



P. MURALI & CO.,

CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

Auditor's report on quarterly consolidated 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

Board of Directors of
Aban Offshore Limited

Disclaimer of Opinion

1. We do not express an opinion on the accompanying financial statements of the entity. Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

2. We have audited the accompanying statement of quarterly consolidated financial results of Aban Offshore Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as, 'the Group') for the quarter and for the period from 1st April 2018 to 31st March, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter and year ended 31st March, 2019 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended 31st March, 2019, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended 31st March, 2019; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ FAC/ 62/ 2016 dated July 5, 2016.

3. These Consolidated financial Results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financials up to the end of the third quarter, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such annual Ind AS Financials Statements, Which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed u/s 133 of the Companies Act, 2013 and relevant requirement of Regulation 33 of SEBI(Listing Obligation and Disclosure Requirements)Regulations, 2015.

4. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

5. In our opinion and to the best of our information and according to the explanations given to us, these consolidated quarterly financial results as well as the year to date consolidated financial results:

i. includes the results of the following entities:

- a) Aban Holdings Pte Limited, (includes its subsidiaries and associates)
- b) Aban Energies Limited

ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulation 2015 in this regard; and

iii. give a true and fair view of the consolidated total comprehensive income (comprising of net loss and other comprehensive income) and other financial information for the quarter and year ended 31st March, 2019, except for the effects of the matters described in the basis for Disclaimer of Opinion.





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

Basis for Disclaimer of Opinion:

- (a) In case of wholly owned subsidiary of the company "Aban Holdings Pte Ltd" Singapore along with its subsidiaries and associates whose consolidated Financial Statements have been audited by other auditors "Nexia TS Public Accounting Corporation, Public accountants and Chartered Accountants, Singapore" have expressed qualified opinion on the consolidated financial statements for the year ended 31st March, 2019 which is reproduced as under:

"Basis for disclaimer of Opinion:

As disclosed in Note 2.1 to the financial statements, in preparing the financial statements, the Board of Directors have considered the operations of the Group and of the company as going concerns notwithstanding that the Group and the Company incurred a net loss of US\$744,649,000 and US\$6,893,000 (2018: US\$ 405,532,000 and US\$7,137,000) respectively for financial year ended 31 March 2019 and as at that date, the Group and the Company are in Net Current Liabilities position of US\$2,246,469,000 and US\$ 2,219,923,000 (2018: US\$2,056,505,000 and US\$ 2,113,235,000) respectively. The Group is also in net liabilities position of US\$841,129,000 (2018: US\$227,230,000) as at 31 March 2019.

As disclosed in Note 18, the carrying amount of the Group's rigs amounting to US\$1,371,563,000 (2018: US\$1,961,015,000) have been pledged as security for the borrowings of the Group and of the Company. An impairment loss on the rigs amounting to US\$516,270,000 (2018: US\$34,369,000) was made during the financial year ended 31 March 2019. In addition, as disclosed in Note 21 to the financial statements, the group and the Company have defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders have issued recall notices to the Group and the Company. Management had reclassified these borrowings of the Group and of the Company, with original repayment terms beyond 12 months from the balance sheet date as current liabilities. Discussions are on-going to conclude for the Group and of the Company on any re-negotiation, obtain replacement financing or raise funds through any fund raising exercises or any such proposal with the lenders as of the date of this report.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and Company's ability to continue as going concern. Nevertheless, the Board of Directors believes that the use of the going concern assumption on the preparation of financial statements of the Group and of the Company for the





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

financial year ended 31 March 2019 is still appropriate after taking into consideration of the above actions and measures.

The ability of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the actions and measures undertaken as disclosed above and it is uncertain whether the Group and the Company will raise further funds through any fund raising exercises. Therefore, we are unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of the preparation of the accompanying financial statements of the Group and of the Company is appropriate.

