

ANNUAL REPORT 2020-21

The background of the cover is a stylized illustration of an offshore oil rig at sunset. The rig is silhouetted against a sky with warm orange and yellow tones from the setting sun. The rig's structure is illuminated with various colored lights (red, blue, green). In the foreground, there is a dark, wavy line representing the sea surface, with numerous small, glowing blue bubbles rising from below. The overall color palette is dominated by blues, oranges, and yellows.

aban

Offshore Limited

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Forward-looking statement

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

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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

M.A. ABRAHAM | 1939-2004

CORPORATE INFORMATION

BOARD OF DIRECTORS

P. Murari	- Chairman
Reji Abraham	- Managing Director
K. Bharathan	- Director
Ashok Kumar Rout	- Director
Deepa Reji Abraham	- Director
Subhashini Chandran	- Director
P. Venkateswaran	- Director
C.P. Gopalkrishnan	- Deputy Managing Director & Chief Financial Officer
S.N.Balaji	- Deputy General Manager (Legal) & Secretary

AUDIT COMMITTEE

P. Murari	- Chairman
K. Bharathan	- Member
P. Venkateswaran	- Member
Ashok Kumar Rout	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

COMPENSATION COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

K. Bharathan	- Chairman
P. Murari	- Member
Ashok Kumar Rout	- Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ashok Kumar Rout	- Chairman
C.P. Gopalkrishnan	- Member
Deepa Reji Abraham	- Member
Subhashini Chandran	- Member

STATUTORY AUDITORS

P.Murali & Co.,

Chartered Accountants
Office 'C' 7th Floor, Tower 1
Sakthi Towers,
No. 766, Anna Salai
Chennai- 600 002

BANKERS

AXIS BANK LIMITED
BANK OF BARODA
BANK OF INDIA
CANARA BANK
CENTRAL BANK OF INDIA
EXPORT IMPORT BANK OF INDIA
ICICI BANK LIMITED
IDBI BANK LIMITED
INDIAN BANK
INDIAN OVERSEAS BANK
PUNJAB NATIONAL BANK
STATE BANK OF INDIA
UNION BANK OF INDIA

REGISTERED OFFICE

"Janpriya Crest"
113 Pantheon Road Egmore
Chennai - 600 008.
CIN : L01119TN1986PLC013473
Website : www.abanoffshore.com
Email ID : ir@aban.com
Phone : 044 - 49060606
Fax : 044-28195527

REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED
Unit: Aban Offshore Limited
"Subramanian Building"
No.1, Club House Road, Chennai - 600 002.
Email ID : investor@cameoindia.com
Phone : 044 - 28460390
Fax : 044 - 28460129



Aban Offshore Limited

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

NOTICE TO MEMBERS

Notice is hereby given that the Thirty fifth Annual General Meeting of the members of ABAN OFFSHORE LIMITED will be held on Monday the 20th September 2021 at 10:15 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements, namely (i) the Audited Balance Sheet as at 31st March, 2021 (ii) the Audited Profit and Loss Account for the year ended on that date, (iii) cash flow statement for the financial year ended on that date (iv) statement of changes in Equity, if any (v) an Explanatory statement annexed to, or forming part of the documents referred to in (i) to (iv) above together and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Deepa Reji Abraham (DIN: 00212451) who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 and other applicable provisions and rules, if any of the Companies Act, 2013 read with Schedule V to the Act and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for the re-appointment of Mr. C.P.Gopalkrishnan (DIN:00379618) as Deputy Managing Director of the Company for a period of 5 years from 01.08.2021 to 31.07.2026 on the terms and conditions with respect to remuneration as under:

A a) Basic Salary

In the range of Rs.8,00,000/- to Rs.15,00,000/- per month

b) Perquisites

I) Housing

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

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

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

II) Medical Reimbursement

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

III) Leave Travel Concession

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

IV) Club Fees

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

- V) Personal Accident Insurance and other term insurance.

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

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

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

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

- IX) Leave

Privilege Leave

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

The Remuneration Committee be and is hereby authorised in its absolute discretion and from time to time to fix within the range stated above the remuneration payable to Mr. C. P. Gopalkrishnan.

B. Minimum Remuneration

In case of loss or inadequacy of profits in any financial year during the currency of tenure of Mr.C.P.Gopalkrishnan, the payment of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule to the Act.

// By Order of the Board //

Chennai- 600 008

June 21, 2021

S.N.Balaji

Dy. General Manager (Legal) & Secretary

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and Circular dated January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 2 This Notice, together with the Annual Report for the financial year 2020-21 is being sent only in electronic form, in accordance with the relaxation granted by the Securities and Exchange Board of India Vide Circular No.SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, to all the shareholders whose names stand on the Register of Members/ list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as at the close of business hours on Friday, the 13th August 2021 and who have registered the email id with the Company/Depositories.
- 3 Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution /Authorisation shall be sent to the Scrutinizer by email through its registered email address to ramgcs@gmail.com with a copy marked to evoting@nsdl.com.
 5. Members who are holding shares in physical form are requested to avail dematerialization facility. For further information, please refer to FAQs posted by National Securities Depository Limited on its website www.nsdl.co.in and Central Depository Services (India) Limited on its website www.cdsindia.com.
 6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Cameo Corporate Services (CAMEO) in case the shares are held by them in physical form.
 7. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CAMEO, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 13th September, 2021 through email on secretarial@aban.com. The same will be replied by the Company suitably.
 9. Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of Unclaimed amount referred to under Section 124 of the Companies Act, 2013 on its website and also on the website of the Ministry of Corporate Affairs (MCA) viz www.iepf.gov.in.
 10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- A. VOTING THROUGH ELECTRONIC MEANS**
- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
 - ii. The remote e-voting period commences on September 17, 2021 (9:00 a.m. IST) and ends on September 19, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 13th day of September 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - iii. The Board of Directors has appointed Mr. G Ramachandran (Membership No. FCS 9687) of M/s. G Ramachandran & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
 - iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

- vii. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
A) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

- 5 Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?

- i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form.

The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii) In case you have not registered your email address with the Company / Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit ” and also “ Confirm ” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the Confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to ramgcs@gmail.com with a copy marked to evoting@nsdl.co.in.

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com> to reset the password.
2. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user

manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for e-voting, please contact :

Ms. Pallavi Mhatre, Manager, NSDL,
4th Floor, ‘A’ Wing, Trade World,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Email: evoting@nsdl.co.in/pallavid@nsdl.co.in,
Tel: 91 22 2499 4545/ 1800-222-990.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, CAMEO at sofia@cameoindia.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process by your DP.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company’s AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at agmspeakers@aban.com from September 13, 2021 (9:00 a.m. IST) to September 15, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.abanoffshore.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 101 (2) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 21.06.2021.**ITEM NO.3**

Mr.C.P.Gopalkrishnan joined the organisation in the year 1987. At the Annual General Meeting held on 29th September, 2016 he was reappointed as Deputy Managing Director for a further period of 5 years from 01 August, 2016 to 31 July, 2021. His biodata is available under the Corporate Governance Report.

Considering his contributions to the growth and in the best interest of the company, the Directors at their meeting held on 21.06.2021 recommended the reappointment of Mr.Gopalkrishnan as Deputy Managing Director for a further period of 5 years from 01.08.2021 to 31.07.2026 as detailed in the resolution. Members may note that Mr.C.P.Gopalkrishnan will be attaining the age of seventy, before the completion of this term. The resolution requires approval of the members and hence the item is placed before the Meeting for approval.

Mr. C.P.Gopalkrishnan is not being paid remuneration since April 2018 in view of the loss incurred by the Company and on account of default to the lenders. In the event of Company turning around, during his term, remuneration referred in the resolution can be paid.

Except Mr.C.P.Gopalkrishnan, none of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested in the item of business.

// By Order of the Board //

Chennai- 600 008
June 21, 2021

S.N.Balaji
Dy. General Manager (Legal) & Secretary



Aban Offshore Limited is an integral partner to the global energy sector.

One of the world's most competitive offshore drilling services providers. Besides, the company is India's largest offshore drilling service provider in the private sector.

The Company enjoys respect for size, service and Environment, Social and Governance commitment, resulting in its being engaged by a number of marquee global customers.

The Aban Group was formed in 1965 by Mr. M.A. Abraham as a small engineering firm in Chennai. Building on his background in the construction sector, Mr. Abraham embarked on the execution of high-pressure systems and cross-country pipelines. Leveraging this rich experience, he diversified into the value-added domains of drilling, power generation and IT-enabled services (ITeS)

Vision

To be the leading global offshore company providing drilling, exploration and production services to our clients by consistently achieving targets beyond expectations through amalgamation of our competent and motivated people, equipment and innovative expertise.

Mission

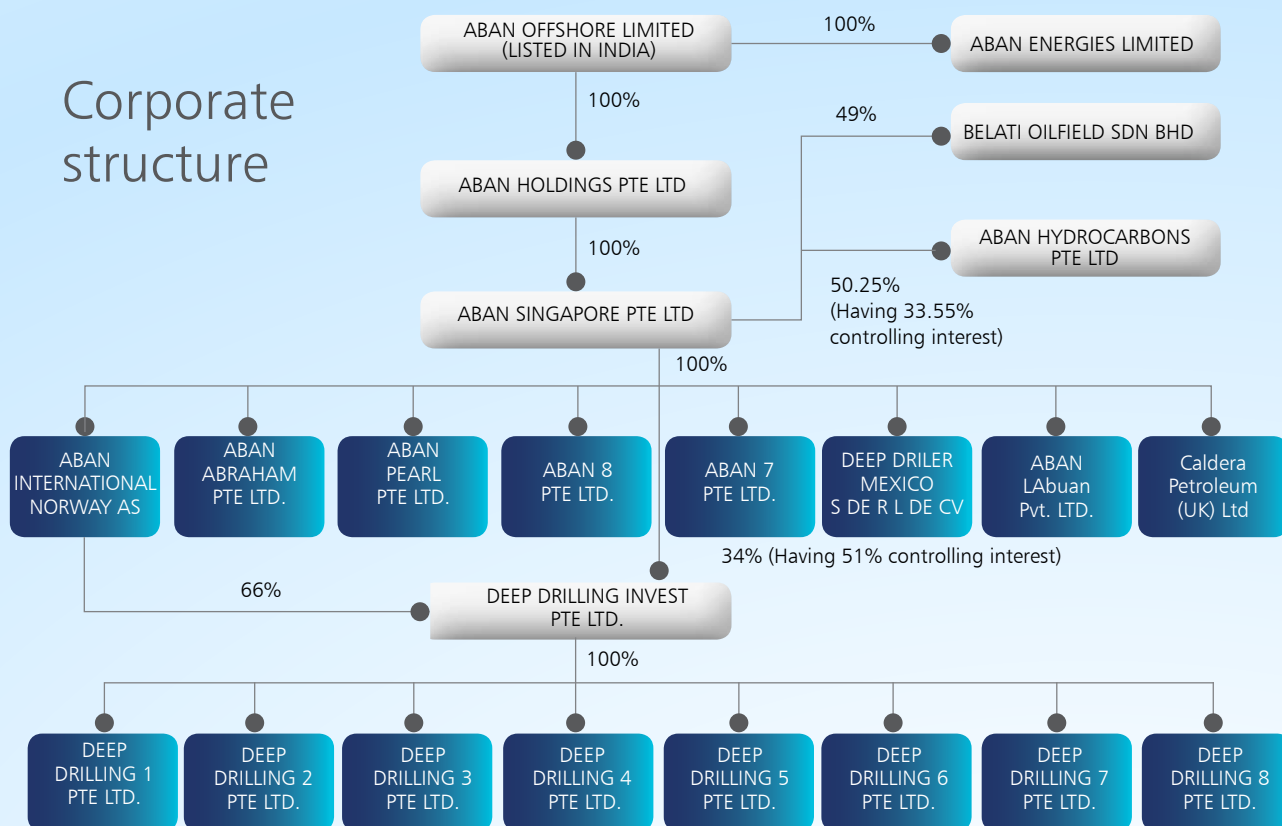
We will be recognised as global leaders, by offering our clients superior service, including experienced, suitably trained and motivated personnel, superior, reliable and efficient equipment with environmentally friendly operations.

