



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

– **M.A. Abraham**, 1939 - 2004

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

Shareholders / Investors Grievance Committee

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

Compensation Committee

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

Auditors

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

Registered Office

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

Company Identification Number

CIN : L01119TN1986PLC013473

Bankers & Financial Institutions

Allahabad Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Citi Bank N.A.
Corporation Bank
DBS Bank Limited
DnB NoR Bank ASA
Export-Import Bank of India
ICICI Bank Limited
Indian Bank
Indian Overseas Bank
IDBI Bank Limited
Life Insurance Corporation of India
Oriental Bank of Commerce
Punjab National Bank
Standard Chartered Bank
State Bank of India
State Bank of Indore
State Bank of Mysore
State Bank of Hyderabad
Syndicate Bank
Union Bank of India
UCO Bank

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 Fourth Annual General Meeting of the Members of **ABAN OFFSHORE LIMITED** will be held on Friday the 24th September 2010 at 11.00 A.M. at the Mini Hall 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 2010 and the Profit and Loss Account for the year ended as on that date, together with the reports of the Board of Directors and Auditors thereon.
2. To consider and declare a dividend @ 8% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the company for the year ended 31st March 2010.
3. To consider and declare a dividend @ 9% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the company for the year ended 31st March 2010.
4. To consider and declare a dividend @ 9.25% p.a. on the paidup Non Convertible Cumulative Redeemable Preference Share capital of the company for the year ended 31st March 2010.
5. To consider and declare a dividend on the paidup Equity Share capital of the company for the year ended 31st March 2010
6. To appoint a Director in place of Mr. P. Murari who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr. V. S. Rao who retires by rotation and being eligible offers himself for re-appointment.
8. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

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

SPECIAL BUSINESS

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

"RESOLVED THAT, in accordance with the provisions of 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, the Foreign Exchange Management Act, 1999, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, guidelines prescribed by the Securities and Exchange Board of India ("SEBI") and subject to such approvals, consents, permissions and / or sanction of the Ministry of Finance of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms and conditions, modifications, alterations as may be prescribed and/or specified by any of them in granting any such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) to offer, issue, and allot, in the course of one or more offerings, in one or more foreign markets, any securities (including but not limited to Equity Shares, Global Depository Receipts American Depository Receipts/Shares, Foreign Currency Convertible Bonds, Convertible Bonds, Euro - Convertible Bonds that are convertible at the option of the Company and / or at the option of the holders of such securities, securities partly or fully convertible into Equity Shares and / or securities linked to Equity Shares and / or any instruments or securities with or without detachable warrants secured or unsecured or such other types of securities representing either Equity Shares or convertible securities) (hereinafter referred to as "Securities") to Foreign/Domestic investors, Non-residents, Foreign Institutional Investors/Foreign Companies/NRI(s)/Foreign National(s) or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company through Prospectus, Offering Letter, Circular to the general public and / or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions

as the Board may in its absolute discretion deem fit for an amount not exceeding US\$ 400 Million (US Dollar Four hundred Million only) or its equivalent currencies including green shoe option on such terms and conditions including pricing as the Board may in its sole discretion decide including the form and the persons to whom such Securities may be issued and all other terms and conditions and matters connected therewith.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above the aforesaid issue of the Securities may have all or any term or combination of terms in accordance with normal practice including but not limited to conditions in relation to payment of interest, dividend, premium or redemption or early redemption at the option of the Company and / or to the holder(s) of the Securities and other debt service payment whatsoever and all such terms as are provided in offerings of this nature including terms for issue of additional Equity Shares of variation of interest payment and of variation of the price or the period of conversion of Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to voting rights or option for early redemption of Securities.”

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

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

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

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

“**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the

international market and may be governed by applicable foreign laws.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities, Exercise of warrants / Redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the appointment of Registrar, Book-Runner, Lead-Managers, Trustees / Agents, Bankers, Global Co-ordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies / intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and / or in one or more international stock exchanges with power on behalf of the Board to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

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

“**RESOLVED THAT** pursuant to section 81(1A) and all other applicable provisions if any, of the Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time the provisions of the Foreign Exchange management Act, 1999 and the Foreign Exchange Management (Transfer or issue of security by a Person Resident Outside India) Regulations 2000 applicable rules, regulations, guidelines or laws and / or any approval consent, permission or sanction of the Central Government , Reserve Bank of India or any other appropriate authorities, institution or bodies (hereinafter collectively referred to as the “appropriate authorities”)

and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "requisite approvals") which may be agreed to by the Board of Directors of the Company (hereinafter called the " Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) the Board or any committee thereof be and is hereby authorized to issue offer and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "Qualified Institutional Placement ("QIP") Securities") to the Qualified Institutional Buyers (QIBs) as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as Amended, on the basis of placement document(s) at such time and times in one or more tranche or tranches at par or at such price or prices and on such terms and conditions and in such manner as the Board may in its absolute discretion determine in consultation with the Lead Managers, Advisors or other intermediaries for an amount not exceeding Rs.2500 crores (Rupees two thousand five hundred crores only) including such premium amount as may be finalized by the Board or any committee thereof."

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

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

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

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

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

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

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

"RESOLVED FURTHER THAT the allotment of securities shall be to Qualified Institutional Buyers in accordance with the Qualified Institutional Placement (QIP), Chapter VIII of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time, and such securities shall be fully paid up and the allotment of such securities shall be completed within 12 months from the date of this resolution without the need for fresh approval from the shareholders and placements made in pursuance of this resolution if approved shall be separated by atleast 6 months between each placement.

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

By Order of the Board

Chennai - 600 008
Date 25.05.2010

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 Friday 17th September 2010 to Friday 24th September 2010 (both days inclusive) for the purpose of declaration of dividend.
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 24th September 2010 to those persons or their mandates.
 - (i) Whose names appear as Beneficial Owners as at the end of the business hours on 16th September 2010 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 16th September 2010
6. Dividend on Preference Shares, if declared at the ensuing Annual General Meeting will be paid on or after 24th September 2010
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.
9. Members holding shares in physical form may obtain the Nomination Forms from the Company's Registrar and Share Transfer Agent.
10. Pursuant to the provisions of section 205(A) and 205(C) of the companies Act, 1956 the company has transferred the unpaid of unclaimed dividends for the financial years 1995-96 to 2001-02, to the Investor Education and Protection Fund (IEPF) established by Central Government. No claim shall be made against the company in respect of unpaid / unclaimed dividend

after a period of seven years from the dates they first become due for payment.

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 the necessary endorsements in the due course.
12. The Members desiring any information as regards accounts of the Company are requested to write to the Company at an early date so as to enable the Company to keep information ready
13. Brief resume of these directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, memberships and chairmanships in committees, shareholding and relationships between directors inter-se as stipulated in the listing agreement with Stock Exchanges in India are provided in the report on Corporate Governance forming part of the report

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 25TH MAY 2010

Item No.9

In view of the growing operations of the Company and to augment the fund requirements of the Company. Your Company proposed to create offer issue and allot equity shares GDRs, ADRs, FCCBs, etc., as stated in the resolution. The proposed resolution is for renewal of approval of issuance of equity shares FCCBs, GDRs, ADRs, etc. for an amount not exceeding USD 400 Million or its equivalent currencies as approved by the Members of the Company at the 23rd Annual General Meeting held on 16th September 2009. The Board recommended the passing of this resolution.

None of the Directors is concerned or interested in the resolution

Item No.10

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

The proposed special resolution seeks the enabling authorization of the Members to the Board of Directors without the need of any further approval from the shareholders pursuant to (Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time under the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB") pursuant to the above, the Board may in one or more tranches issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (Collectively referred to as "QIP Securities")

The said QIP by the Board shall be subject to the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations

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

The aggregate of the proposed Qualified Institutional Placement and all previous Qualified Institutional Placements made by the Company in a financial year shall not exceed five times the networth of the Company as per the latest audited Balance Sheet.

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.

The allotted shares shall be locked in for one year unless sold through recognized stock exchange

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

The Board recommend passing of this resolution

None of the directors are interested or concerned in the resolution

By Order of the Board

Chennai - 600 008
Date 25.05.2010

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

With its gearing strengthened, rigs deployed and revenue streams clearer, Aban is poised to capitalise on emerging industry opportunities.

About us

Headquartered in Chennai, India, Aban Offshore Limited was established in 1986 by late Mr. M.A. Abraham. The Company provides drilling and oil field services to exploration and production (E&P) companies in Indian and international waters.

Aban Offshore Limited (AOL) has two-wholly-owned subsidiaries, Aban Energies Ltd (India) and Aban Holdings Pte. Ltd (Singapore).

AOL launched its first drilling service to ONGC in 1987 with two modern jack-up drilling rigs acquired from the US. Over a period, Aban emerged as the largest Indian drilling contractor and one among the ten largest in the world. Aban deploys rigs in 10 countries.

Vision

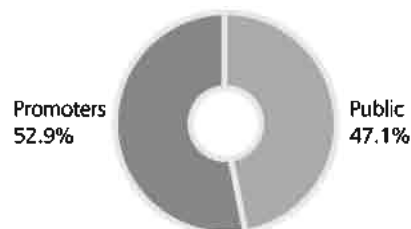
The Company is driven by the vision to be successful in every field through innovating, integrating and delivering world-class services for the global market. It is driven by the business philosophy to leverage its rich industry experience and modern technology to provide its client with the best services.

Mission

In the highly competitive business environment of today, our mission is to stay as the frontrunner through our managerial, technical and operational capabilities and intellectual property.

Shareholding pattern

(as on 31st March 2010)

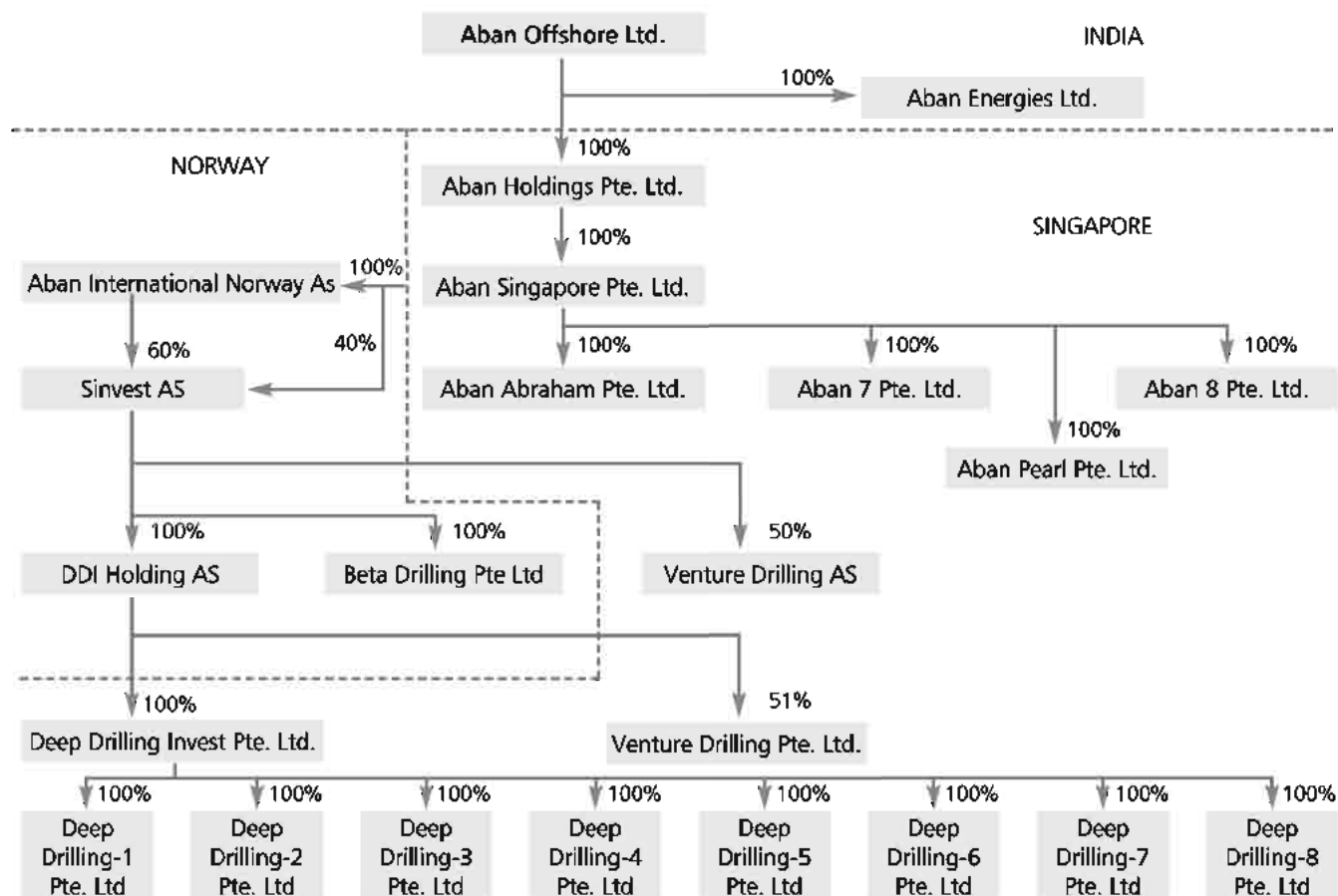


Major clientele

- Oil & Natural Gas Corporation Ltd (ONGC)/ ONGC Videsh Ltd (OVL)
- Reliance Industries Ltd. (RIL)
- Hardy Exploration & Production (India) Inc.
- Oriental Oil Co. (Dubai)
- Shell Brunei
- Shell Malaysia
- Gujarat State Petroleum Corporation Ltd. (GSPC)
- Petronas Carigali SDNBHD
- Cairn Energy
- Kosmos Energy/Petro SA
- Hindustan Oil Exploration Company Ltd.
- Chevron (Thailand)
- Essar Oil Myanmar
- Nu Coastal (Thailand)
- PEMEX Mexico
- Total E&P Qatar
- PDVSA



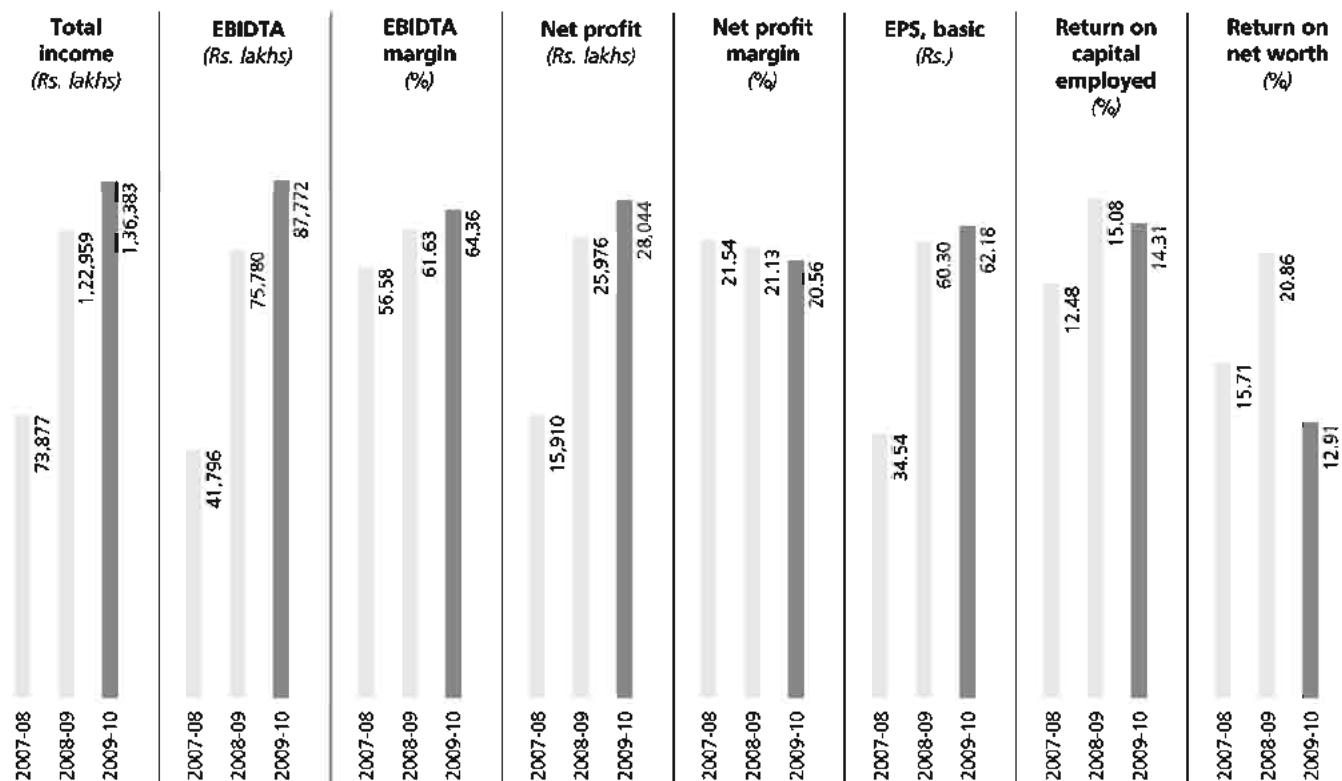
AOL Group holding structure



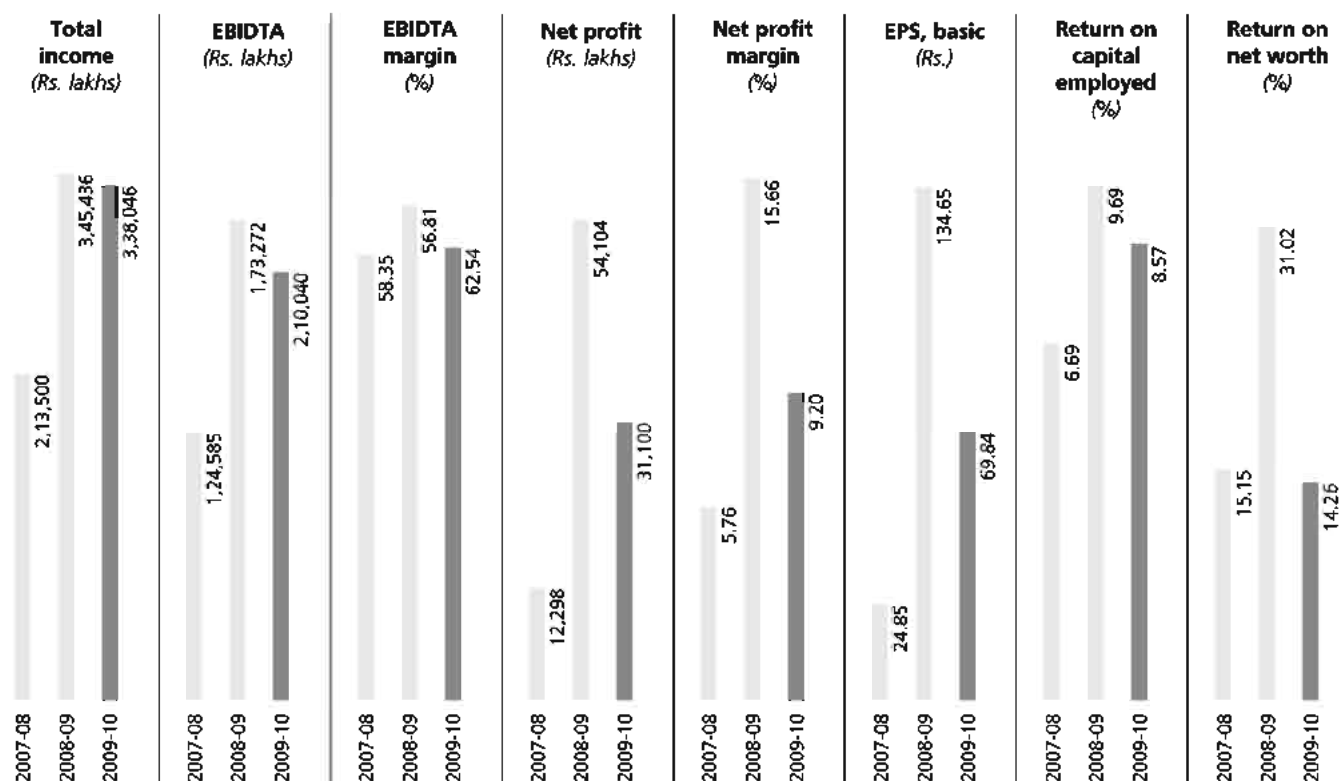
Consolidated results of AOL and its subsidiaries

Particulars	(Rs. in lakhs)	
	Year ended 31st March 2010	Year ended 31st March 2009
Turnover	3,35,866	3,05,009
Less: Expenditure	1,25,826	1,31,737
EBIDTA	2,10,040	1,73,272
EBIDTA %	62.54	56.81
Add: Other income	2,181	3,625
Less: Interest	97,682	85,530
Less: Depreciation	46,156	44,142
Profit before tax	68,383	47,225
Add: Share of profit in joint venture	12,504	11,160
Profit before tax after share in joint venture	80,887	58,385
Less: Provision for tax	25,707	25,078
Core Profit after tax	55,180	33,307
Exchange fluctuation (Loss)/Gain	(12,028)	36,802
Impairment of investment/asset	(12,052)	(16,005)
Profit after tax	31,100	54,104

What we achieved (standalone) in 2009-10



What we achieved (consolidated) in 2009-10



Managing Director's review

Consolidating in an improving environment

Dear Shareholders,

I am happy to state that your Company reported fairly satisfactory results in a challenging 2009-10.

These are the consolidated numbers:

- A 10.12 per cent increase in operating income
- A 21.22 per cent increase in EBIDTA
- A 65.67 per cent increase in core profit after tax

The fact that the Company reported positive cash accruals and bottomline on the one hand and could propose a dividend in the most challenging period in its existence on the other, is an index of the robustness of its business model.

Overview

The business of charter hire of rigs has a strong positive correlation with the prospects of the oil industry. The lower the oil prices, the weaker the demand for rigs and vice versa.

In this connection, the movement in oil prices in 2008-09 and 2009-10 provide

a fair commentary on what has transpired in our business. During the first half of 2008-09, oil prices peaked and oil rig demand rose to an all-time high. From the second half onwards, oil prices bottomed out as low as US\$40 a barrel in December. Correspondingly, rig hire demand collapsed as a number of oil companies – sitting with large investable surpluses – preferred to wait and watch. When oil prices did more than double from their bottom, rig utilisation improved significantly; rates were expected to pick up after a significant pick-up in utilisation. It is this challenging and changing background that made our performance in 2009-10 creditable.

Challenges and initiatives

With a number of large and mid-sized oil drilling customers staggering their fresh capex programmes, drilling activity declined. In a capital-intensive business like ours where a significant part of our asset creation was financed through

debt, our margins were squeezed, if not wiped out in 2009-10.

Our Company did not just wait for the storm to blow over. It utilised every opportunity in a challenging year to strengthen its business. Aban placed all its rigs across comfortable tenures and rates. The Company entered relatively new markets in Latin America, West Africa and the Middle East to work with companies possessing a dependable capex programme. Besides, it signed a contract for the deployment of one jack-up rig with Brunei Shell Petroleum of Brunei.

The result was an increase in rig utilisation, which immediately translated into an increase in quarter-to-quarter core profit after tax from the third to the fourth. Rig utilisation rates, which were low till September 2009 improved substantially in the second half of the financial year 2010.

Strengthening the business

Cost management: The Company assumed operational control of eight new rigs that had earlier been vested with a rig management company. The Company leveraged its rich hands-on business understanding to halve the operating cost structure and also enhance its experience of managing these assets in global waters.

Debt management: Aban commenced 2009-10 with a debt book of Rs. 16,600 crore and a gearing of 9.54 times. In view of the external environment, the Company considered it prudent to work closely with its banking consortium, successfully rolling over its debt so as to be repayable over a longer period in keeping with the long-term life of the Company's assets. This vindicates the fact that financial institutions view Aban's business model as robust and credible.

The Company also mobilised Rs. 698 crore through a Qualified Institutional Placements (QIP) in November 2009, utilising the proceeds to rationalise its gearing to 6.5 times.

Interest management: We believe that our interest outflow outlook for 2011-12 is comfortable when appraised against our earning capability. As the revenues are also in US Dollars, there is a natural currency hedge.

Business booking: Aban deployed its rigs across varying tenures, reducing business risk. Besides, the short-term contracts will enable the rigs to be placed at better rates in view of the improving global environment.

Portfolio diversification: Aban is competitively placed to address a growing market through its diversified asset portfolio (15 jack-up rigs, three drillships and one floating production unit). An average age of nine of its 15 jack ups being around 2.5 years (as on 31st March 2010) translated into attractive hire rates.