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

BASIS FOR QUALIFIED OPINION:

We refer to "Qualified Opinion" in our Auditor's Report on Standalone financial results of Aban Offshore Limited" for the Year Ended 31st March, 2019

- a) We draw attention to Note no 4(b) to Standalone Ind AS financial statements in respect of investments of Rs.35317.32 million in wholly owned foreign subsidiary which along with its downstream subsidiary companies that have significant accumulated losses as at 31st March 2019. In the absence of any fair valuation assessment of such investments, we are unable to comment upon the carrying value of these investments and the consequential impact, if any, on the accompanying standalone financial statements for the year ended 31st March 2019.





P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

Emphasis of matter

We refer to our opinion as “Emphasis of matter” in our Auditor’s Report on the Standalone financial results of “Aban Offshore Limited” for the year ended 31st March 2019.

- a) *We draw attention to Note No 8(a) to Standalone Ind AS financial statements the Company has defaulted in repayment of installments and payment of interest on term loans from banks for an amount of Rs. 5495.97 million. The Banks have recalled the entire loan outstanding including interest. As such, the Company has re-classified these dues to banks from Non-current Liability to Current Liability during the year.*
- b) *In the view of Disclaimer of opinion, we draw attention to Note No 31 to Standalone Ind AS financial statements; The Company has given corporate guarantees to customers on behalf of subsidiaries of company’s wholly owned foreign subsidiary amounting to Rs. 6895 million.*

Our opinion is not modified in respect of the above matter.”

Other Matters

- a) The financial statements of Aban Energies Limited, Chennai, India, an Indian subsidiary of the Holding company are audited by other Auditors which reflects the total assets of Rs. 4.00 million as at 31st March, 2019 and total revenue of Rs. 12.91 million for the year then ended.
- b) The financial statements of Aban Holdings Pte Limited, Singapore and its Subsidiaries, whose consolidated financial statements have been audited by other auditor. We are informed that Deep Drilling Mexico S DE R L DE CV, Mexico (‘DD Mexico’) a subsidiary of Aban Singapore Pte Ltd is not required to be audited. The unaudited financial statement of Deep Drilling Mexico S DE R L DE CV, Mexico reflects the total assets of Rs. 45.21 Million as at 31st March, 2019 and total revenue of Rs. 108.30 Million for the year then ended. The Consolidated Financial Statement of Aban Holdings Pte Limited audited by other auditor reflect total assets of Rs. 113,838.02 Million as at 31st March 2019, total revenue of Rs. 5877.01 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated net loss of Rs. 52,027.46 Million for the year ended 31st March 2019 includes share of net loss of Rs. 23.42 Million in respect of two (2) associates. The audit report of the consolidated accounts of “Aban Holdings Pte Ltd”, the wholly owned foreign subsidiary and its subsidiaries includes unaudited financials of ‘DD Mexico’.
- c) The financial information’s /financial statements have been furnished by the management and our opinion on the consolidated financial statements in respect of these subsidiaries as associates and our report in terms of sub Section (3) and (11) of section 143 of “the Act” in so far as at relates to the afore said Subsidiaries and associates is solely based on reports of the other auditors.





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
Office 'C' 7th Floor, Tower I
Shakti Towers, No. 766,
Anna Salai, CHENNAI - 600 002

MOBILE : +91-99089 50616
E-Mail : pmurali.co@gmail.com
Website : www.pmurali.com

Our opinion on the consolidated financial statements, and our report on Other legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

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

P. Murali Mohana Rao



P. Murali Mohana Rao
Partner
M.No:023412

Place: Chennai
Date: 29-05-2019

Aban Offshore Limited



STATEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE QUARTER / YEAR ENDED 31ST MARCH 2019