We will achieve leadership status by actively encouraging our employees to attain the highest standards of ethics, honesty and integrity. We will foster pride, enthusiasm, creativity and teamwork to ensure trust and confidence in our employees, clients and suppliers.

We will actively support and emphasize "zero tolerance" to unsafe working practices and conditions, by utilising and implementing the best industry safety standards in our operations at all times.

We will actively grow Aban through financial discipline and cost effective asset management to deliver superior returns to our clients and shareholders.

Corporate structure



























Consolidated financial results

(Rs. in million)

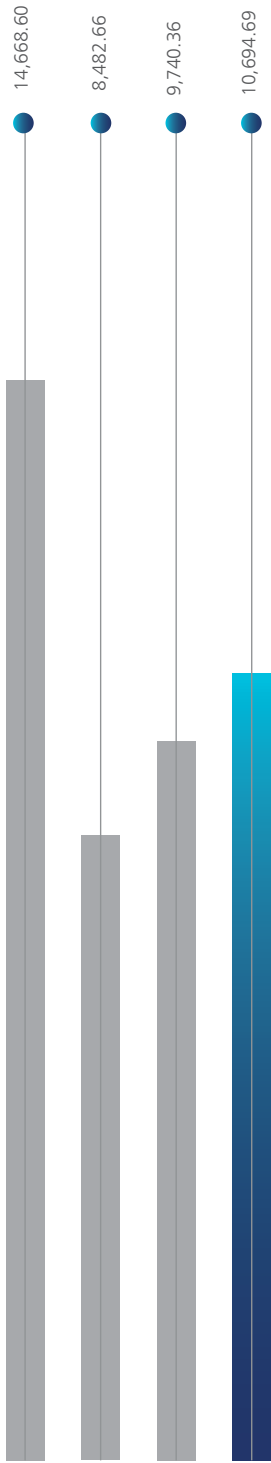
Particulars	AOL (Consol)	
	FY 2020-21	FY 2019-20
Revenues	10,694.69	9,740.36
Expenses	(7,581.75)	(9,080.76)
EBIDTA	3,112.94	659.60
EBIDTA margin %	29.11	6.77
Finance Costs	(11,057.10)	(12,029.63)
Depreciation	(1,949.90)	(8,448.58)
Other Income / Share of profit from Associate	2,238.84	122.84
Profit / (Loss) before tax	(7,655.22)	(19,695.77)
Tax including Def Tax	197.01	4,281.14
Profit / (Loss) after tax	(7,458.21)	(15,414.63)
Impairment / write down of Property, Plant and Equipment and Inventory	(7,068.65)	(73,104.20)
Impairment / write off of Receivables	(5,531.09)	(1,207.30)
Exceptional Item Loan waiver	332.64	-
Other Comprehensive Income	4,704.75	(10,394.52)
Net Profit/(Loss)	(15,020.56)	(1,00,120.65)

Clients

 ONGC Limited	 Petrobras (Brazil)	 Brunei Shell Petroleum Co Sendirian Berhad	 Chevron (Thailand) Limited	 PEMEX (Mexico)	 Petronas Carigali Sendirian Berhad	 Reliance Industries Ltd.	 Hardy Exploration & Production (India) Inc.
 Shell Malaysia Limited	 Gujarat State Petroleum Corporation Limited	 Hindustan Oil Exploration Company Limited	 Vedanta Limited	 Bundug Oil Company Limited	 Kosmos Energy (Ghana)	 PetroSA EG	 Vietsov Petro (Vietnam)
 Total E&P (Qatar)	 ONGC Videsh Limited	 Masirah Oil Limited (Oman)	 Dubai Petroleum	 Santos Bangladesh Limited	 Petrofac (Malaysia)	 Exxon Mobil (Malaysia)	 ADNOC

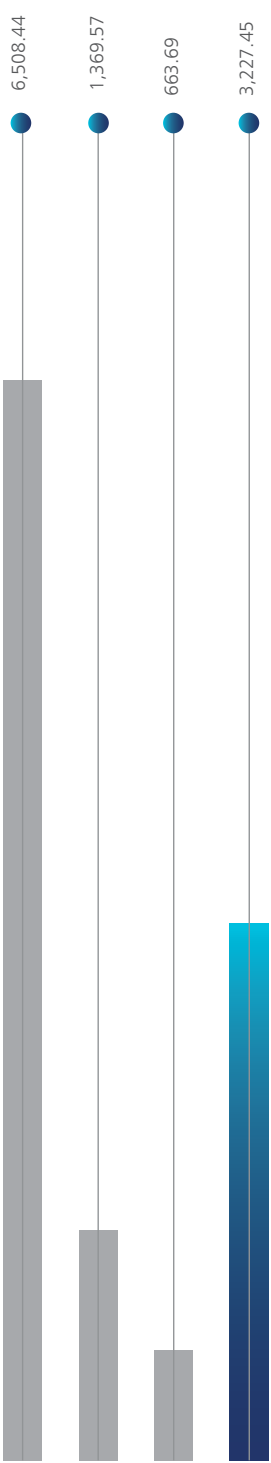
Our performance over the years

Revenues (Rs. million)



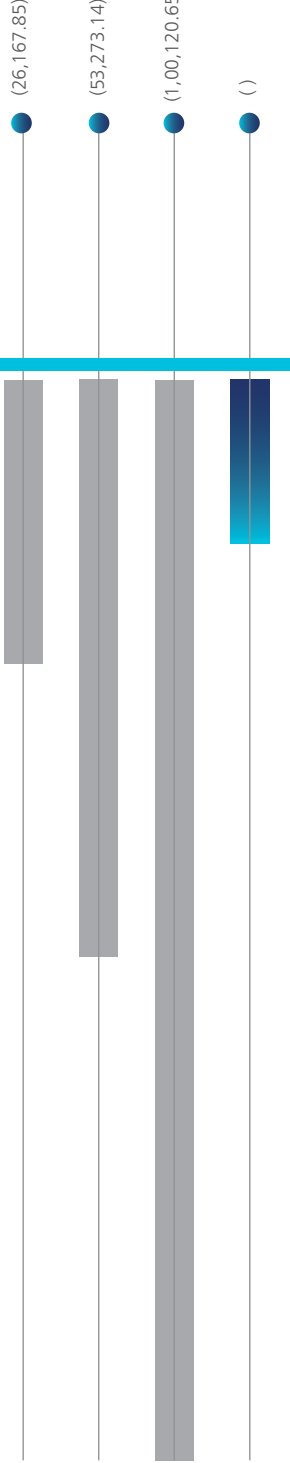
FY17-18 FY18-19 FY19-20 FY20-21

EBITDA (Rs. million)



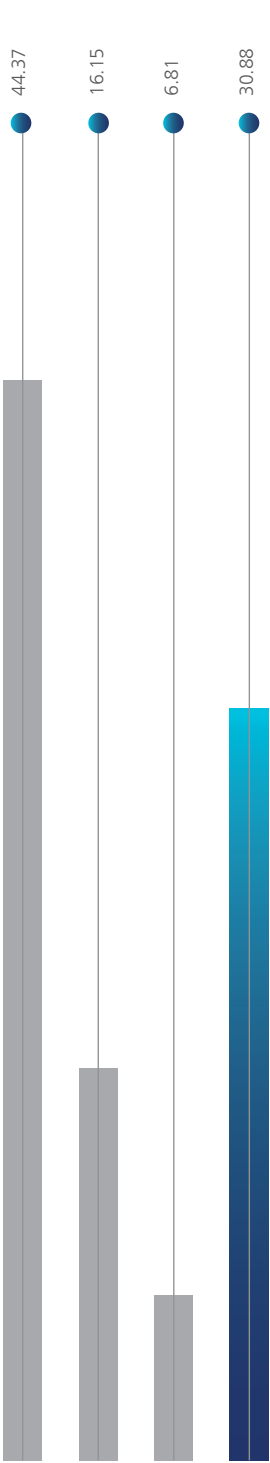
FY17-18 FY18-19 FY19-20 FY20-21

Net profit/ loss (Rs. million)