Health and safety standards: Aban improved its HSE standards and compliance levels and benchmarked the same in line with the best global standards, resulting in contracts from global E&P companies.

Outlook

Oil industry: World oil demand is expected to grow 1.1% in 2010-11 to 85.2 mb/d. This will be catalysed by the growing demand from developing economies where oil consumption is forecasted to grow 0.6mb/d y-o-y in 2010 to 26.4mb/d. Hence even as European oil demand is expected to contract by 0.2mb/d in 2010 on account of declining consumption in the 'big four' economies (Germany, the UK, France and Italy), China's oil consumption is expected to increase by 160,000 b/d (Source: OPEC). In India, the highest number of exploration blocks – 70 blocks covering about 1,63,535 sq. km – were awarded under NELP VIII. Some 24 blocks were deepwater, 28 shallow, eight land and 10 Type-S blocks (Source: Economic Survey 2009-10). This programme indicates a resurgence in demand for rigs across the foreseeable future across Asia.

Rig industry: Rig rates for jack-ups hardened during 2006, began to correct in 2008 and were around US\$100,000–130,000 per day (depending on their age), in 2009. The industry insight is that



rig hire rates have bottomed out, what with utilisation picking up from 81% to 86% in the latter half of 2009 and are expected to rise to 87% in 2010, 90% in 2011 and 95%-plus in 2012 (*Source: Deutsche Bank Securities*). Interestingly, utilisation is expected to increase on account of stronger demand without any corresponding decline in rigs supply. On the supply side, 32 jack-up rigs are expected to be delivered in 2010, a growth of 7% over the previous year. Based on prevailing evidence, even the slightest jack-up demand recovery is expected to stabilise rates in the second half of 2010 (*Source: Deutsche Bank Securities*).

Technological shift: The floaters market (midwater, deepwater and ultra-deepwater) seems to be the rig industry's future. Latin America and West Africa appear promising for UDW rig deployment. The market for deepwater

and ultra-deepwater rigs is relatively less populated owing to the requirement of enhanced technology and higher capital investment.

2010-11

An improving global economy is expected to strengthen the crude demand and prices. In turn, this will encourage investments in E&P activity and strengthen the demand for offshore rigs.

Thus shareholders can expect their Company to strengthen its competitiveness and emerge stronger in the challenging environment through the following initiatives.

Aban is competently placed to capitalise on this projected upturn for some good reasons: it is the largest drilling contractor in India and one among the ten largest offshore drilling contractors in the world.

The Company possesses a varied asset portfolio including the deployment of Aban Abraham (a drill ship capable of going down to 6,600 feet). The robust response to its QIP issues from institutional investors indicates a deep faith in the credibility of its business model. On the other hand, the Company will remain vigilant for asset opportunities, especially for underwater assets that are capable of drilling down to 10,000 feet and below. Besides, the Company has no significant capital expenditure scheduled for 2010-11, leaving it with an adequate surplus with which to pare its debt further.

Aban's strengths

Scale

Aban is among the ten largest rig fleet owners in the world.

Diversified presence

Aban enjoys a global footprint extending across ten countries.

Versatile asset portfolio

Aban's asset portfolio comprises 15 jack-ups, three Drillships and one floating production unit, giving it a wide presence across all industry segments.

Rich experience

Aban possesses nearly a two and a half decades of rich industry experience, which has reinforced its global competitiveness.

Technological expertise

Aban's jack-ups (9 out of 15) are advanced and only an average of 2.5 years old, attracting high day rates.

Reputed client profile

Aban enjoys a long-term association with several clients, reflecting superior service capabilities. Its client profile comprises six national and nine international companies. It has been associated with ONGC for over two decades.



Management discussion and analysis

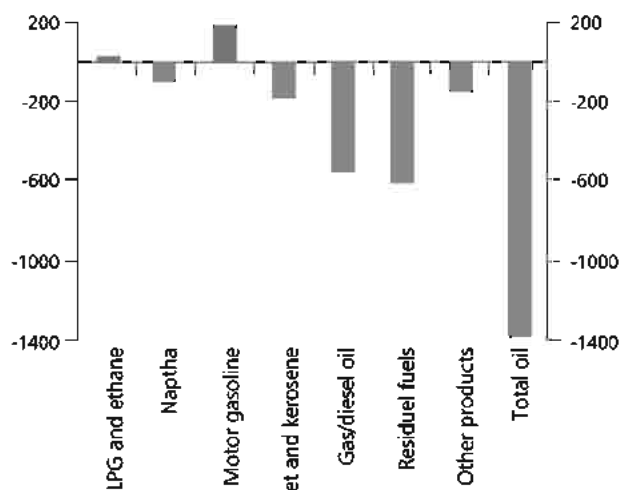
Global oil scenario

The growth of an economy catalyses oil demand in that region and vice versa.

Demand and supply: The year 2009 was most challenging in the global oil industry since the oil crisis of the early Seventies. Oil demand was affected across all regions. Stimulus economic packages strengthened energy demand in the fourth quarter of 2009. China, the Middle East and India consumed more oil, leading to a demand growth of 0.6 mb/d in 2009. However, this was offset by a decline of 1.9mb/d in the OECD region. The net impact was a decline in global demand by 1.4 mb/d to 84.4 mb/d in 2009.

The use of oil in categories like industrial fuel, jet and kerosene accounted for 75% of the total decline in world demand. Automobile fuel and LPG were the only categories that reported a y-o-y increase in 2009.

World oil consumption by products, 2009



All figures in million barrels per day.
(Source: OPEC)

Non-OPEC supplies accounted for around 60% of global oil production (estimated at 51.02mb/d in 2009, a growth of 0.61 mb/d).

	2004	2005	2006	2007	2008	2009
World demand						
OECD	49.5	49.8	49.5	49.2	47.6	45.6
North America	25.4	25.6	25.4	25.5	24.2	23.3
Western Europe	15.5	15.7	15.7	15.3	15.3	14.6
Pacific	8.5	8.6	8.5	8.4	8.1	7.7
DCs	21.9	22.7	23.4	24.4	25.3	25.8
FSU	3.8	3.9	4.0	4.0	4.1	4.0
Other European nations	0.9	0.9	0.9	0.8	0.8	0.8
China	6.5	6.7	7.2	7.6	8.0	8.2
(a) Total world demand	82.6	84.0	85.0	86.0	85.7	84.4
Non-OPEC supply						
OECD	21.3	20.4	20.1	20.1	19.5	19.5
North America	14.6	14.1	14.2	14.3	13.9	14.2
Western Europe	6.2	5.7	5.3	5.2	5.0	4.7
Pacific	0.6	0.6	0.6	0.6	0.6	0.6
DCs	11.6	11.9	12.0	12.0	12.4	12.6
FSU	11.1	11.5	12.0	12.5	12.6	12.9
Other European nations	0.2	0.2	0.2	0.2	0.1	0.1
China	3.5	3.6	3.7	3.8	3.8	3.8
Processing gains	1.8	1.9	2.0	2.0	2.0	2.0
OPEC NGLs + non-conventional oils	3.7	3.9	3.9	3.9	4.1	4.4
(b) Total non-OPEC supply and OPEC NGLs	53.3	53.5	53.9	54.5	54.5	55.4
OPEC crude oil production (secondary sources)	29.6	30.7	30.5	30.2	31.2	28.7
Total supply	82.9	84.2	84.4	84.7	85.8	84.1
Balance (stock changes and miscellaneous)	0.3	0.2	(0.6)	(1.4)	0.0	(0.3)

All figures in million barrels per day.

Note: Totals may not add up due to individual rounding

(Source: OPEC)



In recent years, about one out of every 20 barrels of oil produced globally and more than half of the Saudi Arabia production has come from a single field – Ghawar. The Ghawar oilfield is saturated and largely depleted.

Global spending on offshore exploration is forecast to increase from US\$260 billion in 2008 to US\$360 billion in 2013, a CAGR of 6.7% between 2008 and 2013.

Depleting Ghawar reserves: Saudi Arabia possesses around 20% of the world’s proven reserves of crude. It is the world’s largest crude exporter and a leading OPEC player. Crude oil production in Saudi Arabia peaked in 2005 at 9.6 mb/d; since then, production declined to 9.3 mb/d in 2008 and an estimated 8.1 mb/d in 2009 (Source: *Oil Drum*).

The Ghawar oil field represents the world’s largest known oil deposit, stretching across 170 miles. It is estimated that the field produces twice as much oil as any other field globally and accounts for over 50% of the country’s oil production. The country has been extracting oil from this reservoir for over half a century, since its discovery in 1948. The reason behind the country’s declining production can be linked to the saturation of the Ghawar field. Researchers indicate that northern Ghawar is largely depleted. (Source: *Atlantic magazine*).

Outlook: The International Energy Agency forecasts that annual global oil demand would reach 86.6 mb/d (Source: *Business line*). Even as European oil consumption is forecast to decline by 0.2mb/d in 2010 to 14.7 mb/d, Latin America and Asia are expected to more than make up for the decline. China’s oil demand is expected to increase 4.7% in 2010, rising to a strong rural development programme (Source: *OPEC*). The additional demand is expected to be met by production from outside the OPEC region.

Indian oil scenario

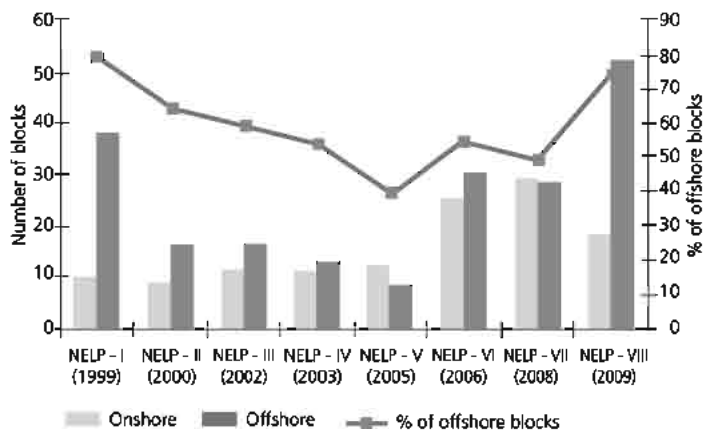
Nearly 75% of India’s oil consumption is imported. Domestic crude production for 2009-10 was placed at 36.7 million metric tonnes (MMT), an increase of 11% over 2008-09. With 15 new oil and gas discoveries being made during 2009-10, domestic supply is expected to improve (Source: *Economic Survey 2009-10*).

India’s estimated sedimentary deposit available for offshore and onshore exploration is around 3.14 million sq. km, out of which 1.35 million sq. km are in shallow waters and 0.34 million sq.

km in deep waters. Out of their respective areas, 29% of shallow water and 31% of deepwater acreage are yet to be awarded (Source: *Research Oracle*).

At the end of NELP VII, 203 production-sharing contracts were signed. Nearly 46% of India’s sedimentary basin was awarded for exploration under NELP. Under NELP VIII, the highest number of blocks were awarded for exploration, covering an area of 1,63,535 sq. km as on April 2009. The trend indicates a growing number of blocks being awarded for offshore exploration, creating a window of opportunity for the rig industry.

Onshore/Offshore blocks offered under NELP



(Source: *Research Oracle*)

Exploration and production (E&P): In the backdrop of rising oil demand, declining production from maturing fields and a dearth of new discoveries, offshore E&P activity has gained significance. Offshore E&P contributes 35% of the world’s oil production, catalysed by high crude realisations.

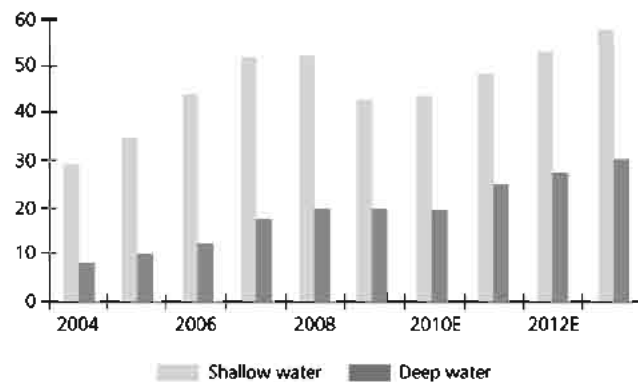
In turn, rising global oil demand, depleting reserves and difficulties in finding new reserves strengthened crude realisations over the last few years. Crude oil prices dropped to a low of US\$40 in December 2008, prompting E&P companies to defer their investments. With crude prices regaining

momentum towards the end of 2009, E&P investments revived.

In 2009, some 350 oil and gas discoveries were made worldwide, a majority in South and Central America followed by the Middle East and Africa, the Asia-Pacific, Europe and North America, strengthening prospects for the global rig industry.

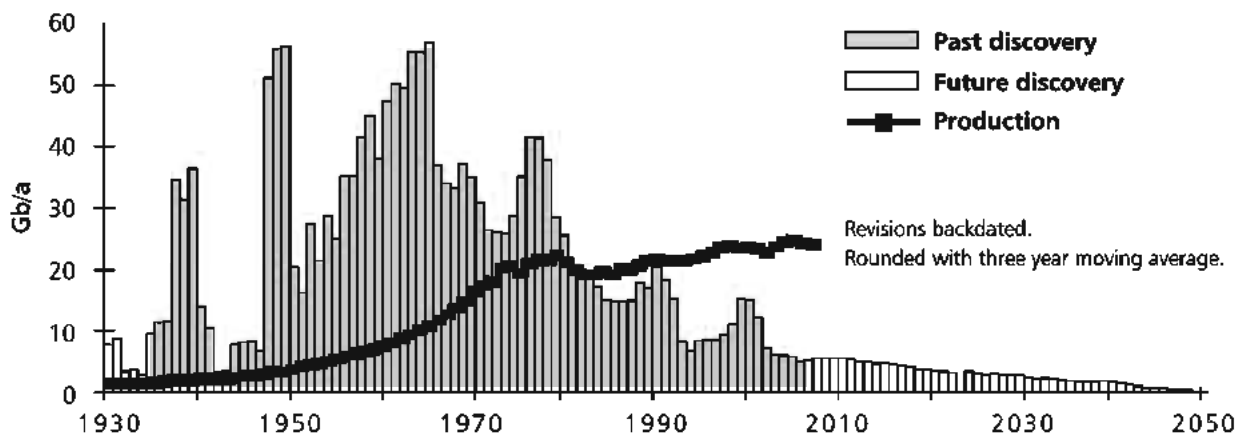
Outlook: Deep water exploration is expected to grow faster than shallow water exploration as the potential in most shallow water reserves is on a decline. Deep water capex is expected to increase from US\$20 bn in 2008 to US\$31 bn in 2013; shallow water capital expenditure is expected to rise from US\$53 billion in 2008 to US\$58 billion in 2013 (Source: Research Oracle).

Offshore capex: shallow water/deep water (US\$ bn)



(Source: Research Oracle)

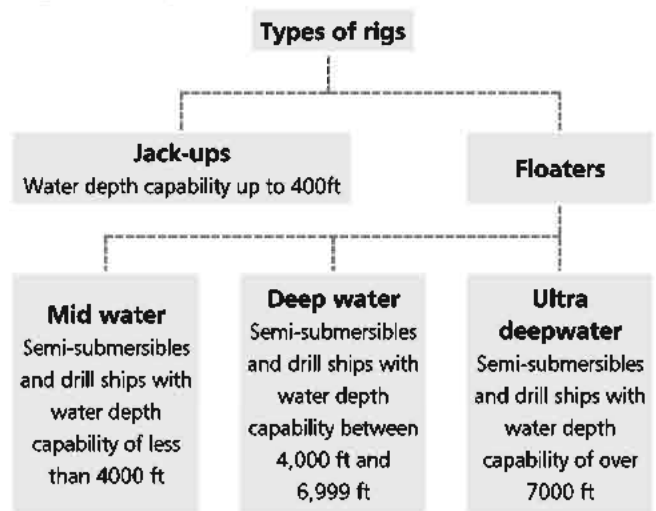
The growing gap (regular conventional oil)



(Source: The Oil Drum)

During 2004-08, an estimated 18,310 offshore exploratory wells were drilled; this is expected to increase 7% during 2009-13 to 19,570. The highest exploratory activity is expected in Asia followed by North America and Western Europe (Source: Research Oracle).

Rig industry



There was demand erosion in the rig industry in the early part of 2009 with E&P expenditures being curtailed. This reflected in low day rates, rig demand and utilisation. However, most rig markets revived in the second half, mirroring crude prices. By end 2009, the worldwide rig industry had stabilised and idle rigs deployed.

India has around 30 billion tonnes of unexplored oil reserves. (Source: Business Standard)

The global jack-up rig count declined about five months after crude prices dropped. However, jack-up count stabilised in the second half of 2009 in the range of 315-325.

The floater rig count increased 5% in 2009, reflecting a carry over of contracts from the upcycle of 2008. The only floater class that declined was the midwater segment with no new additions and shorter contract durations. On the other hand, the deepwater and ultra-deepwater rig counts increased owing to a limited availability and a backlog of long-term contracts. The result: mid water floaters utilisation was 78% compared with 91% for deepwater and ultra-deepwater rigs at the end of 2009.

Outlook: With oil prices stabilising in the US\$70–80 range, E&P spending is likely to rise from its 2009 level, translating into a stronger rig industry. Recent indicators for the jack-up market are positive with rig count and day-rates having bottomed out. Forecasts suggest that by end 2010, jack-up rig population would be about 340, an increase of 7%. The world wide floaters count is expected to remain flat owing to an increase in the count of deepwater and ultra-deepwater rigs that will be offset by a decline in mid-water rigs (Source: Rigzone).

Wind energy

India evolved as a major player in the global wind energy market. It is ranked the fifth largest producer of wind energy after the US, Germany, Spain and China. India added 683 MW of wind power capacity in 2009-10, increasing its cumulative capacity

to 10,925 MW. Wind power generation in India crossed 74.85 billion units as on December 2009.

State-wise wind power installed capacity (MW)

State	Installed capacity
Andhra Pradesh	122.5
Gujarat	1,711.8
Karnataka	1,390.6
Kerala	27.0
Madhya Pradesh	212.8
Maharashtra	2,004.4
Rajasthan	855.4
Tamil Nadu	4,596.2
West Bengal	1.1
Others	3.2
Total	10,925

(Source: Ministry of New and Renewable Energy)

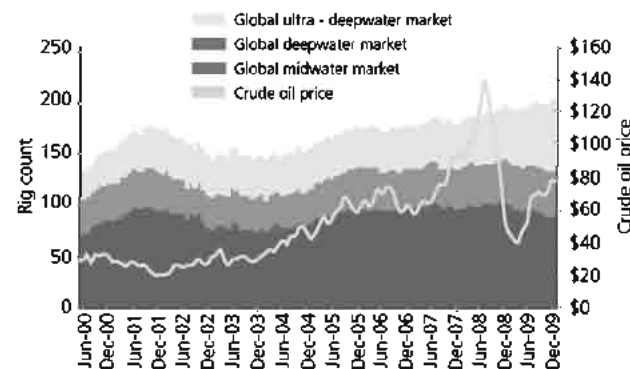
Outlook: India’s potential in onshore wind power generation is estimated at 48,500 MW, based on the assumption that only 1% land is available in potential areas (at 12 acres per MW). The Indian government encouraged wind power projects through various incentives like excise duty exemption, income tax exemption on profits made on wind power generation and 80% accelerated depreciation. Various states also introduced obligations related to the purchase of renewable energy.

Global jack-up rig count vs crude oil price



(Source: Rigzone)

Global floating rig count



(Source: Rigzone)

Opportunities and threats

Opportunities	Threats
<p>Rig industry</p> <ul style="list-style-type: none"> ■ With the rising demand of oil and decreasing production from mature fields, there is a scenario wherein offshore E&P activities have gained significance. ■ The offshore E&P activities contribute around 35% of the world's oil production. 	<p>Rig industry</p> <ul style="list-style-type: none"> ■ The drilling industry is closely related to the E&P activities, which in turn is related to crude prices. So reduced crude prices can have an indirect effect on the rig industry. ■ Reduced crude prices can affect rig rates and rig utilisation.
<p>Wind energy</p> <p>Growing sensitivity towards the environment and depleting reserves of fossil fuels are the reasons behind the growth of wind energy in the 21st century.</p> <ul style="list-style-type: none"> ■ Various types of incentives like excise duty and income tax exemptions are provided by the government to encourage wind power generations. ■ Wind energy is the fastest-growing energy sector. The global wind energy market has grown over 25% annually over the last ten years. 	<p>Wind energy</p> <ul style="list-style-type: none"> ■ This is not a reliable source of energy, wind being difficult to predict; it requires knowledge of the weather and wind conditions on a long-term basis. ■ Many potential wind farms, where wind energy can be produced on a large scale, are far from places for which wind energy is best suited. As a result, the economical nature of wind energy may be overshadowed by the cost of substations and transmission lines.

Operational overview*

Drilling division: Revenue generated from drilling was Rs. 3,367.05 crore for 2009-10 compared with Rs. 3,441.90 crore in 2008-09. Majority of Aban rigs were operational as on 31st March 2010, enhancing the Company's revenue visibility for the next financial year.

Wind energy division: Aban's wind energy division generated 413.83 lakhs units of power in 2009-10 compared with 346.12 lakhs units in 2008-09. Revenue generated from the wind energy division was Rs. 13.41 crore in 2009-10, a 7.72% increase over 2008-09.

Note: * Consolidated figures

Segment wise performance

Rs. in lakhs

	2007-08	2008-09	2009-10
Drilling			
Revenue	212,292	344,190	336,705
Profit	20,399	70,175	46,183
Wind energy			
Revenue	1,209	1,245	1,341
Profit/(Loss) before tax	(2,331)	(2,154)	(1,879)

Financial overview*

The Company reported a topline growth of 10.12% in 2009-10 compared with previous year. The total income stood at Rs. 335,866 lakhs in 2009-10 compared to Rs. 305,009 lakhs in 2008-09 and core profit after tax grew 65.67% to Rs. 55,180 lakhs in 2009-10 compared to Rs. 33,307 lakhs in previous year.

Note: * Consolidated figures

Risks and concerns

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

Human resource management

Human resource management is given importance by the Company in terms of not only retaining its staff but also nurturing them. A measure like value-centric management ensures employee loyalty. It provides various compensation packages and performance-based incentives for its operational team. Training and development programmes are conducted on a regular basis to ensure that the employees get an opportunity to upgrade their knowledge. Aban's employee strength at the end of 31st March 2010 was 1,400.

Internal audit and controls

The internal audit reviews internal control checks of the various significant operations of the Company. It is carried out on a regular basis to ensure effectiveness of its internal control is existing and that deviations are reported. The Company also has an Audit Committee which is responsible for reviewing the Audit Report submitted by the Internal Auditors. The feedback from the Committee is considered and the necessary implementations are carried out. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to review its internal control system. The Board of Directors are kept informed from time to time about any major observation.

Derisking the business of Aban

1 Industry risk

An industry downturn can affect profitability. An economic downturn can depress oil and rig demand.

Mitigation: The growth of developing economies is related to oil consumption. With most economies seeming to recover from the recession, global oil demand is poised to rebound in 2010-11. Besides, with oil prices stabilising at US\$70-80, E&P companies are likely to revisit their investment options, auguring favourable times for the global rig industry.

2 Technology risk

The rig industry is technology-driven. As a result, rigs need to be periodically upgraded to counter technological obsolescence.

Mitigation: The Company's asset portfolio comprises relatively new jack-ups which are technologically advanced. Also, the Company undertakes time-to-time refurbishment of its assets to maintain them in good condition. In 2009, four of its assets were refurbished.

3 Competition risk

Increasing competition can dent profits.

Mitigation: Aban's diversified asset portfolio of 19 rigs comprises jack-ups and floaters. While jack-ups require lower technological and capital investments, floaters have high entry barriers resulting in lower competition. The Company's presence in the jack-ups and floater segments helped reduce competition. The Company is also the largest drilling contractor in India and one among ten largest in the world, resulting in commensurate visibility and business.

Geography risk

Over-dependence on a single geography can affect profitability in case of a selective geographic downturn.

Mitigation: The Company possesses a healthy revenue mix from its domestic and international markets. Following the acquisition of Sirvest, the Company's global exposure increased. Today, the Company's global footprint comprises Southeast Asia, South Asia, Latin America, West Africa and the Middle East.

Funding risk

In the capital-intensive rig industry, rising debt and interest costs can make it difficult to borrow afresh to meet capital expenditure.

Mitigation: With the industry showing signs of recovery, rig rates having stabilised and capacities booked, the Company rolled over its debt repayment tenure to match prospective cash flows. This will enable the Company to repay loans comfortably and also address industry opportunities.

