Primary Segment Information

	2010-11		2009-10	
	Rs.	Rs.	Rs.	Rs.
1. Segment revenue				
- Drilling	1257,90,45,755		1351,90,69,983	
- Wind Energy	9,40,94,589	1267,31,40,344	11,92,59,078	1363,83,29,061
2. Segment Result				
- Drilling	697,81,27,363		783,16,18,110	
- Wind Energy	(13,57,64,640)		(14,55,90,901)	
	684,23,62,724		768,60,27,209	
Less : Interest Expenses	(328,65,69,654)	355,57,92,981	(337,14,23,057)	431,46,04,152
3. Segment Assets				
- Drilling	5606,14,46,459		5636,24,11,443	
- Wind Energy	60,12,42,174	5666,26,88,633	76,85,89,500	5713,10,00,942
4. Segment liabilities				
- Drilling	3161,81,56,290		3397,71,76,609	
- Wind Energy	17,28,45,224	3179,10,01,514	32,60,10,660	3430,31,87,269
5. Depreciation				
- Drilling	96,91,07,134		87,52,32,951	
- Wind Energy	17,89,73,917	114,80,81,051	21,59,24,160	109,11,57,111
6. Capital Expenditure including work in progress				
- Drilling	36,74,47,515		160,51,71,790	
- Wind Energy	-	36,74,47,515	-	160,51,71,790

14. Loans and Advances include the following:

Particulars		Balance outstanding as at 31st March 2011	Maximum Balance outstanding during the Year	Balance outstanding as at 31st March 2010	Maximum Balance outstanding during the previous year
		Rs.	Rs.	Rs.	Rs.
Aban Energies Ltd, India (Advance)	Indian Subsidiary	59,62,371	1,01,55,743	1,01,55,743	1,35,50,690
Aban Holdings Pte Ltd, Singapore (Loan & Advance)	Foreign Subsidiary	745,57,44,557	961,73,56,577	834,32,18,784	2404,44,63,665

15. Loans and Advances include loan to a Deputy Managing Director of the Company who was an officer at the time of taking the loan NIL (Previous year Rs.3,75,000/-). Maximum amount outstanding during the the year Rs. 3,75,000/- (Previous Year Rs.9,15,000/-).

16. Earning per share is calculated as shown below: (Equity shares of Rs.2/- each)

		2010-11	2009-10
a) Profit after tax, preference dividend and tax thereon	Rs.	201,53,49,569	247,81,32,542
		No. of shares	No. of shares
b) Weighted average number of fully paid equity shares used in calculating Basic earnings per share		4,35,11,355	3,98,57,011
TOTAL		4,35,11,355	3,98,57,011
Basic earnings per share (Rupees)	(a/b)	46.32	62.18
c) Weighted average number of fully paid equity shares used in calculating Diluted earnings per share		4,37,60,562	4,04,76,336
TOTAL		4,37,60,562	4,04,76,336
Diluted Earning per Share - (Rupees)	(a/c)	46.05	61.22

17. The Company has instituted Employees Stock Option Scheme - 2005 duly approved by the shareholders in the Extra ordinary General Meeting of the Company held on 23rd April 2005. As per the scheme, the compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of option. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's share at the prevailing market price on the date of grant of option.

The Securities Exchange Board of India (SEBI) issued the Employees Stock Option Scheme and Employees Stock purchase scheme Guidelines in 1999, applicable to stock option schemes established on or after 19th June 1999. Under these Guidelines, the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option is to be recognised and amortised on a straight-line basis over the vesting period.

The Company has not recorded any Deferred Compensation Expenses, as the exercise price was equal to the market value as defined by SEBI of the underlying Equity Shares on the grant date. Excess of exercise price over the nominal value of equity shares allotted during the year under ESOS has been credited to securities premium account Rs.82,10,731/- (Previous year Rs.74,32,967/-)

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 18,44,000 equity shares of Rs.2/- each - Options granted during the year NIL Equity Shares of Rs.2/- each (upto Previous Year: 4,43,200 Equity Shares of Rs.2/- each) - Options lapsed during the year 16,320 Equity Shares of Rs.2/- each (Upto Previous Year: 23,890 Equity Shares of Rs.2/- each) - Options exercised during the year: 13,740 Equity Shares of Rs.2/- each (upto Previous Year: 81,390 Equity Shares of Rs.2/- each) Outstanding at the end of the year: 3,07,860 Equity Shares of Rs.2/- each (upto Previous Year: 3,37,920 Equity Shares of Rs.2/- each), Options yet to be granted under the scheme: 14,41,010 Equity Shares of Rs.2/- each (Previous year: 14,24,690/- Equity Shares of Rs.2/- each).

18. The Company had issued 1161 un secured unrated zero coupon Foreign currency convertible bonds (FCCB) of Japanese Yen 10,000,000 each aggregating to Japanese Yen 11,610,000,000 (Rs.428,49,22,220/-) in April 2006. The Bondholder has an option to convert these bonds into Equity shares of Rs.2/- each of the Company at a conversion price on or after 19th April 2007 and upto the close of the business on the 8th April 2011. The conversion price has been fixed as Rs.2,789.04 per Equity shares of Rs.2/- each. Until 31st March 2011, 620 Bonds aggregating to Japanese Yen 6200 million have been converted into 8,51,055 Equity shares of Rs.2/- each at a conversion price of Rs.2,789.04. After conversion, 541 Bonds are outstanding as at 31st March, 2011 aggregating to 5410 Million Japanese Yen (Rs.290,10,98,865). The Company has an option to redeem the bonds at their accredited principal amount in whole and not in part at any time on or after 14th April 2009 and on or prior to 8th April 2011 subject to certain terms and conditions. No interest accrues or is payable on the bonds unless willful default is made in respect of any payment in which case the overdue sum shall bear interest at the rate of 4% per annum from the due date. Unless previously redeemed, converted or repurchased and cancelled, the Company will redeem each bond at 121.811% of its principal amount on 15th April 2011, being the Maturity date of the Bond.

The Company has since redeemed the outstanding 541 Bonds on 15th April 2011 at 121.811% of the principal amount.

19. The year end foreign currency exposures that have not been hedged by foreign currency contracts are as under:

Serial Number	Underlying Exposure	2010-11		2009-10	
		Amount in USD (Million)	Amount in INR (crores)	Amount in USD (Million)	Amount in INR (crores)
1	Payables	45.00	200.66	40.00	179.56
2	Foreign currency convertible Bonds	43.19	192.59	57.89	259.85

20. The Company has entered into foreign currency and interest rate contracts for hedging currency and interest related risks. The outstanding value of hedged forward covers / derivatives as at 31st March 2011 are Rs.933.07 crores (Previous year Rs. 733.35 crores) the details of which are given below:

As at 31st March, 2011 the following derivative transactions are outstanding:

Nature of Derivative Transactions	2010-11 Amount INR (Crores)	2009-10 Amount INR (Crores)	Purpose
Currency Forward contracts/options	835.54	672.23	Hedging the risk of exchange rate fluctuations
Interest swap	-	61.12	Hedging the risk of interest rate movements
Foreign currency convertible Bonds	97.53	-	Hedging the risk of exchange rate fluctuations

21. Disclosure under Accounting Standard 27-Financial Reporting of interests in joint ventures The Company's interests, as a venturer, in jointly controlled entity and Jointly controlled operation are :

Name of the Company	Country of Incorporation	Proportion of ownership interest 2010-11	Proportion of ownership interest 2009-10
Frontier Offshore Exploration (India) Limited (Formerly known as Frontier Aban Drilling (India) Ltd) - Jointly controlled entity (Refer Note "a" below)	India	25% of share capital	25% of share capital
Prize Petroleum Limited - Jointly controlled assets	India	Not Applicable	Joint Venture terminated during 2009-2010

Note a. The Company has ceased to have joint control over Frontier Offshore Exploration (India) Limited (Formerly known as Frontier Aban Drilling (India) Ltd) However the Company has provided for Dimunition in value of this long term investment considering the state of affairs of the Venture Company.

22. Defined benefit plans / Long Term Compensated Absences - As per Actuarial Valuations as on 31-3-2011 and recognised in the financial statements in respect of Employee Benefit Schemes:

	Gratuity Funded Rs. 2010-11	Gratuity Funded Rs. 2009-10	Gratuity Funded Rs. 2008-09	Gratuity Funded Rs. 2007-08	Leave encashment Unfunded Rs. 2010-11	Leave encashment Unfunded Rs. 2009-10	Leave encashment Unfunded Rs. 2008-09	Leave encashment Unfunded Rs. 2007-08
I. Components of Employer Expense								
1. Current Service cost	54,39,658	49,89,740	45,60,318	33,99,271	4,94,913	5,09,899	4,06,585	4,69,651
2. Interest cost	42,55,962	33,67,190	18,29,014	15,78,089	9,23,365	7,09,974	5,32,436	3,66,834
3. Expected return on plan assets	(40,39,898)	(30,92,677)	(23,32,705)	(19,22,598)	-	-	-	12,33,543
4. Past service cost	-	-	-	21,43,897	-	-	9,08,425	-
5. Actuarial losses / (gains)	10,63,422	29,61,051	1,14,63,004	44,64,078	(574,639)	7,05,041	12,80,200	12,33,543
6. Total expense recognised in the statement of Profit & Loss Account	45,92,300	23,03,202	1,55,19,631	95,62,737	8,43,639	19,24,914	22,19,221	29,78,453
The gratuity expense has been recognised in 'contribution to Provident Fund and other Funds' and Leave encashment in 'Salaries, and Bonus' under schedule 14.								
II. Actual returns for the year ended March 31, 2011	-	(20,72,677)	36,26,192	-	-	-	-	-
III. (Net Asset) / Liability recognised in Balance Sheet as at March 31, 2011								
1. Present value of defined benefit obligation	5,63,44,473	5,15,48,485	4,38,79,682	3,05,34,421	1,16,43,230	1,07,99,591	88,74,677	66,55,456
2. Fair Value on plan assets	5,17,52,173	4,92,45,283	2,80,71,630	3,02,46,000	-	-	-	-
3. Status [Deficit / (Surplus)]	45,92,300	23,03,202	1,58,08,052	2,88,421	1,16,43,230	1,07,99,591	88,74,677	66,55,456
4. Contribution made towards the fund	-	23,03,202	1,58,08,052	-	-	-	-	-
5. (Net asset) / Liability recognised in Balance sheet	45,92,300	-	-	2,88,421	1,16,43,230	1,07,99,591	88,74,677	66,55,456
IV. Change in defined benefit obligations (DBO) during the year ended March 31, 2011								
1. Present value of DBO at the beginning of the year	5,15,48,485	4,38,79,682	3,05,34,421	1,99,62,837	107,99,591	88,74,677	66,55,456	45,85,428
2. Current service cost	54,39,658	49,89,740	45,60,318	32,99,271	4,94,913	5,09,899	4,06,585	4,69,651
3. Interest cost	42,55,962	33,67,190	18,29,014	15,78,089	9,23,365	7,09,974	5,32,436	3,66,834
4. Actuarial (Gains) / Losses	(1,357,332)	28,91,491	70,57,622	61,67,672	(5,74,639)	(7,05,041)	(12,80,200)	12,33,543
5. Benefits paid	(35,42,300)	(35,79,618)	(1,01,693)	(4,73,448)	-	-	-	-
6. Present value of DBO at the end of the year	(5,63,44,473)	5,15,48,485	4,38,79,682	3,05,34,421	1,16,43,230	1,07,99,591	88,74,677	66,55,456
V. Change in Fair value of Assets during the year ended March 31, 2011								
1. Plan Assets at the beginning of the year	4,92,45,283	2,80,71,630	3,02,46,000	1,78,18,940	-	-	-	-
2. Expected return on plan assets	40,39,898	30,92,677	23,32,705	19,22,598	-	-	-	-
3. Actuarial Gains / (Losses)	(2,93,910)	58,52,542	(44,05,382)	17,03,594	-	-	-	-
4. Actual Company contribution	23,02,202	1,58,08,052	-	92,74,316	-	-	-	-
5. Benefits paid	(35,42,300)	(35,79,618)	(1,01,693)	(4,73,448)	-	-	-	-
6. Plan assets at the end of the year	(5,17,52,173)	(4,92,45,283)	2,80,71,630	3,02,46,000	-	-	-	-
VI. Experience Adjustment on Plan asset								
- [Gain / (Loss)]	(6,70,096)	(44,05,382)	58,52,542	-	-	-	-	-
Experience adjustment on obligation								
- [Gain / (Loss)]	293,910	5,39,924	(70,57,622)	-	19,99,929	2,41,510	(12,80,200)	-
VII. Actuarial assumptions								
1. Discount rate (%)	8.55	8.00	8.00	8.00	8.55	8.00	8.00	8.00
2. Expected return on plan assets (%)	8.00	8.00	8.00	8.00	-	-	-	-
3. Rate of increase in compensation levels (%)	6.00	6.00	5.00	5.00	6.00	6.00	5.00	5.00