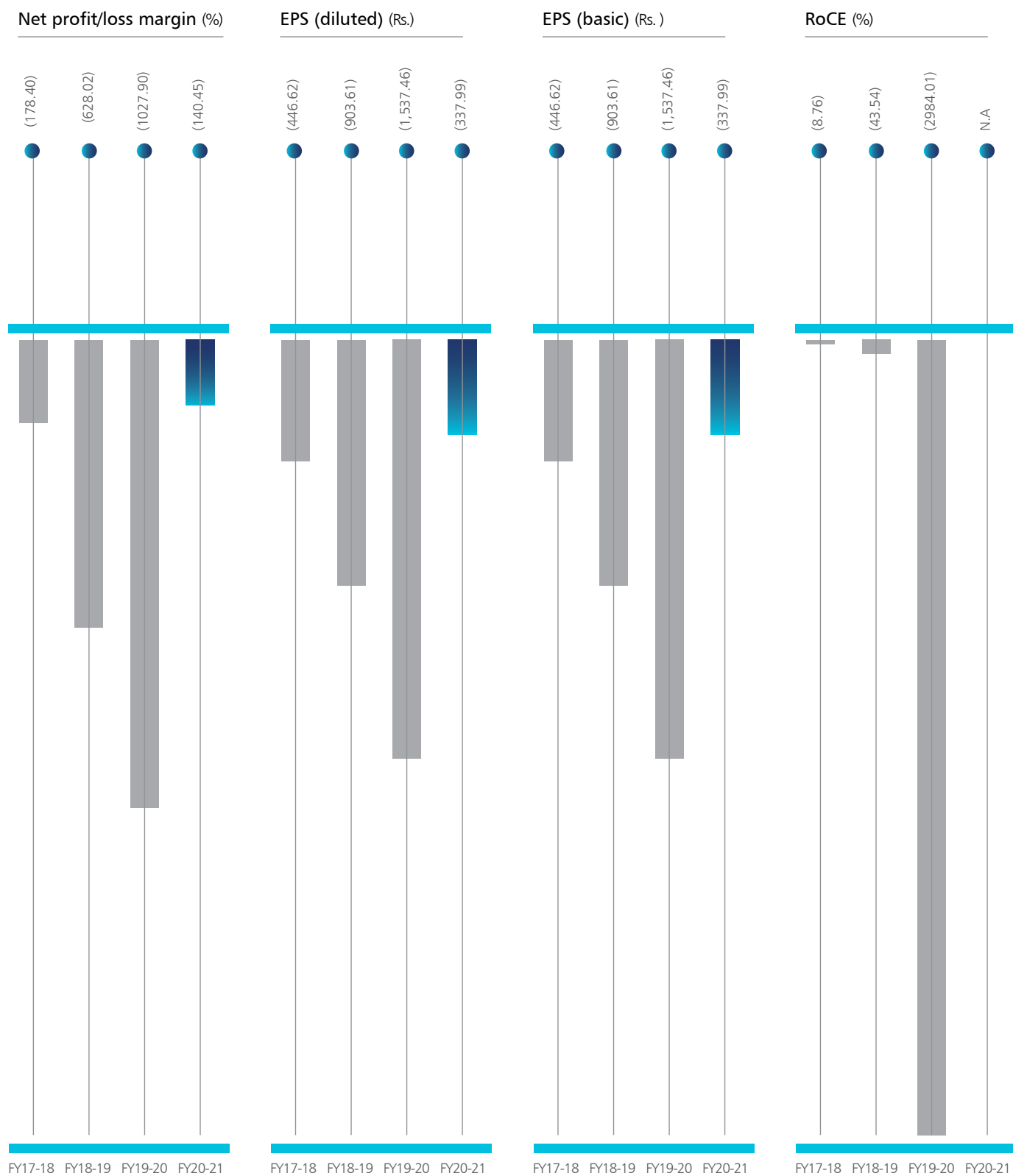


FY17-18 FY18-19 FY19-20 FY20-21

EBITDA margin (%)



FY17-18 FY18-19 FY19-20 FY20-21



A large offshore oil rig with a red and blue structure is positioned in the center-right of the frame. To its left, a smaller blue and white support vessel is visible on the water. The background shows a clear blue sky and a calm sea. A semi-transparent blue box is overlaid on the bottom left of the image, containing the title text.

Managing Director's overview

Reji Abraham
Managing Director

Overview

The global rig service market has been in the most extended downtrend that we have encountered in our memory.

During the previous sectorial downtrends, drilling industry usually encountered changes in day rates – higher rates during an uptrend and weaker realisations during a downtrend – with moderate changes in the overall sectoral capacity utilisation. As a result, it was always possible for drilling service providers to report relatively low profits (not necessarily losses) during sectoral declines and higher surpluses during sectoral rebounds.

What makes this downtrend unique is that day rates have declined sharply in line with an extensive decline in the overall rig capacity utilisation the world over. As per one estimate, the global rig capacity utilisation was estimated at 81.8% in 2020-21, considerably lower than the average that the sector would report even as recently as a decade ago.

2020-21 perspective

The global drilling industry is largely dependent on the performance of its downstream sector. Across the decades, there has been a visible correlation between oil prices and drilling industry dynamics. High oil prices inevitably translated into higher earnings for oil explorers who ploughed an identified proportion of their earnings into fresh exploration. The additional drilling translated into rig rentals, which kept service providers like your company in operation.

During the last financial year, the oil market was affected by the outbreak of the COVID-19 pandemic. As countries enforced lockdowns, there was a decline in public mobility, which affected the consumption of oil. As a global oversupply began to emerge – forward pricing for oil going into negative territory for the first time in living memory – there was a sharp decline in the earnings of oil companies and a corresponding decline in their capacity to reinvest in additional exploration.

This cascading impact affected the drilling industry in the form of low enquiries for exploration and some existing customers resorting to terminate their contracts well before scheduled completion. The result was an uncertain environment that affected virtually every single drilling service provider the world over.

Aban's priorities

In this challenging environment, the first and foremost priority for Aban was to stay engaged with the global oil exploration companies, stay plugged into their prospective exploration programmes and seek opportunities to deploy its rigs for their programmes.

Given the grim reality of the operating environment, your company performed creditably. At a time of low business enquiries, your company ensured that nine of its eighteen rigs were deployed at some point through the year under review. We believe that this deployment is amongst the more creditable instances within the sector the world over.

The highlight of the company's commitment to put its rigs into action

was the deployment to ONGC of the Aban II jack-up rig for a period of three years starting February 2021. This deployment was made at an improved day rate, better than the previous rates with ONGC. .

While the immediate deployment of the rigs provides the company with attractive revenue visibility for the moment, the company will seek to plug instances of rig release with fresh contracts and the objective to enhance overall portfolio deployment.

Aban's operations

During the financial year under review, Aban VIII commenced its 249-day campaign with Bunduq Company Ltd (Abu Dhabi), a first-time customer.

In a setback, the deployment contract for the rig DD5 was terminated midway by the customer following a decline in profit visibility leading to shrinking well programmes.

Aban III and Aban IV continue to work for ONGC.

Rigs, which are on contracts, continue to perform well

Restructuring

At Aban, we believe that the key to turning the company around lies in enhancing asset utilisation, renegotiating term loans and exploring the possibility of downsizing the portfolio.

During the year under review, your company worked with lenders to extend the maturity of the listed bonds of its subsidiary to June 2022. This has helped ease cash flows and provided leverage to the company to address its liabilities.

To address its liabilities with responsibility, the company has entered into discussions to sell its idle assets as well as that of subsidiaries. This proposed sale (approved by shareholders at an Extraordinary General Meeting) is being done to initiate a virtuous cycle that makes it possible to moderate liabilities, debt and maintenance costs on the one hand and respond to any sectoral upturn with a complement of productive and efficient rigs.

ESG commitment

During the year under review, your company continued to strengthen its ESG backbone.

Globally, the company is respected for its extensive training provided to engineers and employees in the area of operational safety, asset maintenance and standard operating protocols. The result is that the company's assets were considered safe and deliver a high uptime, ensuring superior value for its customers. Besides, the company's operations were benchmarked with the global asset efficiency and resource consumption standards.

The company's operations were conducted in line with enunciated codes of conduct and ethical framework. The company complied extensively with the laws of the lands of its presence. The company followed a system of strategic predictability that was aligned with the direction set out by the Board of Directors.

Through the interplay of environment-social-governance, the company lived its role of a responsible corporate citizen.

Sectoral outlook

Interestingly, the revival in oil prices - US\$ 63 per barrel as on 31 March, 2021 – is yet to translate into an improvement in rig utilisation or day rates.

In this environment, no new rigs are being constructed; if at all, we see the possibility of some existing rigs being scrapped, reducing the overall rig float across the world. When this becomes perceptible, the skew in demand-supply of rigs should begin to correct, the first step towards a relatively balanced sectoral outlook that enhances value for all stakeholders.

As a market-facing company in the E&P services sector, we will continue to prospect for more rig deployment enquiries, outperforming the rest of the sector and restoring our business to pristine health.



Management discussion and analysis

Global economic overview

The global economy reported a contraction of (3.5)% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from US\$ 1.5 trillion in 2019 to US\$ 859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

In 2020, global economic activity was affected by the pandemic, resulting in a contraction of (-) 3.4% after a slow growth 2.4% in 2019. G20 countries experienced an aggregate slowdown of (-) 3.2%, with the Euro area contracting by (-) 6.8%, UK by (-) 9.9%, Japan by (-) 4.8% and the US by (-) 3.5%. Among major economies, India contracted by (-) 8% while China was the only major economy to record a growth of 2.3% in 2020.

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.5% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF). Drive of resilience and growth have been different across economies, with the US being led by household spending, while emerging markets and East Asia catalysed by industrial production, exports and the commodity boom. Europe is benefiting from a resumption in world trade, while its consumer spending remains constrained.

Indian economic review

The Indian economy passed through one of the most volatile periods in living memory in 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slumping economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian Government announced a bold economic stimulus to combat the sharp slowdown caused by the lockdown, its various measures aimed at easing liquidity and credit unavailability faced by the MSME sector to reinvigorate economic activity. Similarly, various measures targeted at incentivising investments in economic segments and labour reforms, helped improve sentiment and attract global investments, strengthening India's self-reliance for critical needs.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India - real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted around 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery - one of the most decisive among major economies - validated India's robust long-term consumption potential.

During FY 2020-21, while the Agricultural sector posted a growth of 3%, the Industrial sector contracted by (-) 7.4% and the Services sector was hit the hardest with a decline of (-) 8.4%. As a result, consumption expenditure declined (-) 7.1% while Gross Fixed Capital Formation contracted (-) 12.4%.

Outlook

The outlook for the Indian economy appears guarded in view of the second surge of the pandemic in the first quarter of 2021-22. Spending is likely to be muted across sectors; a number of credit rating agencies moderated India's projected GDP growth rate from around 12% for 2021-22 to around 8%, factoring the pandemic impact.

However, the medium-term outlook of the country appears to be positive in view of the possibility that three down cycles - long-term, medium-term and short-term - could well be reversing at the same time. There is a possibility of each of these downtrends having played out, which could well lead to a multi-year revival in capital investments. Besides, a change in the US leadership could result in a revival in global, trade, benefiting Indian exporters.