Asset deployment risk

Idle rigs pose a threat to profitability.

Mitigation: The Company enjoys a mix of long-term and short-term contracts ensuring steady revenues on the one hand and enabling it to capitalise on rising rig rates on the other. The Company countered low global rig utilisation by entering new markets. Its longstanding relationships with reputed clients provided it with an opportunity to renew short-term contracts before expiry.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Fourth Annual Report along with audited accounts for the year ended 31st March 2010. The summarised financial results of the company are given hereunder:

1. FINANCIAL RESULTS

(Rs. In lacs)

Particulars	(Standalone)		(Consolidated)	
	For the year ended		For the year ended	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009
Income from Operations	1,18,200	1,00,501	3,35,866	3,05,009
Other Income	18,183	22,458	2,181	40,427
Less Expenditure	48,611	47,179	1,49,905	1,31,738
Profit before Interest and Depreciation	87,772	75,780	1,88,142	2,13,698
Less Interest	33,714	25,506	97,682	85,530
Less Depreciation	10,912	9,724	46,156	60,147
Profit for the year before Tax	43,146	40,550	44,304	68,021
Provision for Tax	15,900	15,850	26,506	26,350
Fringe Benefit Tax	—	105	—	108
Provision for Deferred Tax	(798)	(1,381)	(799)	(1,381)
Profit after Tax before share in Earnings of Joint Ventures	28,044	25,976	18,597	42,944
Share in Earnings of Joint Ventures	—	—	12,504	11,160
Minority Interest	—	—	—	35
Profit brought forward from the previous year	47,627	34,032	60,563	18,875
Available for appropriation	75,671	60,008	91,664	72,944
Proposed Dividend- Equity	1,566	1,361	1,566	1,361
Tax on Dividend – Equity	266	231	266	231
Proposed Dividend – Preference	2,789	2,726	2,789	2,726
Tax on Dividend – Preference	474	463	474	463
Transfer to General Reserve	2,900	2,600	2,900	2,600
Transfer to Capital Redemption Reserve	5,000	5,000	5,000	5,000
Balance Carried forward	62,676	47,627	78,669	60,563

2. PERFORMANCE

The Revenue earned during the year under review stood at 136283 Lacs. The rigs Aban II, Aban III, Aban IV, Aban V, Aban VI, Drillship Aban Ice and Floating Production Unit Tahara were working satisfactorily under the existing contracts. LOI received for rig Aban II for one well, the operations under the new contract commenced on 18th April 2010. Steps are being taken to market the rigs all over the world.

3. CHANGES IN SHARE CAPITAL

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

- Issue of Shares under Aban Employee Stock Option Scheme 16740 Equity Shares of Rs.2/- each were issued allotted upon exercise of options under the Employee Stock Option Scheme 2005.
- During the year 5697135 Equity Shares of Rs.2/- each were issued and allotted under Qualified Institutional Placements (QIP).

- The Company had forfeited 16,000 Equity Shares of Rs.2/- each of which Re. 1/- per share paid-up, out of the above 2,600 Equity Shares forfeited were annulled during the year under review.

4. SUBSIDIARY COMPANIES

INDIAN SUBSIDIARY

Aban Energies Limited

The Subsidiary Company activities relating to the operation and maintenance of windmills of the Company have been satisfactory.

INTERNATIONAL

The Company experienced an unforeseen set back in the total loss of one of its valued assets Aban Pearl, which sank in the Venezuelan waters on 13th May 2010. The vessel was duly insured and our claim is under process. The Board reviewed the impact of this loss in terms of financial and technical and business perspectives and felt that set back can be compensated by taking suitable alternative measures

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 their letter No. 47/224/2010 CLIII dated 08.04.2010 has granted its approval under section 212(8) of the Companies audited accounts for the year ended 31st March 2010 from not attaching the full text of the financial statements of subsidiaries namely Aban Energies Ltd, India, Aban Holdings pte Ltd and Aban Singapore Pte. Ltd, Aban 7 Pte Ltd, Aban 8 Pte Ltd and Aban Abraham Pte Ltd. Aban Pearl Pte. Ltd, Aban International Norway AS, Sinvest AS, DDI Holding AS, Deep Drilling Invest Pte Ltd., Deep Drilling 1 Pte Ltd., Deep Drilling 2 Pte Ltd., Deep Drilling 3 Pte Ltd., Deep Drilling 4 Pte Ltd., Deep Drilling 5 Pte Ltd., Deep Drilling 6 Pte Ltd., Deep Drilling 7 Pte Ltd., Deep Drilling 8 Pte Ltd., Beta Drilling Pte Ltd., Venture Drilling Pte Ltd., Sinvest (Cyprus) Ltd

Pursuant to the said approval, 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 kept available for inspection by any investor at the Registered Office of the Company till the conclusion of Annual General Meeting.

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

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

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

7. DIVIDEND

The Directors are pleased to recommend a dividend of 8% p.a., 9% p.a and 9.25% p.a respectively on the Non Convertible Cumulative Redeemable Preference Share capital of the Company and a dividend of 180% (Rs.3.60 per share) on the paid up Equity Share Capital of the Company for the year ended 31st March 2010

8. DIRECTORS

The Directors Mr.P. Murari and Mr. V.S. Rao retire by rotation and, being eligible, offer themselves for reappointment.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the financial year ended on 31st March 2010, 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 2010 on a going concern basis.

10. STOCK EXCHANGES

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

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

The Preference Shares aggregating to Rs.306 crores issued by the Company are listed with Bombay Stock Exchange Ltd.

The Foreign Currency Convertible Bonds issued by the Company are listed with the Singapore Exchange Limited.

The necessary stock exchange regulations are complied with. The necessary listing fees for the year 2010 -11 is 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 Companies (Accounting Standards) Rules 2006 issued by Ministry Company Affairs, 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.24,00,000/- (Rs.2,00,000/- per month or part thereof), are annexed.

A. CONSERVATION OF ENERGY

The Company's activities are not energy intensive. However measures are taken at all levels for the Conservation of Energy

B. RESEARCH AND DEVELOPMENT

The Company's research activities are mainly directed towards training, evaluation and upgrading the skills of the personnel and import substitution of equipment, tools and spares.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts are being taken to maximize indigenization of the Rig and Windmill operation and reduce the dependence on imported equipments used in Rigs and Wind Mills

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rupees in lacs)	
	2009-2010	2008-2009
Foreign exchange earned during the year	1,09,724.29	1,02,760.00
Foreign exchange outflow during the year	7,789.80	9,633.98

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.

Central / State Governments, Ministries Valued Clients, Members, Investors and employees at all levels.

For and on behalf of the Board

Place : Chennai

Reji Abraham
Managing Director

V. S. Rao
Chairman

Date : 25.05.2010

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.

CAUTIONARY STATEMENT

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

17. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the support received from Bankers, Financial Institutions,

ANNEXURE TO THE REPORT OF THE DIRECTORS

Statement as at 31st March 2009 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	218200				
e) Total No. of Options exercise	81390				
f) Total No of equity shares arising as a result of exercise of options	81390 Equity shares of Rs.2/- Per share fully paid				
g) Total No. of Options Lapsed	23890				
h) Variation of terms of Options	Nil				
i) Money realised by exercise of options	Rs.1,45,70,583/-				
j) Total No of options in force	112920				
j) Details of Options granted to	No. of Options granted during the year				
i) Senior Managerial Personnel					
S. No.	Name	Designation	No. of Options granted during the year		
1.	P. Venkateswaran	Deputy Managing Director	31,000		
2.	C.P. Gopalkrishnan	Deputy Managing Director & Secretary	31,000		
3.	A.P.S. Sandhu	Chief Operating Officer	9,000		
ii) Any other employee who received grant in any one year of options amounting to 5% or more of the options granted during the year	Nil				
iii) 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				
k) 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. 61.22				
l) 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 2009 -10 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	Rs. Nil				
The impact of this difference on profits and on EPS of the Company	NOT APPLICABLE				
m) 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				
n) 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 unlying 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 2010. Employed throughout the Financial Year under review, were in receipt of remuneration for the Financial year in aggregate of not less than Rs. 24,00,000/- (Rupees Twenty four lakhs only) per annum or Rs.2,00,000/- (Rupees Two Lakhs only) per month where employed for the part of the year

S. No.	Name	Age	Remuneration Rs.	Nature of Duties / Designation	Qualification (s)	Date of Commencement of Employment	Experience in Years	Details of Previous Employment
1	A.C.D'souza *	53	65,55,684	Tool Pusher	SSC	2/5/1987	34	Derrick Man, Zapata Offshore Drilling Co.
2	A.P.S Sandhu	58	1,04,42,388	Chief Operating Officer	B.Sc Engg (Mechanical)	20/3/1992	34	Chief Engineer - ONGC Ltd
3	Anil Kishore Sharma	42	45,15,539	Rig Manager	B.E. (Mech)	18/3/2009	28	Soudi Aramco - Drilling Supervisor
4	Babu George *	46	22,72,254	Driller	SSC, ITI	4/1/1998	17	Floor Man - Arya Offshore
5	C.D. Thomas	49	30,24,398	Chief Mechanic	SSLC	1/4/1998	31	Mechanic / Fitter - Amar Engineering Company
6	C.P. Gopalkrishnan	54	81,05,605	Deputy Managing Director & Secretary	B.Com (Hons) , ACA, ACS, LLB	11/11/1987	31	Deputy Manager - Nirilon Synthetic Fibres and Chemicals Ltd
7	Felix D'Mello	59	47,18,906	Tour Pusher	SSC	1/7/1993	36	Asst Driller - Arya Offshore
8	James Ravichandran	50	76,54,857	Chief Mechanic	ITI	13/4/1988	26	Not Applicable
9	K. C. Kushalappa	45	65,48,402	Rig Manager	B.E. (Industrial and Production Engineering)	27/3/1992	22	G.E.T. in Triveni Engineering Works Ltd
10	K. Jayarajan	49	70,66,765	Dy.General Manager (Drilling)	B.Sc Engg (Mechanical)	11/8/1997	28	Dy . SE (Drilling) - ONGC Ltd
11	K. John Thomas	61	29,30,249	Chief Electrician	ITI	9/5/1990	30	Electrician - Aban constructions
12	K.D. Joseph *	35	4,66,627	Electrician Engineering	Diploma in Electrical	22/4/2002	13	Assistant Electrician, Jagson International
13	K.N. Pai	47	27,41,711	Driller	B.Com	16/6/1988	22	Not Applicable
14	Khem Bahadur Thappa	42	30,87,469	Driller	SSC	1/2/1993	17	Asst. Driller-Arya Offshore
15	Kulvir Kotwal *	35	30,01,987	Sub Sea Engineer	B.E. (Mech)	4/1/2007	9	Asst. Sub Sea Engineer, Great Eastern Shipping Company Ltd.
16	Kurian Job	59	40,47,314	Chief Mechanic	SSLC, ITI	1/2/1996	29	Tool Room incharge - Sterio Industries
17	M.A. Khan	45	30,84,769	Driller	SSC	9/7/1997	21	Derrick Man, Arya Offshore Services
18	Madhusudhan Sharma	48	37,49,237	Chief Mechanic	S.S.C	1/8/1991	18	Not Applicable
19	P. Venkateswaran	59	1,34,51,608	Deputy Managing Director	B. Tech	1/10/1986	37	Project Manager - Aban Constructions
20	P.L. Kaul	60	45,34,271	Rig Manager	B.Sc : Diploma in Mech. Engg	9/10/1995	39	Rig Super in tendant - H.E.G Ltd
21	P.T. Cherian	48	37,96,776	Chief Electrician	HSC, Diploma in Electrical Engg.	10/4/1997	19	Not Applicable
22	Radhesham Varma	52	46,91,841	Rig Manager	B.E.(Mech)	26/9/2008	28	Saudi Aramco - Drilling Supervisor

S. No.	Name	Age	Remuneration Rs.	Nature of Duties / Designation	Qualification (s)	Date of Commencement of Employment	Experience in Years	Details of Previous Employment
23	Rajiv Banga *	39	20,54,610	Asst. Driller	HSC	20/3/1992	18	Not Applicable
24	Reji Abraham	44	9,79,21,089	Managing Director	BE, PGDM	26/9/1997	19	Business
25	S. Srinivasan	42	34,72,616	Vice President - Corporate Planning	B. Tech, MBA	1/4/2007	19	Asst. General Manager, ICICI Bank Ltd.
26	S.S.Bhatia	40	31,12,167	Driller	SSC	1/7/1993	23	Floor Man - Mahindra & Mahindra
27	Sajith .D	52	26,76,726	Barge Engineer	SSLC, Diploma in Telecommunication Engineering	11/8/1988	35	Indian Navy - Radio Operator, Qatar Communications Ltd - Radio Operator.
28	Sandipta Bose	45	61,69,684	Offshore Installation Manager	B.Sc, MA (Eco)	9/9/1996	24	Sr. Operator cum Acting Supervisor in United Engineering Services
29	Sunil Kumar Mohanthy	39	26,59,070	Production Superintendent - Tahara	M.TECH (PETROLEUM ENGINEERING), B.TECH (PETROLEUM ENGINEERING)	4/5/1997	14	Geological Technologies Ltd - Production Engineer
30	Suresh Kumar	49	82,77,296	Tool Pusher	B.E. (Mechanical)	1/4/2002	28	Rig Super in tendant - Jagson International
31	T. Ravi	45	46,65,675	Offshore Installation Manager	B. Tech / PGDBA	1/4/2005	18	Petrofac International, Sharjah
32	T.B. Sashi	51	45,92,732	Tour Pusher	SSC, ITI	10/3/1987	30	Not Applicable
33	Tara Kharakwal	46	39,31,214	Driller	B.A. Diploma in Electrical Engineering	1/2/1993	26	Floor Man - Mahindra & Mahindra
34	Tomar R.S.	44	24,34,473	Driller	SSC	6/1/1997	19	Roustabout, Arya Offshore Ltd
35	V. Chattopadhyaya	48	35,39,047	Asst. Gen Manager (Production)	B. Tech (Chemical Engg)	8/5/1997	23	Executive Engineer - Production , ONGC Ltd
36	V.K. Vinodhan	57	42,88,808	Rig Manager	B.Sc Engg (Mechanical)	23/11/2004	34	Base Manager - NICO Resources Ltd
37	Vijay Saheta	44	43,53,654	General Manager (Finance)	B. Com, ACA	16/7/1992	19	Deputy Manager (Taxation) - WIMCO Ltd
38	Vinod Pillai	48	26,52,725	Deputy Gen. Manager	M.Com; MHRM	28/2/1992	26	Sr. Executive (Personnel & Administration) - SS Ispat Ltd
39	Vishal Mehan	33	49,84,764	Sub Sea Engineer	B.E. (Mech)	19/3/2005	8	Asst Sub Sea Engineer, Great Eastern Shipping Co. Ltd
40	Walter C Lopes	42	38,73,641	Chief Electrician	SSC, ITI	2/2/1992	17	Not Applicable

Notes

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

(b) Nature of employment is contractual

* Employed for 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, 2010 are set out below:

Name of Director(s)	Category of Directorship	Financial year 2009-2010 Attendance at		As on 31st March 2010			
				No. of Other Directorships		Committee Positions in other Companies*	
		Board Meetings	Last AGM	Public Ltd. Cos.	Private Ltd. Cos	Member	Chairman
V. S. Rao	Non- Executive - Independent	5	Yes	1	-	-	-
P. Murari	Non- Executive - Independent	5	Yes	10	-	5	2
Reji Abraham	Executive - Promoter	6	Yes	8	13	-	-
Satish Chandra Gupta	Non- Executive - Independent	5	Yes	9	-	-	1
K. Bharathan	Non-Executive - Independent	6	Yes	1	-	-	-
K.M. Jaya Rao	Non-Executive Independent Nominee –ICICI Bank Ltd.(lender)	3	No	1	-	-	-
P. Venkateswaran	Executive Non Promoter	6	Yes	4	4	-	-
C.P. Gopalkrishnan	Executive Non Promoter	6	Yes	5	12	-	-

Excludes Directorships in associations foreign and Section 25 companies

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

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

The Directors who will retire by rotation and offer themselves for reappointment are: Mr. P . Murari and Mr V S Rao

Name of Director	P. Murari	V.S. Rao
Date of Birth	19.08.1934	18.07.1929
Nationality	Indian	Indian
Date of Appointment on Board	18.09.1996	22.08.1991
Date of Appointment as Wholetime Director	-	N.A
Qualifications	M.A. Economics	B.E. (Hons) Pune University
Shareholding in the Company Equity Shares of Rs.2/- each	-	250
Expertise in Specific Functional Areas	Retd Civil Servant and held several senior positions in the State/Central Governments.	Held Senior Management positions in listed Public Limited Companies.

I BOARD OF DIRECTORS

COMPOSITION OF BOARD

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

The Company's Board met 6 times during the year 2009 - 2010 on the following dates: 27.04.2009, 14.07.2009, 31.07.2009, 16.09.2009, 26.10.2009 and 28.01.2010

List of Indian Companies in India in which Directorships held	Adayar Gate Hotel Ltd. HEG Ltd. Aditya Birla Nuvo Ltd South Asia Petrochem Ltd. Xpro India Ltd Great Eastern Energy Corporation Ltd Idea Cellular Limited Bajaj Holdings and Investment Ltd Bajaj Auto Limited Fortis Malar Hospitals Limited	Aban Energies Limited
Members / Chairman of Committees in the Company	Audit Committee	Audit Committee - Chairman
Membership / Chairmanship of committees of other Companies	<u>Audit Committee</u> Aditya Birla Nuvo Limited Xpro India Limited Great Eastern Energy Corporation Ltd Adayar Gate Hotel Limited <u>Remuneration Committee</u> Xpro India Limited Great Eastern Energy Corporation Ltd Glaxo Smithkline Consumer Healthcare Ltd <u>Investor Relation Committee</u> Aditya Birla Nuvo Limited	

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

REMUNERATION TO DIRECTORS

Amount in Rupees

Name of the Director (s)	Consolidated Salary	Perquisites and other benefits	Commission	Sitting Fees	Total
V S Rao	-	-	-	62,000	62,000
P Murari	-	-	-	77,000	77,000
K Bharathan	-	-	-	96,000	96,000
Reji Abraham	91,51,757	94,243	8,86,75,089	-	9,79,21,089
Satish Chandra Gupta	-	-	-	50,000	50,000
K M Jayarao	-	-	-	30,000	30,000
P Venkateswaran	75,61,224	13,81,400	44,33,754	-	1,33,76,378
C P Gopalkrishnan	83,44,406	4,45,199	-	-	87,89,605

- Sitting fees for the meetings attended by Mr. Jayarao was paid to the institution M/s ICICI Bank Ltd.
- During the year Mr. P. Venkateswaran and Mr. C.P. Gopalkrishnan, Deputy Managing Directors of the Company were granted each 31,000 options under the Employee Stock Option Scheme 2005 & Mr. V.S. Rao, Mr. P. Murari, Mr. Satish Chandra Gupta and Mr. K. Bharathan Non-Executive Directors of the Company were granted each 5,000 options under the Employee Stock Option Scheme 2005.

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 the year 2009-10

CODE OF CONDUCT

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

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

II. COMMITTEES OF THE BOARD

The Board has constituted committees of Directors to deal with matters which need quick decisions and timely monitoring of the

activities falling within the terms of reference. The Board Committees are as follows:

A. AUDIT COMMITTEE

Terms of Reference

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

- Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees and approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, focusing primarily on:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 b) any changes in accounting policies and practices c) Major accounting entries based on exercise of judgment by management d) qualifications in draft audit report e) significant adjustments made in the financial statements arising out of audit findings f) The going concern assumption g) Compliance with accounting standards h) Compliance with Stock Exchange and legal requirements concerning financial statements i) Disclosure of any related party transactions i.e., Transactions of material nature with their subsidiaries, promoters, directors, management or their relatives etc., that may have potential conflict with the interests of company at large. Its scope also included a review with management performance of statutory and internal auditors, adequacy of internal controls, the adequate structure and staffing of the internal audit function, reporting structure coverage and frequency of internal audit. j) Discussion with internal auditors on significant findings and follow up there on. k) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board. l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern. m) Investigating the reasons behind the substantial default in the event of non payments to shareholders etc., as may be stipulated under the Listing Agreement as amended from time to time.

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

Four meetings of Audit Committee were held during the year ended 31st March 2010 on the following dates: 27.04.2009, 30.07.2009, 26.10.2009 and 28.01.2010

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

Composition and Attendance

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

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

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

B. SHAREHOLDER'S / INVESTORS' GRIEVANCE COMMITTEE

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

The Committee met 4 times during the year on 27.04.2009, 31.07.2009, 26.10.2009 and 28.01.2010

Composition and Attendance

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

The Company has received 71 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 18,44,000 numbers of equity shares of Rs.2/- each options granted during the year 175000 (upto previous year (2,68,200 Equity shares of Rs.2/- each) – Options lapsed during the year 16800 (upto previous year 7090 Equity Shares) Options exercised during the year 16740 number of equity shares of Rs.2/- each (upto previous year 64650 Equity shares of Rs.2/- each) Outstanding at the end of the period 337920/- number of equity shares of Rs.2/- each (Upto previous year 196460 Equity shares of Rs.2/- each) Options yet to be granted under the scheme 1424690 number of equity shares of Rs.2/- each. (Previous year 1582890)

The committee met once on 14.07.2009 during the year and granted 1,75,000 options.

Composition and Attendance

Name	Category	No. of Meeting Attended
V. S. Rao	Chairman	1
P. Murari	Member	1
Reji Abraham	Member	1
K. Bharathan	Member	1

III. Subsidiary Company

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

IV. GENERAL BODY MEETINGS

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

Annual General Meeting	Day and Date	Time	Venue
23rd Annual General Meeting***	Wednesday 16.09.2009	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014
22nd Annual General Meeting**	Wednesday 17.09.2008	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014
21st Annual General Meeting*	Thursday 16.08.2007	11.00 A.M	Mini Hall, Music Academy No.168 (old No.306), T.T.K Road, Royapettah, Chennai-600 014

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

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

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

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

1. ***AGM held on 16th September 2009
 - Auditors appointment
 - Raising fund through issue of FCCBs, GDRs, ADRs, etc
 - Issue of equity related securities to QIBs
2. **AGM held on 17th September 2008
 - Auditors appointment
 - Raising fund through issue of FCCBs, GDRs, ADRs, etc
 - Issue of equity related securities to QIBs
 - Three special resolutions for Increase of Authorised capital from Rs.250 crores to Rs.1000 crores and corresponding alteration of Memorandum and Articles of Association
 - Issue of Cumulative Non-convertible redeemable preference shares on private placement basis.
3. *AGM Held on 16th August 2007
 - Auditors appointment
 - Reappointment of Mr. Reji Abraham as Managing Director for a period of five years from 26.09.2007 to 25.09.2012
 - Change in Vesting date of ESOS 2005 granted in the year 2005
 - Resolution allowing FII holding in the Company more than 24% paid up equity capital of the Company
 - Raising fund thorough issue of FCCBs/ADRs/GDRs not exceeding USD 200 Million

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 Financial Express (English) and Malai malar (vernacular language). The results were also displayed on the company's web site, www.abanoffshore.com

However it is decided to publish the quarterly financial results for the financial year 2010-11 in Business Standard an English and Makkalkural in Tamil.

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 corpfilling

Management Discussion and Analysis forms Part of the Annual Report.

VIII. GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar

Financial Year

1st April 2010 to 31st March 2011

Board meeting for considering the accounts and Dividend	25.05.2010
Posting of Annual Report	on or before 27.08.2010
Book closure dates	17.09.2010 to 24.09.2010 (both days inclusive)
Last date for the receipt of proxy forms	21.09.2010
Twenty Fourth Annual General Meeting	24.09.2010
Date & Venue Time	Mini Hall of Music Academy, No: 168 (Old No:306), T.T.K Road. Royepettah, Chennai 600 014
Time	11.00 a.m.
Dividend payment date	On or after 24.09.2010
Probable date of dispatch of dividend warrants	On or after 24.09.2010
Board Meeting to consider unaudited results for the first 3 quarters of the financial year 2010-2011	
Results of the quarter ended on 30 th June 2010	Before 15 th August 2010
Results of the quarter ended on 30 th September 2010	Before 15 th November 2010
Results of the quarter ended on 31 st December 2010	Before 15 th February 2011

Listing on Stock Exchanges

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

Madras Stock Exchange Limited

Exchange Building
Post Box No.183, 11 Second Line Beach
Chennai – 600 001

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers
21st Floor, Dalal Street
Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza
5th Floor, Plot No :: C/1 G Block,
Bandra – Kurla Complex Bandra (E)
Mumbai 400 051

b. Foreign Currency Convertible Bonds of the Company are listed in

Singapore Exchange Limited

2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

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

Stock Codes :

EQUITY SHARES:

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

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

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

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

INE 421A04014

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

INE421A04022

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

INE421A04030

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

INE421A04048

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

INE421A04055

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

- a) Issue of Shares under Aban Employee Stock Option Scheme 16740 Equity Shares of Rs.2/- each were issued allotted upon exercise of options under the Employee Stock Option Scheme 2005.
- b) During the year 5697135 Equity Shares of Rs.2/- each were issued and allotted under Qualified Institutional Placements (QIP). The amount raised by QIP issued was approx. Rs. 698 Crores. The Company had forfeited 16000 Equity Shares of Rs.2/- each of which Re.1/- per share paid up put of the above 2600 Equity Shares forfeited were annuled during the year under review.