The estimate of future salary increases, considered in Actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Gratuity Funded	Gratuity Funded	Gratuity Funded	Gratuity Funded	Leave encashment Unfunded	Leave encashment Unfunded	Leave encashment Unfunded	Leave encashment Unfunded
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08

VIII. Major category of plan assets as a % of the total plan assets as at March 31, 2011

1. Mutual Funds	100%	100%	100%	100%	-	-	-	-
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IX. Basis used to determine the expected rate of return on plan assets

The expected rate of return on plan assets is based on the current investments strategy and market scenario. The above information is certified by the Actuary.

23. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of data available with the Company.
24. Audit fees include Rs. NIL for special purpose Audit carried out towards investments in shares/loans to foreign subsidiaries. (Previous year Rs.8,00,000/-)
25. Previous year's figures are re-grouped/re-arranged wherever necessary to conform to the current year's presentation.

Per our Report attached

For and On behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

V. S. Rao
Chairman

P. Murari
Vice Chairman

Satish Chandra Gupta
Director

Reji Abraham
Managing Director

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 26th May 2011

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

P.Venkateswaran
Deputy Managing Director

K. Bharathan
Director



Aban Offshore Limited

Balance Sheet Abstract

As at 31st March 2011

Additional Information as per Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS:

Registration No. State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue Right Issue

Bonus Issue Private Placement (ESOS)

Private Placement(QIP)

III POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Assets Total Liabilities

SOURCES OF FUNDS

Paid-up Capital Share Application Money

Reserves & Surplus Secured Loans

Unsecured Loans Deferred Tax (Net)

Total

APPLICATION OF FUNDS (Amount in Rs. Thousands)

Net Fixed Assets Investments

Net Current Assets Total

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover Other Income

Total Expenditure Profit before tax

Profit after tax EPS Basic in - Rs.

EPS Diluted in - Rs. Dividend Rate (Equity Share Capital)

Dividend Rate (8% Preference Share Capital) Dividend Rate(9% Preference Share Capital)

Dividend Rate
(9.25% Preference Share Capital)

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)

Product Description

DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Name of the listed Company: Aban Offshore Limited

Subsidiary	Amount outstanding as at 31st March 2011 Rs.	Value of Investments as at 31st March 2011 Rs.	Terms
Aban Holdings Pte Ltd, Singapore	745,57,44,557	3943,52,23,291	Repayment of principal and payment of interest is on demand as per the loan agreement.

Statement Pursuant to Section 212(1) (e) of the Companies Act, 1956

1	Name of the Subsidiary Company	Aban Energies Limited	Aban Holdings Pte Ltd
2	Financial Year of the Subsidiary Company	Year Ended 31.03.2011	Year Ended 31.03.2011
3	Shares of the Subsidiary Company held by Aban Offshore Limited		
	(a) Number of Shares	2,00,070	85,00,00,000
	(b) Face Value	Rs.10	Not Applicable
	(c) Paid up value	Rs.10	USD 850,000,000
	(d) Extent of Holding	100%	100%
4	Net aggregate amount of Profit / (Loss) of the subsidiary Company so far as they concern the members of Aban Offshore Limited not dealt with in the accounts of the Aban Offshore Limited amount to:		
	(a) For the Subsidiary Company's financial year ended on 31.03.2011	Rs. 24,54,327	Rs. (892,494,670)
	(b) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(8,523,848)	1,735,364,430
	Net aggregate amount of Profit / (Loss) of the Subsidiary Company, dealt with in the Accounts of Aban Offshore Limited amount to:		
	(a) For subsidiary Company's Financial Year ended 31.03.2011	NIL	NIL
	(b) For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	NIL	NIL
6	As the financial year of the Subsidiary Company coincides with the financial year of the Holding Company, Section 212(5) of the Companies Act is not applicable		
	Note: Aban Holdings Pte Ltd is having the following subsidiaries. Financial year of these Companies ended on 31st March 2011		
	(a) Aban Singapore Pte Ltd	(k) Deep Drilling 2 Pte Ltd, Singapore	
	(b) Aban 7 Pte Ltd, Singapore	(l) Deep Drilling 3 Pte Ltd, Singapore	
	(c) Aban 8 Pte Ltd, Singapore	(m) Deep Drilling 4 Pte Ltd, Singapore	
	(d) Aban Abraham Pte Ltd, Singapore	(n) Deep Drilling 5 Pte Ltd, Singapore	
	(e) Aban Pearl Pte Ltd, Singapore	(o) Deep Drilling 6 Pte Ltd, Singapore	
	(f) Aban International Norway AS	(p) Deep Drilling 7 Pte Ltd, Singapore	
	(g) Sinvest ASA, Norway	(q) Deep Drilling 8 Pte Ltd, Singapore	
	(h) DDI Holding AS Norway	(r) Beta Drilling Pte Ltd, Singapore	
	(i) Deep Drilling Invest Pte Ltd, Singapore	(s) Venture Drilling Pte Ltd, Singapore	

For and On behalf of the Board

V. S. Rao
Chairman

P. Murari
Vice Chairman

Satish Chandra Gupta
Director

Raji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

P.Venkateswaran
Deputy Managing Director

K. Bharathan
Director

Place: Chennai

Date : 26th May 2011



Aban Offshore Limited

Statement of details to be furnished for subsidiaries as prescribed by the Ministry of Corporate Affairs

Name of the subsidiary Company	Aban Energies Ltd India	Aban Holdings Pte Ltd, Singapore	Aban Singapore Pte Ltd, Singapore	Aban Abraham Pte Ltd, Singapore	Aban 7 Pte Ltd, Singapore	Aban 8 Pte Ltd, Singapore	Aban Pearl Pte Ltd, Singapore	Aban International Norway AS, Norway
a) Share Capital	20,00,700	39,435,223,291	22,295,000,000	2,229,500,000	936,390,000	1,694,420,000	2,586,220,000	4,876,642,068
b) Reserves & Surplus *	(6,069,521)	(7,674,932,721)	(6,480,679,321)	124,733,142	(3,037,895)	2,915,533,006	(1,300,883,301)	(3,595,622,633)
c) Total Assets	3,607,781	16,989,470,978	4,207,966,014	22,813,955,517	5,288,427,862	11,569,949,539	2,046,247,615	513,157,118
d) Total Liabilities	7,329,602	7,524,180,408	29,273,736,776	20,459,722,375	4,355,075,757	6,959,996,533	760,910,915	35,225,158,883
e) Investments (except in case of investment in subsidiaries)	-	22,295,000,000	40,900,091,441	-	-	-	-	35,993,021,201
f) Turnover	14,488,182	1,552,821	9,372,329,248	1,322,091,744	550,395,917	2,462,917,014	570,734,995	-
g) Profit/(Loss) before Taxation	3,635,196	(957,846,740)	(680,751,050)	(467,909,856)	(166,575,060)	1,208,766,347	(3,389,188,278)	(1,640,594,734)
h) Provision for Taxation	1,180,869	-	435,277,279	(27,538,150)	(20,726,771)	(131,045,269)	(6,865)	-
i) Profit/(Loss) after Taxation	2,454,327	(957,846,740)	(1,116,028,329)	(495,448,006)	(187,301,853)	1,077,721,071	(3,389,195,142)	(1,640,594,734)
j) Proposed Dividend	-	-	-	-	-	-	-	-

Name of the subsidiary Company	Sinvest AS, Norway	DDI Holding AS Norway	Deep Drilling Invest Pte Ltd, Singapore	Deep Drilling 1 Pte Ltd, Singapore	Deep Drilling 2 Pte Ltd, Singapore	Deep Drilling 3 Pte Ltd, Singapore	Deep Drilling 4 Pte Ltd, Singapore	Deep Drilling 5 Pte Ltd, Singapore
a) Share Capital	6,134,290,890	19,348,322,698	28,664,259,655	6,039,205,480	6,499,456,013	5,794,576,089	1,682,592,012	3,038,649,002
b) Reserves & Surplus *	19,716,594,705	(11,646,838,256)	741,264,069	3,697,124,816	6,103,274,919	6,465,711,340	3,739,170,888	4,790,526,498
c) Total Assets	2,918,726,998	88,141,975	696,133,779	9,958,782,780	12,945,420,798	18,267,359,514	10,263,597,875	9,962,137,733
d) Total Liabilities	961,680,903	37,306,159,574	389,072,217	222,452,484	342,689,866	6,007,072,086	4,841,835,175	2,132,962,234
e) Investments (except in case of investment in subsidiaries)	23,893,839,501	44,919,502,041	29,088,462,161	-	-	-	-	-
f) Turnover	1,642,559,244	-	78,739,047	596,464,370	2,520,232,344	2,938,786,316	2,516,461,235	2,500,112,383
g) Profit before Taxation	(411,643,967)	(2,644,438,722)	578,051,783	(210,327,678)	1,444,318,773	1,379,395,179	1,827,109,361	1,600,885,783
h) Provision for Taxation	(17)	-	(8,560,945)	(14,355,759)	(238,349)	(554,474,845)	(441,302)	(12,338)
i) Profit after Taxation	253,768,727	(2,644,438,722)	569,490,837	(224,683,438)	1,444,080,424	824,920,334	1,826,668,059	1,600,873,445
j) Proposed Dividend	-	-	-	-	-	-	-	-

