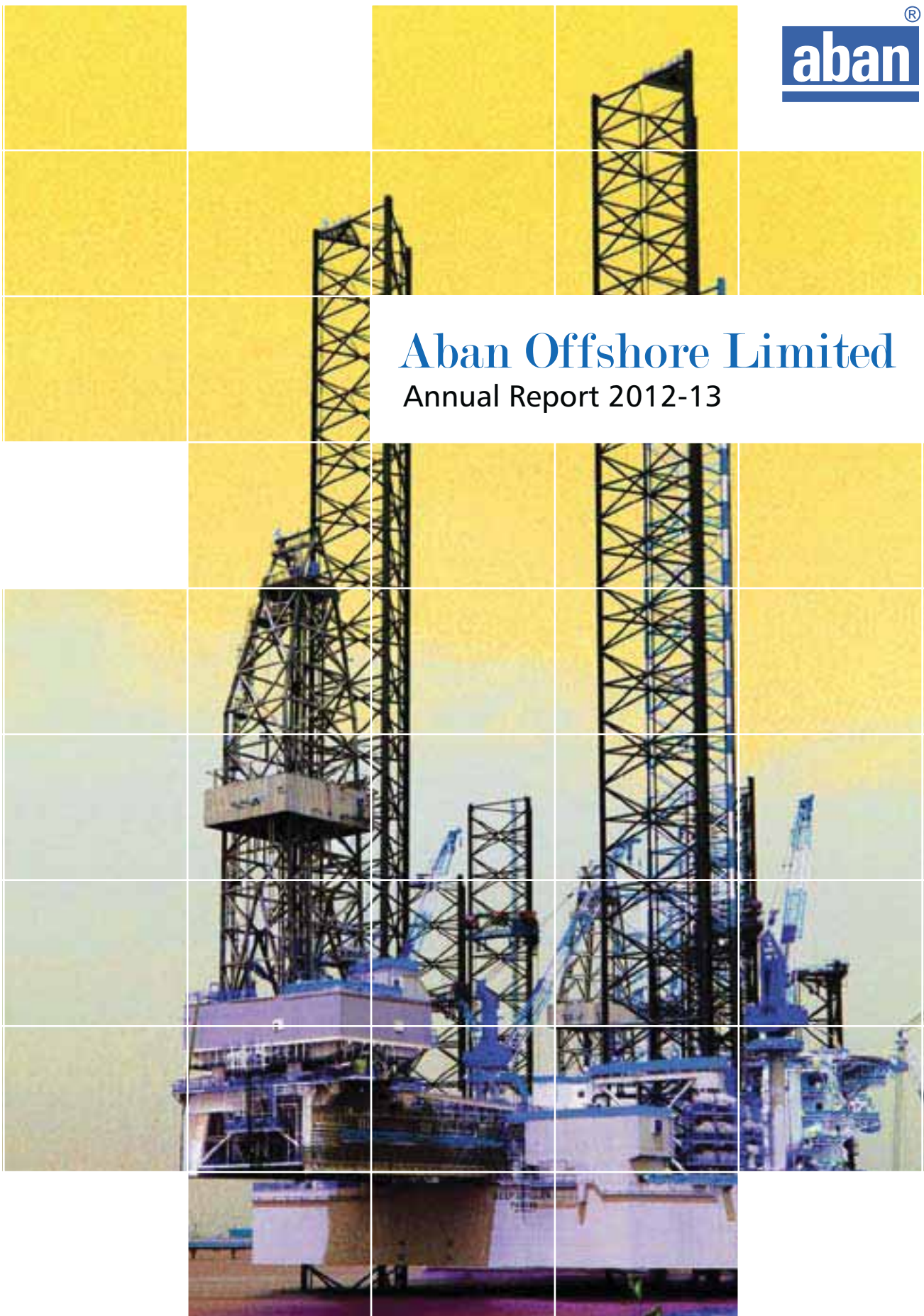




Aban Offshore Limited

Annual Report 2012-13



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 our 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.

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At Aban Offshore Limited, we are focused on strengthening the foundations of our business model through maximising asset deployment, securing revenues through long-term contracts, venturing into newer geographies and embracing financial restructuring.

These initiatives are expected to continue, helping us to reinforce the foundations of our business and translate into enhanced and sustainable value across market cycles.

"Do not follow where the path may lead. Go instead where there is no path and leave a trail."

M.A. Abraham,
Founder (1939-2004)



CORPORATE INFORMATION

BOARD OF DIRECTORS

P. Murari	- Chairman (from 01.11.2012)
Reji Abraham	- Managing Director
K. Bharathan	- Director
K.M. Jayarao	- Nominee Director of ICICI Bank (Upto 15 October, 2012)
Ashok Kumar Rout	- Additional Director
P. Venkateswaran	- Deputy Managing Director
C.P. Gopalkrishnan	- Deputy Managing Director & Secretary

AUDIT COMMITTEE

P. Murari	- Chairman
K. Bharathan	- Member
Mr. P. Venkateswaran	- Member
K. M. Jayarao	- Member (upto 15 October, 2012)

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

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

COMPENSATION COMMITTEE

P. Murari	- Chairman
K. Bharathan	- Member
Reji Abraham	- Member

REMUNERATION COMMITTEE

P. Murari	- Chairman
K. Bharathan	- Member
K. M. Jayarao	- Member (upto 15 October, 2012)
Ashok Kumar Rout	- Member (from 25.01.2013)

AUDITORS

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

BANKERS & FINANCIAL INSTITUTIONS

AXIS BANK LIMITED
BANK OF BARODA
BANK OF INDIA
CANARA BANK
CENTRAL BANK OF INDIA
CORPORATION BANK

DBS BANK LTD
EXPORT IMPORT BANK OF INDIA
ICICI BANK LIMITED
IDBI BANK LIMITED
INDIAN BANK
INDIAN OVERSEAS BANK
KOTAK MAHINDRA BANK LIMITED
LIFE INSURANCE CORPORATION OF INDIA
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STATE BANK OF HYDERABAD
STATE BANK OF INDIA
STATE BANK OF MYSORE
STATE BANK OF TRAVANCORE
SYNDICATE BANK
THE LAKSHMI VILAS BANK LTD
UNION BANK OF INDIA
UCO BANK

REGISTERED OFFICE

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

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 Seventh Annual General Meeting of the Members of **ABAN OFFSHORE LIMITED** will be held on Friday, the 20th September, 2013 at 10.15 A.M at the Mini Hall of Music Academy, No.168 (old No.306) T.T.K. Road, Royapettah, Chennai – 600 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 pro-rata dividend @ 8% p.a upto 16.06.2012 and pro-rata dividend @ 10% p.a from 17.06.2012 on the paid up Non Convertible Cumulative Redeemable Preference Shares of the Company for the year ended 31st March, 2013.
3. To consider and declare a dividend @ 10% p.a on the paid up Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March, 2013.
4. To consider and declare a dividend @ 9.25% p.a. on the paid up Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March, 2013.
5. To consider and declare a dividend on Equity Shares for the year ended 31st March, 2013.
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 on a remuneration as may be paid on a progressive billing basis to be agreed between the Auditor 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 an Ordinary Resolution:
“RESOLVED THAT Mr. Ashok Kumar Rout, who was appointed as an Additional Director who holds office upto the date of this Annual General Meeting as per the provisions of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
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 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 and Articles of Association of the Company and shall rank in all respects paripassu 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) and 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 Directors or any Director or any other Officer or Officers of the company to give effect to the aforesaid resolution."

11. 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 of the Companies Act, 1956 (including any amendments, statutory modification, variation or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, 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, in its absolute discretion create, 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 “QIP Securities”) to the Qualified Institutional Buyers (“QIBs”) as per 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 at a discount or premium to the price or prices in such manner, determined in accordance with the pricing formula prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended 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.2,500 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 the applicable price for the issue of the QIP Securities (which are Equity Shares), if any, shall be the date on which the Board decides to open the proposed issue (“Relevant Date”).”

“RESOLVED FURTHER THAT the relevant date for the determination of the applicable price for the issue of any other type of QIP 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 share shall be the relevant date and such applicable price shall be subject to appropriate adjustments in the applicable rules/regulations/statutory provisions (“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 terms of Memorandum of Association and Articles of Association of the Company and being paripassu 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 the Board be and is hereby authorized to offer such equity shares at a price which shall not be less than the price prescribed in Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time including a discount of not more than 5% (or such other discount as may be prescribed by SEBI from time to time) as prescribed in the proviso to Regulation 85(1) of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.”

“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 reorganisation 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 class of investors to whom the Securities are to be issued and allotted, number of

Securities to be allotted, issue price, face value, discount or premium amount on issue/conversion of the Securities, if any, the creation of such mortgage / charge under Section 293(1) (a) of the said Act in respect of the aforesaid Securities either on paripassu basis or otherwise 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, Bankers, 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 complete within 12 months from the date of this resolution without the need for fresh approval from the shareholder 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 Directors / Directors or any other officers / authorised representatives of the Company to give effect to the aforesaid resolution."

By Order of the Board

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Chennai – 600 008
Date : May 28, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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 COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting..
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 13.09.2013 to 20.09.2013 (both days inclusive)

4. 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
5. Dividend on Equity Shares if declared at the Annual General Meeting will be paid on or after 20.09.2013 to those persons or their mandates.
 - (i) Whose names appear as Beneficial Owners as at the end of the business hours on 12.09.2013 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 12.09.2013
6. Dividend on Preference Shares if declared at the Annual General Meeting will be paid on or after 20.09.2013
7. 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.
8. 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 identification of attendance at the Meeting.
9. Members holding shares in physical form may obtain the Nomination Forms from the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants
10. Pursuant to the provisions of Section 205 (A) and 205 (C) of the Companies Act, 1956, Company has transferred unclaimed / unpaid dividends for the financial years 1995-96 to 2004 – 05 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company in respect of unpaid/unclaimed dividend after a period of seven years from the dates they first became due for payment.
11. 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 necessary endorsements in the due course.
12. 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.
13. Members desirous of receiving Notice/ Annual Report in electronic form may furnish their e mail id to the Company / RTA.
14. 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.

Item No: 9

Mr. Ashok Kumar Rout was appointed as an Additional Director effective 01.11.2012. In terms of Section 260 of the Companies Act 1956, Mr. Ashok Kumar Rout holds office only upto the date of this Annual General Meeting. Notice pursuant to section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mr. Ashok Kumar Rout as Director of the Company, liable to retire by rotation.

None of the Directors except Mr. Ashok Kumar Rout is concerned or interested in the item of business.

Item No.10

In view of the growing operations of the Company and to augment the fund requirements of the Company, your Company propose to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, etc., as stated in the resolution. The proposed special resolution would be for approval of issuance of equity shares, FCCBs, GDRs, ADRs, etc. for an amount not exceeding USD 400 Million. The Board recommends the above resolution for your approval in the best interest of the Company.

None of the Directors is concerned or interested in the resolution.

Item No.11

Your Company, in order 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 approval of the Members to the Board without the need for seeking any further approval from the Members for the proposed Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB") in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) ("SEBI ICDR Regulations"). 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 at such price or prices, at a discount or premium to the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations as may be determined by the Board but not later than 60 months from the date of allotment (Collectively referred to as "QIP Securities").

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 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 a 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 recommends the above resolution for your approval in the best interest of the Company.

None of the Directors is concerned or interested in the resolution.

By Order of the Board

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Chennai – 600 008
Date : May 28, 2013

ABAN OFFSHORE LIMITED IS THE LARGEST OFFSHORE DRILLING SERVICE PROVIDER TO THE OIL AND GAS SECTOR IN INDIA.

Our vision

- To continue as the market leader in providing offshore drilling services
- To achieve far-reaching success by developing innovative, integrated, enterprising and world-class services for the global hydrocarbon industry
- To provide clients an unmatched value proposition through proven experience, modern technology and diverse range of services

Lineage

- Aban Offshore Ltd (promoted by the late M.A. Abraham in 1986) is the flagship company of the Aban Group
- Promoter and promoter group holding stood at 54.11% of the Company's equity as on 31st March, 2013

Competence

- The Company provides drilling services for offshore exploration and production (E&P) of hydrocarbons globally.
- It provides drilling services in both shallow and deep waters.

Presence

- Headquartered in Chennai, India, the Company has offices across

six countries and operates three subsidiaries namely Aban Energies Limited and Radhapuram Wintech Private Ltd in India and Aban Holdings Pte Limited in Singapore.

- The Company's shares are listed on the Madras, Bombay and National Stock Exchange in India.

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 (U.K), Chevron (Thailand), Kosmos Energy/ Petro SA, PEMEX (Mexico), Total E&P (Qatar) and Petrobras, (Brazil).

Performance, 2012-13

- Revenues increased 18.41% from Rs. 7144.13 Million in 2011-12 to Rs. 8459.50 Million
- EBITDA grew 6.60% from Rs. 3417.94 Million in 2011-12 to Rs. 3643.50 Million
- Net loss declined by 89.54% from Rs. 1207.31 Million in 2011-12 to Rs. 126.27 Million





Asset portfolio

Number of rigs

18

As on 31st March 2013

Employees

1494

As on 31st March 2013

Uninterrupted dividend-paying track record

26

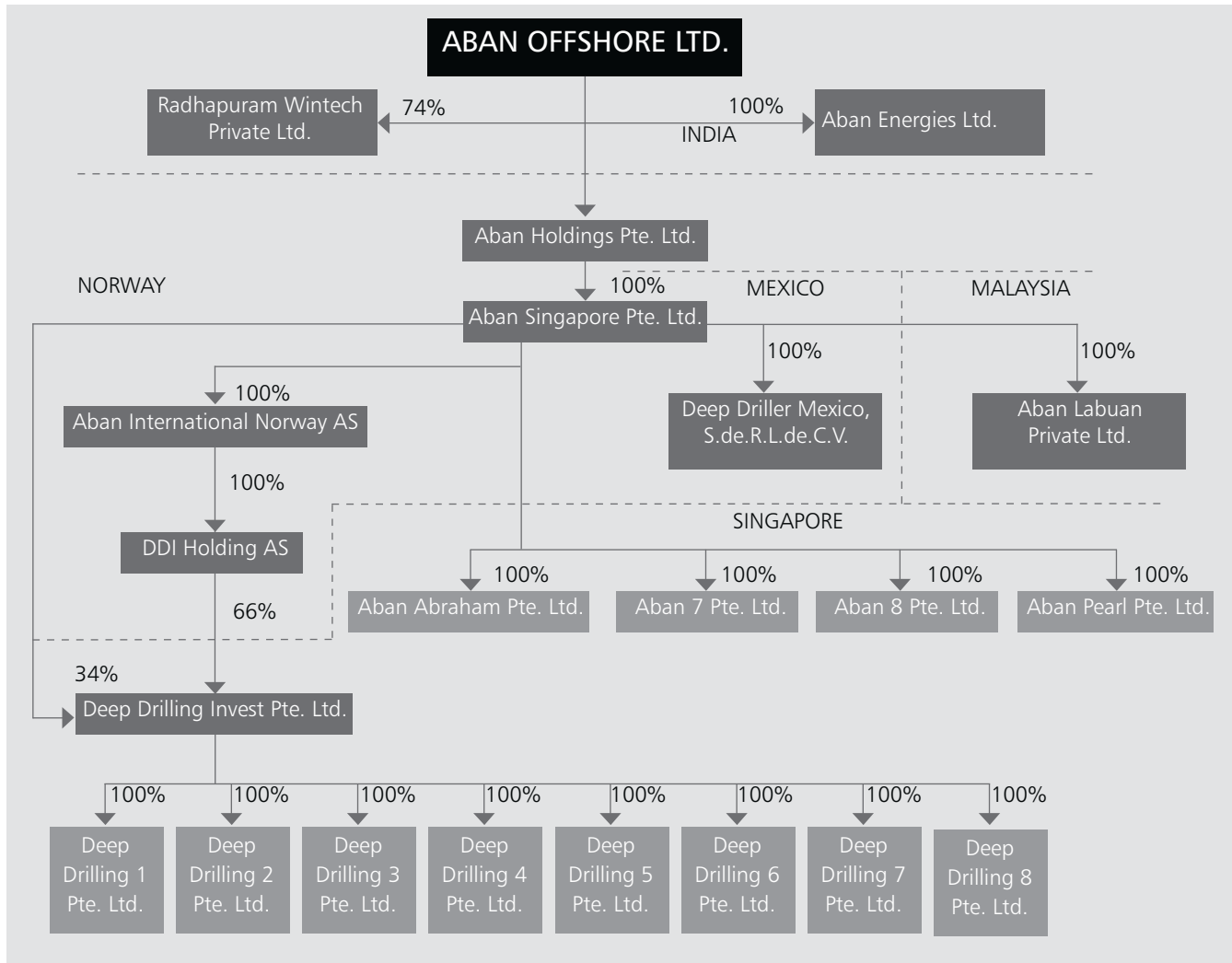
years

Market capitalisation

Rs. 11.48bn

As on 31st March 2013

AOL GROUP HOLDING STRUCTURE



HIGHLIGHTS (CONSOLIDATED), 2012-13

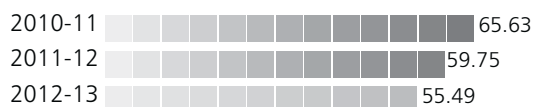
Total revenue (Rs. Millions)



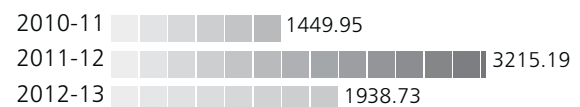
EBITDA (Rs. Millions)



EBITDA margin (%)



Net profit (Rs. lakhs)

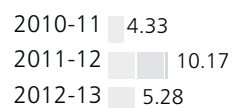


CONSOLIDATED RESULTS

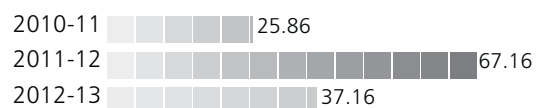


Particulars	Rs. Millions	
	Year ended 31st March, 2013	Year ended 31st March 2012
Turnover	36,727.01	31,629.21
Less: Expenditure	16,346.41	12,730.93
EBIDTA	20,380.60	18,898.28
EBIDTA (%)	55.49	59.75
Add: Other income	266.63	657.66
Less: Interest	11,884.49	9,890.85
Less: Depreciation	4,909.47	5,160.40
Profit before tax	3,853.27	4,504.68
Add: Share of profit in joint venture	25.07	–
Profit before tax and after share in joint venture	3,878.34	4,504.68
Less: Provision for tax	1,418.24	795.38
Core profit after tax	2,460.10	3,709.30
Exchange fluctuation (loss)/gain	(521.37)	(494.11)
Impairment of investment/asset	–	–
Profit after tax	1,938.73	3,215.19

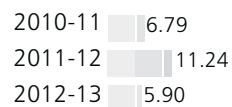
Net profit margin (%)



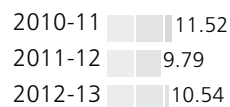
EPS (Rs.)



Return on networth (%)



Return on capital employed (%)



MANAGING DIRECTOR'S REVIEW

“AS WE NAVIGATE OURSELVES THROUGH A CHALLENGING ENVIRONMENT, WE WILL STEER THE BUSINESS AROUND FINANCIAL ROBUSTNESS WITH THE OBJECTIVE TO CREATE SUSTAINED STAKEHOLDER VALUE.”

Reji Abraham, Managing Director, reviews the Company's 2012-13 performance and outlines the path ahead

Dear Shareholders,

The performance for the year 2012-13 has been as anticipated in terms of contracts, revenues and profits for the year under review. As it turned out, the Company reported a 14.58 % increase in revenues over the previous financial year.

While we were content with this performance at a time of global economic turbulence, what was particularly heartening was that we were able to initiate various measures to create sustained stakeholder value.

Deployment record

At the start of 2012-13, there was a need to establish revenue predictability and organisational stability. Our focus was on deploying most of our assets for maximising our revenue-earning potential and minimising asset-idling.

Keeping this priority in mind, most of our rigs were deployed across long-term contracts at attractive rates to progressively de-risk the Company from

revenue volatility. 16 of our rigs were deployed under long-term contracts during the financial year under review, creating the basis for attractive and sustainable revenue visibility.

I must also mention that two of our rigs were deployed at attractive rates with back-to-back contracts. As a result, we achieved our principal objective of a near-complete asset deployment in 2012-13 and will continue enjoying this advantage across the foreseeable future. In a volatile industry environment, we see this as the foundation towards restoring the Company to its original glory, in terms of growth and profitability.

Operational efficiency

In the business of rig chartering, one of the most critical determinants of success is high asset utilisation. A customer, who has invested to drill for hydrocarbons, needs a service provider who can be trusted to deliver across all waters and

weathers. Technical snags can affect the earnings of the customer and in turn, this would affect our realisations since our revenues are inextricably linked to the number of operating hours our rigs have been working.

During the year under review, the Company reported an average 80% uptime across its deployed rigs, It is a matter of pride that 13 of our rigs reported asset uptime rates of 95% or higher, a vindication of our longstanding culture of rigorous discipline, continuous training, stringent compliance to procedural, maintenance and safety-related norms. ..

Awards and accolades:

The year 2012-2013 has been a year of receiving appreciation and acknowledgement for our efforts. Aban III was awarded a certificate from IADC for achieving five years without any 'loss-of-time' incidents on 4th May 2012. Deep



Driller 1 also won a letter of appreciation from Cairn India for an 'incident-free' project with them. Apart from these, we also won several accolades for rigs in the Middle East, Brunei and Malaysia. Drill ship Aban Abraham has been rated among the top-10 out of the seventy rigs operating in Brazil

Financial initiatives:

The global economic slowdown impacted the rig service industry as well as the ability of the Company to mobilise additional network resources. We recognised that it was imperative to right-size our Balance Sheet and return the Company to a state of sustainable profitability. During the year under review, we embarked upon a number of initiatives: converted a significant proportion of our rupee loans into low cost dollar-denominated loans with the objective to save substantial amounts annually in interest outflow. The switch in currencies resulted in huge savings in costs. Besides, the Company has been generating sizeable revenues in foreign exchange that will serve as a natural hedge for these forex debts. This benefit is expected to become visible on the

Company's Balance Sheet from 2013-14 onwards.

Based on these initiatives, it would be reasonable to expect that the Company is attractively placed to graduate upwards to its next echelon of growth.

Opportunities

The Company is attractively placed to capitalise on the industry optimism for a number of pertinent reasons:

One, with oil realisations stable at a remunerative level, there is a greater willingness of oil majors to increase exploration activities.

Two, we are a globally respected player, making it possible to get large drilling contracts.

Three, we have a diversified rig portfolio to meet a wide range of client requirements.

Four, rig rentals are strengthening; over the last year, jack-up rental rates have increased from USD 120,000 a day to USD 150,000 a day, indicating a robust demand ; each of the six rigs re-contracted in 2012-13 were placed at attractively high levels .

Five, 17 of the Company's 18 assets were profitably deployed with 16 of them being deployed for a three year charter, leading to a long-term revenue visibility.

Six, only two rigs are scheduled for refurbishment in 2013-14 and another two in 2014-15, indicating that the majority of our assets will stay productive in the near future.

The impact of these initiatives will become progressively visible, strengthening value in the hands of our shareholders.

We are a globally respected player, making it possible to get large drilling contracts.

KEY BUSINESS DRIVERS

Heritage

Aban is India's largest drilling rigs provider and is among the top 10 in the world.

Asset portfolio

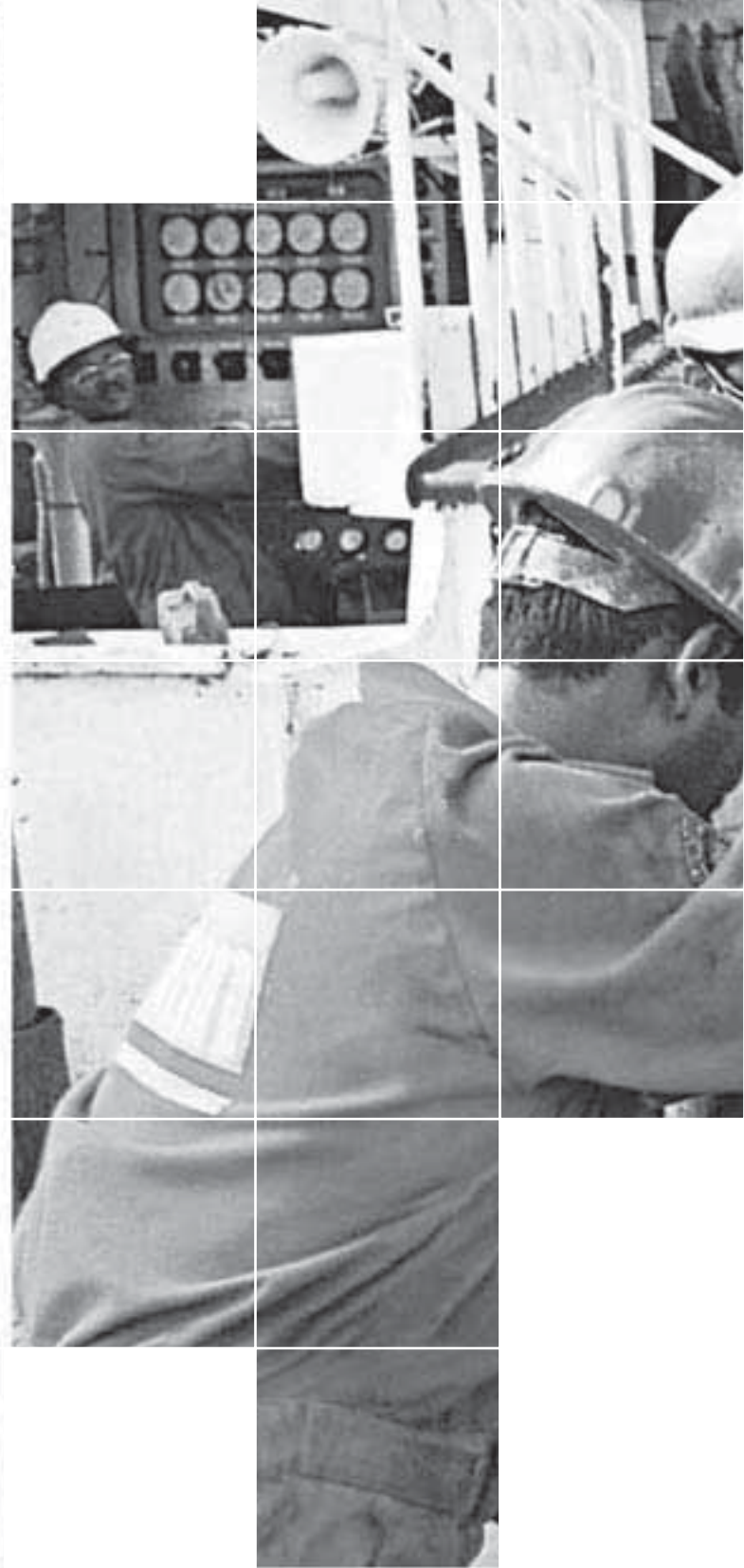
Aban provides a diverse rig portfolio comprising fifteen jack-ups, two drill ships and one floating production unit to suit diverse customer needs and requirements.

International footprint

Aban deploys its rigs across six countries, demonstrating robust operational flexibility to deploy its assets globally.

Knowledge

Aban's growing industry presence is marked by optimised cost of operations, high asset uptime, global competitiveness and customer respect and above all safety at the workplace.





Technology

Aban has continually invested in creating a young and robust fleet. The average age of nine of our jack-ups was five-and-a-half years as on 31 March 2013, resulting in high uptime and high day rates.