Rs. Millions

PARTICULARS	QUARTER ENDED 31.03.2019 (AUDITED)	QUARTER ENDED 31.12.2018 (UNAUDITED)	QUARTER ENDED 31.03.2018 (AUDITED)	YEAR ENDED 31.03.2019 (AUDITED)	YEAR ENDED 31.03.2018 (AUDITED)
1. INCOME					
INCOME FROM OPERATIONS	1,388.98	1,942.49	3,283.61	8,482.66	14,668.60
OTHER INCOME	3.21	6.18	86.04	1,127.01	144.95
TOTAL INCOME	1,392.19	1,948.67	3,369.65	9,609.67	14,813.55
2. EXPENSES					
COST OF MATERIALS CONSUMED	424.48	334.96	396.08	1,297.24	1,245.59
EMPLOYEE BENEFITS EXPENSE	551.29	511.02	548.16	2,104.18	2,244.02
FINANCE COSTS	2,964.10	2,879.59	4,667.30	11,372.78	12,821.03
DEPRECIATION AND AMORTISATION EXPENSES	1,645.51	1,732.20	1,647.12	6,746.19	6,647.14
IMPAIRMENT LOSS OF GOODWILL	-	-	10,033.48	-	10,033.48
IMPAIRMENT LOSS OF PROPERTY, PLANT AND EQUIPMENT	36,269.70	-	2,335.19	36,269.70	2,335.19
OTHER EXPENDITURE	628.03	899.59	1,073.30	3,991.17	4,670.55
TOTAL EXPENSES	42,483.11	6,357.36	20,700.63	61,781.26	39,997.00
3. LOSS FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS (1-2)	(41,090.92)	(4,408.69)	(17,330.98)	(52,171.59)	(25,183.45)
4. EXCEPTIONAL ITEMS	-	-	-	-	-
5. LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (3-4)	(41,090.92)	(4,408.69)	(17,330.98)	(52,171.59)	(25,183.45)
6. TAX EXPENSES					
-CURRENT TAX	232.23	130.26	520.44	752.40	1,078.99
-DEFERRED TAX (NET)	(29.97)	(63.10)	(48.46)	(212.92)	(198.14)
7. NET LOSS FROM ORDINARY ACTIVITIES AFTER TAX (5-6)	(41,293.18)	(4,475.85)	(17,802.96)	(52,711.07)	(26,064.30)
8. EXTRAORDINARY ITEMS (NET OF TAX EXPENSE)	-	-	-	-	-
9. NET LOSS FOR THE PERIOD (7-8)	(41,293.18)	(4,475.85)	(17,802.96)	(52,711.07)	(26,064.30)
10. SHARE OF PROFIT/ (LOSS) OF ASSOCIATE	1.96	13.54	(0.62)	(23.42)	(0.45)
11. NON CONTROLLING INTERESTS	-	-	-	-	-
12. NET LOSS AFTER NON CONTROLLING INTEREST AND SHARE OF PROFIT OF ASSOCIATE (9+10-11)	(41,291.22)	(4,462.31)	(17,803.58)	(52,734.49)	(26,064.75)
13. OTHER COMPREHENSIVE INCOME (NET OF TAX)	1,580.90	1,221.99	(208.44)	(538.65)	(103.10)
14. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (12+13)	(39,710.32)	(3,240.32)	(18,012.02)	(53,273.14)	(26,167.85)
15. PAID UP EQUITY SHARE CAPITAL (Equity Share of Rs.2/-each)	116.73	116.73	116.73	116.73	116.73
16. Net worth (Refer Note IV)	-	-	-	(36,838.03)	16,435.09
17. Reserves excluding Revaluation Reserves	-	-	-	(53,203.05)	70.08
18 (i) Earning per share (before extraordinary items) (of Rs. 2/- each) (not annualised)					
(a) Basic	(707.53)	(76.46)	(305.06)	(903.61)	(178.35)
(b) Diluted	(707.53)	(76.46)	(305.06)	(903.61)	(178.35)
(ii) Earning per share (after extraordinary items) (of Rs. 2/- each) (not annualised)					
(a) Basic	(707.53)	(76.46)	(305.06)	(903.61)	(178.35)
(b) Diluted	(707.53)	(76.46)	(305.06)	(903.61)	(178.35)