Name of the subsidiary Company	Deep Drilling 6 Pte Ltd, Singapore	Deep Drilling 7 Pte Ltd, Singapore	Deep Drilling 8 Pte Ltd, Singapore	Beta Drilling Pte Ltd, Singapore	Venture Drilling Pte Ltd, Singapore
a) Share Capital	2,288,003,150	2,504,947,724	1,251,032,691	1,359,995,000	4,459
b) Reserves & Surplus *	(302,442,654)	1,605,480,456	1,631,323,431	(4,230,865,836)	(1,695,856)
c) Total Assets	7,061,160,060	4,315,271,248	5,234,887,896	(2,870,870,836)	-
d) Total Liabilities	5,075,599,563	204,843,067	2,352,531,774	-	1,691,397
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-
f) Turnover	1,943,710,192	1,528,897,379	1,255,868,636	-	-
g) Profit before Taxation	798,107,326	962,607,562	525,408,460	139,709	(36,409)
h) Provision for Taxation	(96,887,424)	(23,790,200)	(29,628)	-	-
i) Profit after Taxation	701,219,902	938,817,362	525,378,832	139,709	(36,409)
j) Proposed Dividend	-	-	-	-	-

Includes share of profit in the joint venture Rs 66.54 crores

* Includes translation reserve

On behalf of the Board

Chennai
26th May 2011

Reji Abraham
Managing Director

V.S. Rao
Chairman

P. Murari
Vice Chairman

Satish Chandra Gupta
Director

C.P. Gopakrishnan
Dy. Managing Director & Secretary

P. Venkateswaran
Dy. Managing Director

K. Bharathan
Director

Note : 1. Government of India, Ministry of Corporate Affairs, vide General Circular No. 2/2011 dated 08.02.2011 has granted general exemption under section 212(8) of the Companies Act, 1956 from the year ending 31st March, 2011 from not attaching the full text of the financial statements of subsidiaries. However, as directed by the Ministry of Corporate Affairs the aforesaid details are provided.

2. Other than the Indian subsidiary Aban Energies Ltd, where accounts are in Indian Rupee, other 20 subsidiary accounts which are in US Dollar are converted into Indian Rupee at the Exchange rate of 1USD = Rs. 44.59 for the purpose of the details given above.

Auditors' Report on Consolidated Financial Statements

To
The Board of Directors
Aban Offshore Limited
Chennai
INDIA

We have audited the attached Consolidated Balance Sheet of Aban Offshore Limited, the parent company and its subsidiaries as at 31st March 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of Aban Offshore Limited's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing Standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 - "Consolidated Financial Statements" and AS 27 - "Financial reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India and notified by Government of India under the Companies (Accounting Standard) Rules, 2006.

We have audited the financial statements of M/s Aban Energies Limited, Chennai, India, the Indian subsidiary of the Parent Company. The Financial Statements of Aban Holdings Pte., Ltd., Singapore, the foreign subsidiary of the Parent Company and the Consolidated Financial Statements of Foreign Subsidiary's immediate subsidiary company, Aban Singapore Pte., Ltd., Singapore and its 17 subsidiaries, have been audited by other Auditors whose reports have been furnished to us and our opinion in respect of these subsidiaries is based solely on the report of the auditors.

The audited financial statement of Aban Holdings Pte Ltd., Singapore reflects the total assets of Rs. 3928.45 Crores as at 31st March 2011 and total revenue of Rs. 0.16 Crores for the year then ended. The Audited Consolidated Financial Statements of M/s Aban Singapore Pte Ltd, Singapore and its subsidiaries reflect total net assets of Rs. 11166.15 Crores as at 31st March 2011 and total net revenue of Rs. 2174.02 Crores for the year then ended.

On the basis of the information and explanations provided to us the audit reports on individual financial statements of Aban Offshore Limited, its Indian subsidiary and its aforesaid foreign subsidiaries, we are of the opinion that:

- a. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Aban Offshore Limited, and its subsidiaries as at 31st March 2011;
- b. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Aban Offshore Limited, and its subsidiaries for the year then ended; and
- c. The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Aban Offshore Limited and its subsidiaries for the year then ended.

For FORD, RHODES, PARKS & CO.,
Chartered Accountants
ICAI - Registration No.102860W

RAMASWAMY SUBRAMANIAN

Partner
Membership No: 016059
Place : Chennai
Date : May 26, 2011



Aban Offshore Limited

Consolidated Balance Sheet

As at 31st March 2011

	Schedule	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
Share Capital	1		334,70,46,430	334,70,18,950
Reserves and Surplus	2		1799,06,82,709	1845,93,31,976
Share Application Money pending allotment of Equity shares			-	1,55,376
2. Loan Funds				
Secured Loans	3		12607,67,46,226	13862,25,07,290
Unsecured Loan	4		440,10,98,865	301,84,90,263
3. Deferred Tax (Net)	5		29,19,28,868	43,56,49,140
TOTAL FUNDS EMPLOYED			15210,75,03,098	16388,31,52,995
II APPLICATION OF FUNDS				
1. Fixed Assets	6			
Gross Block		16304,12,13,030		17314,74,43,098
Less: Depreciation and Impairment		2398,22,01,208		1963,39,06,569
Net Block		13905,90,11,822		15351,35,36,529
Add: Capital Work in Progress (including capital advances)		17,51,37,776		13,13,84,706
			13923,41,49,598	15364,49,21,235
Investments	7		15,34,56,962	495,05,63,134
3. Current Assets, Loans and Advances				
(a) Inventory of Stores, Spares and Fuel		261,55,46,589		247,80,09,738
(b) Sundry Debtors	8	969,19,43,979		769,09,23,771
(c) Cash and Bank Balances	9	595,05,37,025		236,01,01,288
(d) Loans and Advances	10	306,73,31,019		210,02,09,814
		2132,53,58,612		1462,92,44,611
Less: Current Liabilities and Provisions				
(a) Current Liabilities	11	676,38,33,084		789,12,17,342
(b) Provisions		184,16,28,990		145,03,58,643
		860,54,62,074		934,15,75,985
Net Current Assets			1271,98,96,538	528,76,68,626
TOTAL ASSETS			15210,75,03,098	16388,31,52,995
Notes to Accounts	16			

Per our Report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 26th May 2011

For and On behalf of the Board

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary-

Aban Offshore Limited
Consolidated Profit and Loss Account
For the year ended 31st March 2011

	Schedule	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
I INCOME			
Income from Operations	12	3347,22,26,331	3358,65,71,550
Other Income	13	25,98,16,230	21,81,09,707
TOTAL		3373,20,42,561	3380,46,81,257
II EXPENDITURE			
Operating, Administrative and Other Expenses	14	1289,94,41,990	1499,05,22,676
Interest	15	923,76,89,750	976,82,17,368
Depreciation		490,71,32,410	461,55,56,068
TOTAL		2704,42,64,150	2937,42,96,112
Profit for the Year before Exceptional items and taxation		668,77,78,411	443,03,85,145
Less: Loss on asset sunk (Refer Note No.18)		337,28,72,452	-
Profit for the Year after Exceptional items before taxation		331,49,05,959	443,03,85,145
Less: Provision for taxation			
- Current Tax		267,45,85,183	265,06,22,838
- Deferred Tax		(14,37,20,272)	(7,98,83,892)
Profit for the year after taxation before share in earnings of Joint Ventures		78,40,41,048	185,96,46,199
Share in Earnings of Joint Ventures		66,54,12,730	125,03,86,182
Profit for the year after taxation after share in earnings of Joint Ventures		144,94,53,778	311,00,32,381
Add: Profit brought forward from Previous Year		786,68,51,867	605,63,44,399
Profit available for Appropriation		931,63,05,645	916,63,76,780
Transfer to Capital Redemption Reserve		50,00,00,000	50,00,00,000
Transfer to General Reserve		24,00,00,000	29,00,00,000
Proposed Dividend - Preference		27,89,00,000	27,89,00,000
Proposed Dividend - Equity		15,66,59,454	15,66,09,990
Tax on Preference Dividend		4,52,44,553	4,73,99,055
Tax on Equity Dividend		2,54,14,080	2,66,15,868
Balance Carried to Balance Sheet		807,00,87,558	786,68,51,867
Earnings per Equity Share of Rs. 2/- each (see Note 24)			
- Basic		25.86	69.84
- Diluted		25.72	68.77

Notes to Accounts

16

Per our Report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

For and On behalf of the Board

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 26th May 2011

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary



Aban Offshore Limited

Consolidated Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

A CASH FLOW FROM OPERATING ACTIVITIES:

NET PROFIT BEFORE TAX

ADJUSTMENTS FOR:

Depreciation	49,071.32	46,155.56
Interest	92,376.90	97,682.17
Interest and Dividend Income	(438.33)	(514.51)
Profit on sale of Long Term and Current Investments (Net)/joint venture interest	(1,082.69)	(2.11)
Loss on sale of Assets (Net)/Assets Sunk (Exceptional Item)	33,728.72	0.27
Provision for Employee Benefits	83.43	50.20
Provision for Diminution in the value of Long term investments	5,130.46	12,051.62
Unrealised Exchange (Gain) / Loss - Net	6,534.38	7,808.07
Provision for doubtful debts	3,440.77	-

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

ADJUSTMENTS FOR:

Inventories	(1,375.37)	(2,031.42)
Trade and other receivables	(33,270.69)	(19,697.35)
Trade and other payables	(12,446.16)	43,038.00

CASH GENERATED FROM OPERATIONS

Direct taxes paid	(22,863.06)	(25,836.40)
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NET CASH FROM OPERATING ACTIVITIES

B CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of fixed assets including Capital advances	(56,354.95)	(39,353.11)
Sale of fixed assets	106,614.74	3.42
Interest and dividend received	592.36	484.74
Purchase of Investments	(123,313.32)	(142,166.30)
Sale of Investments	166,862.49	223,138.01