Global crude oil market overview

The global crude oil production was estimated at 91 million barrels per day in 2020 and is set to grow by 5.4 million barrels per day in 2021 to reach 96.4 million barrels per day, recovering around 60% of the volume lost to the pandemic in 2020. Brent crude oil prices averaged US\$ 41.96 per barrel through 2020, US\$ 29.04 less than the average price in 2019 but in February 2021, the average price per barrel of Brent crude reached US\$ 62.28. Brent prices reached an annual low of US\$ 15.98 per barrel and a high of US\$ 71.38 per barrel between April 2020 to March 2021, a significant variance attributed to the COVID-19 outbreak.

United States, the world's largest economy, remained the largest oil-producing country consecutively for six years, with an average of 19.51 million barrels per day, which accounted for 19% of the world's production as of 2020, which, put downward pressure on crude oil prices. Crude oil production from major oil producing countries like Saudi Arabia contributed 12% of the world's total production while Russia fell back, accounting for 11% of the world production. Total OPEC production was placed at 25.59 million barrels per day in 2020, a decline from the average production of 29.8 million barrels per day in 2019. Following the pandemic, the inventory surplus is being liquidated and global oil stock, excluding strategic reserves, is likely to return to pre-pandemic levels in 2021.

The future of oil prices and demand could be pendulum-like in 2021, influenced by how infections are contained and the global rollout of vaccines. The Organisation of the Petroleum Exporting Countries and allies (OPEC+) intend to increase aggregate supply by 1.5 million barrels per day over the second quarter in 2021. After collapsing by 8.7 million barrels per day in 2020, the IEA estimates demand growth could rebound by 13.1 million barrels per day to 104.1 million b/d by 2026. Taking an optimistic view, oil prices and outlook for demand improved after the rollout of high-efficacy vaccines.

However, the growth of Electric Vehicles for automobiles and solar as alternate energy source could dampen the demand for petroleum products in future.

(Source: IEA, The balance, IG.com, U.S. EIA, investopedia, Statista, investing.com)

Outlook

With oil demand forecast to recover, coupled with modest growth in non-OPEC supply, a rapid stock drawdown could be anticipated during the second half of 2021. The global demand declined by 9.7 million barrels per day (first half of 2020) before easing cuts to 7.7 million (July 2020 to December 2020) and scaling to 7.2 million barrels from January 2021. Even with a low demand record amount in 2020, oil companies could face a recovery challenge.

Global capital expenditure of exploration and production companies (E&P) is forecast to reach around US\$ 421 billion, an increase of around US\$ 34 billion in 2021, 8.87% growth from US\$ 387 billion in 2020. Approximately 20% (or US\$ 76 billion) of the estimated 2021 investments could be at risk of deferral or reduction, with the remaining amount being categorised in the safer tiers of low and medium-range risk. (Source: CNBC, McKinsey, Worldoil.com, Statista)

Indian crude oil sector overview

India is the world's third largest oil consumer and the fourth largest in terms of refining capacity after US, China and Russia.

The Indian crude oil basket (price) averaged at US\$ 48.94 per barrel in CY 2020, 20% lower than the average crude oil basket price of US\$ 60.47 in CY2019. Cumulative crude oil production during financial year 2020-21 was 32 million tonnes, 5.61% lower than target for the period during the corresponding period of last year respectively.

The pandemic's economic disruption led to a sharp fall in the tax collections of the government from regular sources. To

make up for this loss, the government, both Centre and states, did not pass on the benefits of cheap crude oil to customers and increased taxes on petrol and diesel. (Sources: Hindustan Times, Business Standard)

Outlook

Following the classification of COVID-19 as a pandemic by the World Health Organisation (WHO) in 2020, there was a massive decline in crude oil prices, arising out of demand evaporation in end-user markets. The result was that crude oil prices declined well below the breakeven drilling cost in most fields, which was not enough an incentive for new fields to be explored. Rising transport demand, pick-up in industrial activity and government stimulus programs could drive oil demand in producing countries.

India expects its fuel consumption to rebound as the nation recoups losses caused by COVID-19. The demand for petroleum products is rising, with the country having opened up to business with speed. (Source: Livemint, FinancialExpress, BusinessToday)

Global drilling and offshore rigs industry

Demand for energy fuels is rising owing to increasing industrialisation, concerns related to energy security, globalisation, and increasing economic wealth in developing countries. Offshore drilling rigs are seeking advantage from oil and gas reservoir depletion. The average global rig demand was for 473 units in 2019 and expected to increase by approximately 16.3% with an average demand climbing to 550 units in 2021 while jack-up demand is expected to make up a large majority of the increase, growing 12.5% from 345 units on average in 2019 to 388 units in 2021.

The Middle East drives the majority of jack-up demand, surpassing its previous high of 130 contracted units to 136 units in 2019 and now projected to rise to 152 units by 2021. The Middle East demand will be mostly driven by the region's

National Oil Companies (NOC) increasing their production, primarily in Qatar, Saudi Arabia and United Arab Emirates. Significant growth is also expected in the Indian Ocean and projected to reach 376 units in 2021 compared to the 2019 average of 284 units. West Africa and Mexico are also projected to show an increase in activity over the foreseeable future.

Oil producer groups kept 2021 forecasts for global crude demand and growth unchanged, but warned that uncertainties over the impact of COVID-19 and vaccination rollout continued to remain high. (Source: IHS Markit)

Opportunities

With the worst of the pandemic behind, the market is expected to revive to pre-pandemic levels for the following reasons:

Rising demand in power and energy projects could be a growth driver for the oil industry. Economic growth and increased industrial production can drive up the demand for global crude oil. Recovery of the aviation and tourism sector could also boost the demand for the oil industry. Increasing focus on infrastructure could accelerate oil demand. Significant increase in the sale of automobiles could drive the demand for oil. A growing preference for personal mobility ownership on account of higher safety could strengthen the market for oil.

Threats

With increasing demand of electric cars, the demand for oil as a fuel could shrink.

Climate change is a major challenge for nations and fossil fuels have been one of the biggest polluters of the environment. Over the next 40 years, the world could increasingly move away from fossil fuels

The operating capacity of the global refining industries continually constrained and product specifications are being tightened by increasingly strict environmental legislations.

Global crude oil prices could remain volatile, including economic news, overall supplies, and consumer demand. Companies that adapt, deploy and harness the benefits of data and modern risk management processes, tools and technologies could thrive.

Even with a recovery in oil prices and revenue, the industry faces challenges that could constrain future investment, comprising high oil company debt levels and disenchanted investors. (Source: Motilal Oswal. HIS Markit, Etimes)

Strength

New generation

The Company possesses a best-in-class fleet to counter obsolescence. The average age of nine jack-ups stood at 12.5 years as on 31 March, 2021, well below the industry average.

Experience

The Company has survived various market cycles across three decades of its existence, possessing the experience to address unforeseen circumstances.

Benchmarking

The Company's assets are marked by high standards of safety and capability, making them eligible for deployment across demanding oil exploration programmes in diverse geographies.

Service-oriented

Over the years, the Company has worked with leading global clients. The exposure has helped the Company implement globally accepted HSE standards, access funds from global lenders at attractive rates and bag lucrative offers. This has also enabled the Company to generate repeat engagements

Risk management

Economic risk

The economic downturn and consequent oil demand volatility could impact the Company's profitability.

Mitigation: The recent global slowdown did not result in a discontinuation in

offshore oil exploration. There is a still a market for oil consuming sectors, resulting in the need to explore more oil and for the Company to deploy assets. A majority of the Company's assets were deployed on the basis of medium-term/long-term contracts, protecting against short-term volatility.

Regulatory risk

Compliance issues could impact the Company's operations and respect.

Mitigation: The company incorporated the most stringent safety and operational standards; it complied with all requirements in building a healthy Quality, Health, Safety and Environment (QHSE) Management System.

Competition risk

Emergence of new rig builds could drive rig rates lower.

Mitigation: The company enjoys nearly three decades of experience in the oil exploration business. The Company's depreciated assets make it possible to achieve competitiveness over new build-ups. The Company's diversified rig portfolio enhances its ability to address different customer requirements across diverse terrains.

Geographical risk

Over-dependence on a single geography could be detrimental to the company's performance.

Mitigation: The Company deployed rigs across diverse geographies without focusing on any specific region. The Company enriched its experience by operating in the challenging waters of South-East Asia, South Asia, Latin America, West Africa and the Middle East, de-risking it from an excessive dependence on any one geography.

Technological risk

In a highly technology-critical business, obsolescence could result in a high replacement cost and business moving to more competitive companies.

Mitigation: The relative youthfulness of the Company's assets and regular upgradation of technology/asset maintenance enabled it to comply with international standards and stay abreast of emerging sectoral trends

Manpower risk

The Company faces the risk of talent attrition that could diminish productivity.

Mitigation: The Company enjoys low attrition compared to global peers. The management is actively engaged in identifying employees with potential. The Company invests in initiatives and incentives (employee stock options) to retain talent.

Asset utilisation risk

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

Mitigation: The Company deployed its assets in long-term contracts with attractive returns. Long-term contracts ensured better relationships with customers.

Liquidity risk

The Company has large debt on its books that could affect its liquidity.

Mitigation: The Company is constantly in discussion with banks, financial institutions and stakeholders to settle dues or extend debt maturity with a view to remaining in business as a going concern.

Operational performance

The Company generated revenues worth Rs. 10,694.69 million in 2020-21 compared to the previous year's revenue of Rs. 9,740.36 million. At the close of 2020-21, the Company's rigs were operating under a balanced mix of long-term and short-term contracts. The Company's EBITDA improved from Rs. 663.69 million during 2019-20 to Rs. 3,227.45 million during 2020-21. The Company reported a net loss of Rs.15,020.56 million in 2020-21 compared with a net loss of Rs. 1,00,120.65 million in 2019-20.

Ratio	2019-20		2020-21	
	Standalone	Consolidated	Standalone	Consolidated
Debtors' turnover	0.49	0.88	0.37	1.31
Inventory turnover	0.36	0.34	0.16	0.45
Interest Coverage ratio	(50.00)	(6.82)	(2.85)	(1.02)
Current ratio	0.92	0.09	0.68	0.06
Debt-Equity ratio	Negative	Negative	Negative	Negative
Operating profit margin	(1,992.36)	(842.85)	(148.79)	(105.87)
Net profit margin	(1,853.09)	(921.18)	(148.33)	(184.44)
Return on net worth	N/A	N/A	N/A	N/A

Reasons for the difference:

Debtors' turnover, consolidated

Turnover in the current year has increased approximately 10% and average debtors has decreased by approximately 26% mainly due to impairment / Write off of receivables from Iran operations.

