



**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
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**Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**TO THE BOARD OF DIRECTORS OF "ABAN OFFSHORE LIMITED"**

**I. Opinion**

We have audited the accompanying standalone quarterly financial results of **Aban Offshore Limited** ("the company") for the quarter ended 31<sup>st</sup> March, 2020 and the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March, 2020 as well as the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020

**II. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





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### **III. Material uncertainty related to going Concern**

We draw attention to Note 39 to the Standalone financial results- the Company has incurred loss during the year, current liabilities exceeded current assets and the Company has defaulted in respect of installments and payment of interest on term loans and dues on account of cash credits from Banks ,these indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. However, for the reasons described in the aforesaid notes, the financials of the Company have been prepared as a going concern. Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter Paragraph**

As disclosed in Note 40 to the Standalone financial statements, the COVID -19 may impact the financial performance and operating environment of "the Company" in financial year 2020-21. The Company is also aware of the challenges posed by the events as a result of the pandemic. As the situation is still evolving and remains uncertain, "the Company" is unable to quantify the full magnitude of the outbreak and has not considered if any, on the financial performance of the Company

*Our opinion is not modified in respect of this matter'.*

### **IV. Management's Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **V. Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the





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date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S

A Krishna rao  
Partner  
Membership No.020085  
UDIN: 20020085AAAAFU6345



Date: 17-06-2020  
Place: Hyderabad.

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS  
FOR THE QUARTER / YEAR ENDED 31ST MARCH 2020

Rs. Millions

PARTICULARS	QUARTER ENDED 31.03.2020 (AUDITED)	QUARTER ENDED 31.12.2019 (UNAUDITED)	QUARTER ENDED 31.03.2019 (AUDITED)	YEAR ENDED 31.03.2020 (AUDITED)	YEAR ENDED 31.03.2019 (AUDITED)
<b>1. INCOME</b>					
INCOME FROM OPERATIONS	743.90	610.12	584.74	2,368.06	2,628.93
OTHER INCOME	32.98	30.64	116.07	116.08	1,558.66
<b>TOTAL INCOME</b>	<b>776.88</b>	<b>640.76</b>	<b>700.81</b>	<b>2,504.12</b>	<b>4,187.79</b>
<b>2. EXPENSES</b>					
COST OF MATERIALS CONSUMED	113.17	81.11	78.82	336.65	370.88
EMPLOYEE BENEFITS EXPENSE	106.42	90.72	106.05	405.63	494.20
FINANCE COSTS	223.14	230.72	267.73	958.52	1,086.12
DEPRECIATION AND AMORTISATION EXPENSES	431.05	401.13	373.75	1,607.17	1,542.59
IMPAIRMENT LOSS OF RECEIVABLES	75.31	-	40.63	75.31	40.63
IMPAIRMENT LOSS OF PROPERTY, PLANT AND EQUIPMENT	11,537.12	-	198.69	11,537.12	198.69
IMPAIRMENT LOSS OF INVESTMENTS IN SUBSIDIARY	35,317.32	-	-	35,317.32	-
OTHER EXPENDITURE	289.22	307.23	207.97	1,054.50	885.74
<b>TOTAL EXPENSES</b>	<b>48,092.75</b>	<b>1,110.91</b>	<b>1,293.64</b>	<b>51,292.22</b>	<b>4,618.86</b>
<b>3. LOSS FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS AND EXCEPTIONAL ITEMS (1-2)</b>	<b>(47,315.87)</b>	<b>(470.15)</b>	<b>(592.83)</b>	<b>(48,788.10)</b>	<b>(431.06)</b>
<b>4. LOSS FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS (1-2)</b>	<b>(47,315.07)</b>	<b>(470.15)</b>	<b>(592.83)</b>	<b>(48,788.10)</b>	<b>(431.06)</b>
<b>5. EXCEPTIONAL ITEMS</b>					
<b>6. LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (3-4)</b>	<b>(47,315.87)</b>	<b>(470.15)</b>	<b>(592.83)</b>	<b>(48,788.10)</b>	<b>(431.06)</b>
<b>7. TAX EXPENSES</b>					
-CURRENT TAX	(25.00)	5.00	208.05	-	475.01
-DEFERRED TAX (NET)	(2,148.00)	(40.69)	(29.97)	(4,214.24)	(212.92)
<b>8. NET LOSS FROM ORDINARY ACTIVITIES AFTER TAX (5-6)</b>	<b>(44,342.87)</b>	<b>(434.16)</b>	<b>(770.91)</b>	<b>(44,573.86)</b>	<b>(693.15)</b>
<b>9. EXTRAORDINARY ITEMS (NET OF TAX EXPENSE)</b>					
<b>10. NET LOSS FOR THE PERIOD (7-8)</b>	<b>(44,342.87)</b>	<b>(434.16)</b>	<b>(770.91)</b>	<b>(44,573.86)</b>	<b>(693.15)</b>
<b>11. OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>	4.40	7.06	5.24	4.40	3.36
<b>12. TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>(44,338.47)</b>	<b>(427.10)</b>	<b>(765.67)</b>	<b>(44,569.46)</b>	<b>(689.79)</b>
<b>13. PAID UP EQUITY SHARE CAPITAL (Equity Share of Rs. 2/- each)</b>	116.73	116.73	116.73	116.73	116.73
<b>14. Net worth (Refer Note vi)</b>				(11,537.80)	33,031.86
<b>15. Reserves excluding Revaluation Reserves</b>				(4,391.17)	40,178.29
<b>16 (i) Earning per share (before extraordinary items) (of Rs. 2/- each) (not annualised)</b>					
(a) Basic	(759.82)	(6.96)	(4.55)	(763.77)	(11.88)
(b) Diluted	(759.82)	(6.96)	(4.55)	(763.77)	(11.88)
<b>(ii) Earning per share (after extraordinary items) (of Rs. 2/- each) (not annualised)</b>					
(a) Basic	(759.82)	(6.96)	(4.55)	(763.77)	(11.88)
(b) Diluted	(759.82)	(6.96)	(4.55)	(763.77)	(11.88)