Clientele

Aban's clientele comprises 25 major international exploration and production companies. The Company has been enjoying cordial relationship with ONGC for over two decades.

MANAGEMENT DISCUSSION AND ANALYSIS

Continuing turbulence in many parts of the global economy and its capital markets created both opportunities and challenges for the oil and gas sector. In 2012, oil and gas industry transaction value was pegged at USD 402 bn, significantly higher than the USD 337 bn that was posted in 2011.

Annual global oil production increased by 1.1 million barrels per day (b/d) or 1.3%

Virtually, all of the net growth in oil production was in the OPEC region with large increases in production registered in Saudi Arabia, the UAE, Kuwait and Iraq. This more than offset the loss of Libyan supply (-1.2 million b/d) due to political furore with the output reaching record levels in Saudi Arabia, the UAE and Qatar.

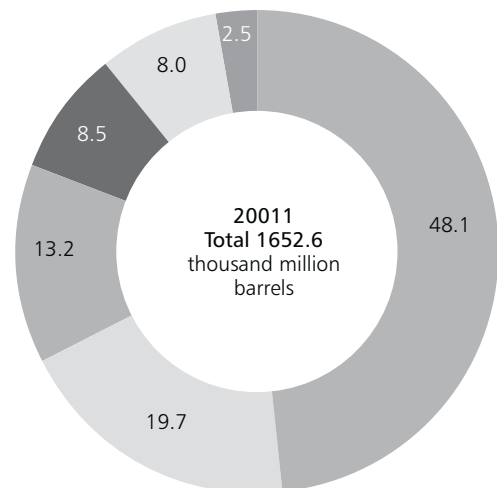
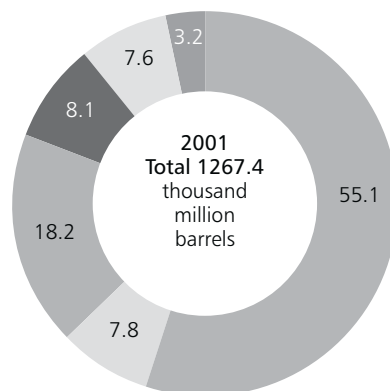
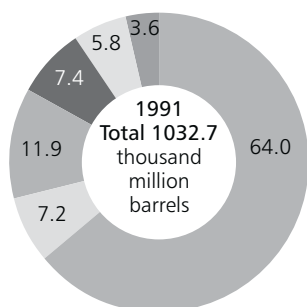
Global oil consumption grew by a below-average 0.6 million barrels/day or

0.7%, to reach 88 million barrels/day

OECD consumption declined 1.2% (600,000 b/d), the fifth time this has happened in the past six years, reaching the lowest levels since 1995. Outside the OECD, consumption grew 1.2 mn b/d or 2.8%. Despite strong oil prices, oil consumption growth was below average in the regions of production especially in the Middle East and Sub-Saharan Africa due to regional unrest. China continued to record the largest increment in global consumption (+505,000 b/d, +5.5%) (Source: BP statistical review).

Distribution of proved reserves in 1991, 2001 and 2011

- Middle East
- S. & Cent. America
- North America
- Europe & Eurasia
- Africa
- Asia Pacific



Energy production outlook

Emerging economies continue to dominate in terms of energy production with the Asia-Pacific region accounting for nearly half of the global growth. The world primary energy production growth has caught up with the consumption rates, growing 1.6% per annum from 2011 to 2030. Going forward, growth in production will be dominated by

non-OECD countries, which will account for 78% of the world's increase. These countries will supply 71% of the global energy production in 2030, up from 69% in 2011 and 58% in 1990.

The Asia-Pacific region, the largest regional energy producer, has demonstrated the most rapid growth rate at 2.2% per year due to large

indigenous coal production and accounts for 48% of the global energy production growth. The Middle East and the North American continent contribute the next largest increment for supply growth with the latter remaining the second largest regional energy producer.

Energy production*

Million tonnes oil equivalent ^	1990	1995	2000	2005	2010	2011	2015	2020	2025	2030
North America	654.5	645.7	651.0	645.5	650.6	670.0	825.9	916.0	946.4	943.2
South and Central America	233.9	300.1	351.5	357.7	375.2	379.9	381.1	425.5	460.5	514.2
Europe and Eurasia	788.3	669.4	724.7	844.8	854.2	838.8	814.9	815.9	806.8	811.7
The Middle East	851.8	979.2	1,140.5	1,215.9	1,190.9	1,301.4	1,240.0	1,293.7	1,450.0	1,544.9
Africa	320.9	339.3	370.9	472.8	478.5	417.4	478.0	508.9	518.2	507.2
Asia Pacific	326.0	352.4	379.5	379.7	396.1	388.1	386.2	383.5	353.2	324.3
Total oil production ^	3,175.4	3,286.1	3,618.2	3,916.4	3,945.4	3,995.6	4,126.1	4,343.4	4,535.0	4,645.5

Source: BP Statistical Review

Energy consumption outlook

Industrialisation and growing power demand has increased the world's appetite for primary energy. Almost

all of the energy consumption growth emanates from the non-OECD countries with non-OECD energy consumption growth averaging 2.5% per year and accounting for 65% of

world consumption (compared with 53% in 2011). Energy used for power generation is expected to grow 49% (2% per annum) from 2011-2030.

Energy consumption by fuel*

mn tonnes oil equivalent	1990	1995	2000	2005	2010	2011	2015	2020	2025	2030
North America	923.3	951.2	1,059.9	1,131.0	1,041.1	1,026.4	1,000.4	991.2	972.6	926.5
South and Central America	170.2	200.8	227.2	238.0	281.0	289.1	312.2	343.6	370.9	395.3
Europe and Eurasia	1,130.3	948.6	929.4	959.3	903.1	898.2	863.2	860.2	850.0	824.2
The Middle East	174.5	210.3	243.4	296.7	364.3	371.0	397.1	439.3	484.9	527.1
Africa	95.3	106.6	118.2	136.5	160.6	158.3	173.3	189.8	208.3	228.4
Asia Pacific	664.5	862.3	993.6	1,140.2	1,281.7	1,316.1	1,421.4	1,582.9	1,741.2	1,859.3
Total liquid consumption ^	3,158.1	3,279.9	3,571.8	3,901.7	4,031.9	4,059.1	4,167.6	4,407.0	4,628.0	4,760.9

Source: BP Statistical Review

Global outlook

The International Energy Agency (IEA) projects global oil demand to increase at an annual rate of 1% until 2030, raising the requirement from 85 mn b/d in 2008 to 105 mn b/d by 2030. It is predicted that over the five-year period from 2011 to 2016, Asian companies will spend about USD 28.8 bn in investments in deep sea exploration and drilling and production, more than double the USD 11.6 bn spent in the previous five-year period (2007-2011).

The outlook for the marine and offshore sectors continues to be positive, buoyed by sustained growth in Asia. China and India remain key growth engines and will account for half of the global incremental energy demand from 2011 to 2020. Projections indicate that from 2011 to 2016, Asia's energy demand will drive resident companies to invest about USD 29 bn in deep sea exploration, drilling and production. This is more than double the USD 12 bn spent from 2007 to 2011.

Indian oil industry

India is the world's sixth largest oil consumer and the ninth largest crude oil importer. The country's oil and gas sector

contributes over 15% to the GDP. India stood out as one of the top contributors in the refining sector in 2012, according to the IEA. The latest report released by it shows that the country processed 4.5 mn barrels per day (mbpd) of crude oil in October 2012 (680, 000 bpd higher than a year earlier). India's refining capacity was enhanced by 400,000 bpd in 2012. Moreover, Indian exports of refined petroleum products marked a record growth in October 2012, standing at over 1.5 mbpd according to the Petroleum Planning & Analysis Cell. Of this, 39% was diesel, 25% gasoline, 15% naphtha and 8% jet fuel.

India possesses an estimated sedimentary area of 3.14 mn sq. km comprising 26 sedimentary basins. As on April 2012, about 737 mn tonnes of oil equivalent hydrocarbon reserves have been added under the NELP. The investment made by Indian and foreign companies until April 2012 was of the order of USD 20.2 bn, of which USD 12.1bn was on hydrocarbon exploration and USD 8.1bn on development of the newly-discovered assets. With a view to further accelerate the pace of exploration, in the ninth round of the NELP, 34 exploration blocks

were offered. These include eight deep-water blocks, seven shallow-water blocks, 11 on-land blocks and eight type-S on-land blocks. Nineteen production-sharing contracts have already been signed with the awardees. A total of 254 production-sharing contracts have been signed under the NELP so far.

(Source: Economic Survey 2012-2013).

The Twelfth Five Year Plan has projected total domestic energy production at 669.6 mn tonnes of oil equivalent (MTOE) in 2016-17 and 844 MTOE in 2021-22. This will meet around 71% and 69% of expected energy consumption with the balance to be met from imports (projected to be about 267.8 MTOE in 2016-17 and 375.6 MTOE in 2021-22). Import dependence in case of crude oil and coal is projected to be about 78% and 22.4%, respectively, by 2016-17. The share of crude oil in production and consumption is expected to be 6.7% and 23%, respectively.

(Source: Economic Survey 2012-2013).

Growth in core industries and infrastructure services (%)

Sector	Unit	2009-10	2010-11	2011-12	2011	2012 (April-December)
Power	Bill unit	6.8	5.7	8.1	9.3	4.6
Coal	MT	8	0	1.3	-2.7	5.7
Petroleum						
Crude oil	MT	0.5	11.9	1	1.9	-0.4
Refinery	MT	0.4	3	3.2	4	6.9
Natural gas	MT	44.8	9.9	-8.9	-8.8	-13.3

Source: BP Statistical Review

Indian outlook

India will become increasingly import-dependent despite increased production of both renewable and nuclear energy as a result of which the following scenario is expected to unfold in 2030:

- India's energy production will rise by 95%.
- Production decline in oil (-23%) will be offset by gains in gas (+16%), hydro (+99%), nuclear (+342%), and renewable energy (+448%).
- India's energy consumption growth of 110% will outpace the rest of the BRIC countries comprising China (+72%), Brazil (+57%) and Russia (15%) with the growth rate pegged to be at 3.2% annually.
- Net energy imports will increase by 135% as the country is estimated to import 42% of its total energy demand in 2030, rising from 37% today.
- Demand for all fossil fuels will expand, led by oil (+108%), gas (+101%) and coal (+97%). India will see strong growth in the renewable energy sector

(+453%), hydro (+99%) and nuclear (+342%) energy sources as well.

- Energy consumed in power generation will rise by 104% and energy demand in transport by 180%
- The industry will remain the largest end-consumer for energy across all sectors, increasing by 104% but its market share will drop to 57% as transportation rises.
- Oil will maintain its dominance in the transport sector as its share is actually expected to increase from 94% in 2011 to 95% in 2030.
- Fossil fuels will account for 88% of Indian energy consumption in 2030, down marginally from 92% in 2011. The share of renewable energy consumption is estimated to rise from 2% to just 4% in 2030.
- Oil imports will rise by 152% as the country's production meets less than 10% of demand by 2030. Share of oil will increase from 24 to 25 % and gas from 8 to 10%.

(Source: BP outlook 2030)

Offshore rig industry

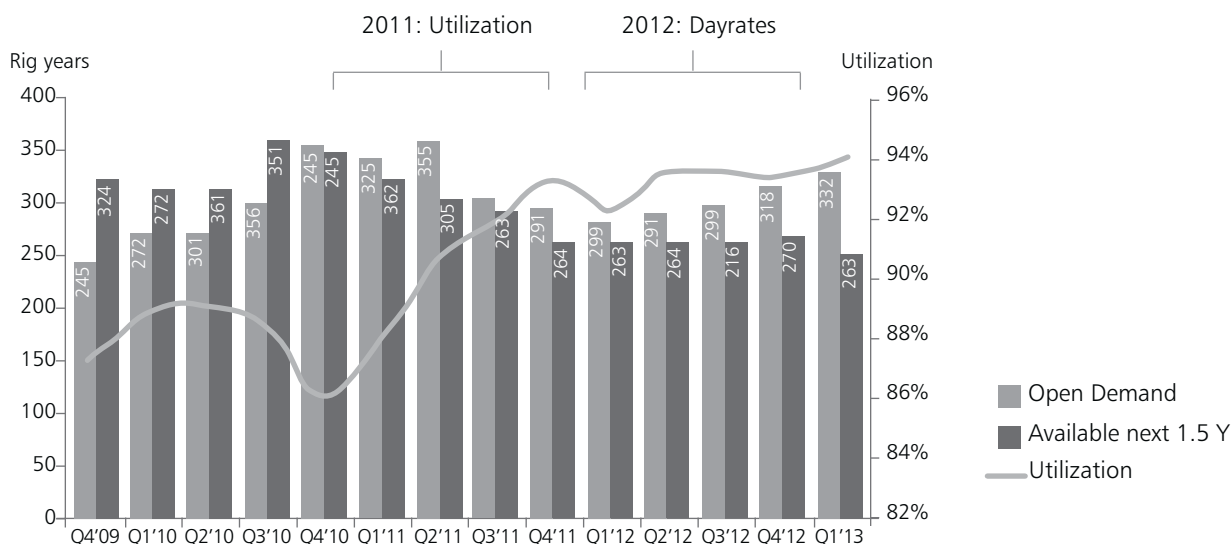
The current scenario as of early 2013 and the expected scenario in the next five years signals a strong demand for deepwater and ultra-deepwater rigs with multiple new-build orders for semi-submersibles and drill-ships pending in various shipyards worldwide.

Jack-up market balance getting even tighter

The year 2013 has started off with an unbalanced market with a demand of 332 rigs and only 253 being available. Of this, only 94% are being utilised to their optimum levels. Utilisation of older assets has also increased and fleets are running at near full capacity to meet the rising demands.

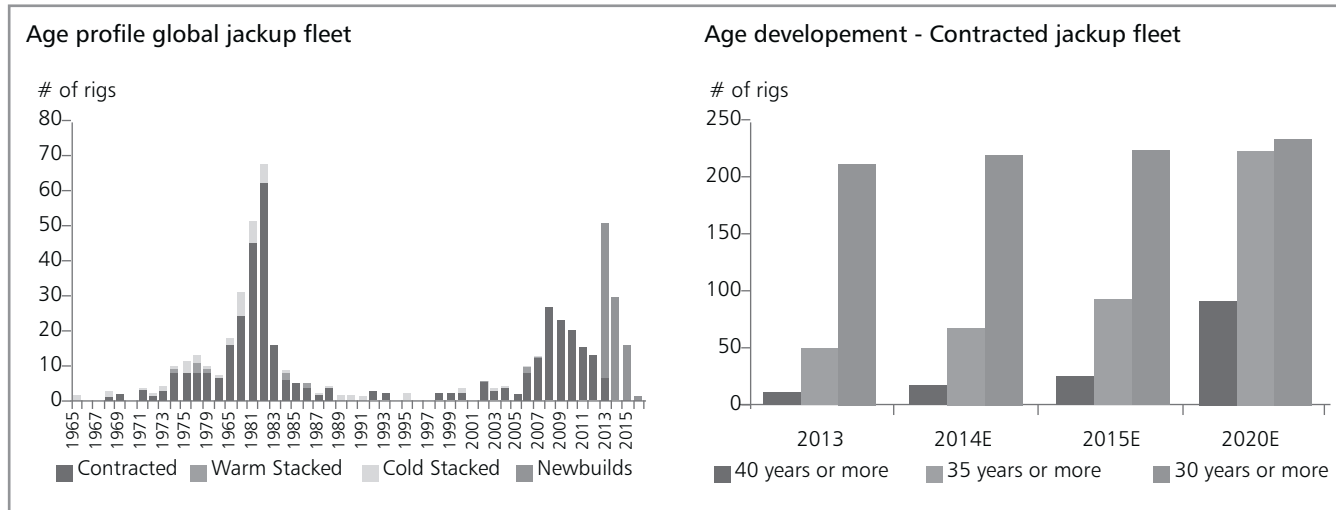
Day rates have increased due to limited supply. Premium jack-up day rates increased from USD 140 thousand / day to USD 160 thousand/ day in 2012. Day rates are further expected to harden because of skewed supply along with the utilisation pattern of rigs.

Demand increasingly outstripping supply



The beginning of 2013 has already witnessed an 18% increase in firm tenders and 11% increase in overall open demand. This trend has been visible over the past six months.

Fleet replacement



It is expected that by 2015, 222 of the currently working rigs will be more than 30 years old, which is more than 50% of the global fleet. At the same time, about 7% will be more than 40 years old, five times the number of units of that age today. These units will need to be scrapped on the back of declines in efficiency, productivity and returns (Source: Pareto Research).

Drilling Market

Within the global oil and gas industry, the mobile offshore drilling unit (MODU) market is taking on an increasingly important role. Offshore hydrocarbon reserves will be one of the most important sources for the global oil and gas sector over the next decade and MODUs are an indispensable element of the global offshore E&P process. Simultaneously, the global MODU market is undergoing great changes. The market is in a phase of rapid expansion and reorientation. The latest technological developments has enabled drilling for oil and gas in ultra deep waters and in increasingly harsh environment and this has resulted in a steep increase in day rates. Rapidly growing offshore drilling activity around the world will keep driving up demand for MODUs over the next decade.

OPPORTUNITIES AND THREATS

Rig Industry Opportunities

Global exploration and production spending is set to reach a record USD 644 bn in 2013, up 7% from USD 604 bn in 2012, according to Barclays' Global 2013 E&P Spending Outlook. Spending growth in 2013 will be driven almost entirely by international markets where estimated capital budgets will jump 9% as the international and offshore cycles continue to build momentum and commodity prices remain at attractive levels.

In contrast to the international sector, E&P spending in North America is forecast to pause with almost flat year-on-year spending in both the US and Canada during 2013. Region-wise, E&P

spending is expected to rise mostly in Latin America, Africa and the Middle East.

E&P spending outside North America is forecast to reach a record USD 460 bn (+ 9%) and drive global capex growth in 2013. This is comparable to the estimated spending of USD 421 bn in 2012, which rose by 11% from the 2011 levels. Sustained high oil prices, sanctioning of major projects and delivery of a large number of offshore rigs in both 2012 and 2013 are driving spending increases. As E&P spending is on the rise, the rig industry is expected to grow significantly in Latin America, Africa and the Middle East in the years to come.

(\$ in Millions) North America	2012	2013	% Change
U.S Spending	138,718	139,634	0.7%
Canada Spending	44,431	44,696	0.6%
Total North America	\$ 183,149	\$184,330	0.6%
International			
Supermajors (Int'l Spending)	93,844	102,210	8.9%
North American Independents (Int'l Spending)	21,192	20,083	-5.2%
Latin America	63,263	72,819	15.1%
India,Asia & Australia	93,318	103,620	11%
Middle East	26,936	29,826	10.7%
Russia	47,109	50,346	6.9%
Europe	45,012	47,670	5.9%
Africa	23,586	24,639	4.55
FSU/CIS	1,063	1,201	13%
Others	5,715	7,213	26.2%
Total International:	\$421,038	\$459,627	9.2%
Worldwide Spending:	\$604,186	\$643,957	6.6%

E&P spending in India, Asia and Australia is also projected to rise in 2013 (up 11% vis-à-vis 2012), led by Chinese NOCs as they continue to pursue production growth, particularly offshore, and work on shale gas development onshore.

(Source: Barclays)

Threats

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.

Threat of substitutes may impact the company's future. There are many alternatives to oil and natural gas including coal, solar and wind power which are gaining importance.

With the increased emphasis on deep-sea drilling, their demand for jack-up rigs may come down. This can have an impact on Company's revenue in long term.

With an increasing number of players with new built up jack rigs entering the field and affecting rates unfavourably,

the Company's performance could be marginally impacted.

Rising Cost of equipment and access to skilled labour is also a very expensive proposition in this capital intensive industry. This can impact our company.

Wind energy

Despite a deceleration in the capacity addition in states like Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra, India retained its position in top five world wind energy markets in 2012. India remained the third largest market for new turbines in 2012 with capacity addition of 2,441 mw, the World Wind Energy Report 2012 revealed. The global wind turbine capacity addition grew at 19% to 44,609 mw, which was the lowest in more than a decade.

The Indian wind market's future is rife with possibilities, however, policy uncertainties and unpaid electricity bills have dented investors' confidence," noted the World Wind Energy Association, which is expecting China, India, Europe and North America to drive the growth in coming years. India added 1,700 mw of wind power generation capacity during April, 12 – March, 13.

Outlook

India is expected to have 89 gigawatts of installed wind power capacity by 2020 and attract \$16.5 billion annual investment according to India's Wind Energy Outlook 2012. This would hypothetically help prevent the emission of 131 million tonnes of carbon dioxide annually.

Opportunities

Wind energy enhances our world's energy security and improves the quality of air thereby reducing pollution to a great extent.

Wind energy is clean. Electricity generated by wind turbines do not pollute the air — and to a great extent reduces smog, acid rain and greenhouse gas emissions. Running a single 1-MW wind turbine can displace 2,000 tons of carbon dioxide in one year (equivalent to planting one square mile of forest).

Wind energy is cost-competitive to other fuel sources (like natural gas) and it is the least expensive of all renewable energy sources. Because the fuel (wind) is free, wind energy can provide stable long-term prices for power production.

Wind energy is growing fast. It has been the world's fastest growing renewable energy source for more than a decade with an average annual growth rate of over 20%.

Wind energy benefits society. Because it is a clean energy source, wind energy reduces costs associated with air pollution—both healthcare and environmental. And, its low operating costs and short construction lead times mean it can provide clean energy

quicker, cheaper and more conveniently than traditional power plants.

Wind energy is local. Wind projects keep more energy dollars in the communities where projects are located and provide a steady income through lease payments to the landowners. Wind projects also pay significant property taxes and state taxes each year and create local jobs. Unlike oil, wind is not affected by international conflicts or embargoes, making it immune to supply problems or price shocks.

Wind farms can help 'save the family farm'. By allowing traditional ways and means of utilising land will help generate greater revenues as well as supplement them by new revenue streams afforded by land leasing agreements. Also, wind farms substantially broaden the tax base in rural communities.

Wind energy is reliable and efficient. Unlike other power plants, wind energy systems require minimal maintenance and have low operating expenses. Wind turbines are very reliable and are available to generate electricity 99% of the time.

THREATS FOR WIND ENERGY

There has been a dramatic change in availability of land for wind farms. The potential wind sites have all been exhausted and the remaining available sites are generally low and medium windy ones. Hence, there is a demand for wind turbines suitable to operate only on low and medium windy sites i.e. Class III A&B wind sites.

The cost of land has also considerably gone up due to the awareness of the land owners / land brokers. Due to less land availability especially in very remote areas, the transportation of heavy equipments like nacelles, blades, towers, among others is also becoming more and more difficult.

Grid connectivity is again a big bottleneck. About ten years back, the wind energy industry was focusing towards upgradations in terms of capacity and technology. At that point of time, both wind turbine manufacturers and wind farm developers never thought that land availability and the grid connectivity is going to become such a serious issue. Today, the problem has become a major area of concern and that needs to be addressed.

Segment performance

(Rs in Millions)

Years	Drilling		Wind energy	
	Revenues	Profit	Revenues	Profit/ (loss) before tax
2009-10	33,670.50	4,618.3	134.55	(187.9)
2010-11	33,634.05	3,475.3	97.99	(160.4)
2011-12	32,228.12	4,205.39	58.75	(194.82)
2012-13	36,913.88	3,415.37	79.76	(83.47)



Operational review

Drilling division: Revenue generated from drilling increased to Rs. 36,913.88 Mn in 2012-13 compared with Rs. 32,228.12 Mn in the previous year. As on 31st March 2013, 17 rigs were operational, forecasting lucrative returns in the coming financial year.

Wind energy division: Revenue from the Company's wind energy division increased to Rs. 79.76 Mn in 2012-13 compared with Rs 58.75 Mn in 2011-12. Further, 28.16 Mn units of power were generated in 2012-13 compared with 21.37 Mn units of power in 2011-12.

Financial review

The Company reported a total income of Rs. 36,993.64 Mn in 2012-13 (Rs. 32,286.87 Mn in 2011-12). The

Company's core profit after tax stood at Rs. 1,938.73 Mn in 2012-13 against Rs. 3,215.19 Mn in 2011-12.

Human resource management

Human resource is one of the most critical success drivers. The Company recognises this and continues to focus on enhancing the productivity, quality and occupational safety of its employees. The Company also undertakes systematic recruitment, retention and enhancement programmes buoyed up by various compensation packages and performance-based incentives. This ensures employee loyalty leading to effective employee retention.

The total employee strength as of 31st March, 2013 stood at 1,494

Internal audit and controls

The Company's internal audit system is geared towards ensuring adequate internal controls for safeguarding its assets, identifying weaknesses and areas of improvement and for meeting with all compliances. The Company also has an Audit Committee, which is responsible for reviewing the Audit Report submitted by internal auditors. The feedback from the Committee is considered and the necessary implementations are carried out. The Audit Committee also invites statutory and internal auditors for regular meetings to review its internal control systems. The Board of Directors is kept informed of all major observations.

RISK MANAGEMENT



Risk

The economic slowdown could affect oil exploration measures, thus hampering the Company's profitability.

Mitigation

High prices and technological innovation have unlocked vast unconventional resources globally, reversing the trend of falling output and altering global energy

balances. This has encouraged E&P companies to dig deeper, literally. Douglas-Westwood has forecast a global capex of over USD 223 bn for the 2013-2017 period, almost double the amount spent in the preceding five years.



Risk

Increasing global and domestic competition could hamper day rates.

Mitigation

Aban is India's largest drilling contractor and among the top 10 in the world- a reputation which results in attractive business prospects. The Company has a diversified portfolio, translating into a

significant advantage over its peers. Over the last year, jack-up rentals have increased from USD 120,000 a day to USD 150,000 a day, indicating demand exceeding supply. Contracts for six rigs were renewed during 2012-13 at attractively higher rates.



Risk

High dependence on a single geography on account of geopolitical crises can impact business.

Mitigation

The Company's offshore services are spread globally ensuring maximum utilisation of its assets. The Company also enjoys the flexibility of moving assets across the globe.

The Company's operations are spread across South East Asia, South Asia, Latin America, West Africa and the Middle East, leading to robust and continuous revenues.



Risk

In a technology-driven industry, technological obsolescence could affect the Company's business.

Mitigation

Aban's assets are relatively contemporary with the average age of 18 rigs being five-and-a half years against the normal lifespan of 30 years. The Company refurbished two

rigs in 2012-13 and another two will be refurbished in 2013-14, thus improving operational capabilities.

RISK 05



Risk

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

Mitigation

The Company enjoys robust client relationships, whose business is not impacted by short-term market cycles. The Company has engaged 15 of its rigs under long-term contracts and two under short-

term but continuous contracts, enabling it to achieve attractive returns.

RISK 06



Risk

Low asset utilisation may impact profitability.

Mitigation

The Company enjoys over two decades of industry expertise and long-term relationships with leading global oil and gas exploration companies ensures that all contracts are renewed on time. 17 of the 18 Company's rigs were profitably deployed

and 16 of its 17 rigs were deployed for three years, leading to long-term revenue visibility. Two of the rigs were deployed at attractive rates across the short-term with back-to-back contracts. As a result, the Company achieved its principal objective of near-complete asset deployment during the year.

RISK 07



Risk

The Company's operations can 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 minimal attrition in 2012-13.

RISK 08



Risk

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

Mitigation

The Company has been able to mobilise additional network resources to right-size its balance sheet, thus enabling a moderation in its gearing and increase in interest cover.