Interest Coverage ratio, standalone

Negative EBIT has decreased 21 times due to impairment of Property, Plant and Equipment (PPE) decreased by approximately Rs. 10,374 million and impairment of investments in Wholly Owned Foreign Subsidiary (WOFS) decreased by Rs. 35,317.32 million.

Interest Coverage ratio, consolidated

Interest expense has decreased by approximately 8% due to ancillary borrowing cost written off fully in the previous year and negative EBIT has decreased by 7.25 times due to impairment of PPE decreased by 12.45 times for the group

Current ratio, standalone

Current assets has decreased by approximately 21% due to Write off of Trade receivables and Current liabilities has increased by approximately 7% in the current year compared to the last year due to one more year of interest accruals on all borrowings.

Current ratio, consolidated

Current assets has decreased by approximately 34% due to write off of Trade receivables / Impairment of Trade receivables and write down of inventory.

Operating profit margin

Standalone

Negative EBIT has decreased by 20.65 times due to impairment of PPE decreased by approximately Rs. 10,374 million and impairment of investments in WOFS down by Rs. 35,317.32 million.

Operating profit margin, consolidated

Negative EBIT has decreased by 7.25 times due to impairment of PPE decreased by 12.45 times for the group.

Net profit margin, standalone

Increased by 12.50 times approximately due to decrease in impairment of PPE by approximately Rs. 10,374 million and impairment of investments in WOFS decrease by Rs. 35,317.32 million partly offset by deferred tax income decreased by approximately 18.50 times.

Net profit margin, consolidated

This increased by 5 times approximately due to impairment of PPE decrease by 12.45 times for the group, partly offset by deferred tax income decrease by approximately 18.50 times

Inventory turnover, consolidated

Average inventory decrease by 14.50% due to inventory write down was approximately Rs. 1200 million and consumption increase by 14% was in line with an increase in revenue from operations by approximately 10%.

Inventory turnover, standalone

Average inventory decreased by 3% approximately and consumption decreased by 42% in line with a drop in revenue from operations by approximately 35%.

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. The Company provided competitive compensation, an amiable work environment and acknowledged employee performance through planned reward-and-recognition programmes. The Company aimed to create a workplace where every person can achieve his or her true potential. The Company encouraged individuals to extend beyond their scope of work, undertake voluntary learning projects and respond with workplace creativity. The Company had 866 employees as on 31 March, 2021.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The internal audit department submits its reports to the audit committee, supervised by the Board of Directors. The assets of the Company are periodically verified and subsequent reports are submitted to the Audit Committee. The Audit Committee and Board of Directors offer their guidance and strategic supervision to the Executive Directors and the top management along with monitoring and supporting other committees.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward- looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward- looking statements on the basis of any subsequent development.



DIRECTORS' REPORT

The Directors of your company are pleased to present the Thirty Fifth Annual Report along with the accounts for the year ended 31st March, 2021.

1. Financial Results

(Rupees in Millions)

Particulars	Standalone		Consolidated	
	For the year ended			
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Income from Operations	1,559.32	2,405.38	10,694.69	9,740.36
Other Income	331.09	98.74	2,235.75	131.34
Less: Expenditure	953.43	1,796.78	8,780.19	9,080.76
Profit before Interest and Depreciation	936.98	707.34	4,150.25	790.94
Less: Interest	815.11	958.52	11,057.10	12,029.63
Less: Depreciation/Impairment	2,994.85	48,536.91	13351.19	82,760.08
Profit/(Loss) for the year before Tax	(2,872.98)	(48,788.10)	(20,258.04)	(93,998.77)
Exceptional items (Profit/(Loss))	332.64	-	332.64	-
Profit/(Loss) before Tax	(2,540.34)	-	(19925.40)	(66.90)
Share of Profit/(Loss) of Associates	-	-	3.09	-
Current Tax	-	-	30.31	-
Deferred Tax	(227.32)	(4,214.24)	(227.32)	(4,214.24)
Profit/(Loss) after Tax for the year from continuing operations	(2,313.02)	(44,573.86)	(19,725.30)	(89,717.63)
Other comprehensive Income	-		-	(8.50)
Profit/(Loss) for the year	(2,313.02)	(44,573.86)	(19,725.30)	(89,726.13)
Profit brought forward from the previous year	(26,499.19)	18,070.27	(165,697.94)	(75,975.90)
Available for appropriation	(28,812.21)	(26,503.59)	(1,85,423.24)	(165,702.03)
Net gain/(loss) through OCI	-	-	-	(0.31)
Expected return on plan assets & net actuarial gain/(Loss)	(7.42)	4.40	(7.56)	4.40
Transfer to Capital Redemption Reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance Carried forward	(28,819.63)	(26,499.19)	(1,85,430.80)	(165,697.94)

2. Performance

The Revenue earned during the year under review stood at Rs. 1,890.41 million. Company suffered loss this year too due to steep fall in day rates as well as impairment of plant and machinery. Rigs under contract were working satisfactorily..

3. Changes in Share Capital

There was no change in the Share Capital of the Company during the year under review

4. Subsidiary Companies

Indian

Aban Energies Limited

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

International

Rigs under Contract were performing satisfactorily.

The subsidiary company accounts details are available in the Company's website.

5. Consolidation of Accounts

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) along with a separate statement containing the salient features of the financial performance of subsidiaries/associates, in the prescribed form. The audited consolidated financial statements together with Auditor's Report forms part of the Annual Report

As per IND AS-108, if the revenue of an operating segment is less than 10 percent of the combined revenue of all operating segment then it is not mandatory for a company to report separately information about that segment. The revenue from Wind Energy division is less than 10 percent of the combined revenue of all operating segments. Hence the Company is not reporting its Wind Energy operating segment in its financials.

6. Management's Discussion And Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 (2) (e) of SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

7. Dividend

In the view of losses suffered by the Company, the Board of Directors do not recommend any dividend.

8. Directors

Mrs. Deepa Reji Abraham is liable to retire by rotation and being eligible offers herself for re-appointment.

Mr. C.P. Gopalkrishnan is recommended for re-appointment as Whole-time Director for a period of five years commencing from 1st August 2021.

9. Disclosures under Companies Act, 2013:

Extract of Annual Return:

The Extract of the Annual Return is updated in the website of the Company under the following link <http://abanoffshore.com/pdf/mgt-7.pdf>

Number of Board Meetings:

The Board of Directors met 6 (six) times in the year 2020-21. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

Constitution of Committees:

The details of various committees formed and their attendance during the year are given in the Corporate Governance Report

Role of Audit Committee

The Role of Audit Committee is given in the Corporate Governance Report.

10. Director's Responsibility Statement

Pursuant to the requirement under Section 134 (3) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the Annual Accounts for the financial year ended on 31st March 2021, the applicable accounting standards had been followed along with a proper explanation relating to material departures.
- (ii) 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 that period.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) the Directors had prepared the accounts for the financial year ended on 31st March 2021 on a going concern basis.
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

11. Statement of Declaration by Independent Directors as required under 149(6) of the Companies Act, 2013

All the Independent Directors have given the declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. In the opinion of the Board they fulfill the conditions of Independence as specified in the Act and Rules made there under and are independent of the management.

12. Explanation by the Board on every qualification, reservation or adverse remark or disclaimer made –

- a) By the Auditor in his report on Consolidated Financial Statement –. The disclaimer of opinion is on preparation of the financial statements, the Management has considered the operations of the Group and the Company as going concerns notwithstanding that the Group and the Company have incurred net loss, the impairment loss on rigs and on the Group and the Company defaulting on payment of borrowings that have become due for payment and breach of certain covenants of the borrowings that have given right to the lenders to demand the borrowings to be paid immediately. They have also expressed existence of material uncertainties on the going concern assumption. The Management believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31st March 2021 is still appropriate. The Management is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan. In view of the foregoing the impact of the disclaimer of opinion cannot be ascertained.

- b) By the Practicing Company Secretary in his Secretarial Audit Report – Nil

13. Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provision of Section 186 of the Companies Act, 2013 are given in Notes to the financial statements

14. Particulars of Contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in the prescribed form

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the listing Regulation. There were no materially significant Related Party Transactions made by the Company during the year that would have required the shareholder approval as required under the listing regulation.

All Related Party Transactions are placed before the Audit Committee for approval. Suitable disclosures as required under AS 18 have been made in the Notes to the Financial Statements. Form AOC-2 is shown in **Annexure B**

The Board had approved policies on Related Party Transactions and Material Subsidiary. The Policies have been uploaded in the website, under the weblink: <http://abanoffshore.com/RelatedPartyTransactionsPolicy.pdf>

15. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes and commitments affecting the financial position of the Company between the end of financial year March 31, 2021 and the date of the Report.

16. Statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognizes that these

risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed from the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

The Company believes that the overall risk exposure of present and future risks remains within risk capacity

17. Corporate social responsibility initiatives taken during the year

The Company has constituted CSR Committee in accordance with section 135 of the Companies Act, 2013. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The average profit for the last three financial years of the Company is Negative. Hence the need to spend on CSR does not arise. The detailed report is given in a separate **Annexure E** in the Annual Report. The CSR Policy may be accessed on the Company's website at http://abanoffshore.com/pdf/CSR_Policy.pdf

18. Board Evaluation

Pursuant to the provisions of Section 134(3) (p) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out an annual evaluation of its own performance, Performance of the Directors as well as the evaluation of the workings of its Committees. The evaluation by the Board of its own performance and that of its committees and individual directors were done as per the manner determined by the Chairman and Independent Directors and the same has been explained in Corporate Governance report.

19. The details of directors or key managerial personnel who were appointed or have resigned during the year

Mr.P.Venkateswaran resigned from his position as Whole-time Director. He continues to be a Non-executive director of the Company.

20. The name of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year - Nil

21. The details relating to deposits, covered under Chapter V of Companies Act, 2013

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V - Acceptance of Deposits by Companies of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

22. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

23. The details in respect of adequacy of internal financial controls with reference to the Financial Statements.

Details of the same are provided in the Management Discussion and Analysis attached to this Report

24. Internal financial control:

Your Company maintains appropriate systems of internal controls, including monitoring procedures, to ensure that all its assets are safeguarded against loss from unauthorized use/misuse or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly. Your company through its own internal audit department carried out periodic audits at all locations and functions. The internal audit department reviews the efficiency and effectiveness of these systems and procedures. Added objectives including evaluating the reliability of financial and operational information and ensuring compliances with applicable laws and regulations. The observations arising out of the audit are periodically reviewed and compliance ensured. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to Company policies, (b) safeguarding of its assets, (c) prevention and

detection of frauds and errors, (d) the accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

25. Stock Exchanges

Your Company's Equity shares are listed in BSE Limited and National Stock Exchange of India Ltd.