FCCB STOCK CODE: ISIN NO.XS0245787808

Care Rating

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

c. Foreign Currency Convertible Bonds (FCCB)

No Bonds converted into equity shares during the year under review. If the outstanding 541 Bonds are converted into equity shares, the number of equity shares would be increased by 742637.

INVESTOR'S HELP DESK

Company's Registered Office Address

M/s Aban Offshore Limited

Janpriya Crest, 113 Pantheon Road

Egmore, Chennai – 600 008

Phone: 91-44-2819 5555

Fax: 91-44-2819 5527

Email Id: ir@aban.com

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

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: investor@cameoindia.com

Registrar for FCCB

DEUTSCHE BANK,

LUXEMBOURG S.A.

2, Boulevard Konrad Adenauer

L-1115 Luxembourg

Grand Duchy of Luxembourg

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 with in a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Company delegated the authority to approving transfer, transmission etc., of the Company securities to the Company Secretary / Officer of the Company. A summary of transfer / transmission of securities of the Company so approved are placed in the subsequent Board Meeting for ratification.

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

Liquidity

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

Dematerialisation of shares

77.49 % of Equity shares of the Company have been dematerialized as at 31st March, 2010. The company has entered into agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby share holders have an option to dematerialize their shares with either of the depositories.

Plant Locations

DRILLING LOCATIONS

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

WIND ENERGY DIVISION

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

Remuneration Committee

The Company has not set up a Remuneration Committee

Whistleblower Policy

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

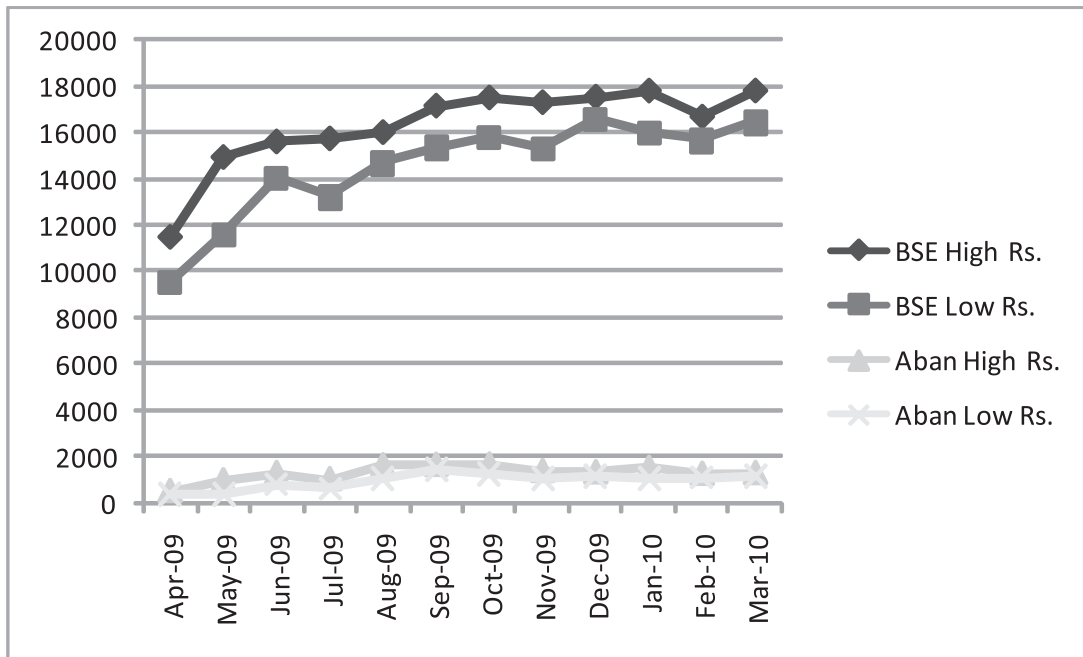
Categories of shareholders as on 31st March 2010

<u>Category</u>	<u>Number of folios</u>	<u>Number of shares</u>	<u>%</u>
Promoters	7	1,46,87,145	33.76
Collaborators	1	83,28,750	19.15
FII's, NRIs/OCB	92	41,61,221	9.57
Mutual Funds, FI's, Banks	67	63,04,072	14.49
Bodies corporate	1,705	17,22,365	3.95
Public	1,18,579	82,99,222	19.08
Total	1,20,451	4,35,02,775	100.00

Share price volume

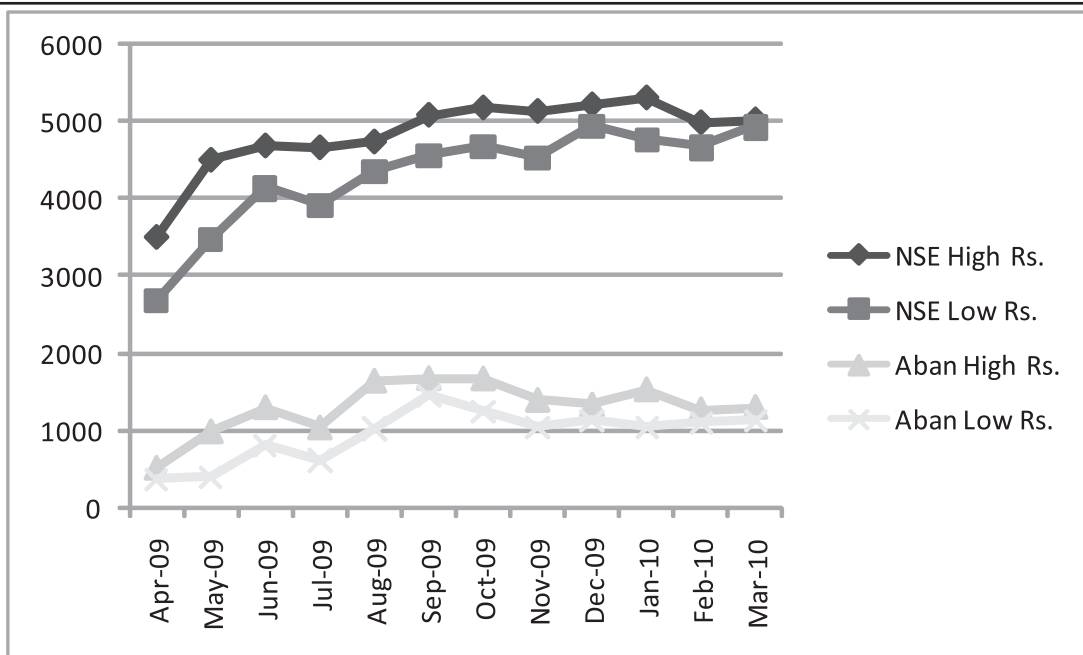
The monthly high and low quotation and the volume of shares traded on BSE & NSE are as under:

<u>Month</u>	<u>Bombay Stock Exchange</u>			<u>National Stock Exchange</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
April 2009	531.00	386.25	2,33,17,703	531.60	387.00	5,43,24,332
May 2009	996.30	408.25	2,89,70,535	1,000.00	411.00	7,50,24,470
June 2009	1,310.90	820.00	2,56,49,420	1,309.80	816.45	7,74,39,985
July 2009	1,049.00	631.70	3,36,58,321	1,050.00	631.00	9,47,54,604
August 2009	1,650.00	1,042.20	2,85,07,093	1,650.00	1,035.00	8,78,06,826
September 2009	1,671.25	1,459.90	1,36,90,082	1,682.00	1,458.00	4,21,74,820
October 2009	1,679.50	1,251.00	99,47,362	1,679.00	1,251.90	3,21,41,081
November 2009	1,403.00	1,049.20	1,19,44,976	1,403.00	1,048.30	3,88,32,688
December 2009	1,345.00	1,152.50	72,19,105	1,343.75	1,149.80	2,51,83,061
January 2010	1,538.40	1,058.70	1,25,63,077	1,539.00	1,057.70	4,09,20,991
February 2010	1,279.90	1,104.00	85,91,517	1,283.00	1,105.00	2,99,89,327
March 2010	1,313.10	1,149.30	74,10,424	1,313.45	1,148.50	2,72,27,709



Distribution of shareholdings as on 31st March 2010

Equity Shares held Rs.	Folio Nos.	%	Share Amount (paid up) Rs.	%
1-100	96,021	79.72	29,45,978	3.39
101.500	18,208	15.12	43,60,328	5.01
501-1000	3,375	2.80	26,18,434	3.01
1001-2000	1,642	1.36	25,65,448	2.95
2001-3000	407	0.34	10,35,146	1.19
3001-4000	258	0.21	9,41,964	1.08
4001-5000	119	0.10	5,56,388	0.64
5001 -10000	178	0.15	12,89,816	1.48
10001 & above	243	0.20	7,06,92,048	81.25
Total	1,20,451	100.00	8,70,05,550	100.00





Aban Offshore Limited

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

In accordance with Clause 49 1D of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct) as applicable to them, for the Financial Year ended on 31st March 2010.

Aban Offshore Limited

Chennai
25.05.2010

Sd/-
Reji Abraham
Managing Director

Certificate by the Chief Executive 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 2010 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of internal control systems of the Company. There are no deficiencies in the design or operation of internal control.
- d) We have indicated to the auditors and the Audit Committee that there are no
 - i) Significant changes in the internal control during the year.
 - ii) Significant changes in accounting policies during the year.
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Aban Offshore Limited

Chennai
25.05.2010

Sd/-
C.P. Gopalkrishnan
Deputy Managing Director

Sd/-
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 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Ford, Rhodes, Parks & Co.,
Chartered Accountants

Place : Chennai
Date : 25.05.2010

CA. RAMASWAMY SUBRAMANIAN
Partner
Membership No: 016059



Aban Offshore Limited

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABAN OFFSHORE LIMITED

We have audited the attached Balance Sheet of M/s. Aban Offshore Limited, as at 31st March 2010, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of sub - section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March 2010, prima-facie disqualified from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Chennai
Date : 25.05.2010

RAMASWAMY SUBRAMANIAN
Partner
Membership No: 016059

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)

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

Company	Unsecured Loan Granted during the year (Net of Repayments)	Amount Outstanding including Interest receivable and exchange difference at the end of the year	Maximum Amount Outstanding including interest receivable during the Year
	Rupees in Crores	Rupees in Crores	Rupees in Crores
Aban Holdings Pte., Ltd., Singapore	1258.43	835.32	2404.45

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

Company	Unsecured Loan taken during the year	Amount Outstanding including Interest payable at the end of the year	Maximum Amount Outstanding including interest payable during the Year
	Rupees in Crores	Rupees in Crores	Rupees in Crores
Aban Investments Private Ltd.,	150	42.87	150

- (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 balance amount of principal is not due for repayment during the year and payment of interest is as per stipulations.



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the sale of services. During the course of our Audit no major weakness has been noticed in the internal controls in respect of these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been entered in the said Register.

(b) In our opinion and according to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules made thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the wind power generating activity of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Customs Duty, Sales Tax, Value Added Tax, Service Tax, Cess and other material statutory dues applicable to it. We are informed that the Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Customs Duty, Sales Tax, Value Added Tax, Service Tax and Cess, which have not been deposited with appropriate authorities on account of any dispute.
- (x) The Company has no accumulated loss as at 31st March 2010 and has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institution. In April 2006, the Company has issued 1161 Foreign Currency Convertible Bonds. 620 bonds have been converted into Equity Shares upto the end of the year under our audit. The balance amount has not become due for payment as at the close of the year, though the balance has already become due for optional conversion.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has given guarantees for loans taken by a subsidiary of its wholly owned foreign subsidiary from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima – facie prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that the Company has not utilised short term funds towards long term Investment.

- (xviii) The Company has allotted Equity Shares under Employee Stock Option Scheme to its employees in accordance with SEBI guidelines during the year. The price fixed by the Board for these shares is reasonable and not prejudicial to the interest of the Company. The Company has also allotted equity shares during the year to Qualified Institutional Buyers at a price fixed as per provision of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.
- (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

Place : Chennai
Date : 25.05.2010

RAMASWAMY SUBRAMANIAN
Partner
Membership No: 016059



Aban Offshore Limited

Balance Sheet

As at 31st March 2010

Schedule	As at		As at
	Rupees	31st March, 2010 Rupees	31st March, 2009 Rupees
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	334,70,18,950	333,55,78,060
Reserves and Surplus	2	1838,21,31,654	911,61,83,892
Share Application Money pending allotment of ESOS Equity shares		1,55,376	-
2. Loan Funds			
Secured Loans	3	2851,30,08,289	2804,23,76,660
Unsecured Loan	4	301,84,90,263	278,75,02,500
3. Deferred Tax (Net)	5	43,56,82,948	51,55,10,393
TOTAL FUNDS EMPLOYED		5369,64,87,480	4379,71,51,505
II APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	6	1387,63,02,673	1205,99,89,816
Less: Depreciation		825,93,61,306	716,87,79,207
Net Block		561,69,41,367	489,12,10,609
Add: Capital Work in Progress		13,94,76,472	35,13,17,203
		575,64,17,838	524,25,27,812
2. Investments	7	3968,63,83,333	1380,74,89,786
3. Current Assets, Loans and Advances			
(a) Inventory of Stores, Spares and Fuel		65,90,69,847	59,78,70,259
(b) Sundry Debtors	8	174,73,53,990	213,61,49,133
(c) Cash and Bank Balances	9	63,06,10,937	234,27,56,135
(d) Loans and Advances	10	865,11,64,998	2247,77,12,794
		1168,81,99,772	2755,44,88,321
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		275,83,22,577	221,61,02,726
(b) Provisions		67,61,90,886	59,12,51,688
		343,45,13,463	280,73,54,414
Net Current Assets		825,36,86,309	2474,71,33,907
TOTAL ASSETS		5369,64,87,480	4379,71,51,505
Notes to Accounts	16		

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

Ramaswamy Subramanian
Partner

Membership No: 016059
Place: Chennai
Date : 25.05.2010

For and On behalf of the Board

V. S. Rao
Chairman

Satish Chandra Gupta
Director

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

P.Venkateswaran
Deputy Managing Director

K. Bharathan
Director


Aban Offshore Limited
Profit and Loss Account
 For the year ended 31st March 2010

Schedule	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
I INCOME		
Income from Operations	1182,00,46,015	1005,01,32,197
Other Income	181,82,83,046	224,57,63,438
TOTAL	1363,83,29,061	1229,58,95,635
II EXPENDITURE		
Operating, Administrative and Other Expenses	486,11,44,741	471,77,86,454
Interest	337,14,23,057	255,06,19,842
Depreciation	109,11,57,111	97,24,38,132
TOTAL	932,37,24,909	824,08,44,428
Profit for the Year before taxation	431,46,04,152	405,50,51,207
Less: Provision for taxation		
- Current Tax	159,00,00,000	158,50,00,000
- Fringe Benefit Tax	-	1,05,00,000
- Deferred Tax	(7,98,27,445)	(13,80,65,938)
Profit for the year after taxation	280,44,31,597	259,76,17,145
Add: Profit brought forward from Previous Year	476,27,43,127	340,32,29,167
Profit available for Appropriation	756,71,74,724	600,08,46,312
Transfer to Capital Redemption Reserve	50,00,00,000	50,00,00,000
Transfer to General Reserve	29,00,00,000	26,00,00,000
Proposed Dividend - Preference	27,89,00,000	27,25,64,385
Proposed Dividend - Equity	15,66,09,990	13,60,88,280
Tax on Preference Dividend	4,73,99,055	4,63,22,317
Tax on Equity Dividend	2,66,15,868	2,31,28,203
Balance Carried to Balance Sheet	626,76,49,811	476,27,43,127
Earnings per Equity Share of Rs. 2/- each (see Note 16)		
- Basic	62.18	60.30
- Diluted	61.22	60.04
Notes to Accounts	16	

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

Ramaswamy Subramanian
 Partner
 Membership No: 016059
 Place: Chennai
 Date : 25.05.2010

V. S. Rao
 Chairman

C.P. Gopalkrishnan
 Deputy Managing Director & Secretary

For and On behalf of the Board
Satish Chandra Gupta
 Director

P.Venkateswaran
 Deputy Managing Director

Reji Abraham
 Managing Director

K. Bharathan
 Director



Aban Offshore Limited

Cash Flow Statement

For the year ended 31st March 2010

	2009-2010 Rupees in Lakhs	2008-2009 Rupees in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	43,146.04	40,550.51
ADJUSTMENTS FOR:		
Depreciation	10,911.57	9,724.38
Interest	33,714.23	25,506.20
Interest and Dividend Income	(17,992.70)	(18,247.27)
Profit on sale of Long Term and Current Investments (Net)	(2.11)	(201.03)
Loss on sale of Assets (Net)	0.54	(268.54)
Provision for Employee Benefits	31.79	30.66
Provision for Loss on Derivative contracts	-	3,000.00
Unrealised Exchange (Gain) / Loss - Net	7,808.07	(2,949.07)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	77,617.43	57,145.84
ADJUSTMENTS FOR:		
Inventories	(612.00)	931.77
Trade and other receivables	3,910.71	(5,084.60)
Trade and other payables	5,293.13	7,665.70
CASH GENERATED FROM OPERATIONS	86,209.27	60,658.71
Direct taxes paid	(15,385.55)	(15,195.07)
NET CASH FROM OPERATING ACTIVITIES	70,823.72	45,463.64
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including Capital advances	(16,051.72)	(5,251.27)
Sale of fixed assets	0.71	393.38
Interest and dividend received	2,091.80	1,445.79
Purchase of Investments	(183,124.21)	(137,188.91)
Sale of Investments	182,180.07	159,951.42
Sale of Investments in Foreign Subsidiary	-	-
Investment in subsidiary	-	-
Sale proceeds of joint venture interests	-	-
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(14,903.35)	19,350.41
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Term Borrowings	9,486.67	155,644.69
Proceeds from partly paid shares	0.13	0.02
Share application money received	1.55	-
Share application money pending allotment	-	-
Proceeds from allotment of Equity shares under QIP and ESOS	69,824.69	31.09
Proceeds from preference shares allotment	-	2,000.00
Proceeds from Foreign currency convertible Bonds	-	-
Dividend paid including tax on dividend	(4,781.03)	(4,638.51)
Loans / Advance (given to) / Repaid by Foreign Subsidiary	(113,825.89)	(174,902.65)
Interest paid	(33,561.15)	(25,455.55)
NET CASH USED IN FINANCING ACTIVITIES	(72,855.03)	(47,320.91)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(16,934.66)	17,493.14
CASH AND CASH EQUIVALENTS -at beginning of the year	23,427.56	5,913.79
Effect of Exchange (Loss) / Gain on cash and cash equivalents	(186.79)	20.64
CASH AND CASH EQUIVALENTS- at end of the year	6,306.11	23,427.56

Note: Allotment of Equity Shares by Aban Holdings Pte Ltd (wholly owned foreign subsidiary) against the funds lent in earlier years has not been considered in the cash flow statement.

Per our Report attached

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No.102860W

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 25.05.2010

V. S. Rao

Chairman

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

For and On behalf of the Board

Satish Chandra Gupta

Director

P.Venkateswaran
Deputy Managing Director

Reji Abraham

Managing Director

K. Bharathan

Director

Schedules annexed to and forming part of the accounts

SCHEDULE 1	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SHARE CAPITAL		
Authorised		
250,00,00,000 Equity Shares of Rs.2/- each (Previous year 250,00,00,000 Equity Shares of Rs.2/- each)	500,00,00,000	500,00,00,000
100,00,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 100,00,00,000 cumulative redeemable Preference Shares of Rs.10/- each)	1000,00,00,000	1000,00,00,000
	<u>1500,00,00,000</u>	<u>1500,00,00,000</u>
Issued and Subscribed		
3,68,86,595 Equity Shares of Rs.2/- each. (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each)	7,37,73,190	7,37,73,190
Out of the above,54,92,795 Equity shares of Rs.2/- each, have been issued in pursuance of Scheme of Amalgamation of Hitech Drilling Services India Ltd with the Company		
8,51,055 Equity Shares of Rs.2/- each issued against conversion of Foreign Currency Convertible Bonds (Previous year 851055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
81,390 Equity Shares of Rs.2/- each issued against Employee Stock Options Scheme (Previous Year : 64,650 Equity Shares of Rs.2/- each) (See Note 17)	1,62,780	1,29,300
56,97,135 Equity Shares of Rs.2/- each issued against Qualified Institutional Placement (Previous Year Nil)-(see note 25)	1,13,94,270	-
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous year: 15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
	<u>334,70,32,350</u>	<u>3,335,604,600</u>
Called up and Paid up		
3,68,73,195 Equity Shares of Rs.2/- each (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each)	7,37,46,390	7,37,73,190
8,51,055 Equity Shares of Rs.2/- each against conversion of Foreign Currency Convertible Bonds (Previous year 8,51,055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
81,390 Equity shares of Rs.2/- each against exercise of Stock Options under the Employees Stock Option Scheme.(Previous Year : 64,650 Equity shares of Rs.2/- each) (See Note 17)	1,62,780	1,29,300
56,97,135 Equity Shares of Rs.2/- each against Qualified Institutional Placement (Previous Year Nil) (See Note 25)	1,13,94,270	-
Less:Calls in arrears of Re.1 per share on Nil Equity Shares (Previous Year : 26,540 Equity Shares)	-	26,540
	<u>8,70,05,550</u>	<u>7,55,78,060</u>
Add: Shares Forfeited, 13,400 equity shares at Rs.1/- each (Previous Year Nil)	13,400	-
	<u>8,70,18,950</u>	<u>7,55,78,060</u>
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year :15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
TOTAL	<u>334,70,18,950</u>	<u>333,55,78,060</u>



Schedules annexed to and forming part of the accounts

- Notes: a. 15,00,00,000 Non-Convertible 8% Cumulative Redeemable Preference Shares will be redeemed at par on 16-06-2011, 16-06-2012 & 16-06-2013 in the ratio of 30:30:40 respectively.
- b. 15,60,00,000 Non convertible 9% Cumulative Redeemable Preference Shares will be redeemed at par at the end of 5th year from the date of allotment of shares as per details given below:
 5,50,00,000 shares will be redeemed on 29-12-2011
 4,00,00,000 shares will be redeemed on 28-02-2012
 6,10,00,000 shares will be redeemed on 30-03-2012
 The Company has call option at the end of 3rd year (2009-10) to call Non Convertible Cumulative redeemable preference Shares at par. The option has not been exercised.
- c. 2,00,00,000 Non-Convertible 9.25% Cumulative Redeemable Preference Shares will be redeemed at par on 03-08-2013.
 The Company has call option at the end of 3rd year (2010-11) to call Non Convertible Cumulative redeemable preference Shares at par.
- d. In April 2006, the Company had issued 1,161 un secured Foreign Currency Convertible Bonds(FCCB) of Japanese Yen (JPY) 10,000,000 each aggregating JPY 11.61 Billion. As per the terms of issue, the bond holders shall have the right to convert the Bonds into equity shares on or after 19th April 2007 upto and including 8th April 2011. The conversion price of Equity Shares of Rs.2/- each for the purpose of the Bond has been fixed at Rs.2,789.04 per equity share. As on 31-03-2010, 620 bonds have been converted into 8,51,055 Equity shares. Outstanding Bonds as at 31-03-2010 - 541 Bonds - (See Note 18)
- e. The Company has reserved 18,44,000 Equity shares of Rs.2/- each for offering to Employees under Employees stock option scheme (upto previous year: 18,44,000 equity shares of Rs.2/- each), out of which 81,390 equity shares of Rs.2/- each have been already allotted upto the date of Balance Sheet under the said scheme and included under paid up capital (upto previous year: 64,650 equity shares of Rs. 2/- each allotted) - (See Note 17)
- f. During November 2009 Company has allotted 56,97,135 Equity Shares of Rs.2/- each at a premium of Rs.1,222.30 per share to the Qualified Institutional Buyers as per SEBI Guidelines. (See note 25)