The Company converted a significant portion of its rupee loans into low cost dollar-denominated loans with the objective to save substantial sums in interest outflow every year.. The Company has also approached lending banks and institutions for restructuring its entire loan tenure.

DIRECTORS' REPORT

The Directors of your company are pleased to present the Twenty seventh Annual Report along with the accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS

Particulars	Rs. Millions		Rs. Millions	
	Standalone		Consolidated	
	For the year ended			
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Income from Operations	7,968.65	6,385.28	36,727.01	31,629.21
Other Income	490.85	758.85	266.63	657.66
Less Expenditure	4,816.05	3,726.19	16,867.78	13,225.04
Profit before Interest and Depreciation	3,643.45	3,417.94	20,125.86	19,061.83
Less Interest	3,296.29	3,662.53	11,884.49	9,890.85
Less Depreciation	491.31	986.10	4,909.47	5,160.41
Profit for the year before Tax	(144.15)	(1,230.69)	3,331.90	4,010.57
Provision for Tax	(136.83)	-	1,299.28	818.75
Fringe Benefit Tax	-	-	-	-
Provision for Deferred Tax	118.95	(23.38)	118.96	(23.37)
Profit after Tax before share in Earnings of joint ventures	(126.27)	(1,207.31)	1,913.66	3,215.19
Share in earnings of Joint ventures	-	-	25.07	-
Profit for the year after tax and after share in earnings of joint ventures	(126.27)	(1,207.31)	1,938.73	3,215.19
Profit brought forward from the previous year	5,678.36	7,360.90	10,810.05	8,070.09
Available for appropriation	5,552.09	6,153.59	12,748.78	11,285.28
Transfer to Capital Redemption Reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-
Proposed Dividend – Preference	275.07	252.24	275.07	252.24
Proposed Dividend- Equity	156.66	156.66	156.66	156.66
Tax on Dividend – Preference	46.75	40.92	46.75	40.92
Tax on Dividend – Equity	26.62	25.41	26.62	25.41
Balance Carried forward	5,046.99	5,678.36	12,243.68	10,810.05

2. PERFORMANCE

The Revenue earned during the year under review stood at Rs 8459.50 millions. Rigs Aban II, Aban III, Aban IV, Aban V, Aban VI and Drillship Aban Ice were working satisfactorily under the existing contracts. Floating Production Unit Tahara is being actively marketed.

3. CHANGES IN SHARE CAPITAL

There were no changes in the share capital of the company during the year under review.

4. SUBSIDIARY COMPANIES

INDIAN

Aban Energies Limited

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

Radhapuram Wintech Private Ltd

A new subsidiary was incorporated during the financial year under review for supply of green power to customers.

INTERNATIONAL

Merger of Sinvest AS with Aban International Norway AS:

As part of corporate restructuring, Sinvest AS, a Norwegian Subsidiary was merged with Aban International Norway AS.

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 Company 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.

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 prorata dividend of 8 % p.a upto 16 June, 2012 and thereafter at 10 % p.a upto 31.03.2013, 10% p.a for the year ended 31.03.2013, 9.25 % p.a for the year ended 31.03.2013 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, 2013.

8. DIRECTORS

Consequent to withdrawal of nomination by ICICI Bank, Mr.K. M.Jayarao ceased to be a Director effective 16 October, 2012. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr.Jayarao during his tenure.

Mr.Ashok Kumar Rout was appointed as an Additional Director effective 01 November, 2012 and will hold office till the conclusion of the Annual General Meeting. In the best interest of the company the board recommend the appointment of Mr. Ashok Kumar Rout as Director of the Company at the ensuing Annual General Meeting of the Members of the Company. Mr. Ashok Kumar Rout will be liable to retire by rotation.

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

9. DIRECTOR'S 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 2013, 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 2013 on a going concern basis.

10. STOCK EXCHANGES

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

Madras Stock Exchange Ltd, BSE Limited and National Stock Exchange of India Ltd.

Preference Shares aggregating to Rs. 2,610 million Crores issued by the Company are listed with BSE Limited.

Necessary stock exchange regulations are complied with. Applicable listing fees for the year 2013 -14 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 Millions)	
	2012 - 13	2011 - 12
Foreign exchange earned during the year	6,274.53	4,592.10
Foreign exchange outflow during the year	1,829.35	1,293.38

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
Date: May 28, 2013

C. P. Gopalakrishnan
Deputy Managing Director & Secretary

Reji Abraham
Managing Director

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, Tax 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

Statement as at 31st March 2013 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	3,73,200				
e) Total No. of Options exercised	95,130				
f) Total No of equity shares arising as a result of exercise of options	95,130 Equity shares of Rs.2/- Per share fully paid				
g) Total No. of Options Lapsed	1,68,870				
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	1,09,200				
k) Details of Options granted to Senior managerial personnel	No options were granted during the year 2012-13				
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 .(10.26)				
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 2012 -13 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 years 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 2013. 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	Abraham Nakrampurathu Chacko	53	98,20,460	Sr Tool Pusher	DME	7/2/1997	31	Nadirco Saudi Ltd
2	Cheten Maithre	45	1,04,79,303	Barge Engineer	LME	11/4/2007	26	EE-Mech with ONGC
3	D' Souza A.C	56	1,05,52,106	Tool Pusher	SSC	2/5/1987	37	Derrick Man, Zapata Offshore Drilling Co.
4	Gurpreet Singh	51	93,93,542	Tool Pusher	10th	12/5/1962	31	Driller with Pride Foramer
5	James Ravichandran	53	1,10,64,000	Chief Mechanic	ITI	13/4/1988	29	Not Applicable
6	Jayarajan.K*	52	43,79,309	General Manager (Operations)	B.Sc Engg (Mechanical)	11/8/1997	31	Dy . SE (Drilling) - ONGC Ltd
7	John A.V.	39	68,75,099	Chief Mechanic	SSLC+ITI	28/7/1995	20	Roustabout -Saipem Aban Drilling Company
8	Krishnan.B.G	59	89,94,949	Tool Pusher	SSLC	27/9/2006	37	Driller with Saipem.
9	Kushalappa .K.C	48	1,03,20,681	Rig Manager	B.E. (Industrial and Production Engineering)	27/3/1992	25	G.E.T. in Triveni Engineering Works Ltd
10	Kutty T.P.A.	58	93,32,933	Barge Engineer	PDC+ITI	8/4/1992	38	Asst. Chief Electrician with Mahindra and Mahindra
11	Martin Wheeler	53	79,97,625	Tool Pusher	B.Sc	25/6/2007	31	Driller with Pride
12	Nayer Jatinder Mohan	57	60,78,459	Tool Pusher	12th Std.	16/1/2003	26	Asst Driller with Ensco.
13	Radhesam Varma	55	60,26,809	Rig Manager	B.E. (Mech)	26/9/2008	31	Saudi Aramco - Drilling Supervisor
14	Rajesh Kumar Agarwal	51	1,01,60,645	Sr Tool Pusher	DME +AMIE in Mechanical Engg.	24/8/2008	30	NDC
15	Ram Kumar Bahl	44	62,66,848	Rig Manager	Diploma (Mechanical Engg.)	19/9/2012	25	Premium Drilling Company
16	Sandhu A.P.S.	61	1,20,63,652	Chief Operating Officer	B.Sc Engg (Mechanical)	20/3/1992	37	Chief Engineer - ONGC Ltd
17	Sharma. M.S	50	66,16,264	Chief Mechanic	SSC	1/8/1991	22	Hitech Drilling Services India Ltd.
18	Shyam Kabadkar	41	1,05,87,933	OIM	HSC	21/9/2011	20	Assistant Rig Manager with Noble Drilling
19	Shyam Sunder Sharma	51	61,96,627	Tool Pusher	B. Tech(Mech.)	6/12/2008	31	Tool Pusher with ETA Star Holding.
20	Sunil G. Abraham	50	70,68,948	Tool Pusher	B.E. (Mechanical)	21/2/1992	21	Not Applicable
21	Suresh Kumar	52	1,16,98,477	Tool Pusher	Diploma (Mechanical Engg.)	1/4/2002	31	Rig Superintendent - Jagson International
22	Taneja D.K.	55	1,10,84,115	Tool Pusher	Diploma (Mechanical Engg.)	10/7/1996	33	Drilling Superintendent-Triveni Oil Field Services
23	Tomar S.S.	47	69,10,352	Driller	SSC	1/6/1996	22	Roustabout Arya Offshore Limited

Notes (a) Remuneration includes Salary and taxable value of perquisites as per Income tax rules

(b) Nature of employment is contractual

* Employed for the part of the year.

CORPORATE GOVERNANCE

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, 2013 are set out below:

Name of Director(s)	Category Of Directorship	Financial year 2012-2013		As on 31st March 2013			
		Attendance at		No. of Other Directorships		Committee Positions in other Companies*	
		Board Meetings	Last AGM	Public Ltd. Cos.	Private Ltd. Cos.	Member	Chairman
P. Murari	Non - Executive - Independent	5	Yes	-	-	4	2
Reji Abraham	Executive - Promoter	5	Yes	7	19	-	-
K Bharathan	Non - Executive Independent	5	Yes	1	-	-	-
K.M. Jaya Rao (upto 15 th October, 2012)	Non - Executive Independent Nominee – ICICI Bank Ltd.(lender)	2	No	1	-	-	-
Ashok Kumar Rout	Non - Executive Independent	2	NA	-	-	-	-
P. Venkateswaran	Executive - Non Promoter	4	Yes	4	5	-	-
C.P. Gopalkrishnan	Executive - Non Promoter	5	Yes	3	16	-	-

Excludes directorships in associations foreign and section 25 companies

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

** Mr.Ashok Kumar Rout was appointed as an Additional Director effective 01 November, 2012

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.

It is proposed to appoint Mr.Ashok Kumar Rout as a Director at the ensuing Annual General Meeting.

Board recommends the reappointment of Mr. P. Venkateswaran and Mr.C.P.Gopalkrishnan as Directors. Board also recommends the appointment of Mr.Ashok Kumar Rout as a Director.

I BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD

Aban's Board comprises of Six Directors - One Promoter Director, Three Non - Executive Independent Directors, Two Executive Directors. The Board functioned directly or through various focused committees (Audit Committee, Shareholders'/Investors' Grievance Committee, Compensation Committee and Remuneration 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 5 times during the year 2012 - 13 on the following dates: 30.05.2012, 08.08.2012,21.09.2012, 01.11.2012 and 25.01.2013

Name of Director	P.Venkateswaran	C P Gopalkrishnan	Ashok Kumar Rout
Date of Birth	12.02.1951	09.03.1956	09.11.1962
Nationality	Indian	Indian	Indian
Date of Appointment on Board	01.08.2001	01.08.2001	01.11. 2012
Date of Appointment as Whole-time Director	01.08.2001	01.08.2001	N.A
Qualifications	B Tech	B.Com (Hons), ACA,ACS, LLB	B.Tech (Hons) IIT, Kharagpur M.B.A – IIM, Bangalore
Shareholding in the Company Equity Shares of Rs.2/- each	11,505	21,500	NIL
List of Indian Companies in India in which Directorships held	Aban Investments Private Limited	Aban Investments Private Limited	
	Haryana Aban Power Company Limited	Aban Energies 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	Aban Constructions Private Limited.	
	Aban Ventures Private Limited	Aban Infrastructure Private Limited	
	Hydrill Pressure Control Private Limited	Tuticorin Power Company Private Limited	
	Radhapuram Wintech 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	
		Radhapuram Wintech Private Limited	
Membership of Committees in the Company	Shareholders' Grievance Committee	Audit Committee Shareholders' Grievance Committee	Remuneration Committee.

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

REMUNERATION TO DIRECTORS*Amount in Millions*

Name of the Director (s)	Consolidated Salary	Perquisites and other benefits	Commission	Sitting Fees	Total
P Murari	--	--	--	0.08	0.08
K Bharathan	--	--	--	0.10	0.10
Reji Abraham	4.80	1.53	--	--	6.33
K M Jayarao*	--	--	--	0.03	0.03
Ashok Kumar Rout	--	--	--	0.03	0.03
P Venkateswaran	4.80	1.53	--	--	6.33
C P Gopalkrishnan	4.80	1.53	--	--	6.33

*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 2012-13

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, viz 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:
 - 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
 - any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - qualifications in draft audit report
 - 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 substantial default in the event of non payments to shareholders (in case of non payment of declared dividends) and creditors.

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 2013 on the following dates: 30.05.2012, 08.08.2012, 01.11.2012 and 25.01.2013

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

Composition and Attendance

Name	Category	No. of Meeting Attended
P. Murari	Chairman	4
K. Bharathan	Member	4
K.M.Jayarao (upto 15 October, 2012)	Member	2
P.Venkateswaran	Member	3

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 30.05.2012, 08.08.2012, 01.11.2012 and 25.01.2013

Composition and Attendance

Name	Category	No. of Meetings attended
Mr. K. Bharathan	Chairman	4
Mr. P. Venkateswaran	Member	3
Mr. C.P. Gopalkrishnan	Member	4

The Company received 27 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:

- 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.
- Conditions under which option vested in employees shall lapse.
- 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.

- 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.
- 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.
- Grant, vest and exercise of option in case of employee who are on long leave.
- 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
- 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 1.84 Million equity shares of Rs.2/- each - Options granted during the year NIL (upto Previous Year: 0.44 Million) Equity Shares of Rs.2/- each) - Options lapsed during the year 0.05 Million Equity Shares of Rs.2/- each (Upto Previous Year: 0.12 Million Equity Shares of Rs.2/- each) - Options exercised during the year: Nil (upto Previous Year: 0.095 Million Equity Shares of Rs.2/- each) Outstanding at the end of the year: 0.18 Million Equity Shares of Rs.2/- each (upto Previous Year: 0.23 Million Equity Shares of Rs.2/- each), Options yet to be granted under the scheme: 1.57 Million Equity Shares of Rs.2/- each (Previous year: 1.52 Million Equity Shares of of Rs.2/- each).

There was no committee meeting during the year.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee.

Terms of reference:

- To recommend /review the remuneration payable to Managing Director and Whole time Directors based on their performance and defined assessment criteria.
- Any other matter relating to remuneration payable to Managing Director and Whole Time Directors.

Remuneration Policy: The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

Composition and Attendance

Name	Category	No. of Meetings attended
Mr. P. Murari	Chairman	1
Mr. K. Bharathan	Member	1
Mr. K. M. Jayarao (upto 16.11.2012)	Member	1
Mr. Ashok Kumar Rout (from 25.01.2013)	Member	-

The committee met once during the year on 30.05.2012.

III. Subsidiary Company

The Indian subsidiaries 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
26 th Annual General Meeting***	Friday 21.09.2012	10.15 A M	Narada Gana Sabha Trust (Sathguru Gnandanda Hall), T.T.K Road, Chennai 600 018.
25 th Annual General Meeting**	Wednesday 28.09.2011	11.00 A.M	Narada Gana Sabha Trust (Sathguru Gnandanda Hall), T.T.K Road, Chennai 600 018.
24 th Annual General Meeting*	Friday 24.09.2010	11.00 A.M	Mini Hall, Music Academy No.168(old No.306), T.T.K Road, Royapettah, Chennai-600 014

*** Six Special Resolutions were passed and No postal ballot was used/invited for voting

** Five 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.

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 21st September 2012
 - a. Auditors appointment
 - b. Revision in terms of remuneration payable to Deputy Managing Director Mr.P.Venkateswaran for a period of three years effective 01.04.2012.
 - c. Revision in terms of remuneration payable to Deputy Managing Director Mr.C.P.Gopalkrishnan for a period of three years effective 01.04.2012
 - d. Re appointment of Mr.Reji Abraham as Managing Director for a period of 5 years from 26.09.2012 to 25.09.2017.
 - e. Raising fund through issue of FCCBs, GDRs, ADRs, etc
 - f. Issue of equity related securities to QIBs
2. ** AGM held on 28th September 2011
 - a. Auditors appointment
 - b. Re appointment of Mr.P.Venkateswaran as Deputy Managing Director for a period of 5 years from 01.08.2011 to 31.07.2016.
 - c. Re appointment of Mr.C.P.Gopalkrishnan as Deputy Managing Director for a period of 5 years from 01.08.2011 to 31.07.2016.
 - d. Raising fund through issue of FCCBs, GDRs, ADRs, etc
 - e. Issue of equity related securities to QIBs
3. *AGM held on 24th September 2010
 - a. Auditors appointment
 - b. Raising fund through issue of FCCBs, GDRs, ADRs, etc
 - c. Issue of equity related securities to QIBs

Postal Ballot

During the year under review, a resolution for raising of funds through QIP mechanism was placed before the members for approval through Postal Ballot during the year.

The notice was sent to all members, pursuant to Section 192A of the Companies Act, 1956 and a draft resolution and the explanatory statement stating all material facts and reasons thereto. Members had to fill in the Postal Ballot Forms duly signed and send it to the Company before 01.12.2012.

The Postal Ballot results were announced on Monday, the 3rd December 2012 at the Registered Office of the Company. Mr G Ramachandran, Company Secretary in Practice was appointed as scrutinizer for conducting the Postal Ballot.

Voting Pattern in given below:

Number of Valid Postal Ballot Forms received	: 481
Number of Shares	: 2,66,01,467
Votes in favour of the Resolution	: 424
Number of Shares	: 2,36,96,244
Votes against the Resolution	: 57
Number of Shares	: 29,05,223
Number of Invalid Postal Ballot forms received	: 138
Number of Shares	: 9,184

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 website, 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 2012 to 31st March 2013
Board meeting for considering the accounts and Dividend	28.05.2013
Posting of Annual Report	On or before 15.08.2013
Book closure dates	13.09.2013 – 20.09.2013
Last date for the receipt of proxy forms	18.09.2013
Twenty Seventh Annual General Meeting	20.09.2013
Venue	Mini Hall, Music Academy, 168, T T K Road, Royapettah, Chennai- 600 014
Time	10.15 a.m.
Dividend payment date	On or after 20.09.2013
Probable date of dispatch of dividend warrants	On or after 20.09.2013
Board Meeting to consider unaudited results for the first 3 quarters of the financial year 2013-2014	
Results of the quarter ended on 30th June 2013	On or before 15/08/2013
Results of the quarter ended on 30th September 2013	On or before 15/11/2013
Results of the quarter ended on 31st December 2014	On or before 15/02/2014

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, 30, Second Line Beach

Chennai – 600 001

BSE Limited

Phiroze Jeejeebhoy Towers

25th Floor, P.J. Towers

Dalal Street, Fort

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 2013-14 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
BSE 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 BSE Limited.
700099 – 10,50,00,000 - 10% p.a. Non Convertible Cumulative Redeemable Preference Shares
700129 – 5,50,00,000 - 10% p.a. Non convertible Cumulative Redeemable Preference Shares
700130 – 4,00,00,000 – 10% p.a. Non convertible Cumulative Redeemable Preference Shares
700131 – 6,10,00,000 – 10% p.a. Non convertible Cumulative Redeemable Preference Shares

ISIN No. of 10% p.a. Non convertible Cumulative Redeemable Preference Shares

INE 421A04097

ISIN No of 5,50,00,000 - 10% Non Convertible Cumulative Redeemable Preference shares

INE421A04071

ISIN No of 4,00,00,000 - 10% Non Convertible Cumulative Redeemable Preference shares

INE421A04063

ISIN No of 20,00,00,000 - 10% p.a. Non Convertible Cumulative Redeemable Preference shares

INE421A04055

ISIN No of 6,10,00,000 - 10% Non – Convertible Cumulative Redeemable Preference shares

INE421A04089

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 C (RPS)' [C (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: 91-44-4919 0606

Fax: 91-44-2819 5527

Email Id: ir@aban.com

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

M/s Cameo Corporate Services Ltd.,

Unit : Aban Offshore Ltd.

Subramanian Buildings

1, Club House Road

Chennai -600 002.

Phone: 91-44-28460390

Fax: 91-44-28460129

Email Id: investor3@cameoindia.com

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(s) 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

97.58 % of Equity shares of the Company have been dematerialized as at 31st March, 2013. 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, 2013

<u>S.No</u>	<u>RIGS</u>	<u>LOCATION</u>
1.	Aban II	East Coast of India
2.	Aban III	Bombay High
3.	Aban IV	Bombay High
4.	Aban V	Middle East
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.

Whistleblower Policy

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

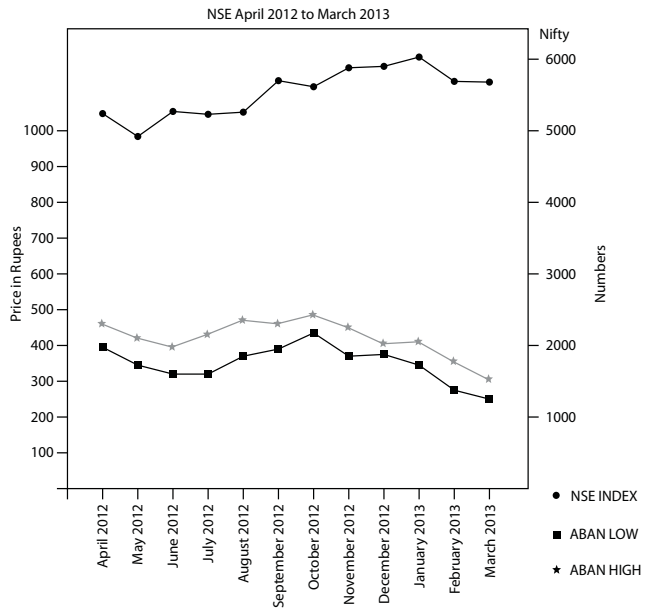
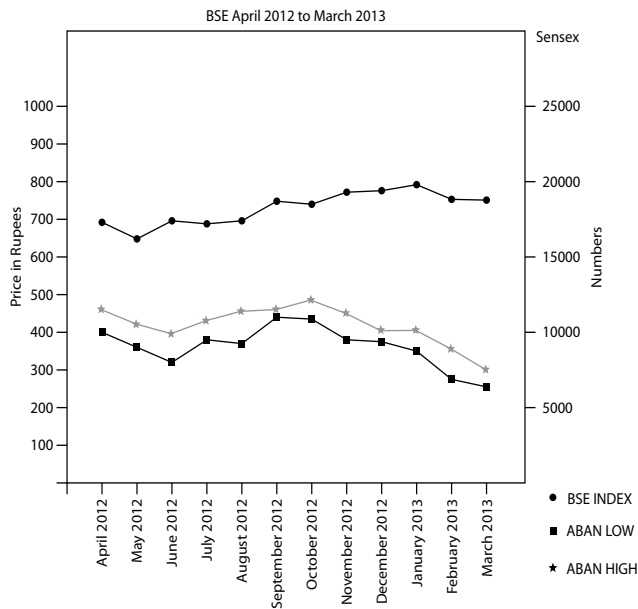
Categories of shareholders as on 31st March 2013

Category	Number of folios	Number of shares	%
Promoter(s)	2	1,07,80,910	24.77
Promoter Group	4	44,37,881	10.20
Collaborators	1	83,28,750	19.14
FII, NRIs/OCB	2346	40,02,013	9.20
Mutual Funds, FIs, Banks	28	16,63,812	3.82
Bodies Corporate	1543	17,20,546	3.96
Public	1,55,538	1,25,82,603	28.91
Total	1,59,462	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:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April 2012	458.85	401.6	28,62,968	458.80	393.25	1,40,28,017
May 2012	419.30	358.45	27,30,162	419.50	344.40	1,39,27,856
June 2012	395.10	320	35,39,279	395.30	320.10	1,59,19,679
July 2012	432.55	381.60	40,25,910	432.75	319.85	1,85,99,179
August 2012	455.00	370.10	28,78,353	473.70	372.20	1,38,26,459
September 2012	459.00	437.45	46,16,637	459.20	389.50	1,97,68,725
October 2012	486.50	434.95	31,99,548	486.40	434.10	1,12,26,843
November 2012	452.50	381.30	19,70,758	452.80	368.10	67,75,887
December 2012	404.20	374.05	18,50,091	403.85	373.70	67,88,701
January 2013	407.35	348.10	21,18,443	409.15	345.95	74,04,599
February 2013	354.30	275.60	12,08,119	354.00	275.30	39,28,232
March 2013	300.00	255.15	11,20,889	303.45	251.00	35,49,724



Distribution of shareholdings as on 31st March 2013

Category (Shares)	Folio		Shares	
	Numbers	%	Numbers	%
1-100	1,35,718	85.10	38,57,255	8.86
101-500	19,599	12.29	45,13,696	10.37
501-1000	2,565	1.60	19,42,952	4.46
1001-2000	917	0.57	13,54,715	3.11
2001-3000	271	0.16	6,83,575	1.57
3001-4000	104	0.06	3,66,537	0.84
4001-5000	69	0.04	3,21,015	0.73
5001 -10000	105	0.06	7,47,997	1.71
10001 & above	117	0.07	2,97,28,773	68.31
Total	1,59,465	100.00	4,35,16,515	100.00

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 2013.

Aban Offshore Limited

Chennai
May 28, 2013

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 2013 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.

Place: Chennai
Date : May 28, 2013

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

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 2013, 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 review of procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as prescribed in clause 49 of the above mentioned Listing Agreement. 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 clause 49 of 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 28, 2013

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABAN OFFSHORE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Aban Offshore Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Loss 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

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by Section 227 (3) of the Act, we report that:
 - a We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For Ford, Rhodes, Parks & Co.,

Chartered Accountants

ICAI - Registration No: 102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place : Chennai

Date : May 28, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date under the caption
"Report on Other Legal and Regulatory Requirements)

- 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. No material discrepancies have come to the notice on such physical verification.
- (c) The Company has not disposed off any substantial part of fixed assets during the year so as to affect its going concern status.
- 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 loan 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 Millions	Rupees in Millions	Rupees in Millions
Aban Holdings Pte., Ltd., Singapore	1293.24	30.94	2942.68

- (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 Companies 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 Millions	Rupees in Millions	Rupees in Millions
Aban Investments Private Ltd	NIL	101.18	1057.30
Aban Ventures Private Ltd	594.00	281.15	466.80
Aban Informatics Private Ltd	59.50	63.70	63.70

- (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 repayment of principal 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 goods and 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 the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of INR 5,00,000/- with any party during the year have been made at prices which appears to be reasonable having regard to the 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 there under.