Preference Shares aggregating to Rs. 2,610 million issued by the Company which were listed in BSE Limited are under suspension since the preference shares were not redeemed on due dates.

Necessary stock exchange regulations are complied with. Applicable listing fees for the year 2021 - 22 have already been paid to the stock exchanges.

26. Compliance of Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India.

27. Disclosure under the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2020-21 nor were any pending unresolved complaints as on 31st March, 2021.

28. Auditors

M/s. P.Murali & Co, Chartered Accountants, Chennai continue to hold office till the conclusion of 36th Annual General Meeting

29. Additional Disclosures

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

30. Particulars of Employees

In accordance with proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to all shareholders excluding the statement prescribed under Rule 5(1), 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said statement is available for inspection by the Members at the registered office of the Company during office hours till the date of the Annual General Meeting.

31. The particulars prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (3) (A) (B) & (C) of the Companies (Accounts) Rules, 2014,

(A) Conservation of Energy

The Company has undertaken several initiatives in this area for the past few years to reduce the carbon foot prints.

- Major equipment/assets with energy intensive in nature where logged and analyzed. Internal energy audits were done and optimization programs where suggested.
- Alternate low energy consumption options where identified and phase wise replacements are planned.
- This involved distillation plants being replaced by low energy Reverse Osmosis Plants.
- Standard motors are being replaced by energy efficient motors.
- DOL starters are being replaced by variable frequency drives for motor starters to save on energy usage.
- Low energy consuming lights systems are procured as replacements to traditional lighting system.
- Asset health monitoring and systems were put in place to extend lube oil service hours. This will enable reduce environmental burdens on disposal of waste oil.

(B) Technology Absorption

- Electric cranes were installed in place of diesel driven cranes.

- Torsional vibration analysis being implemented on engine driven equipment.
- Vibration and noise analysis being implemented to predict early warnings for equipment failures.
- Soft starters are being used in place of traditional DOL starters.
- Advanced Correction prevention programs are implemented to extend steel life for offshore assets.

Foreign exchange earnings and outgo

(Rupees in Millions)

	2020- 21	2019-20
Foreign exchange earned during the year	1,581.65	2413.04
Foreign exchange outflow during the year	650.45	1588.63

32. Corporate Governance

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

33 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 Schedule V of the SEBI(Listing Obligations & Disclosure Requirements) Regulations,2015 with the stock exchanges, was met.

34. Acknowledgements

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

Cautionary Statement

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

For and on behalf of the Board

Reji Abraham
Managing Director

P.Murari
Chairman

Place :Chennai
Date : June 21, 2021

ANNEXURE TO THE REPORT OF THE DIRECTORS

Statement as at 31st March 2021 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	2014	Total
a)	(i) No of options granted	96200	47000	1,25,000	1,75,000	14,00,000	18,43,200
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	416.55	
d)	Total No. of Options vested	18,43,200					
e)	Total No. of Options exercise	160,330					
f)	Total No of equity shares arising as a result of exercise of options	160,330 Equity shares of Rs.2/- Per share fully paid					
g)	Total No. of Options Lapsed	3,31,070					
h)	Variation of terms of Options	None					
i)	Money raised by exercise of options	INR 6,42,39,694.50					
j)	Total No of options in force	13,51,800					
k)	Details of Options granted to Senior managerial personnel	No options were granted during the year 2020-21					
l)	Any other employee who received grant in any one year of options amounting to 5% or more of the options granted during the year	No					
m)	Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None					
n)	Diluted Earnings per Share (EPS) pursuant to issue of Equity Share on exercise of options calculated in accordance with the Indian accounting standard (IAS 33) Earnings per share	INR (39.63)					
o)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the intrinsic value method of accounting to account for the options issued under the Aban Employee Stock Option Scheme. The Stock based Compensation cost as per the intrinsic value method for the financial year 2020 -21 is NIL.					
	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	NIL					
	The impact of this difference on profits and on EPS of the Company	Not Applicable					
p)	Weighted average exercise prices and weighted average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price - INR 678.90 Weighted average fair value – INR 188.17					
q)	A description of the method and significant assumptions used during the year to estimate the fair values of Options	The fair value of each option is estimated using the Black Scholes Option pricing model after applying the key assumptions i) risk free interest rate – 8.115% ii) Expected Life – 3 years iii) Expected volatility – 54.57% iv) Expected dividends – INR3.60 per share v) The price of the underlying Share in the market at the Time of option grant INR 411.40					

**Disclosure pursuant to Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(i) & (ii) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the company for the financial year and the percentage in increase in remuneration of each director, Chief Financial officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year:

Sl No	Name of the Director/ KMP	Ratio to Median Remuneration(times)	Ratio to Mean Remuneration(times)	% increase in remuneration in the financial year
1	Reji Abraham	0.00	0.00	-
2	P. Venkateswaran *	0.36	0.13	-
3	C.P. Gopalkrishnan	0.00	0.00	-
4	P. Murari *	0.56	0.21	25.71
5	K. Bharathan*	0.58	0.22	4.55
6	Ashok Kumar Rout*	0.47	0.18	(15.91)
7	Subhasini Chandran*	0.32	0.12	13.64
8	Deepa Reji Abraham*	0.38	0.14	(6.25)
9	S.N. Balaji	8.43	3.20	(13.83)

* Denotes non executive directors and the remuneration is sitting fees only.

- (iii) The median remuneration for the year 2020-21 is - Rs. 0.39 million.**
- (iv) The percentage increase/(decrease) in the median remuneration of employees in the financial year is (15.44).**
- (v) The number of permanent employees on the rolls of the Company - 237**
- (vi) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NIL**
- (vii) The Company affirms that remuneration is as per the remuneration policy of the Company.**

Annexure A Remuneration Policy

I. Appointment

(a) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

(b) Positive attributes of Independent Directors:

An Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity, act objectively and constructively, exercise his responsibilities in a bona-fide manner in the interest of the company, devote sufficient time and attention to his professional obligations for informed and balanced decision making, and assist the company in implementing the best corporate governance practices.

(c) Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 concerning independence of directors.

Board Diversity:

The Company recognizes the benefits of having a diverse Board to enhance the quality of its performance. Accordingly our Board of Directors over the last two decades have come from banking and Insurance industry, Chartered Accountants, engineering, Finance and legal professionals and retired civil servant.

II. Remuneration Policy for Directors, Key Managerial Personnel and other employees

Non-Executive Directors:

Non-Executive Directors shall be paid a sitting fee of Rs.25,000/- for every meeting of the Board and Rs.10,000/- for committee thereof attended by them.

Managing Director & Key Managerial Personnel & Other Employees

The objective of the policy is directed towards having a compensation structure that will reward and retain talent.

The remuneration to Managing Director shall take into account the Company's overall performance, his contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.

Annexure B

FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:

Amount in Rs.

Name of the Party	Relationship	Nature of Transaction	Duration of Transaction	Terms of the Contract	Value of the Transaction	Date of approval by the Board	Amount paid as advances, if any
Nil							

For and on behalf of the Board of Directors

Place :Chennai
Date : June 21, 2021

Reji Abraham
Managing Director

P.Murari
Chairman

Annexure C

Criteria for evaluation of the Board and non-Independent Directors at a separate meeting of Independent Directors:

1. Composition of the Board and availability of multi-disciplinary skills

Whether the Board comprises of Directors with necessary qualifications and experience in various fields to make Aban Offshore Ltd a versatile institution.

2. Existence of integrated Risk Management System

Whether the Company has an integrated risk management system to cover the business risks.

3. Commitment to good Corporate Governance Practices

Whether the company practices high ethical and moral standards and is fair and transparent in all its dealing with the stake holders.

4. Track record of financial performance

Whether the Company has been having a satisfactory financial performance and is transparent in all its disclosures on financial data

5. Adherence to Regulatory Compliance

Whether the Company adheres to the various Government regulations, both State and Central in time.

6. Grievance redressal mechanism

Whether proper systems are in place to attend to the complaints/grievances from the shareholders, customers, employees and others quickly, fairly and efficiently.

7. Use of Information Technology

Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology upgradation.

8. Commitment to CSR

Whether the Company is committed to social causes and CSR and whether there are systems to identify, finance and monitor such activities.

Criteria for evaluation of Chairman at the meeting of Independent Directors:

1. Ability to lead/ guide the Company
2. Dynamism
3. Standard of Integrity
4. Understanding of Macro and Micro economic trends and its impact on the Company
5. Public Relations
6. Future Vision

Criteria for evaluation of Independent Directors by the entire Board:

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM/Committee Meetings
4. Understanding of Company's business
5. Participation/Value addition in Board Meetings.

Criteria for evaluation of the Audit Committee by the Board:

1. Knowledge on finance
2. Analyzer/ review of financial performance
3. Qualification & Experience of members
4. Oversight of Audit & inspection
5. Monitor/Review of regulatory compliance
6. Fraud monitoring

Annexure D

Declaration by the Managing Director under Listing Regulations regarding compliance with Business Conduct Guidelines (Code of Conduct).

In accordance with the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended on 31st March 2021.