NET CASH FROM / (USED IN) INVESTING ACTIVITIES

C CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds/(Repayment) of Term Borrowings	(116,287.98)	(242,776.19)
Proceeds from partly paid shares	-	0.13
Share application money received	-	1.55
Proceeds from allotment of Equity shares under QIP and ESOS	80.83	69,824.69
Dividend paid including tax on dividend	(5,095.25)	(4,781.03)
Interest paid	(88,916.45)	(103,074.02)

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36,221.19	(35,690.16)
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CASH AND CASH EQUIVALENTS -at beginning of the year

Effect of Exchange (Loss) / Gain on cash and cash equivalents	23,601.01	59,477.97
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CASH AND CASH EQUIVALENTS- at end of the year	(316.83)	(186.80)
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2010-2011
Rupees in Lakhs

2009-2010
Rupees in Lakhs

Per our Report attached

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 26th May 2011

For and On behalf of the Board

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
250,00,00,000 Equity Shares of Rs.2/- each (Previous year 250,00,00,000 Equity Shares of Rs.2/- each)	500,00,00,000	500,00,00,000
100,00,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 100,00,00,000 cumulative redeemable Preference Shares of Rs.10/- each)	1000,00,00,000	1000,00,00,000
	<u>1500,00,00,000</u>	<u>1500,00,00,000</u>
Issued and Subscribed		
3,68,86,595 Equity Shares of Rs.2/- each. (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each) Out of the above, 54,92,795 Equity shares of Rs.2/- each, have been issued in pursuance of Scheme of Amalgamation of Hitech Drilling Services India Ltd with the Company	7,37,73,190	7,37,73,190
8,51,055 Equity Shares of Rs.2/- each issued against conversion of Foreign Currency Convertible Bonds (Previous year 851055 Equity Shares of Rs.2/- each) (See Note No 17).	17,02,110	17,02,110
95,130 Equity Shares of Rs.2/- each issued against Employee Stock Options Scheme (Previous Year : 81390 Equity Shares of Rs.2/- each) (See Note no.16)	1,90,260	1,62,780
56,97,135 Equity Shares of Rs.2/- each issued against Qualified Institutional Placement (Previous Year 56,97,135 Equity Shares of Rs.2/- each)	1,13,94,270	1,13,94,270
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous year: 15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
	<u>334,70,59,830</u>	<u>334,70,32,350</u>
Called up and Paid up		
3,68,73,195 Equity Shares of Rs.2/- each (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each)	7,37,46,390	7,37,46,390
8,51,055 Equity Shares of Rs.2/- each against conversion of Foreign Currency Convertible Bonds (Previous year 8,51,055 Equity Shares of Rs.2/- each) (See Note No 17).	17,02,110	17,02,110
95,130 Equity shares of Rs.2/- each against exercise of Stock Options under the Employees Stock Option Scheme. (Previous Year : 81390 Equity shares of Rs.2/- each) (See Note no.16)	1,90,260	1,62,780
56,97,135 Equity Shares of Rs.2/- each against Qualified Institutional Placement (Previous Year 56,97,135 Equity Shares of Rs.2/- each)	1,13,94,270	1,13,94,270
	<u>8,70,33,030</u>	<u>8,70,05,550</u>
Add: Shares Forfeited, 13,400 equity shares at Rs.1/- each (Previous Year 13,400 equity shares at Rs.1/- each)	13,400	13,400
	<u>8,70,46,430</u>	<u>8,70,18,950</u>
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year :15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
TOTAL	<u>334,70,46,430</u>	<u>334,70,18,950</u>

Schedules annexed to and forming part of the consolidated accounts

Notes:

- 15,00,00,000 Non-Convertible 8% Cumulative Redeemable Preference Shares will be redeemed at par on 16-06-2011, 16-06-2012 & 16-06-2013 in the ratio of 30:30:40 respectively.
- 15,60,00,000 Non convertible 9% Cumulative Redeemable Preference Shares will be redeemed at par at the end of 5th year from the date of allotment of shares as per details given below:
5,50,00,000 shares will be redeemed on 29-12-2011
4,00,00,000 shares will be redeemed on 28-02-2012
6,10,00,000 shares will be redeemed on 30-03-2012
- 2,00,00,000 Non-Convertible 9.25% Cumulative Redeemable Preference Shares will be redeemed at par on 03-08-2013. The Company has call option at the end of 3rd year (2010-11) to call Non Convertible Cumulative redeemable preference Shares at par. However this option has not been exercised.
- In April 2006, the Company had issued 1,161 un secured Foreign Currency Convertible Bonds(FCCB) of Japanese Yen (JPY) 10,00,000 each aggregating JPY 11.61 Billion. As per the terms of issue, the bond holders shall have the right to convert the Bonds into equity shares on or after 19th April 2007 upto and including 8th April 2011. The conversion price of Equity Shares of Rs.2/- each for the purpose of the Bond has been fixed at Rs.2,789.04 per equity share. As on 31-03-2011, 620 bonds have been converted into 8,51,055 Equity shares. Outstanding Bonds as at 31-03-2011 - 541 Bonds - (See Note no.17)
- The Company has reserved 18,44,000 Equity shares of Rs.2/- each for offering to Employees under Employees stock option scheme (upto previous year: 18,44,000 equity shares of Rs.2/- each), out of which 95,130 equity shares of Rs.2/- each have been already allotted upto the date of Balance Sheet under the said scheme and included under paid up capital (upto previous year: 81,390 equity shares of Rs. 2/- each allotted) - (See Note no.16)
- During the year 2009-2010 the Company has allotted 56,97,135 Equity Shares of Rs.2/- each at a premium of Rs. 1,222.30 per share to the Qualified Institutional Buyers as per SEBI Guidelines.

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 2		
RESERVES AND SURPLUS		
(a) Capital Reserve	33,500	33,500
(b) Securities Premium Account		
- As per last Balance Sheet	953,76,73,010	256,66,31,932
Add: On Allotment under ESOS (See Note no.16)	82,10,731	74,32,967
Add: On Allotment to Qualified Institutional Buyers	-	696,36,08,111
	<u>954,58,83,741</u>	<u>953,76,73,010</u>
(c) Investment Allowance Reserve-Utilised	5,24,00,000	5,24,00,000
(d) Capital Redemption Reserve		
As per last Balance Sheet	150,00,00,000	100,00,00,000
Transfer from Profit and Loss Account	50,00,00,000	50,00,00,000
	<u>200,00,00,000</u>	<u>150,00,00,000</u>
(e) General Reserve		
- As per last Balance Sheet	105,92,91,943	76,92,91,943
Add: Transfer from Profit and Loss Account	24,00,00,000	29,00,00,000
	<u>129,92,91,943</u>	<u>105,92,91,943</u>
(f) Profit and Loss Account	807,00,87,558	786,68,51,867
(g) Translation Reserve	(297,70,14,033)	(155,69,18,344)
TOTAL (a+b+c+d+e+f+g)	<u>1799,06,82,709</u>	<u>1845,93,31,976</u>

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 3		
SECURED LOANS		
Rupee Term Loans from Banks	1982,89,37,758	2472,47,72,468
Rupee Term Loans from Others	101,24,73,026	116,40,75,345
Foreign currency Term Loans from Banks	8258,48,66,555	8450,85,93,336
Bond Loans	1886,82,27,822	2232,33,07,205
Notes	-	201,10,72,000
Cash Credit from Banks	206,72,73,145	132,68,49,000
Foreign currency Term Loans from Others	-	126,65,26,460
Short term loan from Banks	170,55,58,723	128,71,09,735
Loan - Others	94,09,197	1,02,01,741
TOTAL	12607,67,46,226	13862,25,07,290

Notes:

1. Rupee Term Loans from Banks are secured by first pari-passu charge on the specific offshore drilling rigs, drillship and accessories and windmills and by second pari-passu charge on three offshore drilling rigs and drill ship owned by the Company and second charge on two drilling rigs of the foreign subsidiaries.
2. Cash Credits from Banks are secured by way of hypothecation of inventory of stores and spares and Book debts. Moreover, two offshore Jack up rigs of the Company have been offered as a second charge for certain cash credit facilities.
3. The Company has offered a first pari-passu charge on three offshore drilling rigs, Floating Production unit, Drill ship and second charge on two offshore drilling rigs for some of the term loans availed by a subsidiary of wholly owned subsidiary Aban Holdings Pte Ltd.
4. Rupee term loan from others is secured by first pari-passu charge on two specific rigs of the Company to a financial institution.
5. Short term loan from Banks represent loan availed against Letter of Credit secured by second charge on three jack up rigs and a Drill ship of the company.
6. Loan others represent Hire purchase loan for vehicles availed from Non-Banking finance company secured by hypothecation of vehicles.
7. Some of the term loans availed by the indirect subsidiaries are secured by first priority pledge over shares held by such indirect subsidiary in other indirect subsidiaries, first and second charge over the rigs / drill ships owned by indirect subsidiaries, assignment of utilisation contract, insurances and first charge on receivables.
8. Bond loans issued by indirect subsidiaries are secured by first pledge on rigs and assignment of insurances. Some of the bond loans have dividend covenants. The issuer has call options to buy back the bonds at premium.
9. Foreign currency term loan from others are guaranteed / secured stand by letter of credit issued by Banks, which are secured by cash deposits held in pledged account with the respective Banks.