P. Murali



Regd. Office : Janpriya Crest, 113, Pantheon Road, Egmore, Chennai - 600 008. India
CIN : L01119TN1986PLC013473 Phone : (91) (44) 49060606 Fax : (91) (44) 28195527
e-mail : abanoffshore@aban.com website : www.abanoffshore.com



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 29th May'19.
- (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) An Impairment charge of Rs.36269.70 Million (Previous Year Rs.2335.19) is recognized for the financial year ended 31st March 2019 as the carrying amount of the Rigs exceeded its estimated value in use which is mainly due to the slump in oil and gas industry.
- (iv) 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 stated in the explanation to Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 (Listing Regulations).
- (v) Information pursuant to Regulation 52(6)(b) of the Listing Regulations are below:
 - (a) Loss before other comprehensive income (net of tax) for the quarter and full year ended 31st March 2019 is Rs 41,291.22 Million and Rs 52734.49 Million respectively.
 - (b) Free reserves as on 31st March 2019 is (Rs 56065.48) Million.
 - (c) Securities Premium account balance as on 31st March 2019 is Rs 17800.78 Million.
- (vi) Information pursuant to Regulation 52(4) and 52(6) of the Listing Regulations are given in Annexure A.
- (vii) The figures of the quarter ended 31st March 2019 and 31st March 2018 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.
- (viii) The standalone financial results are as under:

Particulars	Rs. in Millions				
	Quarter ended 31.03.2019 (Audited)	Quarter ended 31.12.2018 (Unaudited)	Quarter ended 31.03.2018 (Audited)	Year ended 31.03.2019 (Audited)	Year ended 31.03.2018 (Audited)
Total Income(includes other income)	700.81	778.76	1618.97	4187.79	6516.53
Profit before tax	(592.83)	(391.24)	121.70	(431.06)	678.69
Profit /(loss) after tax	(765.67)	(406.07)	(251.52)	(689.79)	104.97

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

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

Place:Chennai
Date: 29th May 2019

By Order of the Board



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



Consolidated Balance Sheet as at 31st March 2019

Particulars	As at 31st March 2019 Rs. millions	As at 31st March 2018 Rs. millions
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	109,864.42	143,688.51
Intangible assets	2,613.92	-
Capital work-in-progress	58.75	-
Financial Assets		
(i) Investments	261.08	271.67
(ii) Loans	330.24	331.07
(iii) Other financial assets	217.56	137.72
Other non-current assets	-	4.41
Total-Non-current assets	113,345.97	144,433.38
Current assets		
Inventories	4,172.37	3,780.75
Financial Assets		
(ii) Trade receivables	11,130.22	18,727.93
(ii) Cash and cash equivalents	693.95	724.38
(iii) Other Bank balances	23.04	107.83
(iv) Loans	1,770.66	687.81
(v) Other financial assets	1,032.80	332.71
Other current assets	4,403.94	582.04
Total-current assets	23,226.98	24,943.45
Total- Assets	136,572.95	169,376.83
EQUITY AND LIABILITIES		
Equity		
(i) Equity Share Capital	116.73	116.73
(ii) Other Equity	(53,203.05)	70.08
Equity attributable to shareholders of the Company	(53,086.32)	186.81
Non-controlling interests	-	-
Total-Equity	(53,086.32)	186.81
Non-current liabilities		
Financial Liabilities		
(i) Borrowings	642.10	602.34
Employee benefit obligations	6.49	6.28
Deferred tax liabilities	3,808.38	4,021.30
Total-Non-Current Liabilities	4,456.97	4,629.92
Current liabilities		
Financial Liabilities		
(i) Borrowings	1,024.49	1,805.98
(ii) Trade payables	9,477.28	6,762.24
(iii) Other financial liabilities	174,620.70	155,886.39
Employee benefit obligations	4.29	4.02
Other current liabilities	75.54	101.47
Total-Current Liabilities	185,202.30	164,560.10
Total-Liabilities	189,659.27	169,190.02
Total-Equity and Liabilities	136,572.95	169,376.83



P.