Place: Chennai
Date : June 21, 2021

Aban Offshore Limited
Reji Abraham
Managing Director

Annexure E

Corporate Social Responsibility

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 your company at the Board meeting held on July 31, 2014 approved a Policy on CSR and the Policy was hosted on the website of the Company under the following link: http://abanoffshore.com/pdf/CSR_Policy.pdf

2. Composition of the CSR Committee

S.No	Name	Category
1.	Ashok Kumar Rout	Chairman
2.	C.P.Gopalkrishnan	Member
3.	Deepa Reji Abraham	Member
4.	Subhashini Chandran	Member

3. Average net profit of the Company for last three financial years: Rs.(475.51) Million

4. Prescribed CSR Expenditure (two percent of the amount as in item above): Rs. (9.51) Million

5. Details of CSR spent for the financial year.

- Total amount to be spent for the financial year: NIL
- Amount unspent if any: NIL
- Manner in which the amount spent during the financial year is detailed below

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programme wise (INR)	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (INR)	Cumulative expenditure up to the reporting period (INR)	Amount spent: Director or through implementing agency
Nil							

6. Reason for not spending:

The average Net profit of the Company for the last three financial years is Negative. Hence the need to spend on CSR does not arise.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Chennai
Date : June 21, 2021

Ashok Kumar Rout
Chairman
CSR Committee

CORPORATE GOVERNANCE REPORT

ABAN'S OFFSHORE'S PHILOSOPHY ON CODE OF GOVERNANCE

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

I BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD

Aban's Board comprises of Eight Directors - One Promoter Executive Director, One Promoter Non - Executive Director, One Non Promoter Non-Executive Director, One Non-Promoter Executive Director and Four Non-Executive Independent Directors. The Board functioned directly or through various focused committees (Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievance Committee, 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 six times during the year 2020 -21 on the following dates:

17.06.2020, 10.08.2020, 21.09.2020, 11.11.2020, 08.02.2021 and 05.03.2021

ATTENDANCE OF DIRECTORS

The names of the Directors on the Board, their attendance at the meetings and the other Directorships that they held as on 31st March, 2021 are set out below:

Name of Director(s)	Category Of Directorship	Financial year 2020-2021 Attendance at		As on 31st March 2021				
		Board Meetings	Last AGM	No. of Other Directorships #			Committee Positions in other Companies*	
				Public Ltd. Cos.	Name of the Listed Company	Private Ltd. Cos.	Member	Chair-Person
P. Murari	Non- Executive- Independent	6	YES	--		1	--	--
Reji Abraham	Executive – Promoter	6	YES	1		3	--	--
K. Bharathan	Non-Executive Independent	6	YES	1	Ponni Sugars (Erode) Ltd	--	--	--
Ashok Kumar Rout	Non-Executive Independent	5	YES	--		--	--	--
Deepa Reji Abraham	Non-Executive Promoter	6	YES	1		7	--	--
Subhashini Chandran	Non-Executive Independent	5	YES	--		1	--	--
P. Venkateswaran	Non-Executive Non Independent	6	YES	1		4	--	--
C.P. Gopalkrishnan	Executive Non Promoter	5	YES	1		2	--	--

Excludes directorships in Associations, foreign companies and Companies registered under Section 8 of the Companies Act, 2013.

* Represents Memberships / Chairmanships in Audit Committee and Stakeholders Relationship Committee

Mrs. Deepa Reji Abraham, Non-Executive Director is the spouse of Mr. Reji Abraham. She holds 40,38,500 equity shares of the Company.

Mr K Bharathan, Independent Director holds 5000 shares of the Company.

Mr. C.P. Gopalkrishnan is recommended for re-appointment for a period of five years. Mrs. Deepa Reji Abraham is liable to retire by rotation and being eligible offers herself for re-appointment.

Name of Director	C.P.Gopalkrishnan	Deepa Reji Abraham
Date of Birth	09.03.1956	17.04.1970
Nationality	Indian	Indian
Date of Appointment on Board	01.08.2001	19.09.2014
Qualifications	B.Com (Hons), ACA, ACS, LLB	B.Sc.
Shareholding in the Company	43,200	40,38,500
Directorships held in other Companies	1. Tyford Tea Limited 2. Aban Informatics Pvt Ltd 3. Asiaville Interactive Pvt Ltd	Aban Marketing and Exports Pvt Ltd Aban Scientific Learning Private Limited Aban Power Limited Lamech Engineers Private Limited Perunad Plandations Ltd Vembanad Estates Private Limited Anemos Aviation Private Limited Aban Scientific Reading Private Limited

REMUNERATION TO DIRECTORS

(Amount in Rupees)

Name of the Director (s)	Consolidated Salary	Perquisites and other benefits	Commission	Sitting Fees	Total
P Murari	-	-	-	2,20,000	2,20,000
K Bharathan	-	-	-	2,30,000	2,30,000
Reji Abraham	-	-	-	-	-
Ashok Kumar Rout	-	-	-	1,85,000	1,85,000
P Venkateswaran	-	-	-	1,40,000	1,40,000
C P Gopalkrishnan	-	-	-	-	-
Deepa Reji Abraham	-	-	-	1,50,000	1,50,000
Subhashini Chandran	-	-	-	1,25,000	1,25,000
Total	-	-	-	10,50,000	10,50,000

REMUNERATION TO NON-EXECUTIVE DIRECTORS

No remuneration, other than sitting (Rs.25,000/- for Board Meeting and Rs.10,000/- for committee Meeting) and other expenses (travelling, boarding and lodging incurred for attending the Board/ Committee meetings) were paid to the non-executive Directors in 2020-21.

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 hosted 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.

II. COMPETENCE MATRIX

The following are the list of core skills/expertise/competencies identified by the Board of Directors as available with the Directors:

- Leadership Skills
- Management Skills
- Decision Making
- Problem Solving
- Relationship Building
- Planning & Strategy
- Communication Skills

The expertise/skills/competencies identified by the Board and available with the Directors are detailed below:

Category	Expertise	Skills/Competencies
Independent Directors 1. Mr.P.Murari 2. Mr.K.Bharathan 3. Mr.Ashok Kumar Rout 4. Ms.Subhashini Chandran	<ul style="list-style-type: none"> • In-depth industry Knowledge • Business Policies • Financial Management • Law • Corporate Governance • Capital Markets 	Entrepreneurial Governance Finance Legal
Non-Executive Non-Independent Director 1. Mrs. Deepa Reji Abraham 2. Mr.P.Venkateswaran	<ul style="list-style-type: none"> • In-depth industry Knowledge • General Administration • Corporate Governance • Human Resources Management 	<ul style="list-style-type: none"> • General Administration • Human Resources Management
Executive Directors 1. Mr.Reji Abraham 2. Mr.C.P.Gopalkrishnan	<ul style="list-style-type: none"> • In-depth industry Knowledge • Management • Leadership • Technical and Operational • Financial Management • Law • Corporate Governance 	<ul style="list-style-type: none"> • Governance • Technical • Financial • Leadership • Human Resource Management • Legal

III. MEETING OF INDEPENDENT DIRECTORS:

An exclusive meeting of the Independent Directors was held on 8th February 2021 during the year. At the meeting, Independent Directors

- Reviewed the performance of Non-Independent Directors and the Board as a Whole.
- Reviewed the performance of the Chairman of the Company taking into account the views of Executive Directors and Non-executive Directors.
- Assessed the quality and timeliness flowof information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors were familiarized with their roles, responsibilities in the company , nature of industry in which the company operates etc. through familiarization programmes. The details of the program attended by the Independent Directors is disclosed in the website of the company at the following location <http://www.abanoffshore.com/pdf/FamiliarisationProgram2021.pdf>

IV. 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 section 134 (3)(C) of the Companies Act, 2013.
- 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 of
- k) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern
- m) Investigating the reasons behind substantial default in the event of non-payments to shareholders (in case of non-payment of declared dividends) and creditors.

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

Five (5) Meetings of Audit Committee were held during the year ended 31st March 2021 on the following dates:

17.06.2020, 10.08.2020, 11.11.2020, 08.02.2021 and 05.03.2021.

Mr. S.N. Balaji, Deputy General Manager (Legal) & Secretary is the Secretary of the Committee.

Composition and Attendance

Name	Category	No. of Meeting Attended
P. Murari	Chairman	5
K. Bharathan	Member	5
P.Venkateswaran	Member	5
Ashok Kumar Rout	Member	5

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. STAKEHOLDERS RELATIONS HIP COMMITTEE

The Stakeholders Relationship Committee monitored and redressed shareholder complaints relating to share transfer, the non-receipt of Annual Report and dividend.

The Committee met on 08.02.2021

Composition and Attendance

Name	Category	No. of Meeting Attended
K. Bharathan	Chairman	1
P. Venkateswaran	Member	1
C.P. Gopalkrishnan	Member	1

Complaints which were received during the year were answered and resolved. Hence no complaints at the end of the year.

Name and Designation of Compliance Officer: Mr. S.N.Balaji, Deputy General Manager (Legal) & Secretary.

C. COMPENSATION COMMITTEE

The Compensation Committee was constituted in the year 2005 with the following powers:

- a) Identification of Classes of employees entitled to participate in the Employee Stock Option Scheme (ESOS) and the quantum of option to be granted under ESOS per employee and in aggregate.
- b) Conditions under which option vested in employees shall lapse.
- c) The exercise period within which the employee should exercise the option granted and the conditions where the granted options will lapse on failure to exercise the option within the exercise period.
- d) Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee, the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- e) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and other.
- f) Grant, vest and exercise of option in case of employee who are on long leave.
- g) Framing suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 1995, by any employee
- h) Monitoring and from time to time altering ESOS 2005.

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

Maximum number of options that may be granted under the scheme is 1.843 million equity shares of Rs.2 each. Options granted during the year- Nil (up to 31st March 2020: 1.843 Million equity shares of Rs.2 each)-Options lapsed during the year Nil (up to 31st March 2020: 0.331 million equity shares of Rs.2 each)-Options exercised during the year- Nil (up to 31st March 2020: 0.160 million equity shares of Rs.2 each)-Options outstanding at the end of year :1.352 million equity shares of Rs.2 each (up to 31st March 2020: 1.352 million equity shares of Rs.2 each)-Options yet to be granted under the scheme: 0.332 million (31st March 2020: 0.332 million equity shares of Rs.2 each).

(No meeting was held during the year).

D. NOMINATION & REMUNERATION COMMITTEE:

In accordance with the requirement of Companies Act, 2013 and the listing (obligations & Disclosures) Regulations, the Committee has (i) formulated criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors and (ii) recommended a policy relating to remuneration of the directors, key managerial personnel and other employees which, inter alia includes the basis for identification of persons who are qualified to become directors.

The remuneration policy and the criteria for evaluation of directors as recommended by the Committee and approved by the Board are attached to this report as Annexure.

Composition and Attendance

Name	Category	No. of Meeting Attended
K.Bharathan	Chairman	3
P.Murari	Member	3
Ashok Kumar Rout	Member	3

The Committee had three meetings on 17-06-2020, 21-09-2020 and 08-02-2021

Board evaluation was made in the meeting held on 08-02-2021

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Terms of reference:

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 in February 2014 with the following terms of reference.

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

Accordingly the Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is hosted on the website of the Company.

Composition and Attendance

Name	Category
Ashok Kumar Rout	Chairman
C.P.Gopalkrishnan	Member
Deepa Reji Abraham	Member
Subhashini Chandran	Member

No meeting was held during the Year

V. Subsidiary Company

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

VI. 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
34th Annual General Meeting****	Monday, 21.09.2020	10.15 A.M	Through Video Conference / Other Audio Visual Means
33rd Annual General Meeting***	Monday, 09.09.2019	10.15 A.M	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168, T.T.K. Road, Royapettah, Chennai 600 014
32nd Annual General Meeting**	Monday, 24.09.2018	10.15 A.M	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168, T.T.K. Road, Royapettah, Chennai 600 014
Extra Ordinary General Meeting*	Monday, 29.03.2021	10.15 A.M	Through Video Conference / Other Audio Visual Means

- **** No Special Resolutions were passed and there was e-voting during the year. No Postal Ballot during the year.
- *** Six Special Resolutions were passed and there was e-voting during the year. No Postal Ballot during the year.
- ** Three Special Resolutions were passed and there was e-voting during the year. No Postal Ballot during the year.
- * Two Special Resolutions were passed and there was e-voting during the year.