- 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 generation of electricity through wind power. 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. However minor delays have been noted during the year in the remittance of Service Tax. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information explanations given to us, no undisputed amounts payable in respect of above were in arrears as at 31st March 2013 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 does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit but has incurred cash losses in the immediately preceding financial year.
- xi (a) Based on our verification and according to the information and explanations given to us, we have noted that the company has converted two of its Indian Rupee term loans taken from banks into Foreign Currency Term loan that have aggregate value of Rs.6682.64 Million as at 31st march 2013.
(b) We have noted default in repayment of term loan instalments with respect to one bank loan account and a loan from a financial institution, and interest during the year which are due to Banks and a Financial Institution. The unpaid overdue loan instalments and interest during the year in this regard as at 31st march 2013 were INR 165.60 Million and INR 319.40 Million respectively. The company has since paid INR 35.60 Million of over due instalment and INR 203.45 Million of over due interest due to Banks and a Financial Institution before the date of our report.
- xii Based on our examination of 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 Except as stated in Para xi (a) regarding conversion of Indian Rupee Term Loan into Foreign Currency Term loan, the Company has not taken any term loan from banks or financial institution during the year. Hence the provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- 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-terms funds towards long-term investment.
- xviii According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix 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 28, 2013



Aban Offshore Limited

Balance Sheet

As at 31st March 2013

	Note No:	As at 31 st March, 2013 Rs. Millions	As at 31 st March, 2012 Rs. Millions
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	2,897.04	2,897.04
Reserves and Surplus	4	17,218.22	17,849.59
		<u>20,115.26</u>	<u>20,746.63</u>
Non - current liabilities			
Long - term borrowings	5	10,310.61	19,086.27
Deferred tax liabilities (net)	6	387.56	268.61
Long - term provisions	7	14.93	18.18
		<u>10,713.10</u>	<u>19,373.06</u>
Current liabilities			
Short - term borrowings	8	5,083.39	5,570.69
Trade payables	9	3,561.22	3,308.25
Other current liabilities	9	2,202.91	2,438.25
Short - term provisions	7	511.73	480.72
		<u>11,359.25</u>	<u>11,797.91</u>
TOTAL		<u>42,187.61</u>	<u>51,917.60</u>
Assets			
Non - Current Assets			
Fixed Assests			
Tangible assests	10	5,837.25	5,738.65
Capital work-in-progress		202.68	245.11
Non - current investments	11	27,301.71	39,471.29
Long - term loans and advances	12	40.83	32.27
Other non - current assests	14.2	<u>77.84</u>	<u>-</u>
		<u>33,460.31</u>	<u>45,487.32</u>
Current Assets			
Inventories	13	906.40	814.92
Trade receivables	14.1	2,251.96	2,209.62
Cash and bank balances	15	479.60	279.28
Short - term loans and advances	12	727.01	3,116.24
Other current assests	14.2	<u>4,362.33</u>	<u>10.22</u>
		<u>8,727.30</u>	<u>6,430.28</u>
TOTAL		<u>42,187.61</u>	<u>51,917.60</u>

Summary of significant accounting policies

2.1

The accompanying notes 1 to 40 are an integral part of the financial statements

As Per our Report of even date

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : May 28, 2013

For and On behalf of the Board

K. Bharathan

Director

Reji Abraham

Managing Director

Ashok Kumar Rout

Director

C.P. Gopalkrishnan

Deputy Managing Director & Secretary

Statement of **Profit and Loss Account**
For the year ended 31st March 2013

Note No:	Year ended 31 st March, 2013 Rs. Millions	Year ended 31 st March, 2012 Rs. Millions
Income		
Revenue from Operations	16	7,968.65
Other Income	17	490.85
Total revenue	8,459.50	7,144.13
Expenses		
Consumption of stores, spares, power and fuel	18	677.18
Employee benefits expense	19	862.82
Finance costs	20	3,296.29
Depreciation and amortization expense	21	491.31
Other Expenses	22	3,276.05
Total expenses	8,603.65	8,374.82
Profit / (loss) before tax	(144.15)	(1,230.69)
Tax expenses		
Current tax		(136.83)
Deferred tax		118.95
Total tax expense	(17.88)	(23.38)
Profit / (loss) for the year from continuing operations	(126.27)	(1,207.31)
Earnings per equity share of Rs. 2 each(31 st March 2012: Rs. 2 each)	23	
Basic		
Computed on the basis of profit / (loss) for the year (in Rs)		(10.30)
Diluted		
Computed on the basis of profit / (loss) for the year (in Rs) and dilutive effects		(10.26)
Summary of significant accounting policies	2.1	
The accompanying notes 1 to 40 are an integral part of the financial statements		

As Per our Report of even date
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W
Ramaswamy Subramanian
Partner
Membership No: 016059
Place: Chennai
Date : May 28, 2013

K. Bharathan
Director

Ashok Kumar Rout
Director

For and On behalf of the Board
Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary



Cash Flow Statement

For the year ended 31st March 2013

	Year ended 31st March 2013 Rs. Millions	Year ended 31st March 2012 Rs. Millions
Cash flow from operating activities:		
Profit / (Loss) before tax from continuing Operations	(144.15)	(1,230.69)
Profit / (Loss) before tax	(144.15)	(1,230.69)
<u>Non cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation / amortization on continuing operations	491.31	986.10
Loss / (profit) on sale of fixed assests	(9.30)	-
Provision for Employee Benefits	5.91	9.63
Unrealised foreign exchange (gain) / Loss	(40.25)	(504.23)
Net Loss / (gain) on sale of Non Current investments	173.69	(307.69)
Interest expenses	3,228.68	3,575.35
Interest income	(240.95)	(236.93)
Dividend income	(0.68)	(1.15)
Operating profit before working capital changes	3,464.26	2,290.39
<u>Movements in working capital:</u>		
Increase / (Decrease) in trade payables	251.88	613.18
Increase / (Decrease) in other current liabilities	91.61	(497.45)
Decrease / (Increase) in trade receivables	(58.14)	452.25
Decrease / (Increase) in inventories	(91.13)	(38.63)
Decrease / (Increase) in long term loans and advances	(8.56)	3.07
Decrease / (Increase) in short term loan and advances	(0.23)	275.75
Decrease / (Increase) in other current assests	(8.10)	-
Decrease / (Increase) in other non current assests	(77.84)	-
Cash generated from (used in) operations	3,563.75	3,098.57
Direct taxes paid (net of refunds)	(158.41)	(514.64)
Net cash flow from operating activities (A)	3,405.34	2,583.93
Cash flow from Investing activities		
Purchase of fixed assests	(551.43)	(1,995.95)
Capital advances	(225.89)	(10.77)
Proceed from sale of fixed assests	13.26	-
Proceed from sale of non - current investments	7,649.70	427.09
Purchase of non-current investments	(11.26)	-
Proceed from sale / maturity of current investment	-	350.00
Purchase of current investments	-	(350.00)
Interests received	988.08	2.55
Dividend received	0.68	1.15
Net cash flow from / (used in) Investing activities (B)	7,863.14	(1,575.93)
Cash flow from financing activities		
Redemption of preference shares	-	(450.00)
Redemption of foreign currency convertible bonds with premium	-	(3,592.56)
Repayment of long term borrowings	(8,714.54)	(887.13)
Proceeds from short term borrowings	297.49	1,970.51
Repayment of short term borrowings	(780.11)	(276.25)
Repayment of loan by foreign subsidiary	2,169.96	5,338.40
Interest paid	(3,565.85)	(3,136.53)

Cash Flow Statement
For the year ended 31st March 2013

	Year ended 31st March 2013 Rs. Millions	Year ended 31st March 2012 Rs. Millions
Dividends paid on equity shares	(156.66)	(156.66)
Dividends paid on preference shares	(252.24)	(278.90)
Tax on equity dividend paid	(25.41)	(25.41)
Tax on preference dividend paid	(40.92)	(45.24)
Net cash flow from (used in) financing activities (C)	(11,068.28)	(1,539.77)
Net increase / decrease in cash and cash equivalents (A+B+C)	200.20	(531.77)
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.12	1.01
Cash and cash equivalents at the beginning of the year	279.28	810.04
Cash and cash equivalents at the end of the year	479.60	279.28
Components of cash and cash equivalents		
Cash on hand	0.60	0.22
With banks on current account	403.33	124.62
On deposit account	64.79	147.31
unpaid dividend account*	10.88	7.13
Total cash and cash equivalents (note 15)	479.60	279.28

*The company can utilize these balances only towards settlement of the respective unpaid dividend liability.

As Per our Report of even date
For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI - Registration No.102860W
Ramaswamy Subramanian
Partner
Membership No: 016059
Place: Chennai
Date : May 28, 2013

For and On behalf of the Board
K. Bharathan
Director

Ashok Kumar Rout
Director

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary



1. Corporate Information

Aban Offshore Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The Company is engaged in the business of providing offshore drilling and production services to companies engaged in exploration, development and production of oil and gas both in domestic and international markets. The Company is also engaged in the ownership and operation of wind turbines for generation of wind power in India.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result on the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day to day repair and maintenance expenditure are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the assets are derecognized.

c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management or those prescribed under the Schedule XIV of the Companies Act, 1956, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets-

Fixed Assets	Rates (SLM)
Buildings	1.63%
Drilling Rigs	3.34% *
Drillship	3.34% *
Office Equipment	13.91%
Computers	16.21%
WindMills	10.00%
Furniture and fixtures	6.33%
Vehicles	9.50%

* Pursuant to notification of Government of India, Ministry of Corporate Affairs dated 14th December 2011, the rate of depreciation on Rigs has been reduced to 3.34% p.a. on straight line basis. The depreciation on rigs and drillship has been charged accordingly with effect from the date of such notification.

d. Borrowings costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

e. Impairment of tangible assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Income in the year when 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.

f. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g. Inventories

Inventory of stores, spares and fuel is valued at cost or net realizable value, whichever is lower, based on a weighted average cost/ first-in-first-out basis.

h. Revenue recognition

Income from drilling and production services is recognized as earned, based on contractual daily rates billed on monthly basis. Mobilization /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 the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

i. Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Exchange differences in respect of foreign currency loans/liabilities relating to fixed assets are accounted in the Statement of Profit and Loss.

Conversion

Foreign currency current assets and current liabilities are translated at the exchange rates prevailing at the reporting date. In circumstances, where the rate prevailing on the reporting date is not stable/ highly volatile, monetary items shall be reported based on subsequent actual realization rate. Resulting gains / losses are recognized in the Statement of Profit and Loss. Non-monetary items such as investments, fixed assets, denominated in foreign currency are translated at exchange rate prevailing on the date of transaction.

Exchange differences

All exchange differences are recognized as income or as expense in the Statement of Profit and Loss during the period in which they arise.

Forward exchange contracts/derivative contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward contract is also recognized as income or as expense for the period under the respective head of account for the period. In respect of derivative contracts, gains / losses on any such contracts are recognized in the Statement of Profit and Loss.

j. Retirement and other 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 Statement of Profit and Loss 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 the Statement of Profit and Loss
- (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 Statement of Profit and Loss. Amount of contribution, computed by the insurers is paid by the company and charged to Statement of Profit and Loss. 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.

k. 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 realizability in future years.

l. Segment reporting**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided with each segment representing strategic business unit that offers different services. The analysis of geographical segments is based on the areas in which the main assets of the company operate.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies and presents the financial statements of the Company as a whole.

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate

required to settle the obligation at the reporting date. The estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

o. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclose its existence in the financial statements.

p. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. Share Capital

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Authorised shares (No. millions)		
2,500 (31 st March 2012: 2,500) Equity Shares of Rs.2/- each	5,000.00	5,000.00
1000 (31 st March 2012: 1000) Cumulative Non Convertible Redeemable Preference Shares of Rs.10/- each	<u>10,000.00</u>	<u>10,000.00</u>
	<u>15,000.00</u>	<u>15,000.00</u>
Issued , subscribed and fully paid -up Equity shares (No. in millions)		
Equity Shares		
36.88 (31 st March 2012: 36.88) equity shares of Rs.2/- each	73.75	73.75
0.85 (31 st March 2012: 0.85) equity shares of Rs.2/- each issued against conversion of foreign currency convertible bonds	1.70	1.70
0.09 (31 st March 2012: 0.09) equity shares of Rs.2/- each issued against employee stock option scheme	0.19	0.19
5.69 (31 st March 2012: 5.69) equity shares of Rs.2/- each issued against qualified institutional placement	11.39	11.39
Shares Forfeited, 0.01(31 March 2012: 0.01) equity shares at Re 1/- each	<u>0.01</u>	<u>0.01</u>
	(A) <u>87.04</u>	<u>87.04</u>
Preference Shares		
60 (31 st March 2012: 77 @ 8%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	600.00	770.00
45 (31 st March 2012: 28 @ 8%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	450.00	280.00
61 (31 st March 2012: 61 @ 9%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	610.00	610.00
95 (31 st March 2012: 95 @ 9%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	950.00	950.00
20 (31 st March 2012:20 @ 9.25%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	<u>200.00</u>	<u>200.00</u>
	(B) <u>2,810.00</u>	<u>2,810.00</u>
TOTAL(A+B)	<u>2,897.04</u>	<u>2,897.04</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31st March 2013		31st March 2012	
	No. millions	Rs. millions	No. millions	Rs. millions
Equity shares of Rs 2 each				
At the beginning of the period	43.51	87.04	43.51	87.04
Issued during the period	-	-	-	-
Outstanding at the end of the period (A)	43.51	87.04	43.51	87.04
Preference shares of Rs 10 each				
At the beginning of the period	281.00	2,810.00	326.00	3,260.00
Issued during the period	-	-	-	-
Redeemed during the period			45.00	450.00
Outstanding at the end of the period (B)	281.00	2,810.00	281.00	2,810.00
Total Value of Outstanding Shares (A) +(B)		2,897.04		2,897.04

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. During the year ended 31st March 2013, the amount of per share dividend recognized as distributions to equity shareholders is Rs.3.60 (31st March 2012: Rs.3.60).

d. Terms of redemption of Non-convertible Cumulative redeemable preference shares

The terms and conditions of the Non-Convertible Cumulative redeemable preference shares are as under:

- 55 million 10% non-convertible cumulative redeemable preference shares will be redeemed at par on 29-12-2014
- 40 million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 28-02-2015
- 61million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 30-03-2015
- 45 million 10% non- convertible cumulative redeemable preference shares will be redeemed at par on 16-06-2015
- 60 million 10% non-convertible cumulative redeemable preference shares will be redeemed at par on 16-06-2016
- 20 million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 03-08-2016

e. The company has reserved 1.84 million equity shares of Rs.2 each for offering to employees under the Employee Stock Option Scheme (ESOS) (31st March 2012:1.84 million equity shares of Rs.2 each) out of which 0.095 million equity shares of Rs.2 each have been already allotted upto the balance sheet date under the scheme and included under the paid up capital (31st March 2012: 0.095 million equity shares of Rs.2 each) (Refer note 25 for details)

f. Details of shareholders holding more than 5% shares in the company

	31st March 2013		31st March 2012	
	No. millions	% holding in the class	No. millions	% holding in the class
Equity shares of Rs.2 each fully paid				
Reji Abraham	5.13	11.78%	5.13	11.78%
India Offshore Inc	8.33	19.14%	8.33	19.14%
Aban Investments Private Limited	5.65	12.99%	5.65	12.99%
	<u>19.11</u>	<u>43.91%</u>	<u>19.11</u>	<u>43.91%</u>
	31st March 2013		31st March 2012	
	No. millions	% holding in the class	No. millions	% holding in the class
Preference shares of Rs.10 each fully paid				
10% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Syndicate Bank	10.50	10.00%	10.50	10.00%
Canara Bank Mumbai	17.50	16.67%	17.50	16.67%
Indian Overseas Bank	14.00	13.33%	14.00	13.33%
Vijaya Bank	17.50	16.67%	17.50	16.67%
Axis Bank Limited	42.00	40.00%	42.00	40.00%
	<u>101.50</u>	<u>96.67%</u>	<u>101.50</u>	<u>96.67%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Indian Bank	10.00	16.39%	10.00	16.39%
Vijaya Bank	5.00	8.20%	5.00	8.20%
UCO Bank	10.00	16.39%	10.00	16.39%
Indusind Bank Limited	30.00	49.18%	30.00	49.18%
Yes Bank Limited	5.00	8.20%	5.00	8.20%
	<u>60.00</u>	<u>98.36%</u>	<u>60.00</u>	<u>98.36%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Punjab National Bank	20.00	50.00%	20.00	50.00%
Canara Bank Mumbai	10.00	25.00%	10.00	25.00%
Indian Overseas Bank	10.00	25.00%	10.00	25.00%
	<u>40.00</u>	<u>100.00%</u>	<u>40.00</u>	<u>100.00%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Syndicate Bank	15.00	27.27%	15.00	27.27%
Bank of India	15.00	27.27%	15.00	27.27%
Central Bank of India	5.00	9.10%	5.00	9.10%
Bank of Baroda	10.00	18.18%	10.00	18.18%
Oriental Bank of Commerce	10.00	18.18%	10.00	18.18%
	<u>55.00</u>	<u>100.00%</u>	<u>55.00</u>	<u>100.00%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Bank of India	20.00	100.00%	20.00	100.00%

As per the records of the company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



4. Reserves and Surplus

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Capital Reserve as per last Balance Sheet	0.03	0.03
Securities Premium Account		
Balance as per last financial statements	8,819.44	9,510.90
Less: amounts utilized towards redemption of foreign currency convertible bonds ***	-	(691.46)
	<u>8,819.44</u>	<u>8,819.44</u>
Investment Allowance Reserve-utilised as per last Balance Sheet	52.40	52.40
Capital Redemption Reserve		
Balance as per last financial statements	2,000.00	2,000.00
	<u>2,000.00</u>	<u>2,000.00</u>
General Reserve		
Balance as per last financial statements	1,299.36	1,299.36
	<u>1,299.36</u>	<u>1,299.36</u>
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	5,678.36	7,360.90
Profit/(loss) for the year	(126.27)	(1,207.31)
Less: Appropriations		
Proposed equity dividend-Rs.3.60 Per equity share (31st March 2012-Rs.3.60 Per equity share)	(156.66)	(156.66)
Tax on proposed equity dividend	(26.62)	(25.41)
Dividend on preference shares	(275.07)	(252.24)
Tax on preference dividend	(46.75)	(40.92)
Total appropriations	<u>(505.10)</u>	<u>(475.23)</u>
Net Surplus/(deficit) in the statement of profit and loss	<u>5,046.99</u>	<u>5,678.36</u>
Total reserves and surplus	<u>17,218.22</u>	<u>17,849.59</u>

*** Premium on redemption of foreign currency convertible bond including withholding tax has been adjusted against the securities premium account

5. Long term borrowings

	Non-current maturities		Current maturities	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Term loans				
Foreign currency term loans from banks (secured)	5,943.57	-	739.07	-
Rupee term loans from banks (secured)	4,017.04	18,535.24	629.10	305.12
Rupee term loan from financial institution (secured)	350.00	500.00	350.00	319.74
Other loans				
Hire purchase loan (secured)	-	0.43	0.43	3.89
From a company (unsecured)	-	50.60	100.00	999.60
	<u>10,310.61</u>	<u>19,086.27</u>	<u>1,818.60</u>	<u>1,628.35</u>
The above amount includes				
Secured borrowings	10,310.61	19,035.67	1,718.60	628.75
Unsecured borrowings	-	50.60	100.00	999.60
Amount disclosed under the head "Other current liabilities" (Refer Note 9)	-	-	(1,818.60)	(1,628.35)
Net Amount	<u>10,310.61</u>	<u>19,086.27</u>	<u>-</u>	<u>-</u>

1. The Foreign currency term loans from banks include the following:

- a. Foreign currency term loan of Rs.4,830.58 million [USD 88.99 million] (31st March 2012 - Rs.4,859.61 million) from a bank carries interest @ 6 Months LIBOR + 6% p.a. (31st March 2012 -16.25% p.a.). This loan which was originally a Rupee term loan was converted into FCNR(B) loan during the year 2012-2013. The Loan is repayable in 32 quarterly installments of USD 2.7811 million each along with interest from 30th June 2013. The loan is secured by second charge on the specific offshore drill rigs, Floating Production Unit and Second charge on drilling rig owned by foreign subsidiaries. Amount overdue on account of interest as on balance sheet date is USD 1.456 million for a period of 1 to 2 months. Amount since paid is USD 0.499 million.
- b. Foreign currency term loan of Rs.1,852.06 million [USD 34.12 million] (31st March 2012 - Rs.1,849.31 million) from a bank carries interest @ 6 Months LIBOR + 7% p.a. (31st March 2012 -15.00% p.a.). This loan which was originally a Rupee term loan was converted into FCNR (B) loan during the year 2012-2013. The Loan is repayable in 96 monthly installments of USD 0.356 Million each along with interest from 30th September 2013. The loan is secured by first charge on the specific offshore drill rig owned by foreign subsidiaries. Amount overdue as on the balance sheet date on account of interest on rupee term loan liability is Rs.43.29 million and interest overdues on FCNR (B) loan liability is USD 0.240 million for a period of 1 to 2 months. Amount since paid is Rs.43.29 million and USD 0.021 million respectively.

2. The rupee term loans from banks include the following:

- a. Indian Rupee Loan of Rs.63.00 million (31st March 2012 -Rs.63.00 million) from a bank carries interest @ 12.50% p.a. (31st March 2012- 13.00% p.a.). The loan is secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.1.28 million for a period of 1 month. Amount since paid is Rs.0.62 million.
- b. Indian Rupee Loan of NIL outstanding (31st March 2012 -Rs.2554.20 million) from a bank that carried interest @ 14.00% p.a. (31st March 2012- 14.50% p.a.) The loan has been completely repaid before March 2013. The loan was secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.46.28 million for a period of 1 to 2 months. Amount since paid is Rs.15.96 million.
- c. Indian Rupee Loan of NIL outstanding (31st March 2012 -Rs.2761.73 million) from a bank that carried interest @ 13.00% p.a. (31st March 2012- 13.50% p.a.) The loan has been completely repaid before March 2013. The loan was secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.7.82 million for a period of 1 day. Amount since paid is Rs.7.82 million.
- d. Indian Rupee Loan of Rs.2707.30 million (31st March 2012 - Rs.2707.30 million) from a bank carries interest @ 13.50% p.a. (31st March 2012 - 13.50% p.a.). The Loan is repayable in 96 equal Monthly installments of Rs.28.20 million each along with interest from 30th April 2013. The loan is secured by paripassu first charge on the specific offshore drill ship and drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.31.04 million for a period of 1 day. Amount since paid is Rs.31.04 million.
- e. Indian Rupee Loan of Rs.900.10 million (31st March 2012 - Rs.900.10 million) from a bank carries interest @ 13.00% p.a. (31st March 2012 -13.40% p.a.). The Loan is repayable in 32 equal quarterly installments of Rs.28.125 Million each along with interest from 30th June 2013. The loan is secured by paripassu first charge on the specific offshore drill ship and drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.30.51 million for a period of 1 to 3 months. Amount since paid is Rs.10.29 million.
- f. Indian Rupee Loan of Rs.200.00 million (31st March 2012 - Rs. 200 million) from a bank carries interest @ 15.75 % pa (31st March 2012 - 16.00% pa). The Loan has been since repaid completely during April 2013. The loan is secured by paripassu first charge on the specific offshore drilling rig and drill ship. Amount overdue on account of interest as on balance sheet date is Rs.0.32 million for a period of 1 day.
- g. Indian Rupee Loan of Rs.351.12 million (31st March 2012 - Rs.350.00 million) from a bank carries interest @ 15.75 % p.a. (31st March 2012 - 16.00% p.a.). The Loan has been since repaid completely during April 2013. The loan is secured by paripassu First charge on the specific offshore drilling rig and drill ship. Amount overdue on account of interest as on balance sheet date is Rs.0.57 million for a period of 1 day.
- h. Indian Rupee Loan of Rs.424.62 million (31st March 2012 - Rs.474.91 million) from a bank carries interest @ 14.75 % p.a. (31st March 2012 - 14.75% p.a.). The loan is repayable in 19 unequal quarterly installments along with interest from 30th June 2013. The loan is secured by First charge on the specific offshore drill rig owned by foreign subsidiaries. Amount overdue as on the balance sheet date on account of principal and interest is Rs.15.60 million and Rs.5.32 million respectively for a period of 1 day. Amount since paid is Rs.15.60 million and Rs.5.32 million in respect of principal and interest respectively.

3. Rupee term loan from an institution:

Rupee term loan from an institution of Rs.700 million (31st March 2012 - Rs.819.74 million) carries interest @ 13.00% p.a. (31st March 2012 – 13.00% p.a.). The loan is repayable in 11 quarterly installments of Rs.50 million each along with interest from June 2013. The loan is secured by paripassu first charge on drill ship and drilling rig. Amount overdue as on the balance sheet date on account of principal



Notes to Financial Statements for the year ended 31st March 2013

and interest is Rs.150.00 million and Rs.60.88 million respectively for a period of 1 to 7 months. Amount since paid is Rs.20 million and Rs.60.88 million in respect of principal and interest respectively.

4. Hire purchase loan for vehicles availed from a non-banking finance company of Rs.0.43 million (31st March 2012: Rs.4.32 million) secured by hypothecation of vehicles.
5. The Company has an outstanding unsecured loan from a company amounting to Rs.100.00 million (31st March 2012: Rs.1,050.20 million) at 15.60% p.a. (31st March 2012 : 14.50% p.a.). The loan is repayable in 12 monthly instalments along with interest.
6. **Deferred tax liabilities (net)**

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Deferred tax liability on timing differences		
On depreciation	387.56	268.61
	<u>387.56</u>	<u>268.61</u>

7. **Provisions**

	Long - Term		Short - Term	
	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions
Provision for employee benefits				
Provision for provident fund	-	-	1.35	1.59
Provision for gratuity	5.85	8.11	1.79	0.19
Provision for leave encashment	9.08	10.07	3.49	3.71
(A)	<u>14.93</u>	<u>18.18</u>	<u>6.63</u>	<u>5.49</u>
Other provisions				
Proposed equity dividend	-	-	156.66	156.66
Provision for tax on proposed equity dividend	-	-	26.62	25.41
Proposed preference dividend	-	-	275.07	252.24
Provision for tax on proposed preference dividend	-	-	46.75	40.92
(B)	<u>-</u>	<u>-</u>	<u>505.10</u>	<u>475.23</u>
TOTAL (A+B)	<u>14.93</u>	<u>18.18</u>	<u>511.73</u>	<u>480.72</u>

8 **Short term borrowings**

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Cash credit from banks (secured)	1,648.61	1,791.02
Short term borrowings (secured)	2,882.29	3,524.67
Short term borrowings (unsecured)	122.99	-
Deposits (unsecured)		
-Intercompany deposits repayable on demand	429.50	255.00
	<u>5,083.39</u>	<u>5,570.69</u>
the above amount includes		
Secured borrowings	4,530.90	5,315.69
Unsecured borrowings	552.49	255.00
	<u>5,083.39</u>	<u>5,570.69</u>

1. Cash credit from banks is 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. The cash credit is repayable on demand and carries interest @15 % to 18 % p.a.
2. Short term borrowings (secured) from banks represent buyer's credit availed against letters of credit secured by charge on current assets and second charge on three offshore jack-up rigs and a drill ship of the company. These short term borrowings are repayable over 180 - 360 days and carry interest @ 3% to 3.50% p.a.
3. Short term borrowings (unsecured) represent overdrawn bank balances from bank and working capital demand loan from a non-banking financial corporation that are repayable on demand.