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 4		
UNSECURED LOAN		
Foreign Currency Convertible Bonds (See Note no.17)	290,10,98,865	259,84,90,263
From Companies	150,00,00,000	42,00,00,000
TOTAL	440,10,98,865	301,84,90,263
SCHEDULE 5		
DEFERRED TAX (NET)		
Deferred Tax Liability on Timing differences		
On depreciation	29,19,28,868	43,56,49,140
TOTAL	29,19,28,868	43,56,49,140

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE 6

FIXED ASSETS

(Rupees)

	GROSS BLOCK						DEPRECIATION				NET BLOCK	
Description of the asset	As at 1st April, 2010	Additions during the Year *	Deductions during the Year	Exchange Difference #	As at 31st March, 2011	As at 1st April, 2010	Additions during the Year	Deductions during the Year	Exchange Difference #	As at 31st March, 2011	As at 31st March, 2010	
Goodwill	4955,51,07,151	-	-	(33,11,76,925)	4922,39,30,226	-	-	-	-	4922,39,30,226	4955,51,07,151	
Land-Freehold	12,85,69,908	-	-	-	12,85,69,908	-	-	-	-	12,85,69,908	12,85,69,908	
Building	15,03,66,491	-	-	-	15,03,66,491	3,20,11,649	24,50,974	-	3,44,62,623	11,59,03,868	11,83,54,842	
Offshore Jackup Drilling Rigs, Floating Production unit and connected machineries	9642,17,39,264	244,03,45,516	1384,38,02,454	(49,09,35,958)	8452,73,46,368	1641,57,07,015	360,62,55,443	23,35,35,978	(27,26,91,992)	1951,57,34,488	8000,60,32,249	
Drillship and connected machineries	2421,68,67,624	270,49,85,367	44,78,11,707	(14,25,52,974)	2633,14,86,310	117,83,05,863	110,30,76,087	2,55,58,750	(361,164)	225,54,62,036	2303,85,61,761	
Other Machineries	8,08,24,706	-	-	8,08,24,706	8,08,24,706	7,67,35,196	-	-	7,67,35,196	40,89,510	40,89,510	
Wind Mills and connected machineries	240,78,13,800	-	1,10,00,000	-	239,68,13,800	181,13,50,385	17,88,73,917	91,73,267	198,11,51,035	41,56,62,765	59,64,63,415	
Office Equipment	7,36,93,972	1,14,50,325	-	(1,33,505)	8,50,10,792	5,90,30,202	95,68,227	-	(48,38,139)	6,37,60,290	1,46,63,770	
Furniture and Fixtures	5,92,43,876	2,69,913	-	(2,41,557)	5,92,72,232	4,06,20,602	22,45,784	-	(1,26,74,981)	3,01,91,405	1,86,23,274	
Vehicles	5,32,16,306	43,95,991	-	(22,100)	5,75,90,197	2,01,45,657	45,61,978	-	(3,500)	2,47,04,135	3,30,70,649	
TOTAL	17314,74,43,098	516,14,47,112	1430,26,14,161	(96,50,63,019)	16304,12,13,030	1963,39,06,569	490,71,32,410	26,82,67,995	(29,05,69,776)	13905,90,11,822	15351,35,36,529	
Capital Work-in-progress **	13,13,84,706	4,99,52,287	61,99,217	-	17,51,37,776	-	-	-	-	17,51,37,776	13,13,84,706	
TOTAL	17327,88,27,804	521,13,99,399	1430,88,13,378	(96,50,63,019)	16321,63,50,806	1963,39,06,569	490,71,32,410	26,82,67,995	(29,05,69,776)	13923,41,49,598	15364,49,21,235	
Previous Year	19111,63,61,141	4769,94,40,487	4376,98,51,219	(2176,71,22,605)	17327,88,27,804	1551,28,40,918	461,55,56,068	53,51,847	(489,138,570)	15364,49,21,235	17560,35,20,223	

** Includes Capital advance Rs.5,67,72,139/- (Previous year Rs.13,32,77,255/-)

* Includes interest on borrowings NIL (Previous year Rs.44,01,03,297/-)

As the assets and Liabilities of non integral foreign operations are translated at the exchange rate as at Balance Sheet date, the difference in exchange rate is reflected under Exchange Difference against respective assets.

Schedules annexed to and forming part of the consolidated accounts

	No. of Shares	Face Value Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 7				
INVESTMENTS				
LONG TERM INVESTMENTS (AT COST)				
Trade Investments				
<u>Equity Shares - Fully Paid (Unquoted)</u>				
Aban Informatics Private Limited	3,00,750	10.00	1,98,49,500	1,98,49,500
Frontier Offshore Exploration (India) Limited	49,993	100.00	49,99,300	49,99,300
Aban Power Company Limited	1,19,40,000	10.00	11,94,00,000	11,94,00,000
<u>Equity Shares - Fully Paid (Quoted)</u>				
Petrojack ASA	1,17,24,000	Nok 5	171,82,08,267	172,16,60,020
Others (Non Trade)				
<u>Equity Shares - Fully paid (Quoted)</u>				
Arihant Threads Ltd	13,600	10.00	1,70,000	1,70,000
Punjab Woolcombers Ltd	300	10.00	27,000	27,000
State Bank of Travancore	2,450	100.00	1,47,000	1,47,000
ICICI Bank Ltd	2,100	10.00	7,86,374	7,86,374
Oil & Natural Gas Corporation Ltd	50,572	10.00	63,21,750	63,21,750
Indian Bank	32,318	10.00	29,40,938	29,40,938
<u>Equity Shares - Fully paid (Unquoted)</u>				
Madras Stock Exchange Limited	7,995	10.00	39,97,500	39,97,500
Investment in Joint Venture (Trade)				
Venture Drilling ASA - Unquoted	30,177,466	Nok 1	-	418,49,05,786
CURRENT INVESTMENTS (At lower of cost and fair value)				
	No. of Units	Face Value Rupees		
<u>Mutual Funds (Unquoted)</u>				
HDFC Cash Management Fund Saving Plan - DDR	1,882,104.00	10.00	-	2,00,18,811
HDFC Floating Rate Income Fund - STP - WP - DDR	5,966,713.86	10.00	-	6,01,49,846
ICICI Prudential Flexible Income Plan Premium DDR	143,299.79	100.00	-	1,51,51,803
IDFC Money Manager Fund TP Super Institutional Plan- DDR	108.96	10.00	-	1,090
Kotak Flexi Debt Scheme Institutional plan - DDR	37,902.90	10.00	-	3,80,830
			187,68,47,629	616,09,07,548
Less: Diminution in the value of Long Term Investment (See Note no.13)			171,82,08,267	120,51,62,014
Less: Provision for diminution in value of Long Term Investment including provision relating to joint venture investment of Rs.49,99,300/- (Previous Year : Rs.49,99,300/-)			51,82,400	51,82,400
			15,34,56,962	495,05,63,134
Aggregate Value of Quoted Investments-Cost (Net of provision for Diminution in value of investments)			1,02,09,962	52,67,07,968
Aggregate Value of Quoted Investments- Market Value			2,63,62,971	53,82,26,783
Aggregate Value of Unquoted Investments-Cost (Net of provision for Diminution in value of investments)			14,32,47,000	442,38,55,166

Note : During the year, the Company's 50% investment in joint venture company viz. Venture Drilling ASA was sold. Profit on sale of shares is reflected in other income.



Aban Offshore Limited

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 8		
SUNDRY DEBTORS		
(a) Outstanding for more than six months		
- Considered good	313,56,21,712	78,88,48,768
- Considered doubtful	34,40,77,184	-
(b) Others	655,63,22,267	690,20,75,003
Less : Provision for doubtful debts	(34,40,77,184)	-
TOTAL	969,19,43,979	769,09,23,771
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	33,69,542	38,55,021
Balances with Scheduled Banks		
- In Current Accounts	72,15,06,562	46,92,49,690
- In Deposit Accounts *	15,47,59,681	140,38,79,456
Balances with other banks in current account		
Standard Chartered Bank, Dubai	20,37,866	75,32,764
Emirates bank, Dubai	17,53,808	18,24,467
HSBC	9,33,652	5,27,859
OCBC	912,12,542	2,11,163
DnB Nor	389,78,96,302	7,48,41,779
Swed Bank	16	11,34,596
Standard Chartered Bank, Singapore	8,28,99,840	39,14,72,790
United Overseas Bank, Singapore	24,991	25,159
Wells Fargo	-	7,90,657
DBS Bank	1,90,866	1,93,733
Pluss Bank	-	5,96,728
Standard Chartered Bank, Brunei	26,20,315	-
Cal Bank	53,525	71,644
Emirates Bank	18,40,28,790	17,10,145
Bank MAS	-	21,83,637
Standard Chartered Bank, Qatar	205	-
Mashreq Bank	6,56,865	-
Spare Bank	5,92,740	-
Trust Bank	-	-
Balances with other banks in Deposit account	-	-
DnB Nor	56,03,44,694	-
Mashreq Bank	24,28,120	-
United Overseas Bank, Singapore	24,32,26,103	-
TOTAL	595,05,37,025	236,01,01,288
Maximum amount outstanding at any time during the year with other banks - Current Account		
Standard Chartered Bank, Dubai	76,03,906	1,56,23,029
Emirates Bank, Dubai	1,47,19,964	1,13,67,986
HSBC	9,33,652	5,27,859
OCBC	2285,03,198	3,70,786
DnB Nor	389,78,96,302	168,95,45,569
Swed Bank	16	11,34,596
Standard Chartered Bank, Singapore	294,29,40,000	273,21,82,877
United Overseas Bank, Singapore	22,09,08,016	37,89,09,808
Wells Fargo	-	33,62,939
DBS Bank	48,85,172	1,93,733
Pluss Bank	-	5,96,728
Siam Commercial Bank	-	-

Schedules annexed to and forming part of the consolidated accounts

Cal Bank	53,525	1,28,28,789
Emirates Bank	64,66,51,242	3,17,02,916
Bank MAS	-	2,04,12,605
Maximum amount outstanding at any time during the year with other banks - Deposit Account		
DnB Nor	5603,44,694	-
Mashreq Bank	24,28,120	-
United Overseas Bank, Singapore	2432,26,103	-

* includes unutilised proceeds from foreign currency convertible bonds issued - Rs.59.73 lakhs (previous year Rs. 60.14 lakhs)

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured, Considered Good)		
Advance recoverable in Cash or in Kind or for value to be received (See Note No.14)	300,89,64,804	201,37,13,196
Deposit with Customs and other tax authorities	2,91,82,828	2,91,82,828
Sundry Deposits	2,91,83,387	5,73,13,790
TOTAL	306,73,31,019	210,02,09,814
SCHEDULE 11		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current Liabilities		
Sundry Creditors - Amount due to Micro Enterprises and Small Enterprises	-	-
Sundry Creditors - others	563,62,53,794	655,60,67,179
Unclaimed Dividends*	1,00,44,923	81,62,877
Other Liabilities	19,11,58,093	51,74,62,705
Interest accrued but not due on secured loans	92,63,76,274	80,95,24,581
*Note : No amount is due to Investor Education & Protection Fund.		
	676,38,33,084	789,12,17,342
(b) Provisions		
Provision for taxation (Net of Advance payment of taxes)	131,34,26,524	92,51,47,781
Proposed Dividend - Preference	27,89,00,000	27,89,00,000
Proposed Dividend - Equity	15,66,59,454	15,66,09,990
Tax on Dividend	7,06,58,633	7,40,14,923
Provision for Provident Fund	52,68,073	44,55,271
Provision for Leave Encashment and Gratuity	1,67,16,306	1,12,30,678
	184,16,28,990	145,03,58,643
TOTAL (a+b)	860,54,62,074	934,15,75,985
	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 12		
INCOME FROM OPERATIONS		
Drilling and Production Services	3338,57,85,240	3347,31,33,822
Wind Power generation	8,64,41,091	11,34,37,728
TOTAL	3347,22,26,331	3358,65,71,550