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# Aban Offshore Limited



Balance Sheet as at 31st March 2020

Rs. Millions

Particulars	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>		
Non-Current Assets		
Property, Plant and Equipment	3,543.22	15,287.99
Capital work-in-progress		58.75
Financial Assets		
(i) Investments	128.55	35,473.38
(ii) Loans	304.86	308.79
(iii) Other financial assets	197.77	197.69
Deferred Tax Asset	405.86	
<b>Total-Non-current assets</b>	<b>4,580.26</b>	<b>51,326.60</b>
Current assets		
Inventories	935.66	941.76
Financial Assets		
(i) Trade receivables	5,065.75	4,836.58
(ii) Cash and cash equivalents	73.60	43.50
(iii) Other Bank balances	23.61	23.04
(iv) Loans	430.25	463.71
(v) Other financial assets	754.63	527.59
Other current assets	30.19	105.33
<b>Total-current assets</b>	<b>7,313.68</b>	<b>6,941.51</b>
<b>Total- Assets</b>	<b>11,893.94</b>	<b>58,268.11</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
(i) Equity Share Capital	116.73	116.73
(ii) Other Equity	(4,391.17)	40,178.29
<b>Total-Equity</b>	<b>(4,274.44)</b>	<b>40,295.02</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
Employee benefit obligations	5.59	5.92
Deferred tax liabilities		3,808.38
<b>Total-Non-Current Liabilities</b>	<b>5.59</b>	<b>3,814.30</b>
<b>Current liabilities</b>		
Financial Liabilities		
(i) Borrowings	544.89	1,024.49
(ii) Trade payables	4,472.40	3,201.79
(iii) Other financial liabilities	11,124.09	9,876.58
Employee benefit obligations	1.47	4.11
Other current liabilities	19.94	51.82
<b>Total-Current Liabilities</b>	<b>16,162.79</b>	<b>14,158.79</b>
<b>Total-Liabilities</b>	<b>16,168.38</b>	<b>17,973.09</b>
<b>Total-Equity and Liabilities</b>	<b>11,893.94</b>	<b>58,268.11</b>



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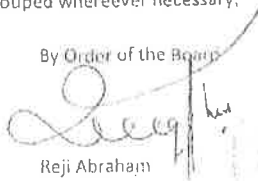
## Aban Offshore Limited

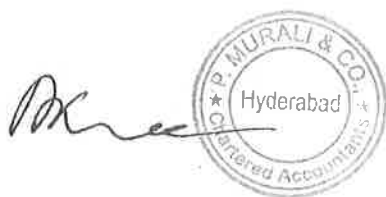
### Notes:

- (i) The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 17th June 2020
- (ii) The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting principles and policies to the extent applicable
- (iii) In respect of Jack-up rigs and the drillship an impairment charge aggregating Rs.11,537.12 Million (previous year : Rs.198.69 Million) has been recognized for the year 2019-20, as the carrying amounts of such assets exceeded its estimated value in use which is mainly due to the slump in the Oil & Gas Industry.
- (iv) In respect of Investments in wholly owned foreign subsidiary, an impairment charge of Rs.35,317.32 million (previous year: Nil million) has been recognized for the year 2019-20 which is on account of erosion of Networth of such wholly owned subsidiary due to huge accumulated losses mainly on account of impairment in the value of its rigs mainly due to slump in the oil and Gas Industry.
- (v) The Company has charged for expected credit loss allowance for trade receivables of Rs.75.31 million (previous year: Rs.40.63 million) as per IND AS 109
- (vi) Net worth has been interpreted to mean the aggregate of the paid up equity share capital (excluding money received against share warrants), share premium account and reserves and surplus (excluding revaluation reserve, Ind AS adjustments to equity on transition and translation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not written off) and debit balance of the profit and loss account as defined in the explanation to Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
- (vii) The COVID-19 may impact the financial performance and operating environment of the Company in financial year 2020-21. The Company is also aware of the challenges posed by the events as a result of the pandemic. As the situation is still evolving and remains uncertain, the Company is unable to quantify the full magnitude of the outbreak and has not considered the impact if any, on the financial performance of the Company.
- (viii) Information pursuant to Regulation 52(6)(b) of the Listing Regulations are below:  
(a) Profit/(Loss) before other comprehensive income (net of tax) for the quarter and full year ended 31st March 2020 is (Rs.44,342.87 million) and (Rs.44,573.86 Million) respectively.  
(b) Free reserves as on 31st March 2020 is (Rs.25,019.40 Million).  
(c) Securities Premium account balance as on 31st March 2019 is Rs.17,765.80 Million.
- (ix) The Company is engaged primarily in the business of Offshore Drilling services. The Wind Energy Division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.
- (x) Information pursuant to Regulation 52(4) and 52(6) of the Listing Regulations are given in Annexure A.
- (xi) The figures of the quarter ended 31st March 2020 and 31st March 2019 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the relevant financial year which were subjected to limited review by Auditors.
- (xii) The figures for the previous period have been regrouped wherever necessary.

Place: Chennai  
Date: 17th June 2020

By Order of the Board

  
Reji Abraham  
Managing Director



CIN:L01119TN1986PLC013473

## Standalone Cash Flow Statement for the year ended 31st March 2020

	Year ended 31st March 2020 Rs. millions	Year ended 31st March 2019 Rs. millions
<b>Cash Flow from operating activities</b>		
Profit before tax	(48,786.68)	(431.06)
<u>Non cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation/amortization	1,607.17	1,542.59
Impairment on tangible assets	11,537.12	198.69
Loss/(profit) on sale of fixed assets	-	(1.21)
Provision for Employee Benefits	10.04	16.50
Unrealized foreign exchange (gain)/loss	358.53	203.41
Interest expenses	958.52	1,086.12
Interest Income	(46.33)	(511.55)
Dividend Income	(0.14)	(0.42)
Impairment of Investments	35,317.32	0.00
Net (Gain) / Loss on Sale of Non-Current Investments	5.70	(4.41)
Impairment of Receivables	75.31	0.00
<b>Operating profit before working capital changes</b>	<b>1,036.54</b>	<b>2,098.66</b>
<u>Movements in working capital:</u>		
Increase/(Decrease) in trade payables	891.68	(48.96)
Increase/(Decrease) in other current liabilities	230.07	50.35
Decrease/(Increase) in trade receivables	78.23	389.29
Decrease/(Increase) in inventories	6.11	(42.45)
Decrease/(Increase) in long term loans and advances	(0.38)	(73.63)
Decrease/(Increase) in short term loans and advances	46.26	(9.71)
Cash generated from operations	2,288.51	2,363.55
Direct taxes paid (net of refunds)	(180.78)	(656.45)
<b>Net cash flow from operating activities (A)</b>	<b>2,107.73</b>	<b>1,707.10</b>
<b>Cash Flow from investing activities</b>		
Purchase of fixed assets	(1,263.61)	(14.10)
Capital advances	(77.19)	(77.19)
Proceeds from sale of fixed assets	-	1.21
Purchase of non-current investments	-	(9,270.61)
Proceeds from sale of non-current investments	21.82	4.41
Interest received	0.78	1.13
Dividends received	0.14	0.42
<b>Net cash flow used in investing activities (B)</b>	<b>(1,318.04)</b>	<b>(9,354.73)</b>

	Year ended 31st March 2020 Rs. millions	Year ended 31st March 2019 Rs. millions
<b>Cash Flow from financing activities</b>		
Repayment of long term borrowings	(289.74)	(217.64)
Repayment of short term borrowings	-	0.00
Repayment of loan by foreign subsidiary and other Group Companies/ (Loans extended to foreign subsidiary and other Group Companies)	66.62	8,364.04
Interest paid	16.61	(215.04)
<b>Net cash used in financing activities (C)</b>	<b>(206.52)</b>	<b>7,931.36</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>583.18</b>	<b>283.73</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	(72.92)	0.10
Cash and cash equivalents at the beginning of the year	(957.95)	(1,241.78)
<b>Cash and cash equivalents at the end of the year</b>	<b>(447.69)</b>	<b>(957.95)</b>
<u>Reconciliation of cash and cash equivalents as per the cash flow statement</u>		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (note 4 (d) & (e)) *	97.20	66.54
Cash credit from banks (secured) (note 8(b))	(544.89)	(1,024.49)
<b>Balances per statement of cash flows</b>	<b>(447.69)</b>	<b>(957.95)</b>

\* Includes Restricted Cash balance - unpaid dividend liability

13.22

13.22

Place: Chennai

Date: June 17, 2020

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