9. Current liabilities

	(A)	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Trade payables		<u>3,561.22</u>	<u>3,308.25</u>
Other Current Liabilities			
Current maturities of long term borrowings (note 5)		1,818.60	1,628.35
Interest accrued but not due on borrowings		11.52	68.57
Interest accrued and due on borrowings		338.00	618.12
Investor Education and Protection Fund will be credited by following amounts (as and when due)			
- Unclaimed dividends		13.60	11.58
Others			
Service tax payable		6.99	53.86
TDS payable		<u>14.20</u>	<u>57.77</u>
	(B)	<u>2,202.91</u>	<u>2,438.25</u>
TOTAL (A+B)		<u>5,764.13</u>	<u>5,746.50</u>

10. Tangible assets

	Rs.Millions									
	Land-Freehold	Buildings	Offshore Jack-up rigs	Drillship	Other Machineries	Wind Mills	Office Equipment	Furniture & Fixtures	Vehicles	Total
Cost or Valuation										
At 1st April 2012	128.57	150.37	10,297.50	2,931.24	80.82	2,396.81	61.32	23.37	53.01	16,123.01
Additions	-	-	569.36	10.11	-	-	5.21	0.92	8.26	593.86
Disposals	-	-	-	-	-	(45.14)	-	-	(7.40)	(52.54)
Other adjustments										
-Exchange differences	-	-	-	-	-	-	-	-	-	-
-Borrowing costs	-	-	-	-	-	-	-	-	-	-
At 31st March 2013	128.57	150.37	10,866.86	2,941.35	80.82	2,351.67	66.53	24.29	53.87	16,664.33
At 1st April 2011	128.57	150.37	8,408.32	2,898.37	80.82	2,396.81	57.99	23.37	52.47	14,197.09
Additions	-	-	1,850.86	32.87	-	-	3.33	-	0.54	1,887.60
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments										
-Exchange differences	-	-	-	-	-	-	-	-	-	-
-Borrowing costs	-	-	38.32	-	-	-	-	-	-	38.32
At 31st March 2012	128.57	150.37	10,297.50	2,931.24	80.82	2,396.81	61.32	23.37	53.01	16,123.01

	Land-Freehold	Buildings	Offshore Jack-up rigs	Drillship	Other Machineries	Wind Mills	Office Equipment	Furniture & Fixtures	Vehicles	Total
Depreciation										
At 1 st April 2012	-	36.91	6,621.68	1,383.24	76.74	2,166.18	55.40	17.78	26.43	10,384.36
Charge for the year	-	2.45	274.79	98.34	-	104.87	5.05	1.49	4.32	491.31
Disposals	-	-	-	-	-	(42.37)	-	-	(6.22)	(48.59)
At 31st March 2013	-	39.36	6,896.47	1,481.58	76.74	2,228.68	60.45	19.27	24.53	10,827.08
At 1 st April 2011	-	34.46	6,094.12	1,122.75	76.74	1,981.15	50.44	16.30	22.30	9,398.26
Charge for the year	-	2.45	527.56	260.49	-	185.03	4.96	1.48	4.13	986.10
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March 2012	-	36.91	6,621.68	1,383.24	76.74	2,166.18	55.40	17.78	26.43	10,384.36
Net Block										
At 31st March 2013	128.57	111.01	3,970.39	1,459.77	4.08	122.99	6.08	5.02	29.34	5,837.25
At 31st March 2012	128.57	113.46	3,675.82	1,548.00	4.08	230.64	5.92	5.59	26.58	5,738.65

a. Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March 2013 was Rs.Nil (31st March 2012: Rs. 38.32 million).The company capitalized the borrowing cost in the offshore jack-up rigs.

b. Vehicles include certain vehicles taken on hire purchase arrangement:

- Gross block: Rs 14.77 million (31st March 2012: Rs.14.77 million)
- Depreciation charge for the year: Rs.1.25 million(31stMarch 2012:Rs.1.25 million)
- Accumulated depreciation: Rs.5.32 million (31st March 2012: Rs.4.07 million)
- Net book value: Rs.9.45 million (31st March 2012: Rs.10.69 million)

11. Non- current investments

	As at 31 st March 2013 Rs. millions	As at 31 st March 2012 Rs. millions
Trade Investment (valued at cost unless stated otherwise) Unquoted equity shares		
Investment in subsidiaries-wholly owned		
0.2 million (31 st March 2012:0.2 million) equity shares of Rs.10 each fully paid in Aban Energies Limited	2.00	2.00
587.45 million(31 st March 2012:850 million) equity shares in Aban Holdings Pte Ltd, Singapore	27,254.38	39,435.23
Investment in subsidiaries - Others		
0.021 million (74% holding) (31 st March 2012:Nil) equity shares of Rs.10 each fully paid in Radhapuram Wintech Private Limited	0.21	-
1.106 million (31 st March 2012:Nil)10% Non Cumulative Redeemable Preference shares of Rs 10 each fully paid in Radhapuram Wintech Private Limited	11.06	-
Investment in joint ventures		
0.05 million(31 st March 2012:0.05 million) equity shares of Rs.10 each fully paid in Frontier Offshore Exploration(India) Limited	-	-

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
(at cost less provision for other than temporary diminution in value Rs.4.99 million(31st March 2012:Rs.4.99 million))		
Other Investments		
0.3 million (31st March 2012: 0.3 million) equity shares of Rs.10 each fully paid in Aban Informatics Private Limited	19.85	19.85
	<u>27,287.50</u>	<u>39,457.08</u>
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity shares (quoted)		
-0.01 million (31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in Arihant Threads Ltd	-	-
(at cost less provision for other than temporary diminution in value of Rs.0.17 million (31st March 2012: Rs.0.17 million))		
-0.01 million (31st March 2012: 0.01 million) equity shares of Rs.10 each at cost less provision fully paid in Punjab Woolcombers Ltd.	-	-
-0.01 million(31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in State Bank of Travancore Ltd	0.15	0.15
-0.01 million(31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in ICICI Bank Ltd	0.79	0.79
-0.05 million(31st March 2012: 0.05 million)equity shares of Rs.5 each fully paid in Oil and Natural Gas Corporation Limited	6.32	6.32
-0.03 million(31st March 2012:0.03 million)equity shares of Rs.10 each fully paid in Indian Bank Ltd	2.95	2.95
Investment in equity shares (unquoted)		
0.01 million (31st March 2012: 0.01 million)equity shares of Rs.10 each fully paid in Madras Stock Exchange Limited	4.00	4.00
	<u>14.21</u>	<u>14.21</u>
	<u>27,301.71</u>	<u>39,471.29</u>
Aggregate amount of quoted investments(Market value: Rs.24.84 million) (31st March 2012: Rs.24.80 million)	10.21	10.21
Aggregate amount of unquoted investments	27,291.50	39,461.08
Aggregate provision for diminution in value of investments	5.18	5.18

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

12. Loans and advances

	Long-term		Short-term	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	235.46	10.77
(A)	<u>-</u>	<u>-</u>	<u>235.46</u>	<u>10.77</u>
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	3.28	1.75	7.59	8.77
Doubtful	-	-	-	-
	<u>3.29</u>	<u>1.75</u>	<u>7.59</u>	<u>8.77</u>
Provision for doubtful security deposit	-	-	-	-
(B)	<u>3.28</u>	<u>1.75</u>	<u>7.59</u>	<u>8.77</u>
Loans and advances to related parties				
Unsecured, considered good (Note 32)	-	-	49.69	2,951.66
(C)	<u>-</u>	<u>-</u>	<u>49.66</u>	<u>2,951.66</u>
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	64.36	88.23
Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>64.36</u>	<u>88.23</u>
Provision for doubtful advances	-	-	-	-
(D)	<u>-</u>	<u>-</u>	<u>64.36</u>	<u>88.23</u>
Other loans and advances				
Advance income-tax(net of provision for taxation)	-	-	307.53	11.82
Prepaid expenses	-	-	51.77	32.32
Loans to employees	11.26	4.31	7.50	8.38
Balances with statutory/government authorities	26.29	26.21	3.11	4.29
(E)	<u>37.55</u>	<u>30.52</u>	<u>369.91</u>	<u>56.81</u>
Total (A+B+C+D+E)	<u>40.83</u>	<u>32.27</u>	<u>727.01</u>	<u>3,116.24</u>

13. Inventories

	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions
Stores, Spares and Fuel (including stock-in- transit)	906.40	814.92
	<u>906.40</u>	<u>814.92</u>

14. Trade receivables and other assets

14.1 Trade receivables

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	366.80	299.43
Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>366.80</u>	<u>299.43</u>
Provision for doubtful receivables	-	-	-	-
(A)	<u>-</u>	<u>-</u>	<u>366.80</u>	<u>299.43</u>
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,885.16	1,910.19
Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,885.16</u>	<u>1,910.19</u>
Provision for doubtful receivables	-	-	-	-
(B)	<u>-</u>	<u>-</u>	<u>1,855.16</u>	<u>1,910.19</u>
Total (A+B)	<u>-</u>	<u>-</u>	<u>2,251.96</u>	<u>2,209.62</u>

14.2 Other assets

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Note 15)	77.84	-	-	-
(A)	<u>77.84</u>	<u>-</u>	<u>-</u>	<u>-</u>
Others				
Interest accrued on fixed deposits	-	-	4.87	10.22
Interest accrued on investments	-	-	-	-
Others- Receivable from wholly owned foreign subsidiary	-	-	4,357.46	-
(B)	<u>-</u>	<u>-</u>	<u>4,362.33</u>	<u>10.22</u>
Total (A+B)	<u>77.84</u>	<u>-</u>	<u>4,362.33</u>	<u>10.22</u>



15. Cash and bank balances

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Cash and cash equivalents				
Balances with banks:				
-On current accounts	-	-	403.33	124.62
-On unpaid dividend account	-	-	10.88	7.13
Cash on hand	-	-	0.60	0.22
	<u>-</u>	<u>-</u>	<u>414.81</u>	<u>131.97</u>
Other bank balances				
-Deposits with original maturity for more than 12 months (Note 14.2)	77.84	-	-	-
-Deposits with original maturity for more than 3 months but less than 12 months	-	-	20.23	0.49
- Margin money deposit	-	-	44.56	146.82
	<u>77.84</u>	<u>-</u>	<u>64.79</u>	<u>147.31</u>
Amount disclosed under other assets (Note 14.2)	<u>(77.84)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>479.60</u>	<u>279.28</u>

16. Revenue from operations

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Revenue from drilling and production services	7,893.54	6,326.53
Revenue from generation of electricity from wind power	75.11	58.75
	<u>7,968.65</u>	<u>6,385.28</u>

17. Other Income

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Interest income on		
-Bank deposits	12.95	10.56
-Loan to foreign subsidiary	228.00	226.37
Dividend income on		
-Non current investments	0.68	0.78
-Current investments	-	0.37
Miscellaneous Income	234.91	209.27
Net gain on sale of Non current investments	-	307.69
Net gain on sale of Tangible assets (Net)	9.30	-
Rental income	5.01	3.81
	<u>490.85</u>	<u>758.85</u>

18. Consumption of stores, spares, power and fuel

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Consumption of stores and spares	436.94	298.79
Power and Fuel	240.24	175.54
	<u>677.18</u>	<u>474.33</u>

19. Employee benefit expense

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Salaries,wages and bonus	791.83	673.56
Contribution to provident and other fund	28.30	28.37
Gratuity expense (note 24)	5.33	5.99
Staff welfare expenses	<u>37.36</u>	<u>31.26</u>
	<u>862.82</u>	<u>739.18</u>

20. Finance Costs

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Interest *	3,228.68	3,575.35
Loan Processing Charges	99.44	74.37
Exchange difference to the extent considered as an adjustment to borrowings costs	<u>(31.83)</u>	<u>12.81</u>
	<u>3,296.29</u>	<u>3,662.53</u>

* Excludes interest capitalised Rs Nil (31st March 2012- Rs 38.32 Million)

21. Depreciation and amortization expense

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Depreciation on tangible assets	<u>491.31</u>	<u>986.10</u>
	<u>491.31</u>	<u>986.10</u>

22. Other expenses

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Freight and forwarding cost	42.79	41.66
Rent	6.05	10.28
Rates and taxes	12.48	20.59
Rental charges for machinery	466.62	377.38
Insurance	418.54	395.85
Repairs and maintenance		
-Plant and machinery	143.88	151.83
-Buildings	2.13	2.38
-Others	3.59	37.23
Drilling services and management fees	118.79	205.82
Advertising and sales promotion	6.58	2.71
Exchange differences(net)	492.24	-
Travelling ,conveyance and transportation	206.40	206.30
Communication costs	25.75	17.92
Printing and stationery	5.91	4.90
Legal and professional fees	462.11	422.22
Catering expenses	90.95	60.88
Directors' sitting fees	0.23	0.24

Payment to auditors		
As auditor		
-Audit fee	3.00	2.50
-Tax audit fee	0.65	0.40
-Limited review	0.41	1.15
In other capacity		
-Taxation matters	-	0.35
-Other services(certification fees)	0.55	0.88
Reimbursement of expenses	-	0.17
Exchange losses(net)	521.37	469.58
Loss on sale of Non Current Investments	173.69	-
Miscellaneous expenses	71.34	79.46
	<u>3,276.05</u>	<u>2,512.68</u>

23. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Total operations for the year		
Profit/(Loss) after tax	(126.27)	(1,207.31)
Less: Dividends on preference shares and tax thereon	321.82	293.16
Net profit / (loss) for calculation of EPS	<u>(448.09)</u>	<u>(1,500.47)</u>
	<u>No. millions</u>	<u>No. millions</u>
Weighted average number of equity shares in calculating basic EPS	43.51	43.51
Effect of dilution:		
Stock options outstanding	0.18	0.31
Weighted average number of equity shares in calculating diluted EPS	43.69	43.82
Earning per share - (basic in Rs)	(10.30)	(34.49)
Earning per share - (diluted in Rs)	(10.26)	(34.24)

24. Gratuity and other defined benefit plans

The company operates a gratuity benefit plan which is funded with an insurance company in the form of a qualifying insurance policy. The company operates a leave encashment plan which is not funded

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss, the funded status and the amounts recognized in the balance sheet for such plans

Statement of profit and loss

Net employee benefit expense recognised in the employee cost

	Gratuity		Leave encashment	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
Components of employer expense				
-Current service cost	5.42	5.54	0.61	0.50
-Interest cost	4.51	4.53	1.13	0.99
-Expected return on plan assets	(4.08)	(4.10)	-	-
-Past service cost	-	-	-	-
-Actuarial losses/(gains)	(0.52)	0.02	(2.51)	0.84
Total expense recognized in the statement of profit and loss	<u>5.33</u>	<u>5.99</u>	<u>(0.77)</u>	<u>2.33</u>
Actual return on plan assets	<u>4.39</u>	<u>3.28</u>		

Balance sheet

Benefit (asset)/liability recognized in the balance sheet

	Gratuity		Leave encashment	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
Present value of defined benefit obligation	58.89	59.06	12.57	13.78
Fair value of plan assets	51.24	50.76	-	-
Status [Deficit/(Surplus)]	7.65	8.30	12.57	13.78
Contribution made towards the fund	-	-	-	-
(Net asset)/liability recognised in balance sheet	<u>7.65</u>	<u>8.30</u>	<u>12.57</u>	<u>13.78</u>

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity		Leave encashment	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
Present value of the DBO at the beginning of the year	59.06	56.34	13.78	11.64
Current service cost	5.42	5.54	0.61	0.50
Interest cost	4.51	4.54	1.13	0.99
Actuarial (gains)/losses	(0.20)	(0.80)	(2.51)	0.84
Benefits paid	(9.90)	(6.56)	(0.44)	(0.19)
Present value of the DBO at the end of the year	<u>58.89</u>	<u>59.06</u>	<u>12.57</u>	<u>13.78</u>

Changes in the fair value of plan assets are as follows:

	Gratuity	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
Plan assets at the beginning of the year	50.76	51.75
Expected return on plan assets	4.08	4.10
Actuarial gains/(losses)	0.31	(0.82)
Actual company contribution	5.99	2.29
Benefits paid	(9.90)	(6.56)
Plan assets at the end of the year	51.24	50.76

Major category of plan assets as a percentage of the fair value of the total plan assets are as follows:

	Gratuity	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
Mutual Funds	100%	100%

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	Gratuity		Leave encashment	
	31st March 2013 %	31st March 2012 %	31st March 2013 %	31st March 2012 %
Discount rate	8.33	8.55	8.33	8.55
Expected return on plan assets	8.00	8.00	-	--
Rate of increase in compensation levels	6.00	6.00	6.00	6.00

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

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

Amounts for the current and previous four periods are as follows:

	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions	31st March 2011 Rs. Millions	31st March 2010 Rs. Millions
Gratuity				
Defined benefit obligation	58.89	59.06	56.35	51.55
Plan assets	51.24	50.76	51.76	49.25
Surplus/(deficit)	7.65	8.30	4.59	2.30
Experience adjustments on plan liabilities	(0.20)	(0.80)	(0.67)	0.54
Experience adjustment on plan assets	0.31	(0.82)	2.01	(4.41)
Leave encashment				
Defined benefit obligation	12.57	13.78	11.64	10.80
Experience adjustments on plan liabilities	(2.70)	0.46	2.00	0.24

25. Employee Stock Option Scheme

The Company has instituted Employee Stock Option Scheme-2005 (ESOS) 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 equity share at the prevailing market price on the date of the grant of option.

The Securities Exchange Board of India (SEBI) issued the Employee Stock Option Scheme and Employees Stock Purchase Scheme guidelines in 1999, applicable to stock option schemes 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 recognized and amortized on a straight line basis over the vesting period.

The Company has not recognized 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 and credited to securities premium account is Rs. NIL (31st March 2012: Rs. Nil)

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 1.84 million equity shares of Rs.2 each. Options granted during the year- Nil (up to 31st March 2012: 0.44 Million equity shares of Rs.2 each)-Options lapsed during the year 0.05 million shares equity shares of Rs.2 each (up to 31st March 2012: 0.12 million equity shares of Rs.2 each)-Options exercised during the year- NIL (up to 31st March 2012: 0.095 million equity shares of Rs.2 each)-Options outstanding at the end of year :0.18 million equity shares of Rs.2 each (up to 31st March 2012: 0.23 million equity shares of Rs.2 each)-Options yet to be granted under the scheme: 1.57 million equity shares of Rs.2 each (31st March 2012: 1.52 million equity shares of Rs.2 each)

26. Interest in joint venture

The company's interest, as a venturer, in jointly controlled entity is as follows:

Name of the company	Country of incorporation	Proportion of ownership interest 31st March 2013	Proportion of ownership interest 31st March 2012
Frontier Offshore Exploration (India) Limited	India	25%	25%

The company has ceased to have joint control over Frontier Offshore Exploration (India) Limited and has also provided for diminution in the value of long term investment considering the state of affairs of the joint venture company

27. Segment information

- A. Primary Segment-**The company's primary segments are offshore oil drilling and production services and wind power generation (Wind energy). The said 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 offshore rigs, relating to the drilling and production services that are operating in India and Rest of Asia. The assets relating to the wind power generation are operating in India only.

Primary Segment information Business Segment	31st March 2013		31st March 2012	
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
1. Segment revenue				
- Drilling	8,382.64		7,085.38	
-Wind energy	<u>76.86</u>	<u>8,459.50</u>	<u>58.75</u>	<u>7,144.13</u>
2. Segment results				
- Drilling	3,179.87		2,522.95	
-Wind energy	<u>(77.46)</u>		<u>(178.29)</u>	
	3,102.41		2,344.66	
less: interest expenses	<u>(3,228.68)</u>	<u>(126.77)</u>	<u>(3,575.35)</u>	<u>(1,230.69)</u>
3. Segment assets				
- Drilling	41,870.13		51,495.89	
-Wind energy	<u>317.48</u>	<u>42,187.61</u>	<u>421.71</u>	<u>51,917.60</u>
4. Segment liabilities				
- Drilling	22,069.46		31,115.10	
-Wind energy	<u>2.89</u>	<u>22,072.35</u>	<u>55.87</u>	<u>31,170.97</u>
5. Depreciation				
- Drilling	386.44		801.07	
-Wind energy	<u>104.87</u>	<u>491.31</u>	<u>185.03</u>	<u>986.10</u>
6. Capital expenditure including capital work in progress				
- Drilling	551.43		1,995.96	
-Wind energy	<u>-</u>	<u>551.43</u>	<u>-</u>	<u>1,995.96</u>



The following table shows revenue by area of drilling and production operations and wind power generation, the carrying amount of segment assets and additions to fixed assets by geographical area in which such assets relating to the drilling and production operations and wind power generation are located

Secondary Segment information

Geographical Segment information	31st March 2013		31st March 2012	
	Rs. millions	Rs. millions	Rs. millions	Rs. millions
1. Segment revenue				
- India	5,106.73		4,822.70	
-Rest of Asia	<u>3,352.77</u>	8,459.50	<u>2,321.43</u>	7,144.13
2. Carrying amount of Segment assets				
- India	7,359.92		7,186.65	
-Rest of Asia*	<u>3,181.63</u>	10,541.55	<u>2,344.06</u>	9,530.71
3. Capital expenditure including Capital Work In Progress				
- India	477.89		1,546.94	
-Rest of Asia	<u>73.54</u>	551.43	<u>449.02</u>	1,995.96

* Excludes investment in / receivable from wholly owned foreign subsidiary

28. Related party disclosures**Names of related parties and related party relationship****Related parties where control exists****A. Subsidiary companies**

Aban Energies Limited, India-Wholly owned subsidiary
Aban Holdings Pte Limited, Singapore-Wholly owned subsidiary
Radhapuram Wintech Private Limited- India Subsidiary

B. Subsidiaries of Aban Holdings Pte Limited, Singapore

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
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
Deep Driller Mexico S de RL de CV, Mexico
Aban Labuan Pvt. Ltd, Labuan, Malaysia

C. Related parties with whom transactions have taken place during the year**a. Key Management personnel**

- | | | | |
|-------|----------------------|---|--|
| (i) | Reji Abraham | - | Managing Director |
| (ii) | Mr. P.Venkateswaran | - | Deputy Managing Director |
| (iii) | Mr.C.P.Gopalkrishnan | - | Deputy Managing Director and Secretary |

Related Party transactions during the year

Nature of transaction	Subsidiary companies		Key Management Personnel	
	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
1. Machinery maintenance charges paid	9.60	10.59	-	-
2. Rent paid	(0.11)	-	4.14	7.63
3. Remuneration	-	-	18.89	19.12
4. Interest received/receivable	228.00	226.37	-	-
5. Investment in indian subsidiary	11.27	-	-	-
6. Advances recoverable/(payable)	18.90	15.21	-	-
7. Loan given to foreign subsidiary	1,293.24	2,481.33	-	-
8. Loan repaid	3,703.84	6,991.38	-	-
9. Sale of investment	12,180.84	-	-	-
10. Dividend paid	-	-	18.58	18.58
11. Amount outstanding as at 31st March 2013				
- Receivable from foreign subsidiary	4,407.15	2,951.66	-	-
- Payable	-	-	-	-

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

	31st March 2013 Rs. Millions	31st March 2012 Rs. Millions
1. Machinery maintenance charges paid		
- Aban Energies Limited	9.60	10.59
2. Remuneration to Key management personnel		
- Mr. Reji Abraham	6.33	6.34
- Mr. P. Venkateswaran	6.33	6.39
- Mr. C.P. Gopalkrishnan	6.33	6.39
3. Interest received/ receivable		
- Aban Holdings Pte Ltd, Singapore	228.00	226.37
4. Investment in indian subsidiary		
- Radhapuram Wintech Pvt Ltd	11.27	-
5. Advances recoverable		
- Aban Energies Limited	19.67	8.98
- Aban Holdings Pte Ltd, Singapore	91.82	6.23
6. Loan given to foreign subsidiary		
- Aban Holdings Pte Ltd, Singapore	1,293.24	2,481.33
7. Loan repaid by foreign subsidiary		
- Aban Holdings Pte Ltd, Singapore	3,703.84	6,991.38
8. Rent paid		
- Reji Abraham	4.14	7.63
9. Dividend paid		
- Reji Abraham	18.46	18.46
10. Received / Receivable against sale of investment	12,180.84	-

Other transactions

Indian rupee loans guaranteed by personal guarantee of the Managing Director of the company-Rs.1,000.00 Million (31st March 2012: Rs. 5,000.00 Million)



29. Capital and other commitments

	31st March 2013 Rs. millions	31st March 2012 Rs. millions
Capital and Other commitments not provided for	859.86	104.16

30. Contingent liabilities

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Guarantees given by banks on behalf of the company	957.15	510.65
Corporate guarantees given by the company to banks on behalf of subsidiaries of company's wholly owned foreign subsidiary	25,706.03	20,749.95

31. Derivative instruments and unhedged foreign currency exposures

a. Outstanding forward cover contracts/derivatives as at the balance sheet date

	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions	Purpose
- Currency forward contracts/options	2,551.16	7,217.71	Hedging risk of exchange rate fluctuations

b. Particulars of unhedged foreign currency exposures as at the balance sheet date

	As at 31st March 2013 USD Millions	As at 31st March 2013 Rs. Millions	As at 31st March 2012 USD Millions	As at 31st March 2012 Rs. Millions
- Import payables	51.00	2,768.28	48.00	2,441.76
- Foreign currency term loans	123.11	6,682.64	NIL	NIL

32. Loans and advances in the nature of loans given to subsidiaries

Particulars	Subsidiary	Balance outstanding as at 31st March 2013	Maximum balance outstanding during the year	Balance outstanding as at 31st March 2012	Maximum balance outstanding during the previous year
		Rs. millions	Rs. millions	Rs. millions	Rs. millions
Aban Energies Limited (advance)	Indian subsidiary	15.34	15.34	8.98	9.97
Aban Holdings Pte Ltd (Loan & advance)	Foreign subsidiary	30.94	2,942.68	2,942.68	7,455.74

33. Value of imports calculated on CIF basis

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
a. Capital items	439.75	334.08
b. Stores and spare parts	195.24	415.19

34. Expenditure in foreign currency

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
a. Interest on foreign currency loans	57.15	52.01
b. Drilling services and management fees	102.69	80.20
c. Travel and transport	47.25	24.21
d. Consultancy fees	281.10	197.05
e. Rental charges for machinery	552.07	293.51
f. Insurance	266.12	375.09
g. Repairs to machinery	76.03	5.22
h. Catering	56.96	25.29
i. Salary and staff welfare	344.49	225.17
j. Others	45.49	15.63

35. Imported and indigenous stores and spares consumed

	31st March 2013 Value (Rs. millions)	31st March 2013 % of total consumption	31st March 2012 Value (Rs. millions)	31st March 2012 % of total consumption
Stores and spares				
Imported	148.42	33.97%	89.09	29.82%
Indigenous	288.52	66.03%	209.70	70.18%

36. Dividend remitted in foreign currency

Year of remittance (ending on)	31st March 2013 Rs. millions	31st March 2012 Rs. millions
Period to which it relates	2011-12	2010-11
Number of non-resident shareholders	1	1
Number of equity shares held	8.33	8.33
Net dividend remitted	29.98	29.98

37. Earnings in foreign currency

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
a. Drilling and production services	5,813.09	4,156.79
b. Interest from foreign subsidiary	228.00	226.37
c. Others	233.44	208.94

38. Generation of Electricity from wind power (net)

Year ended 31st March 2013 Units	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Units	Year ended 31st March 2012 Rs. millions
28,162,363	75.11	21,370,997	58.75



Aban Offshore Limited

Notes to Financial Statements for the year ended 31st March 2013

39. Dues to micro and small enterprises

The Company has no dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (31st March 2012: Nil)

40. Previous year figures

The Company has reclassified previous year figures to conform to this year's classification.