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 13		
OTHER INCOME		
(a) Rental Income(Gross)	63,49,904	86,74,618
(b) Dividend Income from Long term Investments	11,62,267	9,29,769
(c) Dividend Income from Current Investments	1,85,01,599	2,09,77,608
(d) Interest on Bank Deposits (Gross)	2,41,56,734	2,90,69,254
(e) Interest-Others (Gross)		
- On Staff loans	12,792	66,833
- On call money relating to equity shares	-	62,144
- On Others	-	3,45,390
(f) Miscellaneous Income	9,73,00,492	15,77,73,360
(g) Profit on Sale of Assets (Net)	40,63,658	-
(h) Profit on Sale of Current Investments (Net)	-	2,10,731
(i) Profit on sale of Joint Venture interest	10,82,68,784	-
TOTAL	25,98,16,230	21,81,09,707

Note: Tax deducted at source on a,d, and e Rs.6,25,414/- (Previous year: Rs 25,91,848/-)

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 14			
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES			
Consumption - Stores and Spares		104,91,79,196	103,31,75,930
Power and Fuel		31,96,68,989	27,02,23,892
Salaries and Bonus		275,43,93,047	278,65,78,723
Contribution to Provident funds and Other funds		3,72,06,209	2,99,65,577
Staff Welfare		10,38,48,896	6,73,84,158
Rent		877,60,282	96,31,962
Rates and Taxes		2,60,00,174	3,33,59,950
Rental Charges for Machinery		43,93,82,656	46,26,61,654
Repairs and Maintenance			
- Machinery	46,15,69,841		62,50,59,953
- Buildings	15,89,561		11,89,770
- Other assets	66,37,673	46,97,97,075	2,43,71,488
Insurance		59,36,55,457	68,84,10,485
Drilling Services and Management Fees		107,58,23,044	47,19,51,403
Consultancy and Professional Fees		89,18,70,017	134,15,49,895
Catering Expenses		26,59,73,345	25,70,53,479
Communication Expenses		7,81,01,020	9,93,56,375
Travelling and Transportation Expenses		74,57,77,951	158,23,89,080

Guarantee Commission , Bank and Other Charges	16,15,91,224	40,57,98,022
Loss on Forex contracts	50,01,85,009	55,55,03,695
Loss on transfer of interest in Joint venture		3,47,00,000
Provision for Doubtful Debts	34,40,77,184	-
Provision for Diminution / Value of Long Term Investment (See Note 13)	51,30,46,253	120,51,62,014
Loss on Sale of Assets (Net)	-	27,218
Auditors' Remuneration :		
Audit Fees	3,68,15,374	3,48,28,917
Tax Audit Fee	6,15,000	76,17,211
For Certification and Other Services	53,71,752	60,64,852
Reimbursement of Expenses	1,32,500	429,34,626
		1,18,558
Foreign currency exchange difference (Net)	78,29,63,731	120,27,96,180
Other Expenses	161,62,06,605	175,35,92,235
TOTAL	1289,94,41,990	1499,05,22,676

SCHEDULE 15

INTEREST

On Term Loans	892,03,90,933	1009,00,80,205
Others	31,72,98,817	11,82,40,460
TOTAL	923,76,89,750	1020,83,20,665
Less: Interest Capitalised	-	44,01,03,297
TOTAL	923,76,89,750	976,82,17,368



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

SCHEDULE 16 – Notes attached to and forming part of the Accounts.

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS AND CONCEPTS

Financial statements are based on historical cost convention and on the basis of a going concern and comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956. The Parent Company and subsidiaries follow mercantile system of accounting and recognizes income and expenditure on an accrual basis.

B. BASIS OF PRESENTATION

The financial statements have been prepared to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI") / Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ("the Act"). The Accounting Policies have been applied consistently by the Company.

C. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the Accounting Standard-21 "Consolidated Financial Statement" and Accounting Standard -27 – "Financial reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. (ICAI) / Companies (Accounting Standards) Rules, 2006.

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and profits in full.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in consolidated Subsidiaries at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve.

Foreign Subsidiaries account their transactions in United State Dollar as Reporting currency. Foreign subsidiaries are non-integral in nature. For the purpose of consolidation, monetary items and non-monetary items of assets and liabilities are translated at exchange rate prevailing at the Balance Sheet date. The items of revenue income and expenditure reflected in the Profit and Loss Account are translated at the average exchange rate during the period. The differences arising out of translation are transferred to "Translation Reserve".

Minority interest in subsidiaries is arrived at based on the minority shareholders proportionate share of Net Assets and Net income of the Parent Company's majority owned foreign subsidiaries.

D. USE OF ESTIMATES

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires that the management makes prudent and reasonable estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates and such differences are accounted in which they arise.

E. FIXED ASSETS

Fixed Assets are capitalised at cost inclusive of installation expenses and interest upto the date the asset is put to use. Consequent to the introduction of Companies (Accounting Standards) Rules, 2006 with effect from April 1, 2007, the exchange differences of foreign currency loans / liabilities relating to Fixed Assets are accounted in the Profit and Loss Account. Capital work-in-progress includes the cost of Fixed Assets that are not ready for use at the Balance Sheet date and advances paid to acquire Fixed Assets before the Balance Sheet date.

F. DEPRECIATION

Depreciation on Fixed Assets is provided on the Straight Line Method based on the rates prescribed in Schedule XIV of the Companies Act, 1956 on a pro-rata basis. Depreciation on Drillship is provided at a higher rate of 11.31% p.a. on Straight Line Method based on technical evaluation of the expected useful life. Depreciation on windmills is provided at a higher rate of 10% p.a. on straight line method based on technical evaluation of the expected useful life. Depreciation on Fixed Assets of subsidiaries is determined using the Straight line method over the useful life of the assets based on the technical evaluation of the expected useful life.

G. GOODWILL AND AMORTISATION

Goodwill reflects the excess of the purchase price over the book value of the net assets acquired. Goodwill arising on consolidation (acquisition of subsidiaries) is not amortized but tested for impairment on an annual basis.

H. INVENTORY VALUATION

Inventory of stores, spares and fuel is valued at cost based on First-in-First out cost formula/Weighted Average Method as applicable.

I. REVENUE RECOGNITION

Income from drilling and production services is recognized as earned, based on contractual daily rates billed on monthly basis. Mobilisation/demobilization fees received, if any, is recognized as earned in the year of mobilization/demobilization. Income from wind power generation is recognized based on the number of units of power generated every month at contracted rates.

Interest income is recognized on time proportion basis, taking into account the amount outstanding and applicable rate. Dividend income is recognized when the Company's right to receive the dividend is established.

J. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Realised gains and losses on foreign exchange transactions during the year are accounted in the Profit and Loss Account. Foreign currency Current assets and Current liabilities are translated at year end exchange rates. Resulting gains/losses are recognized in the Profit and Loss account. Exchange differences in respect of foreign currency loans/liabilities relating to Fixed Assets are accounted in the Profit and Loss Account.

In circumstances, where the year end rate is not stable/highly volatile, monetary items will be reported based on the subsequent actual realization rate. In case of forward exchange contracts/options relating to foreign currencies, the premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of such contracts is recognized as income/expense under respective heads of account for the period. In respect of derivative contracts, gains/losses on any such contracts are recognized on the Profit and Loss Account.

K. INVESTMENTS

- (a) Long Term Quoted investments are stated at cost unless there is a permanent diminution in the value. A provision for diminution is made to recognize a decline other than temporary, in the value of long term investments.
- (b) Long Term Unquoted Investments in Joint Venture Company are stated at cost and no loss is recognized in the fall in their net worth unless there is a permanent fall in their net worth. However, a provision for diminution in value of investment is made if a fall in net worth is anticipated.
- (c) Current investments are stated at lower of cost and fair value of the category of such investments.

L. PROPOSED DIVIDEND

The dividend on Preference Share Capital and Equity Share Capital as proposed by the Board of Directors is provided in the books of account pending the approval of the shareholders at the Annual General Meeting.

M. EMPLOYEE BENEFITS

- (a) Contribution to Provident Fund which is a defined contribution retirement plan is made monthly at a predetermined rate to the Provident Fund Authorities and is debited to the Profit and Loss account on accrual basis.
- (b) Contribution to Superannuation Scheme which is defined contribution retirement plan is made annually at predetermined rate to insurance companies which administer the fund and debited to Profit and Loss Account.
- (c) The Company makes annual contribution to Gratuity Funds administered by Insurance Companies, which is considered as defined benefit plan. The present value of the defined benefit is measured using the 'Projected Unit Credit method with actuarial valuation being carried out at each Balance Sheet date by an independent valuer. Actuarial gain and losses are immediately recognized in the Profit and Loss Account. Amount of contribution, computed by the insurers is paid by the company and charged to Profit and Loss Account. No additional liability is anticipated under the scheme administered by the Insurance Companies.
- (d) The Company makes provision for leave encashment based on actuarial valuation carried out by an independent actuary at the Balance Sheet date.

N. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

O. TAXES ON INCOME

The income tax provision comprises of current tax and deferred tax. Current tax is the amount of tax payable in respect of income for the year. In accordance with the Accounting Standard-22 – Accounting for taxes on income issued by the Institute of Chartered Accountants of India, the deferred tax on timing difference between book profit and tax profit for the year is accounted based on the rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. However, deferred tax assets arising from timing difference are recognized to the extent of their virtual /reasonable certainty about its realisability in future years.

P. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there is a change in the estimate of recoverable value.

Q. OPERATING LEASES

Lease arrangements, where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognized in the Profit and Loss Account on a straight line basis over the period of the lease.

R. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated values in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

- The Consolidated financial statements include the financial statements of Aban Offshore Limited ("the Parent Company"), its subsidiaries and joint operating company. The details of the subsidiaries and the joint operating company are given below:

Name of the company	Country of Incorporation	Percentage of holding	Accounts considered	Reporting Currency
Aban Energies Ltd	India	100%	31st March 2011 (audited)	Indian Rupee
Aban Holdings Pte Ltd	Singapore	100%	31st March 2011(audited)	US Dollars
Aban Singapore Pte Ltd	Singapore	(a)	31st March 2011(audited)	US Dollars
Aban International Norway AS	Norway	(b)	31st March 2011(audited)	US Dollars
Aban 7 Pte Ltd	Singapore	(b)	31st March 2011(audited)	US Dollars
Aban 8 Pte Ltd	Singapore	(b)	31st March 2011(audited)	US Dollars
Aban Abraham Pte Ltd	Singapore	(b)	31st March 2011(audited)	US Dollars
Aban Pearl Pte Ltd	Singapore	(b)	31st March 2011(audited)	US Dollars
Sinvest AS	Norway	(b)	31st March 2011(audited)	US Dollars
DDI Holding AS	Norway	(c)	31st March 2011(audited)	US Dollars
Deep Drilling Invest Pte Ltd	Singapore	(d)	31st March 2011(audited)	US Dollars
Deep Drilling 1 Pte Ltd	Singapore	(e)	31st March 2011(audited)	US Dollars
Deep Drilling 2 PteLtd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 3 PteLtd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 4 Pte Ltd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 5 Pte Ltd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 6 Pte Ltd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 7 Pte Ltd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Deep Drilling 8 Pte Ltd	Singapore	(e)	31st March 2011 (audited)	US Dollars
Beta Drilling Pte Ltd	Singapore	(c)	31st March 2011(audited)	US Dollars

The financials of the following Joint Ventures have also been considered by Aban Singapore Pte Ltd in their consolidated accounts:

- Premium Drilling AS, Norway
- Premium Drilling Pte Ltd., Singapore
- Venture Drilling Pte Ltd., Singapore

Note:

- a) Wholly-owned subsidiary of Aban Holdings Pte Ltd
- b) Wholly-owned subsidiaries of Aban Singapore Pte Ltd
- c) Wholly-owned subsidiary of Sinvest AS
- d) Wholly-owned subsidiary of DDI Holding AS
- e) Wholly-owned subsidiaries of DDI Investment Pte Ltd
- f) Subsidiary of Sinvest AS

The consolidated Financial Statements have been prepared after considering adjustments to align the accounts of foreign subsidiaries with the requirements of applicable Indian Accounting Standards.