SCHEDULE 2	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
RESERVES AND SURPLUS		
(a) Capital Reserve	33,500	33,500
(b) Securities Premium Account		
- As per last Balance Sheet	253,16,44,880	252,85,46,075
Add: On Allotment under ESOS (see Note 17)	74,32,967	30,98,805
Add: On Allotment to Qualified Institutional Buyers (See Note 25)	696,36,08,111	-
	950,26,85,958	253,16,44,880
(c) Investment Allowance Reserve-Utilised	5,24,00,000	5,24,00,000
(d) Capital Redemption Reserve		
As per last Balance Sheet	100,00,00,000	50,00,00,000
Transfer from Profit and Loss Account	50,00,00,000	50,00,00,000
	150,00,00,000	100,00,00,000
(e) General Reserve		
- As per last Balance Sheet	76,93,62,385	50,93,62,385
Add: Transfer from Profit and Loss Account	29,00,00,000	26,00,00,000
	105,93,62,385	76,93,62,385
(f) Profit and Loss Account	626,76,49,811	476,27,43,127
TOTAL (a+b+c+d+e+f)	1838,21,31,654	911,61,83,892

Schedules annexed to and forming part of the accounts

SCHEDULE 3	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SECURED LOANS		
Rupee Term Loans from Banks	2472,47,72,468	2653,66,72,951
Rupee Term Loans from Others	116,40,75,345	120,00,00,000
Cash Credit from Banks	132,68,49,000	20,71,69,776
Short term loan from Banks	128,71,09,735	9,85,33,933
Loan - Others	1,02,01,741	-
TOTAL	2851,30,08,289	2804,23,76,660

Notes:

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

SCHEDULE 4		
UNSECURED LOAN		
Foreign Currency Convertible Bonds (See Note 18)	259,84,90,263	278,75,02,500
From Companies	42,00,00,000	-
TOTAL	301,84,90,263	278,75,02,500

SCHEDULE 5		
DEFERRED TAX (NET)		
Deferred Tax Liability on Timing differences		
On depreciation	43,56,82,948	51,55,10,393
TOTAL	43,56,82,948	51,55,10,393

Schedules annexed to and forming part of the accounts**SCHEDULE 6****FIXED ASSETS**

Description of the asset	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April, 2009	Additions during the Year	Deductions during the Year	As at 31st March, 2010	As at 1st April, 2009	Additions during the Year	On Deductions during the Year	As at 31st March, 2010	As at 31st March, 2009
Goodwill	-	-	-	-	-	-	-	-	-
Land-Freehold	12,85,69,908	-	-	12,85,69,908	-	-	-	12,85,69,908	12,85,69,908
Building	15,03,66,491	-	-	15,03,66,491	2,95,60,675	24,50,974	-	11,83,54,842	12,08,05,816
Offshore Jackup Drilling Rigs, Floating Production unit and connected machineries	792,09,91,824	17,70,33,395	-	809,80,25,219	485,59,38,373	61,04,84,210	-	263,16,02,636	306,50,53,451
Drillship and connected machineries	126,48,29,984	162,13,60,954	-	288,61,90,938	53,92,34,524	25,65,57,525	-	209,03,98,889	72,55,95,460
Other Machineries	8,08,24,706	-	-	8,08,24,706	7,67,35,196	-	-	40,89,510	40,89,510
Wind Mills and connected machineries	240,78,13,800	-	-	240,78,13,800	159,54,26,225	21,59,24,160	-	59,64,63,415	81,23,87,575
Office Equipment	5,10,92,525	22,46,549	-	5,33,39,074	4,26,64,685	15,96,723	-	90,77,666	84,27,840
Furniture and Fixtures	2,30,43,430	55,281	-	2,30,98,711	1,33,70,081	14,61,966	-	82,66,664	96,73,349
Vehicles	3,24,57,148	1,63,16,342	6,99,664	4,80,73,826	1,58,49,448	26,81,553	5,75,012	3,01,17,837	1,66,07,700
TOTAL	1205,99,89,816	181,70,12,521	6,99,664	1387,63,02,673	716,87,79,207	109,11,57,111	5,75,012	561,69,41,367	489,12,10,609
Capital Work- in- progress **	35,13,17,203	7,27,23,981	28,45,64,712*	13,94,76,472**	-	-	-	13,94,76,472**	35,13,17,203
TOTAL	1241,13,07,019	188,97,36,502	28,52,64,376	1401,57,79,145	716,87,79,207	109,11,57,111	5,75,012	575,64,17,839	524,25,27,812
Previous Year	1189,87,13,065	55,25,47,383	3,99,53,429	1241,13,07,019	619,63,90,163	97,24,38,132	49,088	524,25,27,812	570,23,22,902

** Includes Capital advance Rs.13,32,77,255/- (Previous year Rs.6,67,52,491/-)

* Amount capitalised under offshore jack up drilling rigs, floating production unit, drillship and connected machineries on completion of work in progress Rs.28,45,64,712/- (Previous year Rs.2,74,20,642/-)

Schedules annexed to and forming part of the accounts

	No. of Shares	Face Value Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 7				
INVESTMENTS				
LONG TERM INVESTMENTS (AT COST)				
Subsidiaries				
Equity Shares - Fully Paid (Unquoted)				
Aban Energies Limited, India	2,00,070	10.00	20,00,700	20,00,700
(A wholly owned Subsidiary Company)				
Aban Holdings Pte Ltd, Singapore	850000000 *	#	3943,52,23,291	1365,09,54,716
(A wholly owned Subsidiary Company)	(previous year 323566000)			
Trade Investments				
Equity Shares - Fully Paid (Unquoted)				
Aban Informatics Private Limited	3,00,750	10.00	1,98,49,500	1,98,49,500
Frontier Offshore Exploration (India) Limited	49,993	100.00	49,99,300	49,99,300
Aban Power Company Limited	1,19,40,000	10.00	11,94,00,000	11,94,00,000
Others (Non Trade)				
Equity Shares - Fully paid (Quoted)				
Arihant Threads Ltd	13,600	10.00	1,70,000	1,70,000
Punjab Woolcombers Ltd	300	10.00	27,000	27,000
State Bank of Travancore Ltd	245	100.00	1,47,000	1,47,000
ICICI Bank Ltd	2,100	10.00	7,86,374	7,86,374
Oil & Natural Gas Corporation Ltd	12,643	10.00	63,21,750	63,21,750
Indian Bank Ltd	32,318	10.00	29,40,938	29,40,938
Equity Shares - Fully paid (Unquoted)				
Madras Stock Exchange Limited	7,995	10.00	39,97,500	39,97,500
CURRENT INVESTMENTS (At lower of cost and fair value) (See note no: 3)				
Mutual Funds (Unquoted)	No. of of units	Face Value Rupees		
HDFC Cash Management Fund Saving Plan - DDR	1,882,104.00	10.00	2,00,18,811	-
HDFC Floating Rate Income Fund - STP - WP - DDR	5,966,713.86	10.00	6,01,49,846	-
ICICI Prudential Flexible Income Plan Premium DDR	143,299.79	100.00	1,51,51,803	-
IDFC Money Manager Fund TP Super Institutional Plan- DDR	108.96	10.00	1,090	-
Kotak Flexi Debt Scheme Institutional plan - DDR	37,902.91	10.00	3,80,830	-
ICICI prudential Institutional Liquid Plan - DDR	92,409.18	10.00	-	10,77,408
			3969,15,65,733	1381,26,72,186
Less: Provision for diminution in value of Long Term Investment including provision relating to joint venture investment of Rs.49,99,300/- (Previous Year : Rs.49,99,300/-)			51,82,400	51,82,400
			3968,63,83,333	1380,74,89,786
Aggregate Value of Quoted Investments-Cost (Net of provision for Diminution in value of investments)			1,02,09,962	1,02,09,962
Aggregate Value of Quoted Investments- Market Value			2,17,28,777	1,32,80,621
Aggregate Value of Unquoted Investments-Cost (Net of provision for Diminution in value of investments)			3967,61,73,371	1379,72,79,824

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.

* Note: During the year, the company acquired 526,434,000 equity shares of subsidiary company by converting a portion of outstanding loan.



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 8		
SUNDRY DEBTORS		
Considered Good-Unsecured		
(a) Outstanding for more than six months	21,92,22,258	2,82,55,094
(b) Others	152,81,31,732	210,78,94,039
TOTAL	174,73,53,990	213,61,49,133

SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	5,21,362	6,21,139
Balances with Scheduled Banks		
- In Current Accounts	40,24,87,119	62,00,23,096
- In Deposit Accounts *	21,82,45,225	170,65,84,309
Balances with other banks in current account		
Standard Chartered Bank, Dubai	75,32,764	1,20,30,464
Emirates bank, Dubai	18,24,467	34,97,127
TOTAL	63,06,10,937	234,27,56,135
Maximum amount outstanding at any time during the year with other banks,		
Standard Chartered Bank, Dubai	1,56,23,029	1,56,20,742
Emirates Bank, Dubai	1,13,67,986	59,27,711
* includes unutilised proceeds from foreign currency convertible bonds issued - Rs.60.14 lakhs (previous year Rs. 67.95 lakhs)		

SCHEDULE 10		
LOANS AND ADVANCES (Unsecured, Considered Good)		
Loans to Subsidiary Companies (See Note No.12 &14)	828,12,37,816	2209,54,66,019
Advance to Subsidiary Companies (See Note No.12 &14)	7,21,36,711	7,30,75,217
Advance recoverable in Cash or in Kind or for value to be received (See Note No.15)	23,94,19,516	24,99,81,402
Deposit with Customs and other tax authorities	2,91,82,828	2,91,82,828
Sundry Deposits	2,91,88,127	3,00,07,328
TOTAL	865,11,64,998	2247,77,12,794

Schedules annexed to and forming part of the accounts

	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities			
Sundry Creditors - Amount due to Micro Enterprises and Small Enterprises (see Note 23)		-	-
Sundry Creditors - others		269,66,33,268	217,48,70,195
Unclaimed Dividends*		81,62,877	68,55,960
Other Liabilities		2,79,61,307	2,41,19,037
Interest accrued but not due on secured loans		2,55,65,125	1,02,57,534
		275,83,22,577	221,61,02,726
(b) Provisions			
Provision for taxation (Net of Advance payment of taxes)		15,32,99,833	10,18,55,186
Proposed Dividend - Preference		27,89,00,000	27,25,64,385
Proposed Dividend - Equity		15,66,09,990	13,60,88,280
Tax on Dividend		7,40,14,923	6,94,50,520
Provision for Provident Fund		25,66,549	24,18,640
Provision for Leave Encashment and Gratuity		1,07,99,591	88,74,677
		67,61,90,886	59,12,51,688
TOTAL (a+b)		343,45,13,463	280,73,54,414
		Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE 12			
INCOME FROM OPERATIONS			
Drilling and Production Services		1170,66,08,287	995,53,78,539
Wind Power generation		11,34,37,728	9,47,53,658
TOTAL		1182,00,46,015	1005,01,32,197
SCHEDULE 13			
OTHER INCOME			
(a) Rental Income(Gross)		86,74,618	1,89,53,371
(b) Dividend Income from Long term Investments		9,29,769	12,51,304
(c) Dividend Income from Current Investments		2,09,77,608	10,53,88,381
(d) Interest on Bank Deposits (Gross)		1,34,28,755	2,95,52,963
(e) Interest-Others (Gross)			
- On Loan to foreign subsidiaries	176,34,59,075		167,95,25,918
- On Staff loans	66,833		1,20,750
- On call money relating to equity shares	62,144		17,061
- On Income-tax refund	-		88,71,045
- On Others	3,45,390	176,39,33,442	-
(f) Miscellaneous Income		101,28,123	8,72,20,987
(g) Foreign Currency Exchange difference (Net)		-	26,79,04,061
(h) Profit on Sale of Assets (Net)		-	2,68,54,101
(j) Profit on Sale of Current Investments (Net)		2,10,731	2,01,03,496
TOTAL		181,82,83,046	224,57,63,438

Note: Tax deducted at source on a,d, and e Rs.17,89,37,755/- (Previous year: Rs 18,22,07,559/-)



Aban Offshore Limited

Schedules annexed to and forming part of the accounts

	Rupees	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE 14			
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES			
Consumption - Stores and Spares		47,80,29,079	89,61,02,826
Power and Fuel		10,45,01,639	15,83,88,581
Salaries and Bonus		64,83,67,343	58,27,44,888
Contribution to Provident funds and Other funds		2,51,49,675	3,49,82,851
Staff Welfare		2,45,60,742	3,21,53,352
Rent		95,24,712	107,22,268
Rates and Taxes		3,33,06,138	1,84,67,102
Rental Charges for Machinery		28,42,81,788	61,50,24,921
Repairs and Maintenance			
- Machinery	43,53,30,990		49,98,00,671
- Buildings	11,89,770		37,83,175
- Other assets	81,81,461		62,32,965
		44,47,02,221	
Insurance		23,17,87,506	19,43,17,301
Drilling Services and Management Fees		37,93,72,923	33,26,81,525
Consultancy and Professional Fees		54,48,84,166	43,78,52,770
Catering Expenses		5,22,03,767	4,25,77,156
Communication Expenses		2,00,15,133	1,73,75,435
Travelling and Transportation Expenses		12,17,16,451	26,54,71,920
Guarantee Commission , Bank and Other Charges		6,53,91,081	8,47,33,666
Loss on Forex contracts		55,55,03,695	39,61,57,367
Loss on transfer of interest in Joint venture (See Note 21 (b))		3,47,00,000	-
Loss on Sale of Assets (Net)		53,777	-
Auditors' Remuneration : (See Note 24)			
Audit Fees	39,51,600		29,54,599
Tax Audit Fee	5,00,000		4,00,000
For Certification and Other Services	14,82,000		13,09,632
Reimbursement of Expenses	1,08,000		1,07,500
		60,41,600	
Foreign currency exchange difference (Net)		74,36,07,565	-
Other Expenses		5,34,43,740	8,34,43,983
TOTAL		486,11,44,741	471,77,86,454

SCHEDULE 15

INTEREST

On Term Loans	325,31,82,597	254,02,68,941
Others	11,82,40,460	1,03,50,901
TOTAL	337,14,23,057	255,06,19,842

Schedules annexed to and forming part of the accounts

SCHEDULE-16

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS AND CONCEPTS

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

B. USE OF ESTIMATES

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

C. FIXED ASSETS

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

D. DEPRECIATION

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

E. INVENTORY VALUATION

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

F. REVENUE RECOGNITION

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

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

G. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

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

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

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

- a. The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract.

Schedules annexed to and forming part of the accounts

- b. Any profit or loss arising on the cancellation of such contracts is recognised as income / expense under respective head of account for the period.

In respect of derivative contracts, Gains / Losses on settlement on any such contracts, is recognised in the Profit and Loss account.

H. INVESTMENTS

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

I. PROPOSED DIVIDEND

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

J. EMPLOYEE BENEFITS

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

K. BORROWING COST

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

L. TAXES ON INCOME

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

M. IMPAIRMENT OF ASSETS

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

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Schedules annexed to and forming part of the accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
2. Contingent liabilities not provided for		
a. Guarantees given by banks on behalf of the Company	132,92,82,799	127,94,33,297
b. Corporate Guarantee given by the Company to Banks on behalf of subsidiaries of Company's foreign subsidiary:	2166,78,53,600	2416,44,80,000
c. Capital commitments not provided for	8,18,32,091	41,33,18,523
d. Indemnity obligation relating to a Novation Agreement	75,00,000	75,00,000
e. Letter of Credit	1,62,56,392	21,35,39,861
3. During the year the Company acquired and sold the following Current Investments:		
Particulars	Purchase / Dividend received in units	Redemption / Transfers in units
Investments in Mutual Funds		
AIG India Liquid Fund Super Institutional DDP	1,19,890.42	1,19,890.42
AIG India Treasury Plus Fund Super Institutional DDP	1,00,06,978.25	1,00,06,978.25
Baroda Pioneer Liquid Fund - Institutional DDR	19,98,875.22	19,98,875.22
Baroda Pioneer Treasury Advantage Fund - Institutional DDR	60,03,344.47	60,03,344.47
Birla Sunlife Cash Plus - Institutional Premium - DDR	99,81,362.73	99,81,362.73
Birla Sunlife Savings Fund - Institutional - DDR	4,00,47,773.71	4,00,47,773.71
Canara Robeco Liquid Fund - Institutional DDR	29,89,420.13	29,89,420.13
Canara Robeco Liquid Super - Institutional DDR	99,61,308.75	99,61,308.75
Canara Robeco Treasury Advantage Super - Institutional DDR	1,05,20,592.93	1,05,20,592.93
Fidelity Cash Fund - Super Inst - D DP	3,81,68,447.63	3,81,68,447.63
Fidelity Ultra Short Term Debt Fund Super inst - DDP	2,30,19,385.75	2,30,19,385.75
HDFC Cash Management Fund - Savings Plan - DDR	9,36,13,272.51	9,17,31,168.51
HDFC Cash Management Fund - Treasury Advantage Plan -Whole DDR	2,73,21,635.31	2,73,21,635.31
HDFC Floating Rate Income Fund - Short Term Plan- WholeSale Option - DDR	13,70,74,199.18	13,11,07,485.32
HDFC Liquid Fund Premium Plan - DDR	6,91,84,524.07	6,91,84,524.07
ICICI Prudential Flexible Income Plan - Premium - DDR	18,94,668.13	17,51,368.34
ICICI Prudential Flexible Income Plan Premium - DDR	56,80,307.13	56,80,307.13
ICICI Prudential Institutional Liquid Plan	-	92,409.18
ICICI Prudential Liquid Plan - IP - DDR	9,99,868.87	9,99,868.87
ICICI Prudential Liquid Super Institutional Plan - DDR	1,34,98,938.28	1,34,98,938.28
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend Reinvestment	13,68,27,469.15	13,68,27,469.15
IDFC Liquid Fund -D D	5,68,936.46	5,68,936.46
IDFC Money Manager Fund - TP - Super Inst Plan C - DDP	5,69,65,938.83	5,69,65,938.83
IDFC Money Manager Fund - TP -Super Institutional Plan C -DDR	8,26,55,702.13	8,26,55,593.17
Kotak Flexi Debt Scheme Institutional - DDR	7,52,28,892.12	7,52,66,795.03
Kotak Floater Long Term -DDR Premium	4,96,77,956.26	4,96,77,956.26
Kotak Liquid (Institutional premium) DDR	10,10,13,770.44	10,10,13,770.44
Reliance Liquid Fund - T P - I O - D D O	19,62,836.23	19,62,836.23
Reliance Liquid Fund - Treasury Plan - Institutional Option DDR	1,04,69,630.89	1,04,69,630.89
Reliance Liquid Fund -DDR	45,85,15,765.28	45,85,15,765.28
Reliance Liquidity Fund - D D - R I Option	7,74,82,855.27	7,74,82,855.27
Reliance Liquidity Fund - DD - R I Option	47,16,23,273.65	47,16,23,273.65
Reliance Medium Term Fund - DDR	1,75,51,602.30	1,75,51,602.30
Reliance Money Manager Fund - Inst Option - DDP	34,25,661.56	34,25,661.56
Reliance Money Manger Fund - Institutional Option - DDR	22,07,398.63	22,07,398.63
Religare Ultra Short Term Fund -Institutional DDR	25,02,631.57	25,02,631.57



Schedules annexed to and forming part of the accounts

Particulars	Purchase / Dividend received in units		Redemption / Transfers in units	
Investments in Mutual Funds				
SBI Premier Liquid Fund - Institutional DDR	1,86,97,867.95		1,86,97,867.95	
SBI Premier Liquid Fund - Super Institutional - DDR	9,89,03,784.73		9,89,03,784.73	
SBI -SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend	2,73,94,156.91		2,73,94,156.91	
TATA Liquid Super High Investment Fund - DDR	6,01,463.58		6,01,463.58	
TATA Treasury Manager SHIP -DDR	4,28,376.62		4,28,376.62	
UTI Floating Rate Fund - Short Term Plan- Institutional DDR	3,98,018.66		3,98,018.66	
UTI Liquid Cash Plan - Institutional DIR	9,90,923.61		9,90,923.61	
UTI Liquid Cash Plan Institutional - DDP	14,715.23		14,715.23	
UTI Treasury Advantage Fund Inst Plan - DP	15,058.45		15,058.45	
UTI Treasury Advantage Fund - Institutional Plan DDR	9,44,257.87		9,44,257.87	
4. a. Managerial Remuneration	31.03.2010		31.03.2009	
	Rupees		Rupees	
Salary & Allowances	1,95,36,000		1,86,00,000	
Monetary Value of Perquisites	63,47,402		52,44,034	
Sitting fees	3,15,000		3,04,000	
Commission	9,31,08,843		8,64,93,437	
	<u>11,93,07,245</u>		<u>11,06,41,471</u>	
b. Computation of Net Profit in accordance with Section 309(5),198 & 349 of the Companies Act, 1956 and calculation of Managing Director and Wholetime Director's Commission.				
Net Profit as per Profit & Loss Account	431,46,04,152		405,50,51,207	
Add: Directors' Remuneration	11,89,92,245		11,03,37,471	
Director's Sitting Fees	3,15,000		3,04,000	
Loss on sale of Asset (Net)	53,777		-	
	<u>443,39,65,174</u>		<u>416,56,92,678</u>	
Less: Profit on Sale of Assets (Net)	-		2,68,54,101	
Less: Profit on Sale of Investments(Net)	2,10,731		2,01,03,496	
	<u>2,10,731</u>		<u>4,69,57,596</u>	
Profit as per Section 309(5),198 & 349 of the Companies Act, 1956	443,37,54,443		411,87,35,081	
Commission to Managing Director @ 2% p.a.	8,86,75,089		8,23,74,702	
Commission to a Deputy Managing Director @.0.10% p.a.	44,33,754		41,18,735	
	<u>9,31,08,843</u>		<u>8,64,93,437</u>	
5. Licence/Installed capacities	31.03.2010		31.03.2009	
	NOT APPLICABLE		NOT APPLICABLE	
	Units	Value (Rs.)	Units	Value (Rs.)
6. Generation of Wind Power (Net)	4,13,83,719	11,34,37,728	3,46,12,746	9,47,53,658
7. Value of Imports by the Company on CIF basis	Rupees		Rupees	
a. Capital items	54,31,49,235		35,50,94,582	
b. Stores & Spare Parts	44,92,99,235		51,15,35,284	
8. Expenditure in Foreign Currency (Cash Basis)				
a. Interest on Foreign Currency Loans	1,68,09,894		47,46,110	
b. Drilling Services & Management Fees	3,76,15,926		9,45,78,157	
c. Travel and Transport	8,22,84,848		9,69,24,456	
d. Consultancy fees	9,92,18,911		13,92,37,019	
e. Rental charges for Machinery	16,63,66,908		51,65,55,917	
f. Insurance	22,59,35,407		3,81,54,496	
g. Repairs to machinery , and other maintenance charges	-		36,18,959	

Schedules annexed to and forming part of the accounts

	31.03.2010		31.03.2009	
	Units	Value (Rs.)	Units	Value (Rs.)
h. Catering		1,42,15,288		1,38,08,500
i. Salary, Staff welfare		12,98,64,133		4,83,80,363
j. Others		66,69,395		73,93,929
9. Income Earned in Foreign Currency				
a. Drilling and Production services		920,84,90,332		859,49,99,488
b. Interest from Foreign Subsidiary		176,34,59,075		167,95,25,918
c. Interest on Bank Deposit		-		6,09,031
d. Others		4,79,246		9,38,555
10. a. Value of Imported Stores & Spares Consumed		37,50,70,809		54,80,94,558
% of above to total consumption		78.46%		61.16%
b. Value of Indigenous Stores & Spares consumed		10,29,58,270		34,80,08,268
% of above to total consumption		21.54%		38.84%
11. Dividend remitted in Foreign Currency			No. of Equity Shares held	Net Dividend remitted (Rs.)
For the Financial year 2008-09 (Equity Shares of Rs.2/- each)			83,28,750	2,99,83,500
Previous year (Equity shares of Rs.2/- each)			83,28,750	2,99,83,500
12. Related Party disclosure:				
Enterprise where control exists				
A. Subsidiary Companies (Wholly owned subsidiaries)				
Aban Energies Limited, India				
Aban Holdings Pte Ltd, Singapore				
B. Subsidiaries of Aban Holdings Pte Ltd				
Aban Singapore Pte Ltd, Singapore				
Aban 7 Pte Ltd, Singapore				
Aban 8 Pte Ltd, Singapore				
Aban Abraham Pte Ltd, Singapore				
Aban Pearl Pte Ltd, Singapore				
Aban International Norway AS				
Sinvest AS, Norway				
DDI Holding AS Norway				
Deep Drilling Invest Pte Ltd, Singapore				
Deep Drilling 1 Pte Ltd, Singapore				
Deep Drilling 2 Pte Ltd, Singapore				
Deep Drilling 3 Pte Ltd, Singapore				
Deep Drilling 4 Pte Ltd, Singapore				
Deep Drilling 5 Pte Ltd, Singapore				
Deep Drilling 6 Pte Ltd, Singapore				
Deep Drilling 7 Pte Ltd, Singapore				
Deep Drilling 8 Pte Ltd, Singapore				
Beta Drilling Pte Ltd, Singapore				
Venture Drilling Pte. Ltd, Singapore				
Sinvest (Cyprus) Ltd, Cyprus				
C. Other related parties with whom the company had transactions				
a. Joint Venture Operator -				
Prize Petroleum Limited (See Note 21 (b))				
b. Key Management personnel				
(i) Mr. Reji Abraham	-	Managing Director		
(ii) Mr. P Venkateswaran	-	Deputy Managing Director		
(iii) Mr. C P Gopalkrishnan	-	Deputy Managing Director and Secretary		