As Per our Report of even date

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

Ramaswamy Subramanian

Partner
Membership No: 016059
Place: Chennai
Date : May 28, 2013

For and On behalf of the Board

K. Bharathan
Director

Reji Abraham
Managing Director

Ashok Kumar Rout
Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

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

	Aban Energies Limited	Aban Holdings Pte Ltd	Radhapuram Wintech Private Limited
1 Name of the Subsidiary Company			
2 Financial Year of the Subsidiary Company	Year Ended 31.03.2013	Year Ended 31.03.2013	Year Ended 31.03.2013
3 Shares of the Subsidiary Company held by Aban Offshore Limited			
(a) Number of Shares - Equity	2,00,070	58,74,50,000	20,979
(b) Number of Shares - Preference	-	-	1,105,650
(c) Face Value	Rs.10	Not Applicable	Rs.10
(d) Paid up value	Rs.10	USD 58,74,50,000	Rs.10
(e) Extent of Holding in Equity	100%	100%	74%
(f) Extent of Holding in Preference	-	-	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:			
	Rs.in Million	Rs.in Million	Rs.in Million
(a) For the Subsidiary Company's financial year ended on 31.03.2013	(5.73)	1,897.33	(0.29)
(b) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(2.17)	4,424.69	-
5 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 31.03.2013	NIL	NIL	NIL
(b) For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	NIL	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 2013			
(a) Aban Singapore Pte Ltd		(j) Deep Drilling 1 Pte Ltd, Singapore	
(b) Aban 7 Pte Ltd, Singapore		(k) Deep Drilling 2 Pte Ltd, Singapore	
(c) Aban 8 Pte Ltd, Singapore		(l) Deep Drilling 3 Pte Ltd, Singapore	
(d) Aban Abraham Pte Ltd, Singapore		(m) Deep Drilling 4 Pte Ltd, Singapore	
(e) Aban Pearl Pte Ltd, Singapore		(n) Deep Drilling 5 Pte Ltd, Singapore	
(f) Aban International Norway AS		(o) Deep Drilling 6 Pte Ltd, Singapore	
(g) Aban Labuan Pvt Ltd, Labuan, Malaysia		(p) Deep Drilling 7 Pte Ltd, Singapore	
(h) DDI Holding AS Norway		(q) Deep Drilling 8 Pte Ltd, Singapore	
(i) Deep Drilling Invest Pte Ltd, Singapore		(r) Deep Driller Mexico S de RL de CV, Mexico	

For and on behalf of the Board

Reji Abraham
Managing Director

K.Bharathan
Director

Ashok Kumar Rout
Director

C.P.Gopalkrishnan
Dy Managing Director & Secretary

Place: Chennai
Date : May 28, 2013

Statement of details to be furnished for subsidiaries as prescribed by the Ministry of Corporate Affairs as per Section: 212(8) for the year ended 31st March, 2013

Name of the subsidiary Company	Aban Energies Ltd India	Radhapuram Wintech Private 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	2.00	11.27	27,254.38	27,140.00	2,174.00	1,139.88	2,062.64	3,148.24	36,780.35
b) Reserves & Surplus *	(13.96)	(0.29)	(1,704.59)	(3,444.85)	(733.44)	(1,093.05)	5,795.33	(2,354.30)	(12,365.96)
c) Total Assets	5.54	12.40	4,287.33	4,419.25	26,478.04	5,539.14	16,214.88	1,539.96	1,338.04
d) Total Liabilities	17.49	1.35	5,877.54	72,620.40	24,497.47	5,492.31	8,356.91	746.03	43,342.48
e) Investments (except in case of investment in subsidiaries)	-	-	27,140.00	91,896.26	-	-	-	-	66,418.82
f) Turnover	10.35	2.38	0.00	17,946.99	2,536.97	300.80	2,225.44	19.38	3,465.46
g) Profit/(Loss) before Taxation	(5.72)	(0.29)	(716.03)	3,680.75	(264.14)	(806.24)	588.82	(450.98)	(2,946.82)
h) Provision for Taxation	0.01	-	0.05	494.77	0.00	6.91	122.86	0.00	-
i) Profit/(Loss) after Taxation	(5.73)	(0.29)	(716.08)	3,185.99	(264.14)	(813.15)	465.96	(450.99)	(2,946.82)
j) Proposed Dividend	-	-	-	-	-	-	-	-	-
Name of the subsidiary Company	Aban Labuan Pvt Ltd Malaysia	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	0.00	26,036.28	34,893.38	7,351.61	7,911.87	7,053.81	2,048.24	3,698.99	
b) Reserves & Surplus *	19.11	2,754.82	842.15	4,677.52	10,670.56	9,838.52	7,924.96	9,069.42	
c) Total Assets	734.49	1.39	427.76	19,038.50	24,082.59	24,062.48	13,424.15	14,617.42	
d) Total Liabilities	715.38	7,299.81	114.18	7,009.37	5,500.16	7,170.15	3,450.95	1,849.01	
e) Investments (except in case of investment in subsidiaries)	-	36,089.52	35,421.94	-	-	-	-	-	
f) Turnover	956.74	-	114.81	2,067.00	3,054.61	2,922.74	3,068.65	3,069.56	
g) Profit/(Loss) before Taxation	19.14	(1,092.14)	(99.15)	(87.86)	1,243.55	1,187.77	1,769.47	1,711.89	
h) Provision for Taxation	-	-	(34.89)	(102.18)	-	(429.30)	-	-	
i) Profit/(Loss) after Taxation	19.14	(1,086.04)	(134.04)	(190.03)	1,243.55	758.47	1,769.47	1,711.89	
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	Deep Driller Mexico S de RL De CV, Mexico					
a) Share Capital	2,785.22	3,049.31	1,522.90	0.01					
b) Reserves & Surplus *	1,068.39	2,303.51	1,803.39	(748.01)					
c) Total Assets	9,878.03	11,935.36	13,073.29	612.92					
d) Total Liabilities	6,024.42	6,582.54	9,720.01	1,360.92					
e) Investments (except in case of investment in subsidiaries)	-	-	-	-					
f) Turnover	2,426.28	1,339.43	1,513.90	1,727.62					
g) Profit/(Loss) before Taxation	765.23	(190.74)	(280.79)	(704.41)					
h) Provision for Taxation	(96.02)	(133.94)	-	15.20					
i) Profit/(Loss) after Taxation	669.21	(324.68)	(280.79)	(719.61)					
j) Proposed Dividend	-	-	-	-					

* includes translation reserve

Reji Abraham
Managing Director

Place: Chennai

Date: May 28, 2013

K. Bharathan
Director

Ashok Kumar Rout
Director

C.P.Gopalakrishnan
Dy Managing Director & Secretary

Note :

1. The Ministry of Corporate Affairs, Government of India, vide General Circular No-2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

2. Other than the Indian subsidiary Aban Energies Ltd, and Radhapuram Wintech Private Ltd, where accounts is in Indian Rupee, other 19 subsidiary accounts which are in US Dollar are converted into Indian Rupee at the Exchange rate of 1USD = Rs. 54.28 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 accompanying Consolidated Financial Statements of Aban Offshore Limited the company and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

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

- In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Aban Offshore Limited, and its subsidiaries as at 31st March 2013;
- In the case of the Consolidated Statement of Profit and Loss, of the consolidated Profit of Aban Offshore Limited, and its subsidiaries for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Aban Offshore Limited and its subsidiaries for the year ended on that date.

Other Matters

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, M/s Radhapuram Wintech Private Limited, Chennai, India, the Indian subsidiaries 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 those auditors, out of the 17 Companies, we are informed that Deep Driller Mexico S.de.R.L.de.C.V. is not audited.

The audited financial statement of Aban Holdings Pte Ltd., Singapore reflects total assets of Rs. 30801.95 Million as at 31st March 2013 and total revenue of Rs. NIL for the year then ended. The Audited Consolidated Financial Statements of M/s Aban Singapore Pte., Limited, Singapore and its subsidiaries reflect total assets of Rs. 153706.50 Million as at 31st March 2013 and total revenue of Rs. 28943.98 Million for the year then ended. The unaudited financial statements of Deep Driller Mexico S.de.R.L.de.C.V., Mexico a subsidiary of Aban Singapore Pte Limited reflects total assets of Rs. 612.92 Million as at 31st March 2013 and total revenue of Rs. 1832.29 Million 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 28, 2013



Aban Offshore Limited

Consolidated Balance Sheet

As at 31st March 2013

	Note No:	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions
Equity and Liabilities			
Shareholders' funds			
Share Capital	6	2,897.04	2,897.04
Reserves and Surplus	7	29,940.17	25,719.41
Minority Interest		0.07	-
		<u>32,837.28</u>	<u>28,616.45</u>
Non-current liabilities			
Long-term borrowings	8	113,613.63	111,443.71
Deferred tax liabilities (net)	9	387.52	268.56
Long-term provisions	10	15.69	19.08
		<u>114,016.84</u>	<u>111,731.35</u>
Current liabilities			
Short -term borrowings	11	5,041.16	5,570.69
Trade payables	12	9,116.33	6,410.61
Other current liabilities	12	20,255.07	20,412.64
Short -term provisions	10	618.48	942.97
		<u>35,031.04</u>	<u>33,336.91</u>
TOTAL		<u>181,885.16</u>	<u>173,684.71</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	13.1	104,170.18	100,817.93
Intangible assets	13.2	59,920.94	56,156.58
Capital work-in-progress		202.68	245.08
Non-current investments	14	62.17	34.06
Long-term loans and advances	15	86.29	533.87
Other non-current assets	16.2	104.95	499.37
		<u>164,547.21</u>	<u>158,286.89</u>
Current assets			
Inventories	17	3,280.63	3,005.92
Trade receivables	16.1	10,885.14	10,116.37
Cash and bank balances	18	1,386.05	844.54
Short-term loans and advances	15	1,781.26	1,332.13
Other current assets	16.2	4.87	98.86
		<u>17,337.95</u>	<u>15,397.82</u>
TOTAL		<u>181,885.16</u>	<u>173,684.71</u>

Summary of significant accounting policies

4

The accompanying notes 1 to 37 are an integral part of the financial statements

As per our report of even date
For Ford, Rhodes, Parks & Co
Chartered Accountants
ICAI-Registration No.102860W

Ramaswamy Subramanian
Partner
Membership No: 016059
Place: Chennai
Date: May 28, 2013

For and on behalf of the Board

Reji Abraham
Managing Director

C.P.Gopalkrishnan
Dy.Managing Director & Secretary

Consolidated Statement of Profit and Loss Account

For the year ended 31st March 2013

	Note No:	Year ended 31st March 2013 Rs. Millions	Year ended 31st March 2012 Rs. Millions
Income			
Revenue from operations	19	36,727.01	31,629.21
Other income	20	266.63	657.66
Total revenue		<u>36,993.64</u>	<u>32,286.87</u>
Expenses			
Consumption of stores, spares, power and fuel	21	1,910.69	1,179.17
Employee benefits expense	22	4,479.58	3,378.24
Finance costs	23	11,884.49	9,890.85
Depreciation and amortization expense	24	4,909.47	5,160.41
Other expenses	25	10,477.51	8,667.63
Total Expenses		<u>33,661.74</u>	<u>28,276.30</u>
Profit before exceptional items and tax		<u>3,331.90</u>	<u>4,010.57</u>
Less Exceptional items		-	-
Profit/(Loss) before tax		<u>3,331.90</u>	<u>4,010.57</u>
Tax expenses			
-Current tax		1,299.28	818.75
-Deferred tax		118.96	(23.37)
Total tax expense		<u>1,418.24</u>	<u>795.38</u>
Profit/(Loss) for the year after tax and before share in earnings of joint venture		<u>1,913.66</u>	<u>3,215.19</u>
Share of profit/(loss) in joint venture		25.07	-
Profit/(Loss) for the year after tax and after share in earnings of joint venture		<u>1,938.73</u>	<u>3,215.19</u>
Earnings per equity share of Rs.2 each	26		
(31st March 2012: Rs.2 each)			
Basic			
Computed on the basis of profit/(loss) for the year		37.16	67.16
Diluted			
Computed on the basis of profit/(loss) for the year		37.01	66.68

Summary of significant accounting policies

4

The accompanying notes 1 to 37 are an integral part of the financial statements

As per our report of even date
For Ford, Rhodes, Parks & Co
Chartered Accountants
ICAI-Registration No.102860W

Ramaswamy Subramanian
Partner
Membership No: 016059
Place: Chennai
Date: May 28, 2013

For and on behalf of the Board

Reji Abraham
Managing Director

C.P.Gopalkrishnan
Dy.Managing Director & Secretary



Aban Offshore Limited

Consolidated Cash Flow Statement

For the year ended 31st March 2013

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Cash Flow from operating activities		
Profit before tax from continuing Operations	3,331.90	4,010.57
Profit before tax	3,331.90	4,010.57
<u>Non cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation/amortization on continuing operations	4,909.47	5,160.41
Loss/(profit) on sale of fixed assets	(9.30)	-
Provision for Employee Benefits	(2.25)	10.03
Provision for Doubtful Debts	464.75	398.84
Unrealized foreign exchange loss/(gain)	(48.35)	86.97
Net (gain)/Loss on sale of Non Current investments	-	(307.69)
Interest expenses	11,785.55	9,771.97
Interest income	(14.00)	(35.77)
Dividend income	(0.68)	(1.15)
Operating profit before working capital changes	20,417.09	19,094.18
<u>Movements in working capital:</u>		
Increase / (Decrease) in trade payables	2,704.62	772.79
Increase / (Decrease) in other current liabilities	(184.72)	(8,472.10)
Decrease / (Increase) in trade receivables	(1,249.31)	(808.31)
Decrease / (Increase) in inventories	(274.36)	(387.76)
Decrease / (Increase) in long term loans and advances	447.58	(498.43)
Decrease / (Increase) in short term loans and advances	(236.58)	1,291.76
Decrease / (Increase) in other current assets	88.64	388.34
Decrease / (Increase) in other non current assets	394.43	(7.30)
Cash generated from(used in) operations	22,107.39	11,373.17
Direct taxes paid (net of refunds)	(1,517.48)	(1,669.97)
Net cash flow from /(used in) operating activities (A)	20,589.91	9,703.20
Cash Flow from investing activities		
Purchase of fixed assets including Intangible Assets	(9,313.03)	(6,599.18)
Capital advances	(224.69)	(10.77)
Proceed from sale of fixed assets	1.91	-
Proceeds from sale of non-current investments	-	427.09
Purchase of non-current investments	(3.09)	-
Proceed from sale /maturity of current investment	-	350.00
Purchase of Current Investments	-	(350.00)
Interest received	19.34	27.76
Dividends received	0.68	1.15
Net cash flow from /(used in) investing activities (B)	(9,518.88)	(6,153.95)
Cash Flow from financing activities		
Redemption of preference share capital	-	(450.00)
Redemption of foreign currency convertible bonds with premium	-	(3,592.56)
Proceeds from long term borrowings	2,231.04	3,448.66

Consolidated Cash Flow Statement
 For the year ended 31st March 2013

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Proceeds from short term borrowings	255.26	1,970.51
Repayment of short term borrowings	(780.11)	(276.25)
Interest paid	(11,760.61)	(8,758.33)
Dividends paid on equity shares	(156.66)	(156.66)
Dividends paid on preference shares	(252.24)	(278.90)
Tax on equity dividend paid	(25.41)	(25.41)
Tax on preference dividend paid	(40.92)	(45.24)
Net cash flow from / (used in) financing activities (C)	(10,529.65)	(8,164.18)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	541.38	(4,614.93)
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.13	1.02
Cash and cash equivalents at the beginning of the year	844.54	5,458.45
Cash and cash equivalents at the end of the year	1,386.05	844.54
<u>Components of cash and cash equivalents</u>		
Cash on hand	1.94	0.99
With banks on current account	843.03	254.14
On deposit account	530.20	582.28
unpaid dividend account*	10.88	7.13
Total cash and cash equivalents (note 18)	1,386.05	844.54

Summary of significant accounting policies

4

*The company can utilize these balances only towards settlement of the respective unpaid dividend liability.

As per our report of even date
 For Ford, Rhodes, Parks & Co
 Chartered Accountants
 ICAI-Registration No.102860W

Ramaswamy Subramanian
 Partner
 Membership No: 016059
 Place: Chennai
 Date: May 28, 2013

For and on behalf of the Board

Reji Abraham
 Managing Director

C.P.Gopalkrishnan
 Dy.Managing Director & Secretary



1. Corporate Information

Aban Offshore Limited (AOL) (the Parent Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The Parent Company and its 19 subsidiaries are referred to as "Group" for the purpose of this Consolidated Financial Statements. The Parent Company has two Indian subsidiary companies - Aban Energies Ltd (wholly owned subsidiary) and Radhapuram Wintech Private Limited and a wholly owned foreign subsidiary Aban Holdings Pte. Limited, Singapore. The Parent Company, the wholly owned foreign subsidiary and its step-down subsidiaries are engaged in the business of providing offshore drilling and production services to companies engaged in exploration, development and production of oil and gas both in domestic and international markets. The Parent Company and its Indian subsidiaries are engaged in the ownership, operation and maintenance of wind turbines for generation of electricity through wind power in India

2. Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of business operations, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

3. 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 recognized 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".

4. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result on the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day to day repair and maintenance expenditure are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the assets are derecognized.

c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management or those prescribed under the Schedule XIV of the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets-

Fixed Assets	Rates (SLM)
Buildings	1.63%
Drilling Rigs	3.34% *
Drillship	3.34% *
Office Equipment	13.91%
Computers	16.21%
WindMills	10.00%
Furniture and fixtures	6.33%
Vehicles	9.50%

*Pursuant to notification of Government of India, Ministry of Corporate Affairs dated 14th December 2011, the rate of depreciation on Rigs has been reduced to 3.34% p.a. on straight line basis. The depreciation on rigs and drillship has been charged accordingly with effect from the date of such notification

Depreciation on fixed assets of foreign subsidiaries is determined using the straight line method over the useful life of assets based on the technical evaluation of the expected useful life.

d. Intangible assets

Intangible assets include Goodwill that 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.

e. Leases

Where the Company is a lessee

Leases in which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

f. Borrowings costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Income in the year when 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.

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

i. Inventories

Inventory of stores, spares and fuel is valued at cost or net realizable value, whichever is lower, based on a weighted average cost/ first-in-first-out basis.

j. Revenue recognition

Income from drilling and production services is recognized as earned, based on contractual daily rates billed on monthly basis. Mobilization /demobilization fees received, if any, is recognized as earned in the year of mobilization/demobilization.

Income from generation of electricity through wind power 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 the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date

k. Foreign currency translation**Foreign currency transactions and balances****Initial recognition**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Exchange differences in respect of foreign currency loans/liabilities relating to fixed assets are accounted in the Statement of Profit and Loss.

Conversion

Foreign currency current assets and current liabilities are translated at the exchange rates prevailing on the reporting date. In circumstances, where the rate prevailing on the reporting date is not stable/ highly volatile, monetary items shall be reported based on subsequent actual realization rate. Resulting gains / losses are recognized in the Statement of Profit and Loss. Non-monetary items such as investments, fixed assets, denominated in foreign currency are translated at exchange rate prevailing on the date of transaction.

Exchange differences

All exchange differences are recognized as income or as expense in the Statement of Profit and Loss during the period in which they arise.

Forward exchange contracts/derivative contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward contract is also recognized as income or as expense for the period under the respective head of account for the period. In respect of derivative contracts, gains / losses on any such contracts are recognized in the Statement of Profit and Loss.

Translation of integral and non-integral foreign operation

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the Balance Sheet date and the Statement of Profit and Loss are translated at average daily rates prevailing during the reporting period. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

Where there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of change in the classification.

l. Retirement and other 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 statement of profit and loss 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 the statement of Profit and Loss

(c) Annual contribution is made 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 statement of profit and loss. Amount of contribution, computed by the insurers is paid by the company and charged to statement of profit and loss. No additional liability is anticipated under the scheme administered by the Insurance Companies.

(d) Provision for leave encashment is based on actuarial valuation carried out by an independent actuary at the Balance Sheet date.

m. 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 realizability in future years.

n. Segment reporting

Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of services provided with each segment representing strategic business unit that offers different services. The analysis of geographical segments is based on the areas in which the main assets of the company operate.

Segment accounting policies

The segment information is prepared in conformity with the accounting policies and presenting the financial statements of the Group as a whole.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Provisions

A provision is recognized when the entity has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. The estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclose its existence in the financial statements.

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Notes to Consolidated Financial Statements for the year ended 31st March 2013

5. 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 Limited	India	100%	31st March 2013 (audited)	Indian Rupee
Radhapuram Wintech Private Limited	India	74%	31st March 2013 (audited)	Indian Rupee
Aban Holdings Pte Ltd	Singapore	100%	31st March 2013 (audited)	US Dollars
Aban Singapore Pte Ltd	Singapore	(a)	31st March 2013 (audited)	US Dollars
Aban International Norway AS	Norway	(b)	31st March 2013 (audited)	US Dollars
Aban 7 Pte Ltd	Singapore	(b)	31st March 2013 (audited)	US Dollars
Aban 8 Pte Ltd	Singapore	(b)	31st March 2013 (audited)	US Dollars
Aban Abraham Pte Ltd	Singapore	(b)	31st March 2013 (audited)	US Dollars
Aban Pearl Pte Ltd	Singapore	(b)	31st March 2013 (audited)	US Dollars
DDI Holding AS	Norway	(c)	31st March 2013 (audited)	US Dollars
Deep Drilling Invest Pte Ltd	Singapore	(d)	31st March 2013 (audited)	US Dollars
Deep Drilling 1 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 2 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 3 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 4 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 5 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 6 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 7 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Drilling 8 Pte Ltd	Singapore	(e)	31st March 2013 (audited)	US Dollars
Deep Driller Mexico S de RL de CV, Mexico	Mexico	(e)	31st March 2013 (unaudited)	US Dollars
Aban Labuan Pvt Limited	Labuan, Malaysia	(b)	31st March 2013 (audited)	US Dollars

Note:

- a) Wholly-owned subsidiary of Aban Holdings Pte Ltd
- b) Wholly-owned subsidiaries of Aban Singapore Pte Ltd
- c) Wholly-owned subsidiary of Aban International Norway AS
- d) Subsidiary of DDI Holding AS (66%) and Aban Singapore Pte Ltd(34%)
- e) Wholly-owned subsidiaries of Deep Drilling Invest Pte Ltd

Besides the above, the financials of Belati Oilfield Sdn Bhd, Malaysia, a joint venture company with 49% interest held by Aban Singapore Pte Ltd, have been considered in the consolidated accounts of Aban Singapore Pte Ltd.

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.



6. Share Capital

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Authorised shares (No. millions)		
2,500 (31 st March 2012: 2,500) equity shares of Rs.2/- each	5,000.00	5,000.00
1000 (31 st March 2012: 1000) Cumulative non convertible redeemable preference shares of Rs.10/- each	<u>10,000.00</u>	<u>10,000.00</u>
	<u>15,000.00</u>	<u>15,000.00</u>
Issued , subscribed and fully paid -up shares (No. millions)		
Equity shares:		
36.88 (31 st March 2012: 36.88) equity shares of Rs.2/- each	73.75	73.75
0.85 (31 st March 2012: 0.85) equity shares of Rs.2/- each issued against conversion of foreign currency convertible bonds	1.70	1.70
0.09 (31 st March 2012: 0.09) equity shares of Rs.2/- each issued against employee stock option scheme	0.19	0.19
5.69 (31 st March 2012: 5.69) equity shares of Rs.2/- each issued against qualified institutional placement	11.39	11.39
Shares Forfeited, 0.01(31 March 2012: 0.01) equity shares at Re 1/- each	<u>0.01</u>	<u>0.01</u>
	(A) <u>87.04</u>	<u>87.04</u>
Preference Shares		
60 (31 st March 2012: 77 @ 8%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	600.00	770.00
45 (31 st March 2012: 28 @ 8%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	450.00	280.00
61 (31 st March 2012: 61 @ 9%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	610.00	610.00
95 (31 st March 2012: 95 @ 9%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	950.00	950.00
20 (31 st March 2012:20 @ 9.25%) 10% non-convertible cumulative redeemable preference shares of Rs.10/-each	<u>200.00</u>	<u>200.00</u>
	(B) <u>2,810.00</u>	<u>2,810.00</u>
TOTAL (A+B)	<u>2,897.04</u>	<u>2,897.04</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31st March 2013		31st March 2012	
	No. millions	Rs. millions	No. millions	Rs. millions
Equity shares of Rs 2 each				
At the beginning of the period	43.51	87.04	43.51	87.04
Issued during the period	-	-	-	-
Outstanding at the end of the period (A)	43.51	87.04	43.51	87.04
Preference shares of Rs 10 each				
At the beginning of the period	281.00	2,810.00	326.00	3,260.00
Issued during the period	-	-	-	-
Redeemed during the period			45.00	450.00
Outstanding at the end of the period (B)	281.00	2,810.00	281.00	2,810.00
Total Value of Outstanding Shares (A) +(B)		2,897.04		2,897.04

b. Terms/ rights attached to equity shares

The Parent Company has only one class of equity shares having a face value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of per share dividend recognized as distributions to equity shareholders is Rs.3.60 (31st March 2012: Rs.3.60).

c. Terms of redemption of Non-convertible Cumulative Redeemable Preference shares

The terms and conditions of the Non-Convertible Cumulative redeemable preference shares are as under:

- 55 million 10% non-convertible cumulative redeemable preference shares will be redeemed at par on 29-12-2014
- 40 million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 28-02-2015
- 61million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 30-03-2015
- 45 million 10% non- convertible cumulative redeemable preference shares will be redeemed at par on 16-06-2015
- 60 million 10% non-convertible cumulative redeemable preference shares will be redeemed at par on 16-06-2016
- 20 million 10 % non-convertible cumulative redeemable preference shares will be redeemed at par on 03-08-2016

- d. The company has reserved 1.84 million equity shares of Rs.2 each for offering to employees under the Employee Stock Option Scheme (ESOS) (31st March 2012:1.84 million equity shares of Rs.2 each) out of which 0.095 million equity shares of Rs.2 each have been already allotted upto the balance sheet date under the scheme and included under the paid up capital (31st March 2012: 0.095 million equity shares of Rs.2 each) (Refer note 27 for details)

e. Details of shareholders holding more than 5% shares in the company

	31st March 2013		31st March 2012	
	No. millions	% holding in the class	No. millions	% holding in the class
Equity shares of Rs.2 each fully paid				
Reji Abraham	5.13	11.78%	5.13	11.78%
India Offshore Inc	8.33	19.14%	8.33	19.14%
Aban Investments Private Limited	5.65	12.99%	5.65	12.99%
	<u>19.11</u>	<u>43.91%</u>	<u>19.11</u>	<u>43.91%</u>
Preference shares of Rs.10 each fully paid				
10% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Syndicate Bank	10.50	10.00%	10.50	10.00%
Canara Bank	17.50	16.67%	17.50	16.67%
Indian Overseas Bank	14.00	13.33%	14.00	13.33%
Vijaya Bank	17.50	16.67%	17.50	16.67%
Axis Bank Limited	42.00	40.00%	42.00	40.00%
	<u>101.50</u>	<u>96.67%</u>	<u>101.50</u>	<u>96.67%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Indian Bank	10.00	16.39%	10.00	16.39%
Vijaya Bank	5.00	8.20%	5.00	8.20%
UCO Bank	10.00	16.39%	10.00	16.39%
Indusind Bank Limited	30.00	49.18%	30.00	49.18%
Yes Bank Limited	5.00	8.20%	5.00	8.20%
	<u>60.00</u>	<u>98.36%</u>	<u>60.00</u>	<u>98.36%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Punjab National Bank	20.00	50.00%	20.00	50.00%
Canara Bank	10.00	25.00%	10.00	25.00%
Indian Overseas Bank	10.00	25.00%	10.00	25.00%
	<u>40.00</u>	<u>100.00%</u>	<u>40.00</u>	<u>100.00%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Syndicate Bank	15.00	27.27%	15.00	27.27%
Bank of India	15.00	27.27%	15.00	27.27%
Central Bank of India	5.00	9.10%	5.00	9.10%
Bank of Baroda	10.00	18.18%	10.00	18.18%
Oriental Bank of Commerce	10.00	18.18%	10.00	18.18%
	<u>55.00</u>	<u>100.00%</u>	<u>55.00</u>	<u>100.00%</u>
10% Non Convertible Cumulative Redeemable Preference Shares of Rs.10 Each				
Bank of India	<u>20.00</u>	<u>100.00%</u>	<u>20.00</u>	<u>100.00%</u>

As per the records of the company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