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
3. Contingent Liabilities not provided for		
a. Guarantees given by banks on behalf of the Parent Company /subsidiaries	118,38,96,390	216,62,48,116
b. Letters of Credit	-	1,62,56,392
c. Capital commitments not provided for	6,32,39,655	31,54,30,362
d. Indemnity obligation pursuant to Novation Agreement	-	75,00,000
4. Operating Lease commitments		

The future minimum lease payments under non-cancellable operating lease contracted for at the Balance Sheet date but not recognized as liabilities are as follows:

Nature of operating lease	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Operating Lease –Others		
-Within 1 year	5,81,00,770	1,48,13,700
-Between 1-2 years	84,27,510	1,65,64,410
5. Managerial Remuneration		
Salary and Allowances	3,84,40,520	3,17,83,444
Monetary value of perquisites	91,32,607	63,47,402
Sitting Fees	3,19,000	3,15,000
Commission	7,68,54,874	9,31,08,843
TOTAL	12,47,47,001	13,15,54,689

6. Related Party Disclosure

Enterprise where control exists

A. Subsidiary Companies(Wholly-owned subsidiaries)

Aban Energies Limited , India
Aban Holdings Pte Ltd, Singapore

B. Subsidiaries of Aban Holdings Pte Ltd

Aban Singapore Pte Ltd, Singapore
Aban 7 Pte Ltd, Singapore
Aban 8 Pte Ltd, Singapore
Aban Abraham Pte Ltd, Singapore
Aban Pearl Pte Ltd, Singapore



Aban International Norway AS, Norway
 Sinvest AS, Norway
 DDI Holding AS, Norway
 Deep Drilling Invest Pte Ltd, Singapore
 Deep Drilling 1 Pte Ltd, Singapore
 Deep Drilling 2 Pte Ltd, Singapore
 Deep Drilling 3 Pte Ltd, Singapore
 Deep Drilling 4 Pte Ltd, Singapore
 Deep Drilling 5 Pte Ltd, Singapore
 Deep Drilling 6 Pte Ltd, Singapore
 Deep Drilling 7 Pte Ltd, Singapore
 Deep Drilling 8 Pte Ltd, Singapore
 Beta Drilling Pte Ltd, Singapore
 Venture Drilling Pte Ltd, Singapore

C. Other related parties with whom the Company had transactions

(a) Key Management Personnel

- (i) Mr.Reji Abraham - Managing Director
- (ii) Mr.P.Venkateswaran - Dy.Managing Director
- (iii) Mr.C.P.Gopalkrishnan - Dy.Managing Director & Secretary

Transactions with related parties during the year

Nature of transaction	Key Management Personnel Rs.		Joint Venture	
	2010-11	2009-10	2010-11	2009-10
i) Rent paid	53,11,920	52,25,752	-	-
ii) Remuneration	12,47,47,001	13,15,54,689	-	-
iii) Interest received	12,792	66,883	-	-
iv) Loan repaid	3,75,000	5,40,000	-	-
v) Dividend paid	1,77,85,098	1,75,15,480	-	-
vi) Final settlement #	-	-	-	3,47,00,000
vi) Amount outstanding as at 31.03.2011				
- Receivable	-	3,75,000	-	-
- Payable	7,68,54,874	9,31,08,843	-	-

Note: Transactions relating to subsidiary companies have been eliminated in consolidated financial statements. Hence, details of such transactions have not been provided above.

Final settlement on termination of Joint Venture agreement with Prize Petroleum completed during 2009-10.

Disclosure in respect of transactions that are more than 10% of the same type with related parties during the year:

	2010-11 Rs.	2009-10 Rs.
1. Rent paid to Mr.Reji Abraham	53,11,920	52,25,752
2. Dividend paid to Mr.Reji Abraham	1,76,66,280	1,74,10,702
3. Remuneration to Key Management Personnel		
- Mr. Reji Abraham	8,46,63,834	9,79,75,732
- Mr.P.Venkateswaran	1,36,47,458	1,31,93,234
- Mr.C.P.Gopalkrishnan	2,64,35,709	2,00,70,723

7. Segment Reporting

A. Primary Segment

The Group's primary segments are Offshore Drilling and Production Services ('Drilling'), Wind Energy services and Wind Power generation ('Wind Energy'). The above business segments have been identified considering the nature of services rendered and the internal financial reporting system. Income and Expenses have been accounted for based on their relationship to the operating activities of the segment.

B. Secondary Segment

The substantial assets of the Company are rigs/drillships which are mobile assets and can operate across the world in view of which geographical segment is not considered

	2010-11		2009-10	
	Rs.	Rs.	Rs.	Rs.
1. Segment Revenue				
- Drilling	3363,40,48,590		3367,05,05,937	
- Wind Energy	9,79,93,971		13,41,75,320	
		3373,20,42,561		3380,46,81,257
2. Segment Result				
- Drilling	1268,47,25,153		1434,04,48,088	
- Wind Energy	(13,21,29,444)		(14,18,45,575)	
Less: Interest Expenses	(923,76,89,750)		(976,82,17,368)	
		331,49,05,959		443,03,85,145
3. Segment Assets				
- Drilling	16010,85,15,147		17245,14,71,577	
- Wind Energy	60,44,50,015		77,32,57,403	
		16071,29,65,162		17322,47,28,980
4. Segment Liabilities				
- Drilling	13708,30,93,737		15030,25,78,840	
- Wind Energy	18,05,68,818		32,70,79,775	
		13726,36,62,555		15062,96,58,615
5. Depreciation and impairment				
- Drilling	472,79,34,293		439,94,07,708	
- Wind Energy	17,91,98,117		21,61,48,360	
		490,71,32,410		461,55,56,068
6. Capital Expenditure				
- Drilling	520,52,00,183		393,53,10,642	
- Wind Energy	-		-	
		520,52,00,183		393,53,10,642

8. On 20th February 2007, Aban Singapore Pte Ltd (ASPL) issued 5.50% Convertible notes with principal amount of USD 150 million. The convertible notes were to mature in 2014, but may be redeemed by ASPL at anytime after 20th August 2007 but not less than seven days prior to maturity. Pursuant to terms and conditions of the Convertible notes, the note holders were granted put option whereby the note holders may require ASPL to purchase all or some of the Convertible notes on fixed dates. On 3rd December 2008, ASPL restructured its convertible notes whereby the immediate holding company (Aban Holdings Pte Ltd) purchased 70% of the Notes from the Noteholders. The remaining 30% (224 notes) will be repayable by ASPL on 20th February, 2014. Notwithstanding ASPL's obligations to repay 30% of remaining notes on 20th February 2014, the immediate holding company has the obligation to purchase the remaining 30% notes in November 2010. Such notes were purchased by the immediate holding company and were subsequently cancelled between ASPL and the immediate holding company.



9. The Maritime and Port Authority of Singapore has awarded "Approved International Shipping Enterprise (AIS) status to Aban Singapore Pte Ltd and its subsidiaries with effect from 1 June 2006 for an initial period of 10 years. Aban Singapore and its operating subsidiaries are exempted from Singapore Income tax from the qualifying income under Section 13F of the Singapore Income Tax Act. However, in respect of income earned outside Singapore, necessary provision for tax has been made in accordance with applicable tax laws in respective countries.
10. Aban Singapore Pte Ltd ("Aban Singapore") operates a share option scheme to provide an incentive to directors and employees of Aban Singapore and related corporations to participate in the equity of the Company. Under the Scheme, the number of shares of Aban Singapore under option shall not exceed 2% of the total number of issued and paid-up shares of Aban Singapore. The options were granted on 25th August 2007. No options were granted during the current financial year. The number of outstanding options held by employees of Aban Singapore and related corporations as on 31st March, 2011 is 2,462,000 share options. (Previous year: 2,462,000 share options). There were no options forfeited, exercised or lapsed for the financial year ended 31st March 2011.
11. During the year the joint venture company Venture Drilling AS redelivered the vessel operated under the joint venture company to the owner Arktik. The Company entered into a share purchase agreement with the other joint venture partner for transfer of all its shares in the joint venture company to the other partner for a purchase consideration of USD 34 million (Rs.151,60,60,000/-).
12. Goodwill on consolidation (acquisition of foreign subsidiaries) is tested for impairment annually and whenever there is an impairment indication the goodwill may be impaired. For the year 2010-11, the management did not note any indication that the goodwill related to the acquisition of such foreign subsidiaries may be impaired due to any reason.
13. Provision for diminution in value of investments includes diminution in value of equity investment by a foreign subsidiary in a Norwegian company amounting to Rs. 51,30,46,253/- (Previous year : Rs. 120,51,62,014/-). This diminution is arising from a prolonged and Significant decline in the value of such investment. This diminution in value of investment has been charged to the Profit and Loss for the Account financial year ended 31st March 2011.
14. Loans and Advances include loan to a Deputy Managing Director of the Parent Company who was an Officer at the time of taking the loan- Rs.Nil (Previous year: Rs.3,75,000/-) Maximum amount outstanding during the year: Rs.3,75,000/- (Previous year: Rs.9,15,000/-).
15. Rent includes operating lease rentals in respect of property amounting to Rs.7,98,82,990/- (previous year Rs.8,98,22,753/-) and Rental for Machinery includes operating lease rentals in respect of a rig amounting to Rs.Nil (previous year Rs.1,51,23,538/-).
16. The Parent Company has instituted Employee Stock Option Scheme-2005 duly approved by the shareholders in the Extra-ordinary General Meeting of the Company held on 23rd April 2005. As per the scheme, the Compensation Committee of the Board evaluates the performance and other criteria of the employees and approves the grant of options. These options vest with the employees over a specified period subject to fulfillment of certain conditions. Upon vesting, the employees are eligible to apply and secure allotment of Parent Company's share at the prevailing market price on the date of grant of option.
The Securities Exchange Board of India (SEBI) issued the Employee Stock Option Scheme and the Employee Stock Purchase Scheme guidelines in 1999 applicable to stock options established on or after 19th June 1999. Under these guidelines, the excess of market price of the underlying equity shares as of the date of grant of option over the exercise price of the option is to be recognized and amortised on a straight line basis over the vesting period. The Parent Company has not recorded any deferred compensation expenses as the exercise price was equal to the market value of the underlying shares on the grant date. The excess of exercise price over the nominal value of equity shares issued under ESOS has been credited to securities premium account Rs.82,10,731/- (Previous year: Rs.74,32,967/-).