TRANSACTION WITH RELATED PARTIES DURING THE YEAR

Nature of Transaction	Subsidiary companies Rs.		Joint venture operator Rs.		Key Management Personnel Rs.	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
i) Machinery maintenance charges paid	1,05,88,800	1,07,70,080	-	-	-	-
ii) Rent paid	-	-	-	-	52,25,752	53,66,304
iii) Remuneration	-	-	-	-	11,89,92,245	11,03,37,471
iv) Interest received/receivable	176,34,59,075	167,95,25,918	-	-	66,833	1,20,750
v) Interest paid / payable	-	-	-	-	-	-
vi) Investment in Foreign Subsidiary *	2578,42,68,575	627,85,60,408	-	-	-	-
vii) Advances recoverable / (payable)	6,93,40,728	6,94,90,737	-	-	-	-
viii) Loan given to Foreign Subsidiary	1346,48,51,589	2261,93,52,256	-	-	-	-
ix) Loan repaid	308,19,24,384	412,32,69,835	-	-	5,40,000	5,40,000
x) Dividend paid -	-	-	-	-	1,75,15,480	1,75,41,940
xi) Final Settlement	-	-	3,47,00,000	-	-	-
xii) Amount Outstanding as at 31.03.2010						
- Receivable	835,33,74,527	2216,85,41,236	-	-	3,75,000	9,15,000
- Payable	-	-	-	-	9,31,08,843	8,64,93,437

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

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

	2009-10 Rs.	2008-09 Rs.
i) Machinery maintenance charges paid		
- Aban Energies Limited	105,88,800	1,07,70,080
ii) Remuneration to Key Management Personnel		
- Mr. Reji Abraham	9,79,75,732	9,23,01,856
- Mr. C.P. Gopalkrishnan	78,23,279	70,50,453
- Mr. P. Venkateswaran	1,31,93,234	1,09,85,162
iii) Interest received/receivable		
- Aban Holdings Pte Ltd	176,34,59,075	167,95,25,918
iv) Investment in Foreign Subsidiary		
- Aban Holdings Pte Ltd	2578,42,68,575	627,85,60,408
v) Advances recoverable		
Aban Energies Limited	74,43,468	94,90,737
Aban Holdings Pte Ltd	6,19,80,968	6,00,00,000
vi) Loan given to Foreign Subsidiaries		
Aban Holdings Pte Ltd	1346,48,51,589	2261,93,52,256
Aban Singapore Pte Ltd	-	-
vii) Loan repaid by Foreign subsidiaries		
Aban Holdings Pte Ltd	308,19,24,384	412,32,69,835
viii) Rent paid		
Mr. Reji Abraham	52,25,752	53,66,304
ix) Dividend paid		
Mr. Reji Abraham	1,74,10,702	1,74,10,702
x) Amount payable towards commission to:		
Mr. Reji Abraham	8,86,75,089	8,23,74,702
Mr. Venkateswaran	44,33,754	41,18,735

13. SEGMENT REPORTING

A. Primary Segment

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

B. Secondary Segment

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

Primary Segment Information

	2009-10		2008-09	
	Rs.	Rs.	Rs.	Rs.
1. Segment revenue				
- Drilling	1351,90,69,983		1218,52,62,339	
- Wind Energy	11,92,59,078	1363,83,29,061	11,06,33,296	1229,58,95,635
2. Segment Result				
- Drilling	783,16,18,110		675,25,16,512	
- Wind Energy	(14,55,90,901)		(14,68,45,463)	
	768,60,27,209		660,56,71,049	
Less : Interest Expenses	(337,14,23,057)	431,46,04,152	(255,06,19,842)	405,50,51,207
3. Segment Assets				
- Drilling	5636,24,11,443		4563,78,32,175	
- Wind Energy	76,85,89,500	5713,10,00,943	96,66,73,743	4660,45,05,918
4. Segment liabilities				
- Drilling	3397,71,76,609		3257,27,66,491	
- Wind Energy	32,60,10,660	3430,31,87,269	48,45,08,712	3305,72,75,203
5. Depreciation				
- Drilling	87,52,32,951		75,65,13,972	
- Wind Energy	21,59,24,160	109,11,57,111	21,59,24,160	97,24,38,132
6. Capital Expenditure including work in progress				
- Drilling	160,51,71,790		52,51,26,741	
- Wind Energy	-	160,51,71,790	-	52,51,26,741

14. Loans and Advances include the following:

Particulars		Balance	Maximum Balance	Balance	Maximum Balance
		outstanding as at 31st March 2010	outstanding during the Year	outstanding as at 31st March 2009	outstanding during the previous year
		Rs.	Rs.	Rs.	Rs.
Aban Energies Ltd, India (Advance)	Indian Subsidiary	1,01,55,743	1,35,50,690	1,30,75,217	1,41,10,506
Aban Holdings Pte Ltd, Singapore (Loan & Advance)	Foreign Subsidiary	834,32,18,784	2404,44,63,665	2215,54,66,019	2215,54,66,019

15. Loans and Advances include loan to a Deputy Managing Director of the Company who was an officer at the time of taking the loan Rs.3,75,000/- (previous year Rs.9,15,000/-). Maximum amount outstanding during the the year Rs. 9,15,000/- (Previous Year Rs.14,55,000/-).

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

		2009-10	2008-09
a) Profit after tax, preference dividend and tax thereon	Rs.	247,81,32,542	227,87,30,443
		No. of shares	No. of shares
b) Weighted average number of fully paid equity shares used in calculating Basic earnings per share		3,98,57,011	3,77,73,816
Add: Partly paid Equity shares calculated as fully paid		-	13,270
TOTAL		3,98,57,011	3,77,87,086
Basic earnings per share (Rupees)	(a/b)	62.18	60.30
c) Weighted average number of fully paid equity shares used in calculating Diluted earnings per share		4,04,76,336	3,79,42,122
Add: Partly paid Equity shares calculated as fully paid		-	13,270
TOTAL		4,04,76,336	3,79,55,392
Diluted Earning per Share - (Rupees)	(a/c)	61.22	60.04

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

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

The Company has not recorded any Deferred Compensation Expenses, as the exercise price was equal to the market value as defined by SEBI of the underlying Equity Shares on the grant date. Excess of exercise price over the nominal value of equity shares allotted during the year under ESOS has been credited to securities premium account Rs.74,32,967/- (Previous year Rs.30,98,805/-)

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 18,44,000 equity shares of Rs.2/- each - Options granted during the year - 1,75,000 Equity Shares of Rs.2/- each (upto previous year: 2,68,200 Equity Shares of Rs.2/- each) - Options lapsed during the year 16,800 Equity Shares of Rs.2/- each (Upto previous year: 7,090 Equity Shares of Rs.2/- each) - Options exercised during the year: 16,740 Equity Shares of Rs.2/- each (Upto previous year: 64650 Equity Shares of Rs.2/- each) Outstanding at the end of the year: 3,37,920 Equity Shares of Rs.2/- each (upto previous year: 1,96,460 Equity Shares of Rs.2/- each), Options yet to be granted under the scheme: 14,24,690 Equity Shares of Rs.2/- each (Previous year: 15,82,890/- Equity Shares of of Rs.2/- each).

18. The Company had issued 1161 un secured unrated zero coupon Foreign currency convertible bonds (FCCB) of Japanese Yen 10,000,000 each aggregating to Japanese Yen 11,610,000,000 (Rs.428,49,22,220/-) in April 2006. The Bondholder has an option to convert these bonds into Equity shares of Rs.2/- each of the Company at a conversion price on or after 19th April 2007 and upto the close of the business on the 8th April 2011. The conversion price has been fixed as Rs.2,789.04 per Equity shares of Rs.2/- each. Until 31st March 2010, 620 Bonds aggregating to Japanese Yen 6200 million have been converted into 8,51,055 Equity shares of Rs.2/- each at a conversion price of Rs.2,789.04. After conversion, 541 Bonds are outstanding as at 31st March, 2010 aggregating to 5410 Million Japanese Yen (Rs.259,84,90,263). The Company has an option to redeem the bonds at their accredited principal amount in whole and not in part at any time on or after 14th April 2009 and on or prior to 8th April 2011 subject to certain terms and conditions. No interest accrues or is payable on the bonds unless willful default is made in respect of any payment in which case the overdue sum shall bear interest at the rate of 4% per annum from the due date. Unless previously redeemed, converted or repurchased and cancelled, the Company will redeem each bond at 121.811% of its principal amount on 15th April 2011, being the Maturity date of the Bond.

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

Serial Number	Underlying Exposure	2009-10		2008-09	
		Amount in USD (Million)	Amount in INR (crores)	Amount in USD (Million)	Amount in INR (crores)
1	Payables	40.00	179.56	20.00	101.44
2	Foreign currency convertible Bonds	57.89	259.85	54.96	278.75

20. The Company has entered into foreign currency and interest rate contracts for hedging currency and interest related risks. The outstanding value of hedged forward covers / derivatives as at 31st March 2010 are Rs.733.35 crores (previous year Rs. 1,151.49 crores) the details of which are given below:

As at 31st March, 2010 the following derivative transactions are outstanding:

Nature of Derivative Transactions	2009-10 Amount INR (Crores)	2008-09 Amount INR (Crores)	Purpose
Currency Forward contracts/options	672.23	1,037.57	Hedging the risk of exchange rate fluctuations
Interest swap	61.12	113.92	Hedging the risk of interest rate movements

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

Name of the Company	Country of Incorporation	Proportion of ownership interest 2009-10	Proportion of ownership interest 2008-09
Frontier Offshore Exploration (India) Limited (Formerly known as Frontier Aban Drilling (India) Ltd) - Jointly controlled entity (Refer Note "a" below)	India	25% of share capital	25% of share capital
Prize Petroleum Limited - Jointly controlled assets (Refer Note "b" below)	India	Nil	Nil

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

Note b: The Company has completed the formalities for termination of agreement with Prize Petroleum Ltd. Consequent to this, the company has debited an amount of Rs.3.47 crores to the Profit and Loss account under the head 'Loss on transfer of interest in Joint Venture'

22. Defined benefit plans / Long Term Compensated Absences - As per Actuarial Valuations as on 31-3-2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

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

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

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

VIII. Major category of plan assets as a % of the total plan assets as at March 31, 2010

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

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

23. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of data available with the Company.
24. Audit fees include Rs. 8,00,000/- for special purpose Audit carried out towards investments in shares/loans to foreign subsidiaries. (Previous year Rs.8,82,400/-)
25. During the year , the company has allotted 56,97,135 equity shares of Rs.2/- each at a share premium of Rs.1222.30 per share to the Qualified Institutional Buyers based on the pricing formula as prescribed under SEBI Guidelines.
26. Previous year's figures are re-grouped/re-arranged wherever necessary, to confirm to the current year's presentation.

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

Ramaswamy Subramanian
Partner

Membership No: 016059
Place: Chennai
Date : 25.05.2010

V. S. Rao
Chairman

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

For and On behalf of the Board

Satish Chandra Gupta
Director

P.Venkateswaran
Deputy Managing Director

Reji Abraham
Managing Director

K. Bharathan
Director

**Aban Offshore Limited****Balance Sheet Abstract**

As at 31st March 2010

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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS:Registration No.

L	0	1	1	1	9	T	N	1	9	8	6	P	L	C	0	1	3	4	7	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

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

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement (ESOS)

3	3
---	---

Private Placement(QIP)

1	1	3	9	4
---	---	---	---	---

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

5	3	6	9	6	4	8	7
---	---	---	---	---	---	---	---

 Total Liabilities

5	3	6	9	6	4	8	7
---	---	---	---	---	---	---	---

SOURCES OF FUNDSPaid-up Capital

3	3	4	7	0	1	9
---	---	---	---	---	---	---

 Share Application Money

1	5	5
---	---	---

Reserves & Surplus

1	8	3	8	2	1	3	2
---	---	---	---	---	---	---	---

 Secured Loans

2	8	5	1	3	0	0	8
---	---	---	---	---	---	---	---

Unsecured Loans

3	0	1	8	4	9	0
---	---	---	---	---	---	---

 Deferred Tax (Net)

4	3	5	6	8	3
---	---	---	---	---	---

Total

5	3	6	9	6	4	8	7
---	---	---	---	---	---	---	---

APPLICATION OF FUNDS (Amount in Rs. Thousands)Net Fixed Assets

5	7	5	6	4	1	8
---	---	---	---	---	---	---

 Investments

3	9	6	8	6	3	8	3
---	---	---	---	---	---	---	---

Net Current Assets

8	2	5	3	6	8	6
---	---	---	---	---	---	---

 Total

5	3	6	9	6	4	8	7
---	---	---	---	---	---	---	---

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)Turnover

1	1	8	2	0	0	4	6
---	---	---	---	---	---	---	---

 Other Income

1	8	1	8	2	8	3
---	---	---	---	---	---	---

Total Expenditure

9	3	2	3	7	2	5
---	---	---	---	---	---	---

 Profit before tax

4	3	1	4	6	0	4
---	---	---	---	---	---	---

Profit after tax

2	8	0	4	4	3	2
---	---	---	---	---	---	---

 EPS Basic in - Rs.

6	2	.	1	8
---	---	---	---	---

EPS Diluted in - Rs.

6	1	.	2	2
---	---	---	---	---

 Dividend Rate (Equity Share Capital)

1	8	0	%
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Dividend Rate (8% Preference Share Capital)

8	%
---	---

 Dividend Rate(9% Preference Share Capital)

9	%
---	---

Dividend Rate
(9.25% Preference Share Capital)

9	.	2	5	%
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V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)

8	4	2	,	8	3	1	.	0	2
---	---	---	---	---	---	---	---	---	---

8	9	0	,	5	2	0	.	0	0
---	---	---	---	---	---	---	---	---	---

N	A								
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Product Description

Oil Well Drilling

Oil/Gas Production

Wind Power Generation

DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Name of the listed Company: Aban Offshore Limited

Subsidiary	Amount outstanding as at 31st March 2010 Rs.	Value of Investments as at 31st March 2010 Rs.	Terms
Aban Holdings Pte Ltd, Singapore	8,343,218,784	3943,52,23,291	Repayment of principal and payment of interest is on demand as per the loan agreement.

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

1	Name of the Subsidiary Company	Aban Energies Limited	Aban Holdings Pte Ltd
2	Financial Year of the Subsidiary Company	Year Ended 31.03.2010	Year Ended 31.03.2010
3	Shares of the Subsidiary Company held by Aban Offshore Limited		
	(a) Number of Shares	2,00,070	85,00,00,000
	(b) Face Value	Rs.10	Not Applicable
	(c) Paid up value	Rs.10	USD 850,000,000
	(d) Extent of Holding	100%	100%
4	Net aggregate amount of Profit / (Loss) of the subsidiary Company so far as they concern the members of Aban Offshore Limited not dealt with in the accounts of the Aban Offshore Limited amount to:		
	(a) For the Subsidiary Company's financial year ended on 31.03.2010	Rs. 23,01,773	Rs. 30,32,99,011
	(b) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(1,08,25,621)	1,432,065,419
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 31.03.2010	NIL	NIL
	(b) For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	NIL	NIL
6	As the financial year of the Subsidiary Company coincides with the financial year of the Holding Company, Section 212(5) of the Companies Act is not applicable		
	Note: Aban Holdings Pte Ltd is having the following subsidiaries. Financial year of these Companies ended on 31st March 2010		
	(a) Aban Singapore Pte Ltd	(k) Deep Drilling 2 Pte Ltd, Singapore	
	(b) Aban 7 Pte Ltd, Singapore	(l) Deep Drilling 3 Pte Ltd, Singapore	
	(c) Aban 8 Pte Ltd, Singapore	(m) Deep Drilling 4 Pte Ltd, Singapore	
	(d) Aban Abraham Pte Ltd, Singapore	(n) Deep Drilling 5 Pte Ltd, Singapore	
	(e) Aban Pearl Pte Ltd, Singapore	(o) Deep Drilling 6 Pte Ltd, Singapore	
	(f) Aban International Norway AS	(p) Deep Drilling 7 Pte Ltd, Singapore	
	(g) Sinvest ASA, Norway	(q) Deep Drilling 8 Pte Ltd, Singapore	
	(h) DDI Holding AS Norway	(r) Beta Drilling Pte Ltd, Singapore	
	(i) Deep Drilling Invest Pte Ltd, Singapore	(s) Venture Drilling Pte Ltd, Singapore	
	(j) Deep Drilling 1 Pte Ltd, Singapore	(t) Sinvest Cyprus Ltd, Cyprus	

For and On behalf of the Board

V. S. Rao
Chairman

Satish Chandra Gupta
Director

Reji Abraham
Managing Director

Place: Chennai
Date : 25.05.2010

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

P.Venkateswaran
Deputy Managing Director

K. Bharathan
Director

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

Name of the subsidiary Company	Aban Energies Ltd India		Aban Holdings Pte Ltd, Singapore		Aban Singapore Pte Ltd, Singapore		Aban Abraham Pte Ltd, Singapore		Aban 7 Pte Ltd, Singapore		Aban 8 Pte Ltd, Singapore		Aban Pearl Pte Ltd, Singapore		Aban International Norway AS, Norway	
	Rs		Rs		Rs		Rs		Rs		Rs		Rs		Rs	
a) Share Capital	20,00,700	3943,52,23,291	2244,50,00,000	224,45,00,000	94,26,90,000	170,58,20,000	260,36,20,000	42,04,51,950								
b) Reserves & Surplus *	(85,23,848)	(490,04,23,411)	(587,41,77,161)	(58,18,76,662)	16,29,30,286	185,50,66,030	203,34,53,101	(200,19,74,862)								
c) Total Assets	47,01,710	4305,56,12,527	6666,50,33,661	2082,44,92,254	517,33,61,613	1,057,98,36,423	1,571,79,70,993	3623,81,01,475								
d) Total Liabilities	1,12,24,858	852,08,12,647	5009,42,10,822	1798,81,15,592	406,77,41,332	701,89,50,393	1,108,08,97,892	3781,96,24,387								
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-								
f) Turnover	1,49,16,242	65,213	653,62,53,210	252,64,36,602	49,514	296,27,33,337	279,84,28,146	59,190								
g) Profit/(Loss) before Taxation	37,45,326	(176,47,30,559)	(104,86,29,605)	75,84,82,369	(58,28,35,576)	175,32,44,375	215,43,36,067	(151,14,58,777)								
h) Provision for Taxation	(14,43,553)	6,98,607	(25,26,50,689)	(17,16,94,521)	(3,63,23,916)	(14,74,37,822)	-	-								
i) Profit/(Loss) after Taxation	23,01,773	(176,40,31,952)	(130,12,80,295)	58,67,87,848	(61,91,59,492)	160,58,06,553	215,43,36,067	(151,14,58,777)								
j) Proposed Dividend	-	-	-	-	-	-	-	-								
Name of the subsidiary Company	Sinvest AS, Norway		DDI Holding AS Norway		Deep Drilling Invest Pte Ltd, Singapore		Deep Drilling 1 Pte Ltd, Singapore		Deep Drilling 2 Pte Ltd, Singapore		Deep Drilling 3 Pte Ltd, Singapore		Deep Drilling 4 Pte Ltd, Singapore		Deep Drilling 5 Pte Ltd, Singapore	
a) Share Capital	617,55,62,190		1947,84,97,553		2885,71,11,816		607,98,37,048		654,31,84,131		593,35,61,799		169,39,12,433		305,90,92,928	
b) Reserves & Surplus *	1905,74,52,695		(924,35,12,945)		(58,91,32,002)		394,33,78,222		472,14,93,590		569,64,23,272		188,15,84,362		324,54,25,809	
c) Total Assets	2589,74,10,618		4544,40,87,129		2948,52,86,751		1015,15,56,025		1161,16,04,127		1201,81,42,293		948,12,49,205		842,79,02,115	
d) Total Liabilities	66,43,95,732		3520,91,02,521		121,73,06,937		12,83,40,755		34,69,26,406		48,81,57,222		590,57,52,410		212,33,83,378	
e) Investments (except in case of investment in subsidiaries)	-		-		-		-		-		-		-		-	
f) Turnover	26,07,04,557		4,76,38,126		8,28,86,149		57,98,57,031		180,40,89,717		300,14,09,103		161,97,24,577		207,72,36,081	
g) Profit before Taxation	(88,62,62,140)		(310,18,16,943)		5,63,31,078		(5,98,46,544)		79,34,57,342		200,59,07,876		32,74,25,548		96,19,81,005	
h) Provision for Taxation	-		-		(17,66,684)		(37,43,824)		(4,48,84,758)		(21,09,98,990)		(4,47,68,740)		(2,62,90,307)	
i) Profit after Taxation	(88,62,62,140)		(310,18,16,943)		5,45,64,394		(6,35,90,368)		74,85,72,584		179,49,08,886		28,26,56,808		93,56,90,698	
j) Proposed Dividend	-		-		-		-		-		-		-		-	
Name of the subsidiary Company	Deep Drilling 6 Pte Ltd, Singapore		Deep Drilling 7 Pte Ltd, Singapore		Deep Drilling 8 Pte Ltd, Singapore		Beta Drilling Pte Ltd, Singapore		Sinvest Cyprus Ltd, Cyprus		Venture Drilling Pte Ltd, Singapore		-		-	
a) Share Capital	230,33,96,757		252,18,00,927		125,94,49,596		136,91,45,000		1,21,292		4,489		-		-	
b) Reserves & Surplus *	(107,69,41,878)		69,12,70,851		108,36,15,889		(136,87,19,559)		(18,49,198)		(16,71,392)		-		-	
c) Total Assets	707,24,76,412		732,25,32,176		697,08,30,784		23,35,146		-		21,896		-		-	
d) Total Liabilities	584,60,21,533		410,94,60,399		462,77,65,299		19,09,705		17,27,906		16,88,799		-		-	
e) Investments (except in case of investment in subsidiaries)	-		-		-		-		-		-		-		-	
f) Turnover	2,12,49,807		123,89,61,604		211,58,38,045		1,47,35,392		-		-		-		-	
g) Profit before Taxation	(67,00,30,829)		37,40,76,739		128,70,50,973		1,60,77,472		-		(3,38,023)		-		-	
h) Provision for Taxation	-		(1,80,52,170)		(10,09,40,768)		(2,68,256)		-		(3,38,023)		-		-	
i) Profit after Taxation	(67,00,30,829)		35,60,24,569		118,61,10,205		1,58,09,216		-		-		-		-	
j) Proposed Dividend	-		-		-		-		-		-		-		-	

* Includes translation reserve

On behalf of the Board

Chennai
25.05.2010**Reji Abraham**
Managing Director**V.S. Rao**
Chairman**Satish Chandra Gupta**
Director**C.P. Gopalkrishnan**
Dy. Managing Director & Secretary**P. Venkateswaran**
Dy. Managing Director**K. Bharathan**
Director

Note : 1. As per the approval granted by the Ministry of Corporate Affairs, under Section 212 (b) of the Companies Act, the Company has been exempted from attaching the Balance sheet and Profit and Loss Account of twenty two of its subsidiaries to the Annual audited accounts of the Parent Company for the year ended 31.3.2010. However, as directed by the Ministry of Corporate Affairs the aforesaid details are provided.

2. Other than the Indian subsidiary Aban Energies Ltd, where accounts is in Indian Rupee, other 21 subsidiary accounts which are in US Dollar are converted into Indian Rupee at the Exchange rate of 1USD = Rs. 44.89 for the purpose of the details given above.