7. Reserves and Surplus

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Capital Reserve - as per last Balance Sheet	<u>0.03</u>	<u>0.03</u>
Securities Premium Account		
Balance as per last financial statements	8,854.42	9,545.88
Add: on allotment under ESOS	-	-
Less: amounts utilized towards redemption of foreign currency convertible bonds *	-	(691.46)
	<u>8,854.42</u>	<u>8,854.42</u>
Investment Allowance Reserve (utilised) -as per last Balance Sheet	<u>52.40</u>	<u>52.40</u>
Capital Redemption Reserve		
Balance as per last financial statements	2,000.00	2,000.00
Add: Transfer from statement of profit and loss	-	-
	<u>2,000.00</u>	<u>2,000.00</u>
General Reserve		
Balance as per last financial statements	1,299.29	1,299.29
Add: Transfer from statement of profit and loss	-	-
	<u>1,299.29</u>	<u>1,299.29</u>
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	10,810.05	8,070.09
Profit/(loss) for the year	1,938.73	3,215.19
Less: Appropriations		
Proposed equity dividend-Rs.3.60 Per equity share (31st March 2012-Rs.3.60 Per equity share)	(156.66)	(156.66)
Tax on proposed equity dividend	(26.62)	(25.41)
Dividend on preference shares	(275.07)	(252.24)
Tax on preference dividend	(46.75)	(40.92)
Total appropriations	<u>(505.10)</u>	<u>(475.23)</u>
Net Surplus/(deficit) in the statement of profit and loss	<u>12,243.68</u>	<u>10,810.05</u>
Translation Reserve	<u>5,490.35</u>	<u>2,703.22</u>
Total reserves and surplus	<u>29,940.17</u>	<u>25,719.41</u>

* Premium on redemption of foreign currency convertible bond including withholding tax has been adjusted against the securities premium account

8. Long term borrowings

	Non-Current maturities		Current maturities	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Term loans				
Rupee term loans from banks (secured)	4,017.04	18,535.24	629.10	305.12
Rupee term loan from Financial institution (secured)	350.00	500.00	350.00	319.74
Foreign currency term loans from banks (secured)	92,094.11	74,425.76	14,751.84	15,855.83
Other loans				
Bonds	17,152.48	17,931.68	1,981.22	635.88
Hire purchase loan (secured)	-	0.43	0.43	3.89
Foreign currency convertible bonds (unsecured)	-	-	-	-
From a company (unsecured)	-	50.60	100.00	999.60
	<u>113,613.63</u>	<u>111,443.71</u>	<u>17,812.59</u>	<u>18,120.06</u>
The above amount includes				
Secured borrowings	113,613.63	111,393.11	17,712.59	17,120.46
Unsecured borrowings	-	50.60	100.00	999.60
Amount disclosed under the head "Other current liabilities" (note 12)	-	-	(17,812.59)	(18,120.06)
Net Amount	<u>113,613.63</u>	<u>111,443.71</u>	<u>-</u>	<u>-</u>

1. The rupee term loans from banks include the following:

- Indian Rupee Loan of Rs.63.00 million (31st March 2012 -Rs.63.00 million) from a bank carries interest @ 12.50% p.a. (31st March 2012- 13.00% p.a.) The loan has been since repaid completely during April 2013. The loan is secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.1.28 million for a period of 1 month. Amount since paid is Rs.1.28 million.
- Indian Rupee Loan of NIL outstanding (31st March 2012 -Rs.2,554.20 million) from a bank that carried interest @ 14.00% p.a. (31st March 2012- 14.50% p.a.) The loan has been completely repaid before March 2013. The loan was secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.46.28 million for a period of 1 month. Amount since paid is Rs.46.28 million.
- Indian Rupee Loan of NIL outstanding (31st March 2012 -Rs.2,761.73 million) from a bank that carried interest @ 13.00% p.a. (31st March 2012- 13.50% p.a.) The loan has been completely repaid before March 2013. The loan was secured by paripassu first charge on the specific offshore drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.7.82 million for a period of 1 day. Amount since paid is Rs.7.82 million.
- Indian Rupee Loan of Rs.2,707.30 million (31st March 2012 - Rs.2,707.30 million) from a bank carries interest @ 13.50% p.a. (31st March 2012 - 13.50% p.a.). The Loan is repayable in 96 Monthly installments of Rs.28.20 million each along with interest from 30th April 2013. The loan is secured by paripassu first charge on the specific offshore drill ship and drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.31.04 million for a period of 1 day. Amount since paid is Rs.31.04 million.
- Indian Rupee Loan of Rs.900.10 million (31st March 2012 - Rs.900.10 million) from a bank carries interest @ 13.00% p.a. (31st March 2012 -13.40% p.a.). The Loan is repayable in 32 quarterly installments of Rs.28.125 Million each along with interest from 30th June 2013. The loan is secured by paripassu first charge on the specific offshore drill ship and drilling rigs. Amount overdue on account of interest as on balance sheet date is Rs.30.51 million for a period of 1 to 3 months. Amount since paid is Rs.10.52 million.

- f. Indian Rupee Loan of Rs.200.00 million (31st March 2012 - Rs. 200 million) from a bank carries interest @ 15.75 % p.a. (31st March 2012 - 16.00% p.a.). The Loan has been since repaid completely during April 2013. The loan is secured by paripassu first charge on the specific offshore drilling rig and drill ship. Amount overdue on account of interest as on balance sheet date is Rs.0.32 million for a period of 1 day.
- g. Indian Rupee Loan of Rs.351.12 million (31st March 2012 - Rs.350.00 million) from a bank carries interest @ 15.75 % p.a. (31st March 2012 - 16.00% p.a.). The Loan has been since repaid completely during April 2013. The loan is secured by paripassu First charge on the specific offshore drilling rig and drill ship. Amount overdue on account of interest as on balance sheet date is Rs.0.57 million for a period of 1 day.
- h. Indian Rupee Loan of Rs.424.62 million (31st March 2012 - Rs.474.91 million) from a bank carries interest @ 14.75 % p.a. (31st March 2012 - 14.75% p.a.). The loan is repayable in 19 unequal quarterly installments along with interest from 30th June 2013. The loan is secured by First charge on the specific offshore drill rig owned by foreign subsidiaries. Amount overdue as on the balance sheet date on account of principal and interest is Rs.15.60 million and Rs.5.32 million respectively for a period of 1 day. Amount since paid is Rs.15.60 million and Rs.5.32 million in respect of principal and interest respectively.

2. Rupee term loan from an institution:

Rupee term loan from an institution of Rs.700 million (31st March 2012 - Rs.819.74 million) carries interest @ 13.00% p.a. (31st March 2012 – 13.00% p.a.). The loan is repayable in 11 quarterly installments of Rs.50 million each along with interest from June 2013. The loan is secured by paripassu first charge on drill ship and drilling rig. Amount overdue as on the balance sheet date on account of principal and interest is Rs.150.00 million and Rs.60.88 million respectively for a period of 1 to 7 months. Amount since paid is Rs.20 million and Rs.60.88 million in respect of principal and interest respectively

3. The Foreign currency term loans from banks include the following:

- i. FCNR (B) Loan of Rs.4,830.58 million [USD 88.99 million] (31st March 2012 - Rs.4,859.61 million) from a bank carries interest @ 6 Months LIBOR + 6% pa (31st March 2012 -16.25% pa). This loan which was originally a Rupee term loan was converted into FCNR(B) loan during the year 2012-2013. The Loan is repayable in 32 quarterly installments of USD 2.7811 million each along with interest from 30th June 2013. The loan is secured by second charge on the specific offshore drill rigs, Floating Production Unit and Second charge on drilling rig owned by foreign subsidiaries. Amount overdue on account of interest as on balance sheet date is USD 1.456 million for a period of 1 to 2 months. Amount since paid is USD 0.497 million.
- ii. FCNR (B) Loan of Rs.1,852.06 million [USD 34.121 million] (31st March 2012 Rs.1,849.31 million) from a bank carries interest @ 6 Months LIBOR + 7% pa (31st March 2012 -15.00% p.a.). This loan which was originally a Rupee term loan was converted into FCNR (B) loan during the year 2012-2013. The Loan is repayable in 96 monthly installments of USD 0.356 Million each along with interest from 30th September 2013. The loan is secured by first charge on the specific offshore drill rig owned by foreign subsidiaries. Amount overdue as on the balance sheet date on account of interest on rupee term loan liability is Rs.43.29 million and interest overdues on FCNR (B) loan liability is USD 0.240 million for a period of 1 to 2 months. Amount since paid is Rs.43.29 million and USD 0.021 million respectively.
- iii. Term loan of Rs.2,158.82 million [US\$39,771,900] (31st March 2012: Rs.2,138.56 million[US\$42,040,000]) is secured by a first preferred mortgage on a rig , a pledge over 100% of the shares in a step-down subsidiary of the wholly-owned foreign subsidiary held by the Company, and assignment of contracts and insurances, in respect of the rig. The borrowings mature on 31st January 2019 and have an interest rate of 5.00% p.a. (31st March 2012: 5.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 41.04 million and Rs.26.42 million respectively for a period of 60 days.
- iv. Term loan of Rs.1,139.88 million [US\$21,000,000] (31st March 2012: Rs.846.32 million [US\$16,637,000]) is secured by a second priority mortgage on a rig owned by a step-down subsidiary of the wholly-owned subsidiary, and corporate guarantee of Aban Singapore Pte Ltd. The borrowings mature on 23rd February 2019 and have an interest rate 7.00% p.a. (31st March 2012: 7.00 % p.a.) at the balance sheet date.
- v. Term Loan of Rs. 4,582.51 million [US\$84,423,506] (31st March 2012: Rs.4,675.12 million [US\$91,903,382]) is secured by a first priority mortgage on a drill ship and first charge by way of hypothecation of moveable assets and receivables of a step-down subsidiary of the wholly-owned foreign subsidiary that owns this drill ship and a pledge over 30% of the shares in a step-down subsidiary of the wholly-owned foreign subsidiary. The borrowings mature on 1st February 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 4.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.101.50 million and Rs.41.57 million respectively for a period of 31 – 59 days.
- vi. Term loan of Rs.931.01 million [US\$17,151,900] (31st March 2012: Rs.969.19 million [US\$19,052,275]) is secured by a first priority mortgage on a drill ship and first charge by way of hypothecation of moveable assets and receivables of a step-down subsidiary of the wholly-owned subsidiary that owns this drill ship and a pledge over 30% of the shares in a step-down subsidiary held by the

- wholly-owned foreign subsidiary. The borrowings mature on 1st February 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 4.00% p.a.) at the balance sheet date.
- vii. Term loan of Rs.17,913.79 million [US\$329,881,000] (31st March 2012:Rs.17,344.99 million [US\$340,967,000]) is secured by a guarantee from a shareholder of the Parent Company, to the extent of Rs.6,947.84 million [US\$128,000,000], and by a pari-passu pledge over 100% of the shares in a step down subsidiary of the wholly owned foreign subsidiary of by the company, a charge over escrow account into which dividends from such shares are to be deposited and a second charge over a drill ship owned by a step-down subsidiary of the wholly-owned foreign subsidiary. The borrowings mature on 3rd January 2019 and have an interest rate of 4.00%-5.50% p.a. (31st March 2012: 4.00%-5.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.126.04 million and Rs.152.90 million for a period of 31 – 180 days
- viii. Term loan of Rs.2,727.57 million[US\$50,250,000] (31st March 2012: Rs.3,179.38 million [US\$62,500,000]) is secured by a pari-passu pledge over 100% of the shares in a step down subsidiary of the wholly owned foreign subsidiary of by the company, a charge over escrow account into which dividends from such shares are to be deposited, and a third priority mortgage on a rig owned by a step-down subsidiary. The borrowings mature in 26th February 2016 and have an interest rate of 5.00% p.a. (31st March 2012: 5.00% p.a.) at the balance sheet date.
- ix. Term loan of Rs.3,074.08 million [US\$56,633,800] (31st March 2012: Rs.4,383.56 million [US\$86,171,800]) is secured by a first and second priority mortgage on a rig, a pledge over 100% of the shares in a step-down subsidiary of the wholly-owned foreign subsidiary, assignment of insurances; and a charge over revenues and bank accounts to be maintained by the Borrower in respect of the rig. The borrowings mature on 30th August 2014 and have an interest rate 1.35%-4% p.a.(31st March 2012: 1%-4.00% p.a.) at the balance sheet date. Amount overdue on account of Principal and interest is Rs.132.55 million & Rs.0.67 million for a period of 4 days.
- x. Term loan of Rs.1,373.96 million [US\$25,312,500] (31st March 2012: Rs.1,859.93 million [US\$36,562,500]) is secured by a first priority mortgage on a rig, first charge by way of hypothecation of moveable assets and receivables of a step-down subsidiary of the Company that owns this rig and a corporate guarantee of Aban Singapore Pte Ltd. The borrowings mature on 1st March 2015 and have an interest rate of 4.25% p.a. (31st March 2012: 5.25% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 152.66 million and Rs.10.13 million respectively for a period of 31-59 days.
- xi. Term loan of Rs.1,204.72 million [US\$22,194,470] (31st March 2012: Rs.1,193.13 million [US\$23,454,430]) is secured by a first priority mortgage on a drill ship and first charge by way of hypothecation of moveable assets and receivables of a step down foreign subsidiary that owns the drill ship and a pledge over 30% of the shares of a step down subsidiary of the wholly-owned foreign subsidiary of the Parent Company. The borrowings mature on 1st February 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 4.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.19.54 million and Rs.13.00 million respectively for a period of 59 days.
- xii. Term loan of Rs.3,377.26 million [US\$62,219,195] (31st March 2012: Rs.3,393.94 million [US\$66,717,970]) is secured by a first priority mortgage on a drill ship , and first charge by way of hypothecation of moveable assets and receivables of a step-down subsidiary of the wholly-owned foreign subsidiary the that owns the drill ship and a pledge over 30% of the shares of a step-down subsidiary of the wholly-owned subsidiary of the Parent Company. The borrowings mature on 1st February 2019 and have an interest rate of 5.50% p.a. (31st March 2012: 5.50 p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.0.06 million and Rs. 33.76 million respectively for a period of 31 – 59 days.
- xiii. Term loan of Rs.5628.56 million [US\$103,695,000] (31st March 2012: Rs.5,469.54 million [US\$107,520,000]) is secured a first priority mortgage over a rig of a step-down subsidiary of the wholly-owned foreign subsidiary, a first charge by way of hypothecation of moveable assets and receivables of a step-down subsidiary of the wholly-owned subsidiary of the Parent Company that owns this rig and a corporate guarantee of the Aban Singapore Pte Ltd. The borrowings mature on 24th March 2019 and have an interest rate of 5.00%-5.90% p.a. (31st March 2012: 5.00% p.a-6.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.96.35 million and Rs.93.51 million for a period of 7-189 days.
- xiv. Term loan of Rs.7,817.41 million [US\$144,020,000] (31st March 2012: Rs.7,558.26 million [US\$148,580,000]) is secured by a first priority mortgage on a rig, first charge on the receivables from the rig and a corporate guarantee from Aban Singapore Pte Ltd. The borrowings mature on 5th February 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 4.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 61.88 million and Rs. 86.29 million respectively for a period of 55 days.
- xv. Term loan of Rs.2,657.10 million [US\$48,951,640] (31st March 2012: Rs.2,549.30 million [US\$50,114,080]) is secured by second mortgages on two rigs of two step-down subsidiaries of the wholly-owned foreign subsidiary. The borrowings mature on 12th March 2019 and have an interest rate of 4.58%-4.75% p.a. (31st March 2012: 5.25% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.21.03 million and Rs.57.26 million respectively for a period of 20-110 days.

- xvi. Term loan of Rs.6,918.31 million [US\$127,456,000] (31st March 2012: Rs.6,871.11million [US\$135,072,000]) is secured by a first priority mortgage on a rig, first charge on the receivables from the rig and the bank account into which such receivables are deposited and a corporate guarantee from Aban Singapore Pte Ltd. The borrowings mature on 8th February 2020 and have an interest rate of 4.79% p.a. (31st March 2012: 4.79% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 126.91 million and Rs.90.30 million respectively for a period of 21 – 83 days.
- xvii. Term loan of Rs.5,806.87 million [US\$106,980,000] (31st March 2012: Rs.7,223.54 million [US\$142,000,000]) is secured by a corporate guarantee of the Parent Company and a first pari-passu charge on two rigs and a floating production unit owned by the Parent Company. The borrowings mature on 26th September 2017 and have an interest rate of 7.00% p.a. (31st March 2012: 7.00% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 378.87 million and Rs.113.66 million respectively for a period of 6 – 90 days.
- xviii. Term loan of Rs.6,920.73 million [US\$127,500,571] (31st March 2012: Rs.7,041.53 million [US\$138,422,058]) is secured by a charge over escrow account into which dividends from such shares are to be deposited and a second preferred mortgage over a rig owned by a step-down subsidiary and a second priority mortgage over a rig owned by another step-down subsidiary. The borrowings mature on 26th March 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 4.00%p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs.194.00 million and Rs.131.10 million respectively for a period of 3 – 96 days.
- xix. Term loan of Rs.2,714.00 million [US\$50,000,000] (31st March 2012: Rs.3,815.25 million [US\$75,000,000]) is secured by a standby letter of credit issued by a bank, which is secured by a first pari-passu charge on a drill ship owned by the Parent Company, a first pari-passu charge on a rig owned by the Parent Company, a corporate guarantee of the Parent Company. The borrowings mature on 26th February 2017 and have an interest rate of 4.00% p.a.(31st March 2012: 3.00% p.a.) at the balance sheet date.
- xx. Term loan of Rs. 2,064.81 million [US\$38,040,000] (31st March 2012: Rs.2,097.88 million [US\$41,240,000]) is secured by a corporate guarantee from the Parent Company and a third priority mortgage on a rig owned by a step-down subsidiary of wholly-owned foreign subsidiary. The borrowings mature on 11th January 2019 and have an interest rate of 5.00% p.a. (31st March 2012: 5.00% p.a.) at the balance sheet date.
- xxi. Term loan of Rs.729.52 million [US\$13,440,001] (31st March 2012: Rs.813.92million [US\$16,000,000]) is secured by a standby letter of credit issued by a bank, which is secured by a corporate guarantee of the Parent Company and a first pari-passu charge on two rigs and a floating production unit owned by the Parent Company. The borrowings mature on 26th December 2017 and have an interest rate of 4.00% p.a. (31st March 2012: 3.70% p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 98.43 million and Rs.17.78 million respectively for a period of 6 – 187 days.
- xxii. Term loan of Rs.3,635.46 million [US\$66,976,000] (31st March 2012: Rs.3,592.24 million [US\$70,616,000]) is secured by a standby letter of credit issued by a bank, which is secured by a corporate guarantee of the Parent Company and a first pari-passu charge on two rigs and a floating production unit owned by the Parent Company. The borrowings mature on 26th March 2019 and have an interest rate of 4.00% p.a. (31st March 2012: 3.70%p.a.) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 158.06 million and Rs.86.27 million respectively for a period of 6-187 days.
- xxiii. Term loan of Rs.1,302.72 million [US\$24,000,000] (31st March 2012: Rs.1,220.88 million [US\$24,000,000]) is secured by a standby letter of credit issued by a bank, which is secured by a corporate guarantee of the Parent Company and a first pari-passu charge on two rigs and a floating production unit owned by the Parent Company. The borrowings mature on 26th December 2017 and have an interest rate of 5.00% p.a. (31st March 2012: 3.00% p.a.) at the balance sheet date. Amount overdue on account of interest is Rs. 6.52 million for a period of 4 days.
- xxiv. Term loan of Rs. 1,465.56 million [US\$27,000,000] (31st March 2012: Rs.1,831.32 million [US\$36,000,000]) is secured by a standby letter of credit issued by a bank, which is secured by a corporate guarantee of the Parent Company and a second priority mortgage on a rig owned by a step-down subsidiary of the wholly-owned foreign subsidiary. The borrowings mature on 31st December 2015 and have an interest rate of 4.50% p.a. (31st March 2012: 2.85% p.a.) at the balance sheet date.
- xxv. Term loan of Rs.2,605.44 million [US\$48,000,000] (31st March 2012: NIL) is secured by a first priority mortgage on a rig, first charge by way of hypothecation of stocks and receivables of a step-down subsidiary of the Company that owns this rig and a corporate guarantee of Aban Singapore Pte Ltd & Deep Drilling Invest Pte Ltd. The borrowings mature on 30th June 2019 and have an interest rate of 6.75% p.a. (31st March 2012: NIL) at the balance sheet date. Amount overdue on account of principal is Rs. 54.28 million for a period of 1 day.
- xxvi. Term loan of Rs.1,329.86 million [US\$24,500,000] (31st March 2012: NIL) is secured by a first priority mortgage on a rig, first charge by way of hypothecation of stocks and receivables of a step-down subsidiary of the Company that owns this rig and a corporate guarantee of Aban Singapore Pte Ltd & Deep Drilling Invest Pte Ltd. The borrowings mature on 30th November 2019 and have an interest rate of 6.75% p.a. (31st March 2012: NIL) at the balance sheet date.
- xxvii. Term loan of Rs.914.70 million [US\$16,851,500] (31st March 2012: NIL) is secured by a first priority mortgage on a rig of a step-down subsidiary of the Company that owns this rig and second pari-passu charge on a drill ship owned by the Parent Company and

a second pari-passu charge on a rig owned by the Parent Company, and a corporate guarantee of the Parent Company & Aban Singapore Pte Ltd. The borrowings mature on 31st March 2022 and have an interest rate of 5.65% p.a. (31st March 2012: NIL) at the balance sheet date. Amount overdue on account of interest is Rs. 9.07 million for a period of 5 days.

- xxviii. Term loan of Rs.271.40 million [US\$5,000,000] (31st March 2012: NIL) is secured by a first priority mortgage on a rig, first charge by way of hypothecation of stocks and receivables of a step-down subsidiary of the Company that owns this rig and a corporate guarantee of Aban Singapore Pte Ltd & Deep Drilling Invest Pte Ltd. The borrowings mature on 30th June 2020 and have an interest rate of 5.50% p.a. (31st March 2012: NIL) at the balance sheet date.
- xxix. Term loan of Rs.1,635.19 million [US\$30,125,000] (31st March 2012: NIL) is secured by a second priority mortgage on a rig of a step-down subsidiary of the Company that owns this rig and second pari-passu charge on a drill ship owned by the Parent Company and a second pari-passu charge on a rig owned by the Parent Company, and a corporate guarantee of the Parent Company & Deep Drilling 2 Pte Ltd. The borrowings mature on 31st March 2022 and have an interest rate of 6.50% p.a. (31st March 2012: NIL) at the balance sheet date.
- xxx. Term loan of Rs.2,810.08 million [US\$51,770,000] (31st March 2012: NIL) is secured by a first pari-passu charge on two rigs owned by the Parent Company and a corporate guarantee of the Parent Company. The borrowings mature on 31st March 2023 and have an interest rate of 5.90% p.a. (31st March 2012: NIL) at the balance sheet date.
- xxxi. Term loan of Rs.2,605.44 million [US\$48,000,000] (31st March 2012: NIL) is secured by a first pari-passu charge on two rigs owned by the Parent Company and a corporate guarantee of the Parent Company. The borrowings mature on 31st March 2023 and have an interest rate of 5.50% p.a. (31st March 2012: NIL) at the balance sheet date. Amount overdue on account of interest is Rs. 26.09 million for a period of 6 days.
- xxxii. Term loan of Rs.1,422.14 million [US\$26,200,000] (31st March 2012: NIL) is secured by a stand-by letter of credit issued by a bank which in-turn is secured by first priority mortgage on a rig owned by the step down subsidiary of the wholly owned subsidiary of the Company. The borrowings mature on 31st March 2028 and have an interest rate of 5.00% p.a. (31st March 2012: NIL) at the balance sheet date.
- xxxiii. Short Term loan of Rs.424.42 million [US\$7,819,043.42] (31st March 2012: NIL) is secured by a corporate guarantee of Aban Singapore Pte Ltd. The borrowings mature on 29th March 2013 and have an interest rate of 4.80% p.a. (31st March 2012: NIL) at the balance sheet date. Amount overdue on account of principal and interest is Rs. 424.42 million and Rs.3.71 million respectively for a period of 3 days.

4. Bonds

- i. Bond of Rs.6,106.50 million [US\$112,500,000] (31st March 2012: 6,358.75 million [US\$125,000,000]) is secured by a first priority mortgage on a rig owned by a step-down subsidiary of the wholly-owned foreign subsidiary, a pledge over 100% of the shares in a step-down subsidiary of the wholly-owned foreign subsidiary, assignment of insurances, corporate guarantee of a step-down subsidiary of the wholly-owned foreign subsidiary of the Parent Company, and a charge over bank accounts to be maintained by the Borrower in respect of the rig. The borrowings mature on 21st December 2015 and have an interest rate 12.00% p.a. (31st March 2012: 12.00% p.a.) at the balance sheet date.
- ii. Bond of Rs. 13,027.20 million [US\$240,000,000] (31st March 2012: Rs.12,208.80 million [US\$ 240,000,000]) is secured by a first priority mortgage on two rigs owned by step-down subsidiaries of the wholly-owned subsidiary, a pledge over 100% of the shares in two step-down subsidiaries of the wholly-owned foreign subsidiary of the Parent Company, assignment of insurances, corporate guarantee of a step-down subsidiary of the wholly-owned foreign subsidiary of the Parent Company, assignment of sub-charters in respect of these two rigs, and a charge over bank accounts to be maintained by the Borrower in respect of these two rigs. The borrowings mature on 5th March 2015 and have an interest rate 14.25% p.a. (31st March 2012: 14.25% p.a.) at the balance sheet date.
5. Hire purchase loan for vehicles availed from a non-banking finance company of Rs.0.43 million (31st March 2012: Rs.4.32 million) secured by hypothecation of vehicles.
6. The Company has an outstanding unsecured loan from a company amounting to Rs.100.00 million (31st March 2012: Rs.1,050.20 million) at 15.60% p.a. (31st March 2012) : 14.50% p.a.). The loan is repayable in 12 monthly installments along with interest.

9. Deferred tax liabilities (net)

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Deferred tax liability on timing differences		
On depreciation	387.52	268.56
	<u>387.52</u>	<u>268.56</u>

10. Provisions

	Long - Term		Short - Term	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Provision for employee benefits				
Provision for provident fund	-	-	1.39	1.63
Provision for gratuity	6.02	8.45	1.79	0.19
Provision for leave encashment	9.67	10.63	3.49	3.71
	<u>15.69</u>	<u>19.08</u>	<u>6.67</u>	<u>5.53</u>
Other provisions				
Proposed equity dividend	-	-	156.66	156.66
Provision for tax on proposed equity dividend	-	-	26.62	25.41
Proposed preference dividend	-	-	275.07	252.24
Provision for tax on proposed preference dividend	-	-	46.75	40.92
Provision for taxation (net of advance payment of taxes)	-	-	106.71	462.21
	<u>-</u>	<u>-</u>	<u>611.81</u>	<u>937.44</u>
	<u>15.69</u>	<u>19.08</u>	<u>618.48</u>	<u>942.97</u>

11. Short term borrowings

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Cash credit from banks (secured)	1,648.61	1,791.02
Short term borrowings (secured)	2,882.29	3,524.67
Short term borrowings (unsecured)	122.99	-
Deposits (unsecured)		
-Intercompany deposits repayable on demand	387.27	255.00
	<u>5,041.16</u>	<u>5,570.69</u>
the above amount includes		
Secured borrowings	4,530.90	5,315.69
Unsecured borrowings from Holding company	510.26	255.00
	<u>5,041.16</u>	<u>5,570.69</u>

1. Cash credit from banks is 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. The cash credit is repayable on demand and carries interest @15 % to 18 % p.a.
2. Short term borrowings (secured) from banks represent buyer's credit availed against letters of credit secured by charge on current assets and second charge on three offshore jack-up rigs and a drill ship of the company. These short term borrowings are repayable over 180 - 360 days and carry interest @ 3% to 3.50% p.a.
3. Short term borrowings (unsecured) represent overdrawn bank balances from bank and working capital demand loan from a non-banking financial corporation that are repayable on demand.