The details of options granted are given below:

Maximum number of options that may be granted under the scheme: 18,44,000 equity shares of Rs.2/- each (Previous year: 18,44,000 equity shares of Rs.2/- each)- Options granted during the year: Nil (upto Previous year: 4,43,000 equity shares of Rs.2/- each)-Options lapsed during the year: 16,320 equity shares of Rs.2/- each (upto Previous year: 23,890 equity shares of Rs.2/- each)- Options exercised during the year: 13,740 Equity shares of Rs.2/- each (upto previous year: 81,390 equity shares of Rs.2/- each)- Outstanding at the end of the year: 3,07,860 equity shares of Rs.2/- each (upto Previous year: 3,37,920 equity shares of Rs.2/- each)-Options yet to be granted under the scheme: 14,41,010 equity shares of Rs.2/- each (Previous year: 14,24,690 equity shares of Rs.2/- each)

17. The Parent Company had issued 1,161 unsecured unrated zero coupon Foreign Currency Convertible Bonds (FCCB) of Japanese Yen of 10,000,000 each aggregating to JPY 11,610,000,000 (Rs.428,49,22,220) in April 2006. The bondholder has an option to convert these bonds into equity shares of Rs.2/- each of the Parent Company at a conversion price on or after 19th April 2007 and upto the close of business on 8th April 2011. The conversion price has been fixed as Rs.2,789.04 per equity share of Rs.2/- each. Until 31st March 2011, 620 Bonds aggregating to Japanese Yen 6200 million have been converted into 8,51,055 equity shares of Rs.2/- each at a conversion price of Rs.2,789.04 per equity share of Rs.2/- each. After conversion, 541 bonds are outstanding as 31st March 2011 aggregating to Japanese Yen 5410 million (Rs.290,10,98,865/-). The Parent Company has an option to redeem the bonds at the accredited principal amount in whole and not in part at any time on or after 14th April 2009 and on or prior to 8th April 2011 subject to certain terms and conditions. No interest accrues or is payable on the bonds unless willful default is made in respect of any payment in which case the overdue sum shall bear interest at the rate of 4% per annum from the due date. Unless previously redeemed, converted or re-purchased and cancelled, the Parent Company will redeem each bond at 121.811% of its principal amount on 15th April 2011 being the maturity date of the bond. The company has since redeemed the outstanding 541 bonds on 15th April 2011 at 121.811% of the principal amount.

18. On 13th May 2010, there was an incident on board the semi-submersible rig Aban Pearl, owned by the indirect subsidiary of the wholly-owned foreign subsidiary of the Company which was performing a drilling contract off the Coast of Venezuela. The rig is reported sunk in the early hours of 13th May 2010 (local time). The indirect subsidiary has lodged its claim for Total Loss with the insurance company. The rig was declared a total loss and the insurance company paid USD 235 million (Rs.1,047,86,50,000/-) being the full value of the claim of the total loss of the rig. The cost of the rig over and above the value received under the insurance claim is recognized as loss in the profit and loss account amounting to Rs.337,28,72,452/-

19. The year-end foreign currency exposure that have not been hedged by foreign currency contracts are as under:

Sr. No.	Underlying Exposure	2010-11 USD (million)	2010-11 Rs.(crores)	2009-10 USD (million)	2009-10 Rs.(crores)
1.	Payables	45.00	200.66	40.00	179.56
2.	Foreign Currency Convertible Bonds	43.19	192.59	57.89	259.85
3.	Bond Loans denominated in Norwegian Kroners in Foreign subsidiary	57.33	255.63	67.29	302.06

20. The Parent Company and its foreign subsidiary has also entered into foreign currency and interest rate contracts for hedging currency and interest related risks. The outstanding value of hedged foreign currency contracts as at 31st March 2011 are Rs.999.87 Crores (Previous year: Rs. 1,052.07 crores). The details are given below:

Nature of Derivative transaction	2010-11 Rs.crores	2009-10 Rs.crores	Purpose
Currency Forward Contracts and options	902.34	990.95	Hedging the risk of exchange rate fluctuations
Foreign Currency Convertible Bonds	97.53	Nil	Hedging the risk of exchange rate fluctuations
Interest Swaps	Nil	61.12	Hedging the risk of interest rate movements

21. Disclosure under Accounting Standard 27-Financial Reporting of interest in Joint Ventures. The Parent Company's interest as venturer in jointly controlled entity and jointly controlled operation are as under:

Name of the Company	Country of Incorporation	Proportion of ownership interest 2010-11	Proportion of ownership interest 2009-10
Frontier Offshore Exploration India Ltd (Please refer note below)	India	25% of share capital	25% of share capital
Prize Petroleum Ltd – Joint Controlled assets	India	Not Applicable	Joint Venture terminated during 2009-10



Aban Offshore Limited

The Parent Company's interest in joint venture – Frontier Offshore Exploration India Ltd is reported as Long Term Investment and stated at cost less provision for diminution in value.

The Parent Company has ceased to have joint control over Frontier Offshore Exploration India Ltd. However, the Parent Company has provided for diminution in value of this Long term investment considering the state of affairs of the venture company.

22. Earnings per share is calculated as shown below: (Equity shares of Rs.2/-each)

	2010-11 Rs.	2009-10 Rs.
a) Profit after tax, preference dividend and tax thereon	112,53,09,225	278,37,33,326
	No. of shares	No. of shares
b) Weighted average number of fully paid equity shares used in calculating basic earnings per share	4,35,11,355	3,98,57,011
TOTAL	4,35,11,355	3,98,57,011
Basic Earnings per share (Rupees) (a/b)	25.86	69.84
(c) Weighted average number of fully paid equity shares used in calculating - Diluted Earnings per share	4,37,60,562	4,04,76,336
TOTAL	4,37,60,562	4,04,76,336
Diluted earnings per share (Rupees) (a/c)	25.72	68.77

23. Previous year's figures are regrouped/ rearranged wherever necessary to conform to the current year's classification.

For and On behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W

Ramaswamy Subramanian
Partner

Membership No: 016059
Place: Chennai
Date : 26th May 2011

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

STANDALONE FINANCIALS - 5 YEAR HIGHLIGHTS

PARTICULARS	2010-11 (Rs. Lakhs)	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)	2007-08 (Rs. Lakhs)	2006-07 (Rs. Lakhs)
PROFIT & LOSS ACCOUNT					
Income from Operations & Other Income	126,731.40	136,383.29	122,958.96	73,877.11	56,459.02
PBIDT	79,904.44	87,771.84	75,781.09	41,796.47	31,700.79
Interest	32,865.70	33,714.23	25,506.20	6,924.30	4,482.31
Depreciation	11,480.81	10,911.57	9,724.38	9,544.69	9,478.09
Goodwill Amortised	-	-	-	629.33	629.33
Profit before tax	35,557.93	43,146.04	40,550.51	24,698.15	17,111.06
Tax	12,162.99	15,101.72	14,574.34	8,788.03	7,151.51
Profit after tax	23,394.94	28,044.32	25,976.17	15,910.12	9,959.55
BALANCE SHEET					
Net Fixed Asset	49,739.58	57,564.18	52,425.28	57,023.23	64,702.64
Investments	395,906.81	396,863.83	138,074.90	97,850.77	89,830.23
Net Current Assets	83,227.59	82,536.86	247,471.34	98,584.99	22,582.83
TOTAL	528,873.97	536,964.87	437,971.52	253,458.99	177,115.70
Share Holders Fund	235,706.65	217,293.06	124,517.62	101,291.38	66,244.45
Borrowings	290,247.51	315,314.98	308,298.79	145,631.85	103,497.52
Deferred Tax Liability	2,919.82	4,356.83	5,155.11	6,535.76	7,373.73
TOTAL	528,873.97	536,964.87	437,971.52	253,458.99	177,115.70
Return on Networth	9.93%	12.91%	20.86%	15.71%	15.03%
EPS (Basic) - Rs.	46.32	62.18	60.30	34.54	22.71
EPS (Dilluted) - Rs.	46.05	61.22	60.04	33.80	21.74
Debt Equity Ratio	1.23	1.45	2.48	1.44	1.56



Aban Offshore Limited

Regd. Office: Janpriya Crest, 113 Pantheon Road, Egmore, Chennai - 600 008.

Twenty Fifth Annual General Meeting

Folio No. / DP ID & Client ID.....

No. of Shares : _____

Name of Member / Joint Holder

Please tick (✓) whether

Member	
Joint Holder 1.	
Joint Holder 2.	
Proxy	

I/We hereby record my presence at the 25th Annual General meeting of Aban Offshore Ltd, held on Wednesday, the 28th September, 2011 at 11.00 a.m. at Narada Gana Sabha Trust, (Sathguru Gnanananda Hall) No.314 TTK Road, Chennai - 600 014.

Member(s) or Proxy(s) Signature

Note :

1. The Shareholder / Proxy must bring the admission slip to the meeting duly completed and signed and it must be handed over at the entrance.
2. Shareholders intending to require information about accounts to be explained at the meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available if permissible.



Aban Offshore Limited

Regd. Office: Janpriya Crest, 113 Pantheon Road, Egmore, Chennai - 600 008.

PROXY FORM

Folio No. / DP ID & Client ID.....

I/We of in the district of being members of Aban Offshore Ltd. hereby appoint of in the district of ... as my / our proxy to vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company on to be held Wednesday, the 28th September, 2011 at 11.00 a.m. at Narada Gana Sabha Trust, (Sathguru Gnanananda Hall) No.314 TTK Road, Chennai - 600 014.

Signed this day of2011

Note :

1. The form should be signed across the stamp as per the specimen signature registered with the Company
2. The proxy form duly completed must reach the Registered Office of the Company at Janpriya Crest, 113 Pantheon Road, Egmore, Chennai - 600 008. not less than 48 hours before the Meeting.
3. The Proxy need not be a member.

Affix
Re. 1
Revenue
Stamp