Auditors' Report on Consolidated Financial Statements

To
The Board of Directors
Aban Offshore Limited
Chennai
INDIA

We have audited the attached Consolidated Balance Sheet of Aban Offshore Limited, the parent company and its subsidiaries as at 31st March 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

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

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

We have audited the financial statements of M/s Aban Energies Limited, Chennai, India, the Indian subsidiary of the Parent Company. The Financial Statements of Aban Holdings Pte., Ltd., Singapore, the foreign subsidiary of the Parent Company and the Consolidated Financial Statements of Foreign Subsidiary's immediate subsidiary company, Aban Singapore Pte., Ltd., Singapore and its 19 subsidiaries, have been audited by other Auditors whose reports have been furnished to us and our opinion in respect of these subsidiaries is based solely on the report of the auditors and the representation of the Company. As per the information provided to us, we report that the Financial Statements of one of the subsidiaries of Aban Singapore Pte., Ltd., viz., Sinvest Cyprus Limited has not been audited.

The unaudited financial statement of Sinvest Cyprus Limited reflects Rs. 0.18 Crores of the accumulated loss in profit and loss account as an intangible asset and total revenue of Rs. Nil as at 31st March 2010. The audited financial statements of Aban Holdings Pte Ltd, Singapore reflects the total assets of Rs. 4306 Crores as at 31st March 2010 and total revenue of Rs. 0.007 Crores for the year then ended. The audited consolidated statements of Aban Singapore Pte Ltd, Singapore and its subsidiaries reflect total net assets of Rs. 1208 Crores as at 31st March 2010 and total net revenue of Rs. 2194 Crores for year then ended.

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

- a. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Aban Offshore Limited, and its subsidiaries as at 31st March 2010;
- b. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Aban Offshore Limited, and its subsidiaries for the year then ended; and
- c. The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Aban Offshore Limited and its subsidiaries for the year then ended.

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

RAMASWAMY SUBRAMANIAN

Partner
Membership No: 016059
Place : Chennai
Date : 25.05.2010



Aban Offshore Limited

Consolidated Balance Sheet

As at 31st March 2010

Schedule	As at		As at
	Rupees	31st March, 2010 Rupees	31st March, 2009 Rupees
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	1	334,70,18,950	333,55,78,060
(b) Reserves and Surplus	2	1845,93,31,976	1410,46,03,981
Share Application Money pending allotment of ESOS Equity shares		1,55,376	-
Minority Interest		-	77,50,770
2. Loan Funds			
Secured Loans	3	13862,25,07,290	15618,01,34,674
Unsecured Loan	4	301,84,90,263	1027,30,76,136
3. Deferred Tax (Net)	5	43,56,49,140	51,55,33,032
TOTAL FUNDS EMPLOYED		16388,31,52,995	18441,66,76,653
II APPLICATION OF FUNDS			
1. Fixed Assets	6		
Gross Block		17314,74,43,098	14411,33,77,607
Less: Depreciation and Impairment		1963,39,06,569	1551,28,40,918
Net Block		15351,35,36,529	12860,05,36,689
Add: Capital Work in Progress (including capital advances)		13,13,84,706	4700,29,83,534
		15364,49,21,235	17560,35,20,223
2. Investments	7	495,05,63,134	575,05,16,801
3. Current Assets, Loans and Advances			
(a) Inventory of Stores, Spares and Fuel		247,80,09,738	227,48,67,531
(b) Sundry Debtors	8	769,09,23,771	576,64,24,303
(c) Cash and Bank Balances	9	236,01,01,288	594,77,97,119
(d) Loans and Advances	10	210,02,09,814	306,46,79,836
		1462,92,44,611	1705,37,68,789
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		789,12,17,342	1264,31,34,047
(b) Provisions		145,03,58,643	134,79,95,113
		934,15,75,985	1399,11,29,160
Net Current Assets		528,76,68,626	306,26,39,629
TOTAL ASSETS		16388,31,52,995	18441,66,76,653
Notes to Accounts	16		

Per our Report attached

For and On behalf of the Board

For Ford, Rhodes, Parks & Co.

Chartered Accountants

ICAI - Registration No. 102860W

CA. Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 25.05.2010

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary



Aban Offshore Limited

Consolidated Profit and Loss Account

For the year ended 31st March 2010

	Schedule	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
I INCOME			
Income from Operations	12	3358,65,71,550	3050,09,12,549
Other Income	13	21,81,09,707	404,26,94,236
TOTAL		3380,46,81,257	3454,36,06,785
II EXPENDITURE			
Operating, Administrative and Other Expenses	14	1499,05,22,676	1317,37,75,591
Interest	15	976,82,17,368	855,30,34,262
Depreciation		461,55,56,068	601,47,24,926
TOTAL		2937,42,96,112	2774,15,34,779
Profit for the Year before taxation		443,03,85,145	680,20,72,006
Less: Provision for taxation			
- Current Tax		265,06,22,838	263,49,88,538
- Fringe Benefit Tax		-	1,07,85,319
- Deferred Tax		(7,98,83,892)	(13,81,13,871)
Profit for the year after taxation before share in earnings of Joint Ventures		185,96,46,199	429,44,12,020
Share in Earnings of Joint Ventures		125,03,86,182	111,60,29,644
Profit for the year after taxation after share in earnings of Joint Ventures		311,00,32,381	541,04,41,664
Minority Interest		-	35,07,460
Profit after tax and minority interest		311,00,32,381	540,69,34,204
Add: Profit brought forward from Previous Year		605,63,44,399	188,75,13,380
Profit available for Appropriation		916,63,76,780	729,44,47,584
Transfer to Capital Redemption Reserve		50,00,00,000	50,00,00,000
Transfer to General Reserve		29,00,00,000	26,00,00,000
Proposed Dividend - Preference		27,89,00,000	27,25,64,385
Proposed Dividend - Equity		15,66,09,990	13,60,88,280
Tax on Preference Dividend		4,73,99,055	4,63,22,317
Tax on Equity Dividend		2,66,15,868	2,31,28,203
Balance Carried to Balance Sheet		786,68,51,867	605,63,44,399
Earnings per Equity Share of Rs. 2/- each (see Note 24)			
- Basic		69.84	134.65
- Diluted		68.77	134.05
Notes to Accounts	16		

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

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 25.05.2010

For and On behalf of the Board

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary



Aban Offshore Limited

Consolidated Cash Flow Statement

For the year ended 31st March 2010

	2009-2010 Rupees in Lakhs	2008-2009 Rupees in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	44,303.85	68,020.72
ADJUSTMENTS FOR:		
Depreciation and impairment	46,155.56	60,147.25
Interest	97,682.17	85,530.34
Interest and Dividend Income	(514.51)	(2,453.64)
Profit on sale of Long Term and Current Investments (Net)	(2.11)	449.92
Loss on sale of Assets (Net)	0.27	(78.09)
Provision for Employee Benefits	50.20	32.07
Provision for Diminution in the value of Long term investments	12,051.62	-
Provision for Loss on Derivative contracts	-	3,000.00
Unrealised Exchange (Gain) / Loss - Net	7,808.07	(2,949.07)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	207,535.12	211,699.50
ADJUSTMENTS FOR:		
Inventories	(2,031.42)	(6,280.50)
Trade and other receivables	(19,697.35)	(28,406.82)
Trade and other payables	43,038.00	57,820.67
CASH GENERATED FROM OPERATIONS	228,844.35	234,832.85
Direct taxes paid	(25,836.40)	(24,063.41)
NET CASH FROM OPERATING ACTIVITIES	203,007.95	210,769.44
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including Capital advances	(39,353.11)	(507,988.18)
Sale of fixed assets	3.42	571.67
Interest and dividend received	484.74	2,447.42
Purchase of Investments	(142,166.30)	(137,188.91)
Sale of Investments	223,138.01	160,324.26
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	42,106.76	(481,833.74)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Term Borrowings	(242,776.19)	353,169.93
Proceeds from partly paid shares	0.13	0.02
Share application money received	1.55	-
Proceeds from allotment of Equity shares under QIP and ESOS	69,824.69	31.09
Proceeds from preference shares allotment	-	2,000.00
Dividend paid including tax on dividend	(4,781.03)	(4,638.51)
Interest paid	(103,074.02)	(84,572.05)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(280,804.87)	265,990.48
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,690.16)	(5,073.82)
CASH AND CASH EQUIVALENTS -at beginning of the year	59,477.97	64,531.15
Effect of Exchange (Loss) / Gain on cash and cash equivalents	(186.80)	20.64
CASH AND CASH EQUIVALENTS- at end of the year	23,601.01	59,477.97

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

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 25.05.2010

For and On behalf of the Board

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
250,00,00,000 Equity Shares of Rs.2/- each (Previous year 250,00,00,000 Equity Shares of Rs.2/- each)	500,00,00,000	500,00,00,000
100,00,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 100,00,00,000 cumulative redeemable Preference Shares of Rs.10/- each)	1000,00,00,000	1000,00,00,000
	1500,00,00,000	1500,00,00,000
Issued and Subscribed		
3,68,86,595 Equity Shares of Rs.2/- each. (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each) Out of the above,54,92,795 Equity shares of Rs.2/- each, have been issued in pursuance of Scheme of Amalgamation of Hitech Drilling Services India Ltd with the Company	7,37,73,190	7,37,73,190
8,51,055 Equity Shares of Rs.2/- each issued against conversion of Foreign Currency Convertible Bonds (Previous year 851055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
81,390 Equity Shares of Rs.2/- each issued against Employee Stock Options Scheme (Previous Year : 64,650 Equity Shares of Rs.2/- each) (See Note no.17)	1,62,780	1,29,300
56,97,135 Equity Shares of Rs.2/- each issued against Qualified Institutional Placement (Previous Year Nil)-(see note no.25)	1,13,94,270	-
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous year: 15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
	334,70,32,350	333,56,04,600
Called up and Paid up		
3,68,73,195 Equity Shares of Rs.2/- each (Previous Year: 3,68,86,595 Equity Shares of Rs.2/- each)	7,37,46,390	7,37,73,190
8,51,055 Equity Shares of Rs.2/- each against conversion of Foreign Currency Convertible Bonds (Previous year 8,51,055 Equity Shares of Rs.2/- each) (See Note No 18).	17,02,110	17,02,110
81,390 Equity shares of Rs.2/- each against exercise of Stock Options under the Employees Stock Option Scheme. (Previous Year : 64,650 Equity shares of Rs.2/- each) (See Note no.17)	1,62,780	1,29,300
56,97,135 Equity Shares of Rs.2/- each against Qualified Institutional Placement (Previous Year Nil) (See Note no.25)	1,13,94,270	-
Less:Calls in arrears of Re.1/- per share on Nil Equity Shares (Previous Year : 26,540 Equity Shares)	-	26,540
	8,70,05,550	7,55,78,060
Add: Shares Forfeited, 13,400 equity shares at Rs.1/- each (Previous Year Nil)	13,400	-
	8,70,18,950	7,55,78,060
15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each (Previous Year :15,00,00,000 8% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	150,00,00,000	150,00,00,000
15,60,00,000 9% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year :15,60,00,000 9% Non- Convertible Cumulative Redeemable Preference shares of Rs.10/- each)	156,00,00,000	156,00,00,000
2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 2,00,00,000 9.25% Non convertible Cumulative Redeemable Preference Shares of Rs.10 each)	20,00,00,000	20,00,00,000
TOTAL	334,70,18,950	333,55,78,060



Schedules annexed to and forming part of the consolidated accounts

Notes:

- a. 15,00,00,000 Non-Convertible 8% Cumulative Redeemable Preference Shares will be redeemed at par on 16-06-2011, 16-06-2012 & 16-06-2013 in the ratio of 30:30:40 respectively.
- b. 15,60,00,000 Non convertible 9% Cumulative Redeemable Preference Shares will be redeemed at par at the end of 5th year from the date of allotment of shares as per details given below:
 5,50,00,000 shares will be redeemed on 29-12-2011
 4,00,00,000 shares will be redeemed on 28-02-2012
 6,10,00,000 shares will be redeemed on 30-03-2012
 The Company has call option at the end of 3rd year (2009-10) to call Non Convertible Cumulative redeemable preference Shares at par. The option has not been exercised.
- c. 2,00,00,000 Non-Convertible 9.25% Cumulative Redeemable Preference Shares will be redeemed at par on 03-08-2013. The Company has call option at the end of 3rd year (2010-11) to call Non Convertible Cumulative redeemable preference Shares at par.
- d. In April 2006, the Company had issued 1,161 un secured Foreign Currency Convertible Bonds(FCCB) of Japanese Yen (JPY) 10,000,000 each aggregating JPY 11.61 Billion. As per the terms of issue, the bond holders shall have the right to convert the Bonds into equity shares on or after 19th April 2007 upto and including 8th April 2011. The conversion price of Equity Shares of Rs.2/- each for the purpose of the Bond has been fixed at Rs.2,789.04 per equity share. As on 31-03-2010, 620 bonds have been converted into 8,51,055 Equity shares. Outstanding Bonds as at 31-03-2010 - 541 Bonds - (See Note no.19)
- e. The Company has reserved 18,44,000 Equity shares of Rs.2/- each for offering to Employees under Employees stock option scheme (upto previous year: 18,44,000 equity shares of Rs.2/- each), out of which 81,390 equity shares of Rs.2/- each have been already allotted upto the date of Balance Sheet under the said scheme and included under paid up capital (upto previous year: 64,650 equity shares of Rs. 2/- each allotted) - (See Note no.18)
- f. During November 2009 Company has allotted 56,97,135 Equity Shares of Rs.2/- each at a premium of Rs.1,222.30 per share to the Qualified Institutional Buyers as per SEBI Guidelines. (See note no.25)

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 2		
RESERVES AND SURPLUS		
(a) Capital Reserve	33,500	33,500
(b) Securities Premium Account		
- As per last Balance Sheet	256,66,31,932	256,35,33,127
Add: On Allotment under ESOS (See Note no.18)	74,32,967	30,98,805
Add: On Allotment to Qualified Institutional Buyers (See Note no.25)	696,36,08,111	-
	<u>953,76,73,010</u>	<u>256,66,31,932</u>
(c) Investment Allowance Reserve-Utilised	5,24,00,000	5,24,00,000
(d) Capital Redemption Reserve		
As per last Balance Sheet	100,00,00,000	50,00,00,000
Transfer from Profit and Loss Account	50,00,00,000	50,00,00,000
	<u>150,00,00,000</u>	<u>100,00,00,000</u>
(e) General Reserve		
- As per last Balance Sheet	76,92,91,943	50,92,91,943
Add: Transfer from Profit and Loss Account	29,00,00,000	26,00,00,000
	<u>105,92,91,943</u>	<u>76,92,91,943</u>
(f) Profit and Loss Account	786,68,51,867	605,63,44,399
(g) Translation Reserve	(155,69,18,344)	365,99,02,207
TOTAL (a+b+c+d+e+f+g)	<u>1845,93,31,976</u>	<u>1410,46,03,981</u>

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 3		
SECURED LOANS		
Rupee Term Loans from Banks	2472,47,72,468	2653,66,72,951
Rupee Term Loans from Others	116,40,75,345	120,00,00,000
Foreign currency Term Loans from Banks	8450,85,93,336	9521,71,76,649
Bond Loans	2232,33,07,205	2860,78,29,333
Notes	201,10,72,000	227,22,56,000
Cash Credit from Banks	132,68,49,000	20,71,69,776
Foreign currency Term Loans from Others	126,65,26,460	204,04,96,032
Short term loan from Banks	128,71,09,735	9,85,33,933
Loan - Others	1,02,01,741	-
TOTAL	13862,25,07,290	15618,01,34,674

Notes:

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

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 4		
UNSECURED LOAN		
Foreign Currency Convertible Bonds (See Note no.19)	259,84,90,263	278,75,02,500
Bond Loans	-	748,55,73,636
From Companies	42,00,00,000	-
TOTAL	301,84,90,263	1027,30,76,136
SCHEDULE 5		
DEFERRED TAX (NET)		
Deferred Tax Liability on Timing differences		
On depreciation	43,56,49,140	51,55,33,032
TOTAL	43,56,49,140	51,55,33,032

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE 6

FIXED ASSETS

Description of the asset	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1st April, 2009	Additions during the Year *	Deductions during the Year	Exchange Difference #	As at 31st March, 2010	As at 1st April, 2009	Additions during the Year	On Deductions during the Year	Exchange Difference #	As at 31st March, 2010	As at 31st March, 2009
Goodwill	5599,11,23,599	-	-	(643,60,16,448)	4955,51,07,151	-	-	-	-	4955,51,07,151	5599,11,23,599
Land-Freehold	12,85,69,908	-	-	-	12,85,69,908	-	-	-	-	12,85,69,908	12,85,69,908
Building	15,03,66,491	-	-	-	15,03,66,491	2,95,60,675	24,50,974	-	-	11,89,54,842	12,08,05,816
Offshore Jackup Drilling Rigs, Floating Production unit and connected machineries	8392,68,89,607	2245,64,95,136	-	(996,16,45,479)	9642,17,39,264	1318,32,39,490	371,99,02,041	-	(48,74,33,516)	8000,60,32,249	7074,36,51,117
Drillship and connected machineries	126,48,29,994	2295,20,37,640	-	-	2421,68,67,624	53,92,34,524	63,90,71,339	-	-	2303,85,61,761	72,55,95,460
Other Machineries	8,08,24,706	-	-	-	8,08,24,706	7,67,35,196	-	-	-	40,89,510	40,89,510
Wind Mills and connected machineries	240,78,13,800	-	-	-	240,78,13,800	159,54,26,225	21,59,24,160	-	-	181,13,50,385	81,23,87,575
Office Equipment	6,43,31,557	1,87,08,744	50,21,710	(43,24,619)	7,36,93,972	4,71,87,436	1,78,21,566	47,76,835	(12,01,965)	5,90,30,202	1,71,44,121
Furniture and Fixtures	6,06,66,867	55,281	-	(14,78,272)	5,92,43,876	2,38,32,059	1,72,65,198	-	(4,76,655)	1,86,23,274	3,68,34,808
Vehicles	3,79,61,088	1,63,16,342	6,99,664	(3,61,460)	5,32,16,306	1,76,26,313	31,20,790	5,75,012	(26,434)	3,30,70,649	2,03,34,775
TOTAL	14411,33,77,607	4544,36,13,143	57,21,374	(1640,38,26,278)	17314,74,43,098	1551,28,40,918	461,55,56,068	53,51,847	(48,91,38,570)	1963,39,06,569	12860,05,36,689
Capital Work- in- progress **	4700,29,83,534	225,58,27,344	4376,41,29,845	(536,32,96,327)	13,13,84,706**	-	-	-	-	13,13,84,706**	4700,29,83,534
TOTAL	19111,63,61,141	4769,94,40,487	4376,98,51,219	(2176,71,22,605)	17327,88,27,804	1551,28,40,918	461,55,56,068	53,51,847	(48,91,38,570)	15364,48,21,235	17560,35,20,223
Previous Year	13506,67,41,001	4899,45,55,773	2862,55,98,595	3588,06,62,962	19111,63,61,141	891,98,13,957	441,42,00,926	2,25,16,048	70,08,20,083	17560,35,20,223	12624,69,27,044

** Includes Capital advance Rs.13,32,77,255/- (Previous year Rs.6,67,52,491/-)

* Includes interest on borrowings Rs.44,01,03,297/- (Previous year Rs.1,70,64,62,782/-)

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

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE 7

INVESTMENTS

LONG TERM INVESTMENTS (AT COST)

Trade Investments

Equity Shares - Fully Paid (Unquoted)

	Face Value Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Aban Informatics Private Limited	10.00	1,98,49,500	1,98,49,500
Frontier Offshore Exploration (India) Limited	100.00	49,99,300	49,99,300
Aban Power Company Limited	10.00	11,94,00,000	11,94,00,000
Equity Shares - Fully Paid (Quoted)			
Petrojack ASA	Nok 5	172,16,60,020	194,52,57,211

Others (Non Trade)

Equity Shares - Fully paid (Quoted)

Arihant Threads Ltd	10.00	1,70,000	1,70,000
Punjab Woolcombers Ltd	10.00	27,000	27,000
State Bank of Travancore	100.00	1,47,000	1,47,000
ICICI Bank Ltd	10.00	7,86,374	7,86,374
Oil & Natural Gas Corporation Ltd	10.00	63,21,750	63,21,750
Indian Bank	10.00	29,40,938	29,40,938

Equity Shares - Fully paid (Unquoted)

Madras Stock Exchange Limited	10.00	39,97,500	39,97,500
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Investment in Joint Venture (Trade)

Venture Drilling ASA - Unquoted	Nok 1	418,49,05,786	365,07,25,220
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CURRENT INVESTMENTS (At lower of cost and fair value) (See note no: 3)

Mutual Funds (Unquoted)

	Face Value Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
HDFC Cash Management Fund Saving Plan - DDR	10.00	2,00,18,811	-
HDFC Floating Rate Income Fund - STP - WP - DDR	10.00	6,01,49,846	-
ICICI Prudential Flexible Income Plan Premium DDR	100.00	1,51,51,803	-
IDFC Money Manager Fund TP Super Institutional Plan- DDR	10.00	1,090	-
Kotak Flexi Debt Scheme Institutional plan - DDR	10.00	3,80,830	-
ICICI prudential Institutional Liquid Plan - DDR	10.00	-	10,77,408
		616,09,07,548	575,56,99,201

Less: Diminution in the value of Long Term Investment (See Note no.14)

120,51,62,014

Less: Provision for diminution in value of Long Term Investment including provision relating to joint venture investment of Rs.49,99,300/- (Previous Year : Rs.49,99,300/-)

51,82,400

495,05,63,134

51,82,400

52,67,07,968

195,54,67,173

Aggregate Value of Quoted Investments-Cost

(Net of provision for Diminution in value of investments)

Aggregate Value of Quoted Investments- Market Value

Aggregate Value of Unquoted Investments-Cost

(Net of provision for Diminution in value of investments)

53,82,26,783

21,07,33,581

442,38,55,166

379,50,49,628



Aban Offshore Limited

Schedules annexed to and forming part of the consolidated accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 8		
SUNDRY DEBTORS		
Considered Good-Unsecured		
(a) Outstanding for more than six months	78,88,48,768	14,08,55,421
(b) Others	690,20,75,003	562,55,68,882
TOTAL	769,09,23,771	576,64,24,303
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	38,55,021	18,22,217
Balances with Scheduled Banks		
- In Current Accounts	46,92,49,690	77,72,13,635
- In Deposit Accounts *	140,38,79,456	179,85,97,653
Balances with other banks in current account		
Standard Chartered Bank, Dubai	75,32,764	1,20,30,464
Emirates bank, Dubai	18,24,467	34,97,127
HSBC	5,27,859	5,69,90,911
OCBC	2,11,163	26,11,64,771
DnB Nor	748,41,779	34,60,33,764
Swed Bank	11,34,596	17,32,236
Standard Chartered Bank, Singapore	3914,72,790	11,06,58,647
United Overseas Bank, Singapore	25,159	25,99,108
Wells Fargo	7,90,657	6,93,39,792
DBS Bank	1,93,733	9,42,73,518
Pluss Bank	5,96,728	6,74,227
Siam Commercial Bank	-	6,906
Cal Bank	71,644	-
Emirates Bank	17,10,145	-
Bank MAS	21,83,637	-
Balances with other banks in Deposit account		
DnB Nor	-	206,78,34,707
Societe General	-	611
United Overseas Bank, Singapore	-	34,33,26,825
TOTAL	236,01,01,288	594,77,97,119
Maximum amount outstanding at any time during the year with other banks		
- Current Account		
Standard Chartered Bank, Dubai	1,56,23,029	1,56,20,742
Emirates Bank, Dubai	1,13,67,986	59,27,711
Standard Chartered Bank, Dubai	-	1,56,20,742
Emirates bank, Dubai	-	59,27,711
HSBC	5,27,859	9,26,14,325
OCBC	3,70,786	30,15,25,527
DnB Nor	168,95,45,569	695,80,14,917
Swed Bank	11,34,596	1,08,57,806
Standard Chartered Bank, Singapore	273,21,82,877	116,55,02,582
United Overseas Bank, Singapore	37,89,09,808	101,15,44,474
Wells Fargo	33,62,939	43,77,50,077
DBS Bank	1,93,733	16,02,88,448
Pluss Bank	5,96,728	6,74,227
Siam Commercial Bank	-	6,906
Cal Bank	1,28,28,789	-
Emirates Bank	3,17,02,916	-
Bank MAS	2,04,12,605	-
Maximum amount outstanding at any time during the year with other banks - Deposit Account		
DnB Nor	-	206,78,34,707
Societe General	-	611
United Overseas Bank, Singapore	-	34,33,26,825
* includes unutilised proceeds from foreign currency convertible bonds issued - Rs.60.14 lakhs (previous year Rs. 67.95 lakhs)		