Annexure-A

Pursuant to regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), we submit herewith the following information pertaining to the Non-convertible Cumulative Preference Shares:

1. Details of Outstanding Redeemable Preference Shares:

Sr. No.	Name of the Series	No. of Preference Shares in Millions	Amount of Issue (Rs. In Millions)
1	INE421A04097	45	450
2	INE421A04097	60	600
3	INE421A04071	55	550
4	INE421A04063	40	400
5	INE421A04055	20	200
6	INE421A04089	61	610

2. Credit Rating and change in Credit Rating (if any):

The Credit Rating in respect of the above mentioned series of Preference Shares is "CARE D (RPS) [Single D (Redeemable Preference Shares)]"

3. Asser cover available, in case of non-convertible Debt Securities: Not Applicable.

4. Debt –Equity Ratio (As at 31st March 2019) :

Standalone	0.18
Consolidated	(2.68)

Debt Equity ratio= (Long term debts+current maturities of long term debt)/Shareholders funds.

5. Previous due dates for payment of dividend and repayment of principal amount for Preference Shares :



The due date of payment of dividend and principal amount and the actual date of payment for the year ended 31st March 2019: No dividend has been paid and no redemption during the year ended 31st March 2019.

6. Next due dates for payment of dividend and repayment of principal amount:

The entire preference shares have become due for redemption and they have not been redeemed.

Dividend when recommended and declared will be paid within the prescribed timeline.

7. **Debt Service Coverage Ratio**

Standalone	0.26
Consolidated	(2.99)

Debt service coverage ratio=EBIDTA/ (Interest expense + Current year principal repayments)

8. **Interest Service Coverage Ratio: Not Applicable**

Standalone	0.13
Consolidated	(3.99)

Interest service coverage ratio=EBIT/ Interest expense

9. **Capital Redemption Reserve: As at 31st March 2019 -Rs 2,810 Million**

10. **Net worth: Forms part of Unaudited Standalone/Consolidated Financial Results**

11. **Net profit after tax: Forms part of Unaudited Standalone/Consolidated Financial Results**

12. **Earnings per share: Forms part of Unaudited Standalone /Consolidated Financial Results**

A. Information pursuant to Regulation 52(6) of the Listing Regulations are given below:

Sr. No.	Particulars	Remarks
a.	Profit/(loss) for the year ended 31 st March 2019	Please refer Notes to unaudited financial results forming part of this publication
b.	Free Reserves as on the end of 31 st March 2019	
c.	Securities Premium account balance (if redemption of redeemable preference shares is to be done at premium ,such premium may be appropriated from securities premium account) Provided that disclosure on securities premium account balance may be provided only in a year in which non-convertible redeemable preference shares are due for redemption	



d.	<p>Track record of dividend payment on non-convertible redeemable preference shares.</p> <p>Provided that in case the dividend has been deferred at any time, then actual date of payment shall be disclosed.</p>	<p>Dividend on non-convertible redeemable preference shares for the period up to 31st March 2015 has been paid within the prescribed timeline. The subsequent payment has been deferred.</p>
e.	<p>Breach of any covenants under the terms of the non-convertible redeemable preference shares</p> <p>Provided that in case of listed entity is planning a fresh issuance of shares whose end use is servicing of the non-convertible redeemable preference shares (whether dividend or principal redemption), then the same shall be disclosed whenever the listed entity decided on such issuances.</p>	<p>Non-convertible cumulative redeemable preference shares due on 29th December 2014, 28th February 2015, 30th March 2015, 16th June 2015, 16th June 2016 and 3rd August 2016 have not been redeemed.</p>



ANNEXURE 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results- Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March 2019

[See Regulation 33/52 of the SEBI (LODR) (Amendment) Rules,2016]