12. Current liabilities

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Trade payables	9,116.33	6,410.61
Other liabilities		
Current maturities of long term borrowings (note 8)	17,812.58	18,120.06
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	1,856.15	1,551.09
Investor Education and Protection Fund will be credited by following amounts (as and when due)	338.00	618.12
- Unpaid dividend	-	-
- Unclaimed dividends	13.60	11.58
Others	-	-
Service tax payable/Other Liabilities	220.41	53.98
Tax deducted at source payable	14.33	57.81
	20,255.07	20,412.64
	29,371.40	26,823.25

13.1. Tangible assets

	Rs.Millions									
	Land-Freehold	Buildings	Offshore Jack-up rigs	Drillship	Other Machineries	Wind Mills	Office Equipment	Furniture & Fixtures	Vehicles	Total
Cost										
At 1st April 2012	128.57	150.37	98,056.89	30,896.62	80.82	2,396.81	92.14	64.33	58.53	131,925.08
Additions	-	-	1,865.54	276.04	-	11.34	5.21	0.92	8.26	2,167.31
Disposals	-	-	-	-	-	(45.14)	-	-	(7.40)	(52.54)
Other adjustments										
-Exchange differences	-	-	5,882.83	1,874.62	-	-	2.04	2.76	0.21	7,762.46
-Borrowing costs	-	-	-	-	-	-	-	-	-	-
At 31st March 2013	128.57	150.37	105,805.26	33,047.28	80.82	2,363.01	99.39	68.01	59.60	141,802.31
At 1st April 2011	128.57	150.37	84,527.35	26,331.50	80.82	2,396.81	85.01	59.27	57.60	113,817.30
Additions	-	-	2,770.71	1,264.83	-	-	3.38	-	0.54	4,039.46
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments										
-Exchange differences	-	-	10,720.51	3,300.29	-	-	3.75	5.06	0.39	14,030.00
-Borrowing costs	-	-	38.32	-	-	-	-	-	-	38.32
At 31st March 2012	128.57	150.37	98,056.89	30,896.62	80.82	2,396.81	92.14	64.33	58.53	131,925.08
Depreciation										
At 1st April 2012	-	36.91	24,956.06	3,736.58	76.74	2,166.18	71.90	33.71	29.07	31,107.15
Charge for the year	-	2.45	3,556.26	1,232.78	-	105.67	6.48	1.49	4.34	4,909.47
Disposals	-	-	-	-	-	(42.37)	-	-	(6.22)	(48.59)
-Exchange Differences	-	-	1,432.80	228.69	-	-	1.33	1.28	-	1,664.10
At 31st March 2013	-	39.36	29,945.12	5,198.05	76.74	2,229.48	79.71	36.48	27.19	37,632.13

Notes to Consolidated Financial Statements for the year ended 31st March 2013

At 1 st April 2011	-	34.46	19,515.73	2,255.47	76.74	1,981.15	63.76	30.20	24.71	23,982.22
Charge for the year	-	2.45	3,620.13	1,340.17	-	185.03	6.45	1.82	4.36	5,160.41
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
-Exchange differences	-	-	1,820.20	140.94	-	-	1.69	1.69	-	1,964.52
At 31st March 2012	-	36.91	24,956.06	3,736.58	76.74	2,166.18	71.90	33.71	29.07	31,107.15

Net Block

At 31st March 2013	128.57	111.01	75,860.14	27,849.23	4.08	133.53	19.68	31.53	32.41	104,170.18
At 31st March 2012	128.57	113.46	73,100.83	27,160.04	4.08	230.63	20.24	30.62	29.46	100,817.93

a. Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March 2013 was Rs.Nil (31st March 2012: Rs. 38.32 million). The company capitalized the borrowing cost in the offshore jack-up rigs.

b. Vehicles include certain vehicles taken on hire purchase arrangement:

- Gross block: Rs 14.77 million (31st March 2012: Rs.14.77 million)
- Depreciation charge for the year: Rs.1.25 million(31stMarch 2012:Rs.1.25 million)
- Accumulated depreciation: Rs.5.32 million (31st March 2012: Rs.4.07 million)
- Net book value: Rs.9.45 million (31st March 2012: Rs.10.69 million)

13.2. Intangible assets

	Rs.millions	
	Goodwill	Total
Cost		
At 1 st April 2012	56,156.58	56,156.58
Additions		
Disposals		
Other adjustments		
-Exchange differences	3,764.36	3,764.36
-Borrowing costs	-	-
At 31st March 2013	59,920.94	59,920.94
At 1 st April 2011	49,223.93	49,223.93
Additions		
Disposals		
Other adjustments		
-Exchange differences	6,932.65	6,932.65
-Borrowing costs	-	-
At 31st March 2012	56,156.58	56,156.58
	Goodwill	Total
Impairment		
As at 1 st April 2012	-	-
Charge for the year	-	-
At 31st March 2013	-	-
At 1 st April 2011	-	-
Charge for the year	-	-
Other adjustments		
-Exchange differences	-	-
At 31st March 2012	-	-
Net Block		
At 31st March 2013	59,920.94	59,920.94
At 31 st March 2012	56,156.58	56,156.58



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 2012-13, 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.

14. Non - current investments

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Investment in joint ventures		
0.05 million(31st March 2012:0.05 million) equity shares of Rs.10 each fully paid in Frontier Offshore Exploration(India) Limited (at cost less provision for other than temporary diminution in value Rs.4.99 million(31st March 2012:Rs.4.99 million))	-	-
0.17 million (31st March 2012 : Nil) equity shares of MYR 1 each in Belati oilfield sdn bhd (See Note : 31(b))	28.11	
Other Investments		
0.3 million (31st March 2012: 0.3 million) equity shares of Rs.10 each fully paid in Aban Informatics Private Limited	19.85	19.85
	<u>47.96</u>	<u>19.85</u>
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity shares (quoted)		
-0.01 million (31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in Arihant Threads Ltd (at cost less provision for other than temporary diminution in value of Rs.0.17 million(31st March 2012: Rs.0.17 million))	-	-
-0.01 million (31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in Punjab Woolcombers Ltd at cost less provision for other than temporary diminution in value of Rs 0.02 million (31st March 2012 : Rs 0.02 million)	-	-
-0.01 million(31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in State Bank of Travancore Ltd	0.15	0.15
-0.01 million(31st March 2012: 0.01 million) equity shares of Rs.10 each fully paid in ICICI Bank Ltd	0.79	0.79
-0.05 million(31st March 2012: 0.05 million)equity shares of Rs.5 each fully paid in Oil and Natural Gas Corporation Limited	6.32	6.32
-0.03 million(31st March 2012:0.03 million)equity shares of Rs.10 each fully paid in Indian Bank Ltd	2.95	2.95
Investment in equity shares (unquoted)		
0.01 million (31st March 2012: 0.01 million)equity shares of Rs.10 each fully paid in Madras Stock Exchange Limited	4.00	4.00
	<u>14.21</u>	<u>14.21</u>
	<u>62.17</u>	<u>34.06</u>
Aggregate amount of quoted investments(Market value: Rs.24.84 million (31st March 2012: Rs.24.80 million)	10.21	10.21
Aggregate amount of unquoted investments	51.96	23.85
Aggregate provision for diminution in value of investments	5.18	5.18

15. Loans and advances

	Long-term		Short-term	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	235.46	10.77
(A)	<u>-</u>	<u>-</u>	<u>235.46</u>	<u>10.77</u>
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	3.29	1.75	7.59	50.85
Doubtful	-	-	-	-
	<u>3.29</u>	<u>1.75</u>	<u>7.59</u>	<u>50.85</u>
Provision for doubtful security deposit	-	-	-	-
(B)	<u>3.29</u>	<u>1.75</u>	<u>7.59</u>	<u>50.85</u>
Loans and advances to related parties				
Unsecured, considered good	-	-	-	-
(C)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	694.76	88.28
Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>694.76</u>	<u>88.28</u>
Provision for doubtful advances	-	-	-	-
(D)	<u>-</u>	<u>-</u>	<u>694.76</u>	<u>88.28</u>
Other loans and advances				
Advance income-tax(net of provision for taxation)	-	-	-	12.14
Prepaid expenses	45.45	501.48	832.41	1,157.23
Loans to employees	11.26	4.43	7.93	8.57
Balances with statutory/government authorities	26.29	26.21	3.11	4.29
(E)	<u>83.00</u>	<u>532.12</u>	<u>843.45</u>	<u>1,182.23</u>
Total (A+B+C+D+E)	<u>86.29</u>	<u>533.87</u>	<u>1,781.26</u>	<u>1,332.13</u>

16. Trade receivables and other assets
16.1 Trade receivables

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 1st March 2012 Rs. millions
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	3,957.88	3,118.41
Doubtful	-	-	1,117.40	682.50
	-	-	5,075.28	3,800.91
Provision for doubtful receivables	-	-	(1,117.40)	(682.50)
(A)	-	-	3,957.88	3,118.41
Other receivables				
Secured, considered good	-	-	0.75	-
Unsecured, considered good	-	-	6,926.51	6,997.96
Doubtful	-	-	-	-
	-	-	6,927.26	6,997.96
Provision for doubtful receivables	-	-	-	-
(B)	-	-	6,927.26	6,997.96
Total (A+B)	-	-	10,885.14	10,116.37

16.2 Other assets

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Unsecured, considered good unless stated otherwise				
Non-current bank balances	104.95	499.37	-	-
(A)				
Others				
Interest accrued on fixed deposits	-	-	4.87	10.22
Interest accrued on investments	-	-	-	-
Others	-	-	-	88.64
(B)	-	-	4.87	98.86
Total (A+B)	104.95	499.37	4.87	98.86

17. Inventories

	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions
Stores, Spares and Fuel (including stock-in- transit)	3,280.63	3,005.92
	<u>3,280.63</u>	<u>3,005.92</u>

18. Cash and bank balances

	Non-current		Current	
	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Cash and cash equivalents				
Balances with banks:				
-On current accounts	-	-	843.03	254.14
-Deposits with original maturity of less than three months	-	-	465.41	434.97
-On unpaid dividend account	-	-	10.88	7.13
Cash on hand	-	-	1.94	0.99
	<u>-</u>	<u>-</u>	<u>1,321.26</u>	<u>697.23</u>
Other bank balances				
-Deposits with original maturity for more than 12 months	104.95	499.37	-	-
-Deposits with original maturity for more than 3 months but less than 12 months	-	-	20.23	0.49
- Margin money deposit	-	-	44.56	146.82
	<u>104.95</u>	<u>499.37</u>	<u>64.79</u>	<u>147.31</u>
	<u>104.95</u>	<u>499.37</u>	<u>1,386.05</u>	<u>844.54</u>
Amount disclosed under non current assets	(104.95)	(499.37)	-	-
	<u>-</u>	<u>-</u>	<u>1,386.05</u>	<u>844.54</u>

19. Revenue from operations

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Revenue from drilling and production services	36,649.52	31,570.46
Revenue from generation of electricity from wind power	77.49	58.75
	<u>36,727.01</u>	<u>31,629.21</u>



20. Other Income

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Interest income on		
-Bank deposits	14.00	35.77
Dividend income on		
-Long term investments	0.68	0.78
-Current investments	-	0.37
Exchange Difference (Net)	5.95	182.80
Miscellaneous Income	231.69	126.44
Net gain on sale of Non current investments	-	307.69
Net gain on sale of assets	9.30	-
Rental income	5.01	3.81
	<u>266.63</u>	<u>657.66</u>

21. Consumption of stores, spares, power and fuel

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Consumption of stores and spares	1,550.68	982.74
Power and Fuel	360.01	196.43
	<u>1,910.69</u>	<u>1,179.17</u>

22. Employee benefit expense

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Salaries,wages and bonus	4,369.23	3,277.53
Contribution to provident and other fund	28.95	28.93
Gratuity expense	5.50	6.34
Staff welfare expenses	75.90	65.44
	<u>4,479.58</u>	<u>3,378.24</u>

23. Finance Costs

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Interest *	11,785.55	9,771.97
Loan Processing Charges	99.44	74.75
Amortization of ancillary borrowings costs	31.32	31.32
Exchange difference to the extent considered as an adjustment to borrowings costs	(31.83)	12.81
	<u>11,884.49</u>	<u>9,890.85</u>

* Excludes interest capitalised Rs Nil (31st March 2012- Rs 38.32 Million)

24. Depreciation and amortization expense

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Depreciation on tangible assets	4,909.47	5,160.41
	<u>4,909.47</u>	<u>5,160.41</u>

25. Other expenses

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012 Rs. millions
Freight and forwarding cost	42.79	41.66
Rent	87.35	90.11
Rates and taxes	12.53	21.14
Rental charges for machinery	829.60	507.85
Insurance	1,809.36	1,425.34
Repairs and maintenance		
-Plant and machinery	135.42	142.60
-Buildings	2.13	2.38
-Others	4.72	39.94
Drilling services and management fees	1,570.44	1,333.83
Advertising and sales promotion	6.58	2.71
Exchange differences(net)	492.24	-
Travelling ,conveyance and transportation	579.67	797.11
Communication costs	99.37	71.83
Printing and stationery	6.00	5.01
Legal and professional fees	1,217.35	965.59
Catering expenses	322.92	216.36
Directors' sitting fees	0.23	0.24
Payment to auditors		
As auditor		
-Audit fee	45.66	42.96
-Tax audit fee	0.72	0.46
-Limited review	0.41	1.15
In other capacity		
-Taxation matters	-	0.35
-Other services(certification fees)	0.55	0.88
Reimbursement of expenses	0.03	0.18
Exchange losses(net)	521.37	494.11
Provision for doubtful debts and advances	464.75	398.84
Miscellaneous expenses	2,225.32	2,065.00
	<u>10,477.51</u>	<u>8,667.63</u>



26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations

	Year ended 31st March 2013 Rs. millions	Year ended 31st March 2012
Profit/(Loss) after tax	1,938.73	3,215.19
Less: Dividends on preference shares and tax thereon	321.82	293.16
Net profit / (loss) for calculation of EPS	1,616.91	2,922.03
	No. millions	No. millions
Weighted average number of equity shares in calculating basic EPS	43.51	43.51
Effect of dilution:		
Stock options outstanding	0.18	0.31
Weighted average number of equity shares in calculating diluted EPS	43.69	43.82
Earning per share - basic (in Rs)	37.16	67.16
Earning per share - diluted (in Rs)	37.01	66.68

27. Employee stock option scheme

The Parent Company has instituted Employee Stock Option Scheme-2005 (ESOS) duly approved by the shareholders in the extraordinary 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 equity share at the prevailing market price on the date of the grant of option.

The Securities Exchange Board of India (SEBI) issued the Employee Stock Option Scheme and Employees Stock Purchase Scheme guidelines in 1999, applicable to stock option schemes 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 recognized and amortized on a straight line basis over the vesting period.

The Company has not recognized 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 and credited to securities premium account is Rs. NIL (31st March 2012: Rs. Nil)

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 1.84 million equity shares of Rs.2 each. Options granted during the year- Nil (up to 31st March 2012: 0.44 Million equity shares of Rs.2 each)-Options lapsed during the year 0.05 million shares equity shares of Rs2 each (up to 31st March 2012: 0.12 million equity shares of Rs.2 each)-Options exercised during the year- 0.095 Million (up to 31st March 2012: Nil equity shares of Rs.2 each)-Options outstanding at the end of year :0.23 million equity shares of Rs.2 each (up to 31st March 2012: 0.18 million equity shares of Rs.2 each)-Options yet to be granted under the scheme: 1.57 million equity shares of Rs.2 each (31st March 2012: 1.52 million equity shares of Rs.2 each)

28. 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,2013 is 2,462,000 share options.(31st March 2012: 2,462,000 share options). There were no options forfeited, exercised or lapsed for the financial year ended 31st March 2013.

29. 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.

30. Leases

Operating lease: Company as lessee

The wholly owned foreign subsidiary leases, office space and accommodation for certain employees from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewable rights.

The future aggregate minimum payments under the operating leases contracted for at the balance sheet date but not recognized as liabilities are analyzed as follows:

	31st March 2013 Rs.millions	31st March 2012 Rs.millions
Within one year	92.17	76.20
After one year but not more than two years	44.02	67.00
	136.19	143.20

31. Interest in joint venture

The company's interest, as a venturer, in jointly controlled entity is as follows:

Name of the company	Country of incorporation	Proportion of ownership interest 31st March 2013	Proportion of ownership interest 31st March 2012
Frontier Offshore Exploration (India) Limited	India	25%	25%

The company has ceased to have joint control over Frontier Offshore Exploration (India) Limited and has also provided for diminution in the value of long term investment considering the state of affairs of the joint venture company

(b) During the year 2012-13, the Parent Company's indirect foreign subsidiary Aban Singapore Pte Ltd, Singapore bought 49% equity interest for a value of Rs.3.09 million [USD 0.06 million] (31st March 2012: Nil). The carrying of investment in joint venture includes the share of profit of Rs.25.02 million [USD 461,000] (31st March 2012: Nil) which is accounted under equity method.

32. Segment information

- A. **Primary Segment**-The company's primary segments are offshore oil drilling and production services and wind power generation (Wind energy). The said 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 offshore rigs, relating to the drilling and production services that are operating in India and Rest of Asia. The assets relating to the wind energy are operating in India only.

Primary Segment information	31st March 2013		31st March 2012	
	Rs. millions	Rs. millions	Rs. millions	Rs. millions
1. Segment revenue				
- Drilling	36,913.88		32,228.12	
-Wind energy	<u>79.76</u>	36,993.64	<u>58.75</u>	32,286.87
2. Segment results				
- Drilling	15,070.91		13,960.84	
-Wind energy	<u>(83.47)</u>		<u>(178.30)</u>	
	14,987.44		13,782.54	
less: interest expenses	<u>(11,785.55)</u>	3,331.90	<u>(9,771.97)</u>	4,010.57
3. Segment assets				
- Drilling	181,565.46		173,262.99	
-Wind energy	<u>319.70</u>	181,885.16	<u>421.72</u>	173,684.71
4. Segment liabilities				
- Drilling	149,011.23		145,012.39	
-Wind energy	<u>36.65</u>	149,047.88	<u>55.87</u>	145,068.26
5. Depreciation				
- Drilling	4,803.75		4,975.38	
-Wind energy	<u>105.72</u>	4,909.47	<u>185.03</u>	5,160.41
6. Capital expenditure including capital work in progress				
- Drilling	13,640.39		25,110.44	
-Wind energy	<u>11.34</u>	13,651.73	<u>-</u>	25,110.44

The following table shows revenue by area of drilling and production operations and wind power generation, the carrying amount of segment assets and additions to fixed assets by geographical area in which such assets relating to the drilling and production operations and wind energy are located

Secondary Segment information

Geographical Segment information	31st March 2013		31st March 2012	
	Rs. millions	Rs. millions	Rs. millions	Rs. millions
1. Segment revenue				
- India	7,179.62		7,313.02	
-Americas	5,122.55		4,165.91	
-Rest of Asia	<u>24,691.47</u>	36,993.64	<u>20,807.94</u>	32,286.87
2. Carrying amount of Segment assets				
- India	18,836.87		17,896.47	
-Americas	37,249.22		76,259.74	
-Rest of Asia	<u>125,799.04</u>	181,885.16	<u>79,528.50</u>	173,684.71
3. Capital expenditure including capital work in progress				
- India	1,353.42		3,123.00	
-Americas	7,392.29		12,191.28	
-Rest of Asia	<u>4,906.02</u>	13,651.73	<u>9,796.16</u>	25,110.44

33. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

A. Subsidiary companies

Aban Energies Limited, India-Wholly owned subsidiary
 Aban Holdings Pte Limited, Singapore-Wholly owned subsidiary
 Radhapuram Wintech Private Limited- India Subsidiary

B. Subsidiaries of Aban Holdings Pte Limited, Singapore

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
 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
 Deep Driller Mexico S de RL de CV, Mexico
 Aban Labuan Pvt. Ltd, Labuan, Malaysia

C. Related parties with whom transactions have taken place during the year

a. Key Management personnel

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

Related Party transactions during the year

Nature of transaction

- 1. Rent paid
- 2. Remuneration
- 3. Dividend paid

	Key Management Personnel	
	31st March 2013 Rs. millions	31st March 2012 Rs. millions
	4.14	7.63
	58.08	36.80
	18.58	18.58

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



	31st March 2013 Rs. millions	31st March 2012 Rs. millions
1. Remuneration to Key management personnel		
Mr. Reji Abraham	6.33	6.34
Mr. P. Venkateswaran	19.37	6.39
Mr. C. P. Gopalkrishnan	32.38	24.07
2. Rent paid		
Mr. Reji Abraham	4.14	7.63
3. Dividend paid		
Mr. Reji Abraham	18.46	18.46
Other transactions		
Loans guaranteed by personal guarantee of the managing director of the company-Rs.11,295 million (Previous year Rs 14,648 Million)		

34. Capital and other commitments

	31st March 2013 Rs. millions	31st March 2012 Rs. millions
Capital and Other commitments not provided for	859.86	104.16

35. Contingent liabilities

	As at 31st March 2013 Rs. millions	As at 31st March 2012 Rs. millions
Guarantees given by banks on behalf of the company	957.15	710.25

36. Derivative instruments and unhedged foreign currency exposures

a. Outstanding forward cover contracts/derivatives as at the balance sheet date

	As at 31st March 2013 Rs. Millions	As at 31st March 2012 Rs. Millions	Purpose
- Currency forward contracts/options	2,551.16	7,217.71	Hedging risk of exchange rate fluctuations

b. Particulars of unhedged foreign currency exposures as at the balance sheet date

	As at 31st March 2013 USD Millions	As at 31st March 2013 Rs. Millions	As at 31st March 2012 USD Millions	As at 31st March 2012 Rs. Millions
- Import payables	51.00	2,768.28	48.00	2,441.76
- Foreign currency term loans	123.11	6,682.64	NIL	NIL

37. Previous year figures

The Group has reclassified previous year figures to conform to this year's classification.

As Per our Report of even date

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : May 28, 2013

For and On behalf of the Board

Reji Abraham

Managing Director

C.P. Gopalkrishnan

Deputy Managing Director & Secretary

Financial Highlights - 5 years at a glance (Consolidated)

PARTICULARS	(Rs.Millions)				
	2012-13	2011-12	2010-11	2009-10	2008-09
STATEMENT OF PROFIT & LOSS ACCOUNT					
Income from Operation & Other Income	37,018.71	32,286.87	34,397.45	35,055.07	35,659.64
Profit before Finance Cost , Tax and Depreciation	20,125.86	19,061.83	20,930.88	20,064.54	22,485.86
Finance Cost	11,884.49	9,890.85	9,335.97	9,768.22	8,553.03
Depreciation/Exceptional Items	4,909.47	5,160.41	8,280.01	4,615.56	6,014.72
Profit before Tax	3,331.90	4,010.57	3,314.90	5,680.77	7,918.10
Tax	1,418.24	795.38	2,530.86	2,570.74	2,507.66
Profit after Tax	1,913.66	3,215.19	784.04	3,110.03	5,410.44
Minority Interest	-	-	-	-	3.51
Profit after Tax and Minority Interest	1,913.66	3,215.19	784.04	3,110.03	5,406.93
BALANCE SHEET					
Non Current Assets (including Net Fixed Assets)	164,398.75	157,718.96	139,726.19	153,644.92	175,603.52
Investment	62.17	34.06	153.46	4,950.56	5,750.52
Net Current Assets	5,231.26	6,266.45	11,998.66	5,287.67	3,062.64
Total Assets	169,692.18	164,019.47	151,878.30	163,883.15	184,416.68
Share Holders Fund	32,837.29	28,616.45	21,337.72	21,806.51	17,447.93
Borrowings (including current maturities of long term borrowings)	136,467.37	135,134.46	130,248.65	141,641.00	166,453.21
Deffered Tax Liability	387.52	268.56	291.93	435.65	515.53
Total Liabilities	169,692.18	164,019.47	151,878.30	163,883.15	184,416.68
Return on Networth	5.83%	11.24%	3.67%	14.26%	30.99%
EPS (Basic)-Rs.	37.16	67.16	25.86	69.84	134.65
EPS (Dilluted)-Rs.	37.01	66.68	25.71	68.77	134.05
Debt Equity Ratio	4.16	4.72	6.10	6.50	9.54

Financial Highlights - 5 years at a glance (Standalone)

PARTICULARS	Rs. Millions				
	2012-13	2011-12	2010-11	2009-10	2008-09
STATEMENT OF PROFIT & LOSS ACCOUNT					
Income from Operation & Other Income	8,459.50	7,144.13	12,673.14	13,638.33	12,295.90
Profit before Finance Cost , Tax and Depreciation	3,643.36	3,417.94	7,990.44	8,777.18	7,578.11
Finance Cost	3,296.29	3,662.53	3,286.57	3,371.42	2,550.62
Depreciation/Exceptional Items	491.31	986.10	1,148.08	1,091.16	972.44
Profit before Tax	(144.15)	(1,230.69)	3,555.79	4,314.60	4,055.05
Tax	(17.88)	(23.38)	1,216.30	1,510.17	1,457.43
Profit after Tax	(126.27)	(1,207.31)	2,339.49	2,804.43	2,597.62
BALANCE SHEET					
Non Current Assets (including Net Fixed Assets)	6,117.77	5,983.76	4,973.96	5,756.42	5,242.53
Investment	27,301.71	39,471.29	39,590.68	39,686.38	13,807.49
Net Current Asset	4,295.95	1,845.50	13,372.09	8,253.69	24,747.13
Total Assets	37,715.43	47,300.55	57,936.72	53,696.49	43,797.15
Share Holders Fund	20,115.26	20,746.63	23,570.66	21,729.31	12,451.76
Borrowings (including current maturities of long term borrowings)	17,212.60	26,285.31	34,074.08	31,531.50	30,829.88
Deferred Tax Liability	387.56	268.61	291.98	435.68	515.51
Total Liabilities	37,715.43	47,300.55	57,936.72	53,696.49	43,797.15
Return on Networth	-1%	-5.82%	9.93%	12.91%	20.86%
EPS (Basic)-Rs.	(10.30)	(34.49)	46.32	62.18	60.30
EPS (Dilluted)-Rs.	(10.26)	(34.24)	46.05	61.22	60.04
Debt Equity Ratio	0.86	1.27	1.45	1.45	2.48



Aban Offshore Limited

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

Twenty Seventh 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 27th Annual General meeting of Aban Offshore Ltd, held on Friday, the 20th September, 2013 at 10.15 a.m. at Mini Hall of Music Academy,168, TTK Road, Royepettah, 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

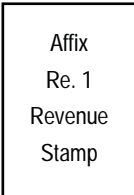
Folio No. / DP ID & Client ID.....

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 27th Annual General Meeting of the Company on to be held Friday, the 20th September, 2013 at 10.15 a.m. at Mini Hall of Music Academy,168, TTK Road, Royepettah, Chennai - 600 014.

Signed this day of2013

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.



To,



If Undelivered please return to:

Aban Offshore Limited

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