Schedules annexed to and forming part of the consolidated accounts

	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 10			
LOANS AND ADVANCES (Unsecured, Considered Good)			
Advance recoverable in Cash or in Kind or for value to be received (See Note No.15)		201,37,13,196	293,99,68,448
Deposit with Customs and other tax authorities		2,91,82,828	2,61,82,828
Sundry Deposits		5,73,13,790	9,85,28,560
TOTAL		210,02,09,814	306,46,79,836
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities			
Sundry Creditors - Amount due to Micro Enterprises and Small Enterprises (See Note no.23)		-	-
Sundry Creditors - others		655,60,67,179	1045,69,53,782
Unclaimed Dividends*		81,62,877	68,55,960
Other Liabilities		51,74,62,705	83,06,14,967
Interest accrued but not due on secured loans		80,95,24,581	134,87,09,338
*Note : No amount is due to Investor Education & Protection Fund.			
		789,12,17,342	1264,31,34,047
(b) Provisions			
Provision for taxation (Net of Advance payment of taxes)		92,51,47,781	85,81,64,777
Proposed Dividend - Preference		27,89,00,000	27,25,64,385
Proposed Dividend - Equity		15,66,09,990	13,60,88,280
Tax on Dividend		7,40,14,923	6,94,50,520
Provision for Provident Fund		44,55,271	24,65,714
Provision for Leave Encashment and Gratuity		1,12,30,678	92,61,437
		145,03,58,643	134,79,95,113
TOTAL (a+b)		934,15,75,985	1399,11,29,160
		Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE 12			
INCOME FROM OPERATIONS			
Drilling and Production Services		3347,31,33,822	3040,61,58,891
Wind Power generation		11,34,37,728	9,47,53,658
TOTAL		3358,65,71,550	3050,09,12,549
SCHEDULE 13			
OTHER INCOME			
(a) Rental Income(Gross)		86,74,618	1,89,53,371
(b) Dividend Income from Long term Investments		9,29,769	12,51,304
(c) Dividend Income from Current Investments		2,09,77,608	10,53,88,381
(d) Interest on Bank Deposits (Gross)		2,90,69,254	12,97,15,479
(e) Interest-Others (Gross)			
- On Staff loans	66,833		1,20,750
- On call money relating to equity shares	62,144		17,061
- On Income-tax refund	-		88,71,045
- On Others	3,45,390		
		4,74,367	-
(f) Miscellaneous Income		15,77,73,360	9,03,72,149
(g) Foreign Currency Exchange difference (Net)		-	368,01,95,285
(h) Profit on Sale of Assets (Net)		-	78,09,411
(j) Profit on Sale of Current Investments (Net)		2,10,731	-
TOTAL		21,81,09,707	404,26,94,236

Note: Tax detected at source on a, d & e Rs. 25,91,848/- (Previous year Rs. 32,68,637/-)



Aban Offshore Limited

Schedules annexed to and forming part of the consolidated accounts

Rupees	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE 14		
OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		
Consumption - Stores and Spares	103,31,75,930	173,46,29,143
Power and Fuel	27,02,23,892	15,85,04,925
Salaries and Bonus	278,65,78,723	315,27,80,312
Contribution to Provident funds and Other funds	2,99,65,577	7,32,65,470
Staff Welfare	6,73,84,158	21,61,04,432
Rent	96,31,962	9,70,77,016
Rates and Taxes	3,33,59,950	1,85,08,559
Rental Charges for Machinery	46,26,61,654	111,12,01,943
Repairs and Maintenance		
- Machinery	62,50,59,953	57,43,09,409
- Buildings	11,89,770	37,83,175
- Other assets	<u>2,43,71,488</u>	62,32,965
Insurance	68,84,10,485	62,82,07,954
Drilling Services and Management Fees	47,19,51,403	100,21,47,125
Consultancy and Professional Fees	134,15,49,895	98,98,93,523
Catering Expenses	25,70,53,479	18,65,59,134
Communication Expenses	9,93,56,375	1,74,47,328
Travelling and Transportation Expenses	158,23,89,080	165,87,09,478
Guarantee Commission , Bank and Other Charges	40,57,98,022	31,08,68,056
Loss on Forex contracts	55,55,03,695	39,61,57,367
Loss on transfer of interest in Joint venture (See Note 21 (b))	3,47,00,000	-
Loss on Sale of Investments (Net)	-	4,49,91,564
Provision for Diminution value of Long Term Investment (See Note 14)	120,51,62,014	-
Loss on Sale of Assets (Net)	27,218	-
Auditors' Remuneration : (See Note 24)		
Audit Fees	3,48,28,917	4,76,86,733
Tax Audit Fee	76,17,211	4,50,000
For Certification and Other Services	60,64,852	13,09,632
Reimbursement of Expenses	<u>1,18,558</u>	1,18,058
Foreign currency exchange difference (Net)	120,27,96,180	-
Other Expenses	175,35,92,235	74,28,32,290
TOTAL	<u>1499,05,22,676</u>	<u>1317,37,75,591</u>
SCHEDULE 15		
INTEREST		
On Term Loans	1009,00,80,205	1006,92,84,671
On Convertible Notes	-	17,98,61,472
Others	11,82,40,460	1,03,50,901
TOTAL	<u>1020,83,20,665</u>	<u>1025,94,97,044</u>
Less: Interest Capitalised	44,01,03,297	170,64,62,782
TOTAL	<u>976,82,17,368</u>	<u>855,30,34,262</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

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

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS AND CONCEPTS

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

B. BASIS OF PRESENTATION

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

C. PRINCIPLES OF CONSOLIDATION

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

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

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

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

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

D. USE OF ESTIMATES

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

E. FIXED ASSETS

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

F. DEPRECIATION

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

G. GOODWILL AND AMORTISATION

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

H. INVENTORY VALUATION

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

I. REVENUE RECOGNITION

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

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

J. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

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

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

K. INVESTMENTS

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

L. PROPOSED DIVIDEND

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

M. EMPLOYEE BENEFITS

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

N. BORROWING COST

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

O. TAXES ON INCOME

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

P. IMPAIRMENT OF ASSETS

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

Q. OPERATING LEASES

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

R. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Name of the company	Country of Incorporation	Percentage of holding	Accounts considered	Reporting Currency
Aban Energies Ltd	India	100%	31st March 2010 (audited)	Indian Rupee
Aban Holdings Pte Ltd	Singapore	100%	31st March 2010(audited)	US Dollars
Aban Singapore Pte Ltd	Singapore	(a)	31st March 2010(audited)	US Dollars
Aban International Norway AS	Norway	(b)	31st March 2010(audited)	US Dollars
Aban 7 Pte Ltd	Singapore	(b)	31st March 2010(audited)	US Dollars
Aban 8 Pte Ltd	Singapore	(b)	31st March 2010(audited)	US Dollars
Aban Abraham Pte Ltd	Singapore	(b)	31st March 2010(audited)	US Dollars
Aban Pearl Pte Ltd	Singapore	(b)	31st March 2010(audited)	US Dollars
Sinvest AS	Norway	(b)	31st March 2010(audited)	US Dollars
DDI Holding AS	Norway	(c)	31st March 2010(audited)	US Dollars
Sinvest(Cyprus) Ltd	Cyprus	(c)	31st March 2010(unaudited)	US Dollars
Deep Drilling Invest Pte Ltd	Singapore	(d)	31st March 2010(audited)	US Dollars
Deep Drilling 1 Pte Ltd	Singapore	(e)	31st March 2010(audited)	US Dollars
Deep Drilling 2 PteLtd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 3 PteLtd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 4 Pte Ltd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 5 Pte Ltd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 6 Pte Ltd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 7 Pte Ltd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Deep Drilling 8 Pte Ltd	Singapore	(e)	31st March 2010 (audited)	US Dollars
Beta Drilling Pte Ltd	Singapore	(c)	31st March 2010(audited)	US Dollars
Venture Drilling Pte Ltd	Singapore	(f)	31st March 2010(audited)	US Dollars

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

1. Premium Drilling AS, Norway
2. Venture Drilling AS, Norway

Note:

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

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

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
3. Contingent Liabilities not provided for		
a. Guarantees given by banks on behalf of the Parent Company /subsidiaries	216,62,48,116	127,94,33,297
b. Letters of Credit	1,62,56,392	21,35,39,861
c. Corporate Guarantees given by the Parent Company for its subsidiaries	-	78,61,60,000
d. Capital commitments not provided for	31,54,30,362	49,31,51,803
e. Indemnity obligation pursuant to Novation Agreement	75,00,000	75,00,000

4. Operating Lease commitments

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

Nature of operating lease

Operating Lease –Others

-Within 1 year

-Between 1-2 years

1,48,13,700	9,03,32,320
1,65,64,410	10,51,42,560

5. Managerial Remuneration

Salary and Allowances

Monetary value of perquisites

Sitting Fees

Commission

TOTAL

3,17,83,444	2,84,65,160
63,47,402	52,44,034
3,15,000	3,04,000
9,31,08,843	8,64,93,437
13,15,54,689	12,05,06,631

6. Related Party Disclosure
Enterprise where control exists
A. Subsidiary Companies(Wholly-owned subsidiaries)

Aban Energies Limited , India

Aban Holdings Pte Ltd, Singapore

B. Subsidiaries of Aban Holdings Pte Ltd

Aban Singapore Pte Ltd, Singapore

Aban 7 Pte Ltd, Singapore

Aban 8 Pte Ltd, Singapore

Aban Abraham Pte Ltd, Singapore

Aban Pearl Pte Ltd, Singapore

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

C. Other related parties with whom the Company had transactions

(a) Joint Venture Operator

Prize Petroleum Limited- (See Note No:17)

(b) Key Management Personnel

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

Transactions with related parties during the year

Nature of transaction	Key Management Personnel Rs.		Joint Venture	
	2009-10	2008-09	2009-10	2008-09
i) Rent paid	52,25,752	53,66,304	-	-
ii) Remuneration	13,15,54,689	12,02,02,631	-	-
iii) Interest received	66,883	1,20,750	-	-
iv) Loan repaid	5,40,000	5,40,000	-	-
v) Dividend paid	1,75,15,480	1,75,41,940	-	-
vi) Final settlement	-	-	3,47,00,000	-
vi) Amount outstanding as at 31.03.2010				
- Receivable	3,75,000	9,15,000	-	-
- Payable	9,31,08,843	8,64,93,438	-	-

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

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

	2009-10	2008-09
	Rs.	Rs.
1. Rent paid to Mr.Reji Abraham	52,25,752	53,66,304
2. Dividend paid to Mr.Reji Abraham	1,74,10,702	1,74,10,702
3. Remuneration to Key Management Personnel		
- Mr. Reji Abraham	9,79,75,732	9,23,01,857
- Mr.P.Venkateswaran	1,31,93,234	1,09,85,162
- Mr.C.P.Gopalkrishnan	2,00,70,723	1,69,15,613



7. Segment Reporting

A. Primary Segment

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

B. Secondary Segment

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

	2009-10		2008-09	
	Rs.	Rs.	Rs.	Rs.
1. Segment Revenue				
- Drilling	3367,05,05,937		3441,90,52,246	
- Wind Energy	13,41,75,320		12,45,54,538	
		3380,46,81,257		3454,36,06,784
2. Segment Result				
- Drilling	1434,04,48,088		1550,13,83,542	
- Wind Energy	(14,18,45,575)		(14,62,77,276)	
Less: Interest Expenses	(976,82,17,368)		(855,30,34,262)	
		443,03,85,145		680,20,72,004
3. Segment Assets				
- Drilling	17245,14,71,577		19743,54,44,924	
- Wind Energy	77,32,57,403		97,23,60,890	
		17322,47,28,980		19840,78,05,814
4. Segment Liabilities				
- Drilling	15030,25,78,840		17862,21,49,084	
- Wind Energy	32,70,79,776		48,59,22,923	
		15062,96,58,615		17910,80,72,007
5. Depreciation and impairment				
- Drilling	439,94,07,708		579,85,18,312	
- Wind Energy	21,61,48,360		21,62,06,614	
		461,55,56,068		601,47,24,926
6. Capital Expenditure				
- Drilling	393,53,10,642		2044,08,32,366	
- Wind Energy	-		-	
		393,53,10,642		2044,08,32,366

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

The remaining 30% of notes are secured by secondary charge on rig of subsidiary company.

9. The ordinary shares of Aban Singapore Pte Ltd (ASPL) held by minority shareholders on account of conversion of certain Convertible notes during the financial year ended 31st March 2008 were acquired by the immediate holding company of ASPL during the year ended 31st March 2010. As a result of this, ASPL became a wholly-owned subsidiary of Aban Holdings Pte Ltd, the immediate holding company.
10. 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.
11. 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, 2010 is 2,462,000 share options. (Previous year: 2,462,000 share options). There were no options forfeited, exercised or lapsed for the financial year ended 31st March 2010.
12. In April 2008, the Russian Federal State Property Agency (SPA) has sought to invalidate the Charter between the Arktik (Owner) and the Joint venture Company Venture Drilling AS (Charterer) and for the return of the vessel to the Owner on grounds that the advance statutory approval was not obtained by the Owner for the bareboat charter. On 9th June, 2009, the Commercial Court of the Murmansk ruled in favour the SPA, the effect being that the Charter is allegedly invalid and that the vessel should be redelivered according to Russian law.

Management, based on advice by legal counsel, had filed an appeal on 3rd July 2009 against above mentioned judgment of the Commercial Court of Murmansk and are of the opinion that the Charter, governed under Norwegian law is valid and the Charterer has the legal right to enjoy the use of the vessel for the remaining charter period. By a ruling dated 10th December, 2009 to the appeal filed on 3rd July, 2009, the ruling dated 9th June 2009 of the Commercial Court of the Murmansk was upheld. The decision of the Appeal Court has been appealed to the Russian Court of Cassation and a hearing before this Court is scheduled to 1st June 2010. Venture Drilling AS has also commenced arbitration proceedings in Norway according to the Charter, which is subject to Norwegian Law and arbitration. The purpose of these proceedings is to have an arbitration award that the Charter is valid under the Norwegian law, which is the governing law of the Charter, or alternatively to be awarded economic compensation according to Arktik's representations and warranties that all Russian law requirements had been complied with. It is the opinion of the management and its legal counsel that the Charterer will have a strong case under Norwegian law to claim for compensation against the Owner to cover economic loss that will be suffered by the Charterer.

13. Goodwill on consolidation (acquisition of foreign subsidiaries) is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. For the year 2009-10, 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. Provision for diminution in value of investments includes diminution in value of equity investment by a foreign subsidiary in a Norwegian company amounting to Rs.120,51,62,014/- (Previous year :Nil) This diminution is arising from a prolonged and significant decline in the value of such investment. This diminution in value of investment has been charged to the Profit and Loss Account for the financial year ended 31st March 2010.
15. Loans and Advances include loan to a Deputy Managing Director of the Parent Company who was an Officer at the time of taking the loan- Rs.3,75,000/- (Previous year: Rs.9,15,000/-) Maximum amount outstanding during the year: Rs.9,15,000/- (Previous year: Rs.14,55,000/-).
16. Rent includes operating lease rentals in respect of property amounting to Rs.8,98,22,753/- (previous year Rs.6,12,97,800/-) and Rental for Machinery includes operating lease rentals in respect of a rig amounting to Rs.1,51,23,538/- (previous year Rs.39,86,68,110/-).
17. The Company has completed the formalities for termination of the joint operating agreement with Prize Petroleum Limited. Consequent to this, the Company has debited an amount of Rs.3,47,00,000/- to the Profit and Loss Account under the head "Loss on transfer of interest in Joint Venture".
18. The Parent Company has instituted Employee Stock Option Scheme-2005 duly approved by the shareholders in the Extra-ordinary General Meeting of the Company held on 23rd April 2005. As per the scheme, the Compensation Committee of the Board evaluates the performance and other criteria of the employees and approves the grant of options. These options vest with the employees over a specified period subject to fulfillment of certain conditions. Upon vesting, the employees are eligible to apply and secure allotment of Parent Company's share at the prevailing market price on the date of grant of option.

The Securities Exchange Board of India (SEBI) issued the Employee Stock Option Scheme and the Employee Stock Purchase Scheme guidelines in 1999 applicable to stock options established on or after 19th June 1999. Under these guidelines, the excess of market price of the underlying equity shares as of the date of grant of option over the exercise price of the option is to be recognized and amortised on a straight line basis over the vesting period. The Parent Company has not recorded any deferred compensation expenses as the exercise price was equal to the market value of the underlying shares on the grant date. The excess of exercise price over the nominal value of equity shares issued under ESOS has been credited to securities premium account Rs.74,32,967/- (Previous year: Rs.30,98,805/-).

The details of options granted are given below:

Maximum number of options that may be granted under the scheme: 18,44,000 equity shares of Rs.2/- each (Previous year: 18,44,000 equity shares of Rs.2/- each)- Options granted during the year:1,75,000 equity shares of Rs.2/- each (upto Previous year: 2,68,200 equity shares of Rs.2/- each)-Options lapsed during the year: 16,800 equity shares of Rs.2/- each (upto Previous year: 7,090 equity shares of Rs.2/- each)- Options exercised during the year:16,740 Equity shares of Rs.2/- each (upto previous year: 64,650 equity shares of Rs.2/- each)- Outstanding at the end of the year: 3,37,920 equity shares of Rs.2/- each (upto Previous year:1,96,460 equity shares of Rs.2/- each))-Options yet to be granted under the scheme:14,24,690 equity shares of Rs.2/- each (Previous year: 15,82,890 equity shares of Rs.2/- each).

19. The Parent Company had issued 1,161 unsecured unrated zero coupon Foreign Currency Convertible Bonds (FCCB) of Japanese Yen of 10,000,000 each aggregating to JPY 11,610,000,000 (Rs.428,49,22,220) in April 2006. The bondholder has an option to convert these bonds into equity shares of Rs.2/- each of the Parent Company at a conversion price on or after 19th April 2007 and upto the close of business on 8th April 2011. The conversion price has been fixed as Rs.2,789.04 per equity share of Rs.2/- each. Until 31st March 2010, 620 Bonds aggregating to Japanese Yen 6200 million have been converted into 8,51,055 equity shares of Rs.2/- each at a conversion price of Rs.2,789.04 per equity share of Rs.2/- each. After conversion, 541 bonds are outstanding as as 31st March 2010 aggregating to Japanese Yen 5410 million (Rs.259,84,90,263/-). The Parent Company has an option to redeem the bonds at the accredited principal amount in whole and not in part at any time on or after 14th April 2009 and on or prior to 8th April 2011 subject to certain terms and conditions. No interest accrues or is payable on the bonds unless willful default is made in respect of any payment in which case the overdue sum shall bear interest at the rate of 4% per annum from the due date. Unless previously redeemed, converted or re-purchased and cancelled, the Parent Company will redeem each bond at 121.811% of its principal amount on 15th April 2011 being the maturity date of the bond.
20. On 13th May 2010, there was an incident on board the semi-submersible rig Aban Pearl, owned by the indirect subsidiary of the wholly-owned foreign subsidiary of the Company which was performing a drilling contract off the Coast of Venezuela. The rig is reported sunk in the early hours of 13th May 2010 (local time). The Company is assisting the Government of Venezuela in assessment and determination of the causes of the incident. The indirect subsidiary has lodged its claim for Total Loss with the insurance company. The assessment by the insurance adjustors is still underway and the financial impact on account of this incident cannot be quantified pending completion of the loss assessment by the insurance company. In case the rig is declared as a Total Loss, any adjustment that is required to be made on insurance recoveries, will be made in the accounts for the year ended 31st March 2011.
21. The year-end foreign currency exposure that have not been hedged by foreign currency contracts are as under:

Sr. No.	Underlying Exposure	2009-10	2009-10	2008-09	2008-09
		USD (million)	Rs.(crores)	USD (million)	Rs.(crores)
1.	Payables	40.00	179.56	20.00	101.44
2.	Foreign Currency Convertible Bonds	57.89	259.85	54.96	278.75
3.	Bond Loans denominated in Norwegian Kroners in Foreign subsidiary	67.29	302.06	59.42	301.40

22. The Parent Company and its foreign subsidiary has also entered into foreign currency and interest rate contracts for hedging currency and interest related risks. The outstanding value of hedged foreign currency contracts as at 31st March 2010 are Rs.1,052.07 crores (Previous year: Rs.2,533.91 crores). The details are given below:

Nature of Derivative transaction	2009-10 Rs.crores	2008-09 Rs.crores	Purpose
Currency Forward Contracts and options	990.95	2,293.19	Hedging the risk of exchange rate fluctuations
Interest Swaps	61.12	240.72	Hedging the risk of interest rate movements

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

Name of the Company	Country of Incorporation	Proportion of ownership interest 2009-10	Proportion of ownership interest 2008-09
Frontier Offshore Exploration India Ltd (Please refer note below)	India	25% of share capital	25% of share capital
Prize Petroleum Ltd – Joint Controlled assets (Please refer Note no.17)	India	NIL (See Note no.17)	NIL (See Note no.17)

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

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

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

	2009-10 Rs.	2008-09 Rs.
a) Profit after tax, preference dividend and tax thereon	278,37,33,326	508,78,70,171
	No. of shares	No. of shares
b) Weighted average number of fully paid equity shares used in calculating basic earnings per share	3,98,57,011	3,77,73,816
Add: Partly paid Equity Shares calculated as fully paid	-	13,270
TOTAL	3,98,57,011	3,77,87,086
Basic Earnings per share (Rupees) (a/b)	69.84	134.65
(c) Weighted average number of fully paid equity shares used in calculating - Diluted Earnings per share	4,04,76,336	3,79,42,122
Add: Partly paid Equity shares calculated as fully paid	-	13,270
TOTAL	4,04,76,336	3,79,55,392
Diluted earnings per share (Rupees) (a/c)	68.77	134.05

25. During the year, the Parent Company has allotted 56,97,135 equity shares of Rs.2/- each at a share premium of Rs.1222.30 per share to the Qualified Institutional Buyers based on the pricing formula as prescribed under SEBI Guidelines.

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

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

For and On behalf of the Board

Ramaswamy Subramanian

Partner

Membership No: 016059

Place: Chennai

Date : 25.05.2010

Reji Abraham
Managing Director

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

**Financial Highlights - 5 years at a glance**

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)	2007-08 (Rs. Lakhs)	2006-07 (Rs. Lakhs)	2005-06 (Rs. Lakhs)
REVENUE					
Income from Operations & Other Income	136,383.29	122,958.96	73,877.11	56,459.02	50,542.28
PBIDT	87,771.84	75,781.09	41,796.47	31,700.79	29,660.51
Interest	33,714.23	25,506.20	6,924.30	4,482.31	4,363.23
Depreciation	10,911.57	9,724.38	9,544.69	9,478.09	9,508.01
Goodwill Amortised	-	-	629.33	629.33	629.33
Profit before tax	43,146.04	40,550.51	24,698.15	17,111.07	15,159.94
Tax	15,101.72	14,574.34	8,788.03	7,151.51	6,778.28
Profit after tax	28,044.32	25,976.17	15,910.12	9,959.56	8,381.66
BALANCE SHEET					
Net Fixed Asset	57,564.18	52,425.28	57,023.23	64,702.64	102,334.84
Investments	396,863.83	138,074.90	97,850.77	89,830.23	5,700.62
Net Current Assets	82,536.86	247,471.34	98,584.99	22,582.83	9,558.66
TOTAL	536,964.87	437,971.52	253,458.99	177,115.70	117,594.12
Share Holders Fund	217,293.06	124,517.62	101,291.38	66,244.45	43,324.35
Borrowings	315,314.98	308,298.79	145,631.85	103,497.52	67,709.03
Deferred Tax Liability	4,356.83	5,155.11	6,535.76	7,373.73	6,560.73
TOTAL	536,964.87	437,971.52	253,458.99	177,115.70	117,594.12
Return on Networth	12.91%	20.86%	15.71%	15.03%	19.35%
EPS (Basic) - Rs.	62.18	60.30	34.54	22.71	19.81
EPS (Diluted) - Rs.	61.22	60.04	33.80	21.74	19.81
Debt Equity Ratio	1.45	2.48	1.42	1.56	1.56



Aban Offshore Limited

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

Twenty Fourth 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 24th Annual General meeting of Aban Offshore Ltd, held on Friday, the 24th September, 2010 at 11.00 a.m. at the Mini Hall of Music Academy, 168 (old no.306) TTK Road, Royapettah, 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 24th Annual General Meeting of the Company on to be held Friday, the 24th September, 2010 at 11.00 a.m. at the Mini Hall of Music Academy, 168 (old no.306) TTK Road, Royapettah, Chennai - 600 014 or any adjournment thereof.

Signed this day of 2010

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.