I. Consolidated Financial Results

Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. Millions)	Adjusted Figures(audited figures after adjusting for qualifications) (Rs.Millions)
1.	Turnover/Total Income	9,609.67	Not ascertainable (Refer Note II(e) (ii) below
2.	Total Expenditure	61,781.26	Not ascertainable (Refer Note II(e) (ii) below
3.	Net Profit/(Loss)	(53,273.14)	Not ascertainable (Refer Note II(e) (ii) below
4.	Earnings Per Share (Rs.)	(903.61)	Not ascertainable (Refer Note II(e) (ii) below
5.	Total Assets	136,572.95	Not ascertainable (Refer Note II(e) (ii) below
6.	Total Liabilities	189,659.27	Not ascertainable (Refer Note II(e) (ii) below
7.	Net Worth	(53,086.32)	Not ascertainable (Refer Note II(e) (ii) below
8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualifications (each qualification separately)

a. Details of Disclaimer of Opinion:

In case of wholly owned subsidiary of the company "Aban Holdings Pte Ltd" Singapore along with its subsidiaries and associates whose consolidated Financial Statements have been audited by other auditors "Nexia TS Public Accounting Corporation, Public Accountants and Chartered Accountants, Singapore" have not expressed opinion on the consolidated financial statements for the year ended 31st March, 2019 which is reproduced as under:



“Basis for Disclaimer of Opinion:

As disclosed in Note 2.1 to the financial statements, in preparing the financial statements, the Board of Directors have considered the operations of the Group and of the company as going concerns notwithstanding that the Group and the Company incurred a net loss of US\$744,649,000 and US\$ 6,893,000 (2018: US\$ 405,532,000 and US\$7,137,000) respectively for financial year ended 31 March 2019 and as at that date, the Group and the Company are in Net Current Liabilities position of US\$2,246,469,000 and US\$ 2,219,923,000 (2018: US\$2,056,505,000 and US\$ 2,113,235,000) respectively. The Group is also in net liabilities position of US\$841,129,000 (2018: US\$227,230,000) as at 31 March 2019.

As disclosed in Note 18, the carrying amount of the Group’s rigs amounting to US\$1,371,563,000 (2018: US\$1,961,015,000) have been pledged as security for the borrowings of the Group and the Company. An impairment loss of the rigs amounting to US\$516,270,000 (2018: US\$34,369,000) was made during the financial year ended 31 March 2019. In addition, as disclosed in Note 21 to the financial statements, the Group and the Company have defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders have issued recall notices to the Group and the Company. Although management has reclassified these borrowings of the Group and the Company, with original repayment terms beyond 12 months from the balance sheet date as current liabilities. Discussions are on-going to conclude for the Group and the Company on any re-negotiation, obtain replacement financing or raise funds through any fund raising exercises as discussion are still on-going with the lenders as of the date of this report.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s and the Company’s ability to continue as going concern. Nevertheless, the Board of Director believes that the use of the going concern assumption on the preparation of the financial statements of the Group and the Company for the financial year ended 31 March 2019 is still appropriate after taking into consideration of the above actions and measures.

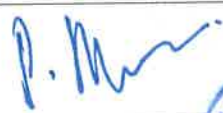



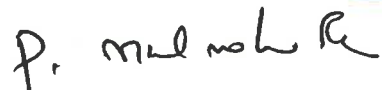

The ability of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the actions and measures undertaken as disclosed above and it is uncertain whether the Group and the Company will raise further funds through any fund raising exercises. Therefore, we are unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of preparation of the accompanying financial statements of the Group and the Company is appropriate.

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

b) Qualification on Standalone Financial Statements

Note 4(a) in respect of investments of Rs. 35,317.32 million in wholly owned foreign subsidiary which along with its downstream subsidiary companies that have significant accumulated losses as at 31st March 2019. In the absence of any fair valuation assessment of such investments, we are unable to comment upon the carrying value of these investments and the consequential impact, if any, on the accompanying standalone financial results for the year ended 31st March 2019.

III.

	Signatories:
Chairman and Audit Committee Chairman	 
Dy. Managing Director & Chief Financial Officer	 
Statutory Auditors	 

Place: Chennai

Date: 29th May 2019