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

1. AGM held on 9th September 2019.

- a. Appointment of Mr P Murari as Independent Director for 5 years upto September 2024.
- b. Appointment of Mr K Bharathan as Independent Director for 5 years upto September 2024.
- c. Appointment of Mr Ashok Kumar Rout as Independent Director for 5 years upto September 2024.
- d. Appointment of Mrs. Subhashini Chandran as Independent Director for 5 years upto September 2024.
- e. Issue of Foreign Currency Convertible Bonds (FCCBs) Depository Receipts (GDRs) American Depository Receipts (ADRs) warrants and other instruments convertible into Equity Shares.
- f. Issue of Securities to Qualified Institutional Buyers.

2. AGM held on 24th September 2018

- a. Appointment of Statutory Auditors and fixing their remuneration.
- b. Issue of Foreign Currency Convertible Bonds (FCCBs) Depository Receipts (GDRs) American Depository Receipts (ADRs) warrants and other instruments convertible into Equity Shares.
- c. Issue of Securities to Qualified Institutional Buyers.

3. EGM held on 29th March, 2021

- a. Sale of assets of the Company
- b. Sale of assets of the Subsidiary.

VII. DISCLOSURES

Related Party Disclosure

There has been no materially significant related party transaction (transactions of a material nature) with the Company's Subsidiaries, associate company, promoters, management, Directors or their relatives etc. having a potential conflict with the interest of the Company at large. Please refer Balance Sheet Notes to Accounts for details of related party transactions. The Company's policies on Material Subsidiaries and Related Party Transactions are available on the website under the weblink: <http://abanoffshore.com/RelatedPartyTransactionsPolicy.pdf>

Fees paid to M/s. P Murali & Co, Chartered Accountants , Statutory Auditors for all services

S.No	Total Fees Payable	Total Fees paid (in lakhs)
1	61,36,000	61,09,000

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.

VIII Means of Communication

A timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end Quarterly un-audited financial results were published in Business

Standard (English) and Makkal Kural (Vernacular language). The results were also displayed on the company's web site, www.abanoffshore.com

Management Discussion and Analysis forms Part of the Annual Report.

IX GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar

Financial Year	1st April 2020 to 31st March 2021
Board meeting for considering the accounts	21-06-2021
Thirty Fifth Annual General Meeting	20-09-2021 at 10.15 A.M. through Video Conference/Other Audio Visual Means (OAVM)

Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers
25th Floor, P.J. Towers
Dalal Street, Fort
Mumbai – 400 001

National Stock Exchange of India Limited

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

The listing fees for the Financial Year 2021-22 were paid to the Stock Exchanges in India where the Company's Equity shares are listed.

STOCK CODES:

EQUITY SHARES:

BSE Limited

Scrip code : 523204

National Stock Exchange of India Limited

Symbol : ABAN

ISIN No. for Dematerialized shares

INE421A01028

The Non-Convertible Cumulative Redeemable Preference Shares were listed on the BSE Limited are under suspension.

700099 – 10,50,00,000 - 10% p.a. Non-Convertible Cumulative Redeemable Preference Shares

700129 – 5,50,00,000 - 10% p.a. Non-convertible Cumulative Redeemable Preference Shares

700130 – 4,00,00,000 – 10% p.a. Non-convertible Cumulative Redeemable Preference Shares

700131 – 6,10,00,000 – 10% p.a. Non-convertible Cumulative Redeemable Preference Shares

ISIN No. of 10,50,00,000 10% p.a. Non-convertible Cumulative Redeemable Preference Share

INE 421A04097

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

INE421A04071

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

INE421A04063

ISIN No of 2,00,00,000 - 10% p.a. Non-Convertible Cumulative Redeemable Preference shares

INE421A04055

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

INE421A04089

Details of outstanding shares in unclaimed suspense account

UNCLAIMED SHARE CERTIFICATES

In terms of 39(4) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed have been transferred into one folio in the name of Unclaimed Suspense Account and dematerialized. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares. The details regarding the shares which are in the unclaimed suspense account are given below :

S. No	Description	Total No of cases	Total shares
1	No. of shareholders and Outstanding shares lying in the unclaimed suspense at beginning of the year	715	257760
2	No. of shareholders who approached for transfer of shares from Unclaimed suspense account during the year.	3	900
3	No. of shareholders to whom Shares were transferred from the unclaimed suspense account during the year.	101	32250
4	No. of shareholders and Outstanding shares lying in the unclaimed suspense account at the end of the year.	611	224610

Details of Shares transferred to IEPF Authority*

• in terms of Section 124 of the Act, 2013 the dividend declared by the Company for earlier years which remain unclaimed for a period of seven years have to be transferred on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In pursuance of the said rules, 59,793 shares unclaimed for the year 2012-13 were transferred to IEPF as on 20.01.2021

Care Rating

Credit Analysis & Research Ltd (CARE) has reaffirmed ratings of Long Term Instruments and Cumulative Redeemable Preference Shares at 'CARE D (RPS)' [Single D].

INVESTOR'S HELP DESK

Company's Registered Office Address	Registrar and Share Transfer Agent (Both Physical and Electronic Mode)
Aban Offshore Limited Janpriya Crest, 113 Pantheon Road Chennai – 600 008 Phone: 91-44-49060606 Fax: 91-44-2819 5527 Email Id: secretarial@aban.com	M/s Cameo Corporate Services Ltd., Unit: Aban Offshore Ltd. Subramanian Buildings, 1Club House Road, Chennai -600 002. Phone: 91-44-28460390 Fax: 91-44-28460129 Email ID: investor@cameoindia.com / sofia@cameoindia.com

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

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

Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Company delegated the authority to approving transfer, transmission etc., of the Company securities to the Company Secretary / Officers 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 M/s. G. Ramachandran & Associates, Company Secretaries in Practice for compliance of SEBI (LODR), 2015 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 BSE Limited. The Company's Non-convertible Cumulative Redeemable Preference Shares are listed in the BSE Limited and are under suspension.

Dematerialisation of shares

99.56% of Equity shares of the Company have been dematerialized as at 31st March, 2021. The company has entered into agreement with both National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

Plant Locations

RIG LOCATIONS as at 31 March, 2021

S.No	RIGS	LOCATION
1.	Aban II	East Coast of India
2.	Aban III	West Coast of India
3.	Aban IV	West Coast of India
4.	Aban V	Middle East - Off Contract
5.	Aban VI	Middle East - Off Contract
6.	Tahara	East Coast of India - Off Contract
7.	Aban Ice	West Coast of India - Off Contract

Whistleblower Policy/Vigil Mechanism

The Company adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior. The mechanism provides for adequate safeguards against victimization of employees. Further no person has been denied access to the chairman of the Audit Committee. The policy is available in the website under the <http://abanoffshore.com/pdf/whistleblowerpolicy.pdf>

Categories of shareholders as on 31st March 2021

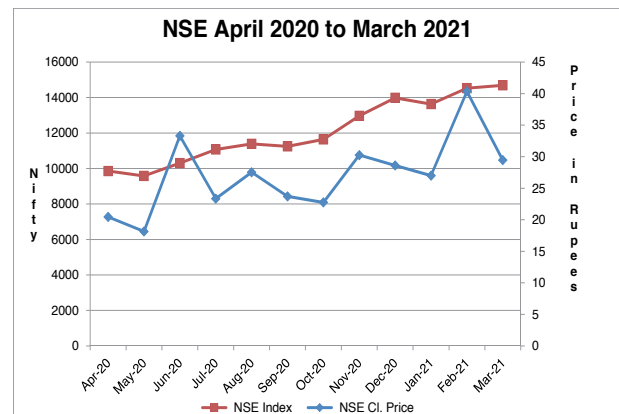
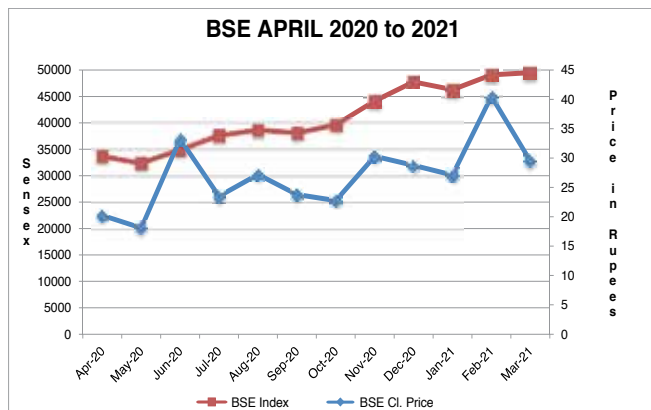
Category	Number of folios	Number of shares	%
Promoter(s)	2	11280910	19.33
Promoter Group	3	7236500	12.40
Collaborators	1	8328750	14.27
FII, NRIs/OCB	1493	1211751	2.08
Mutual Funds, FIIs, Banks	3	1088562	1.87
Bodies Corporate	474	868795	1.49
Public	120406	28350055	48.57
Total	122382	58365323	100.00

Share Price Volume

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

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
April 2020	23.65	13.35	905098	25.90	13.48	302449
May 2020	20.00	16.80	498996	20.40	16.70	128393
June 2020	33.30	18.10	3801984	33.25	18.20	876251
July 2020	34.95	23.10	2411281	34.90	23.15	455578
August 2020	30.20	23.15	2418153	30.05	22.90	420325
September 2020	27.55	23.10	1000427	27.25	22.50	223942
October 2020	24.40	21.10	641601	24.75	22.00	129612
November 2020	31.50	22.00	2439623	31.20	21.75	568224
December 2020	31.70	26.85	1863271	31.50	26.30	542243
January 2021	32.00	26.80	1292613	32.40	27.00	398615
February 2021	42.50	26.60	7029534	42.60	26.55	1876381
March 2021	42.35	29.25	4503407	42.00	29.30	805570

Graphical Representation of Performance of Aban Offshore Limited's Share Price (average of closing price of BSE and NSE) in comparison with BSE Sensex.



Month	BSE Cl. Price	BSE Index	NSE Cl. Price	NSE Index
Apr-20	20.24	33717	20.45	9859
May-20	18.10	32424	18.15	9580
Jun-20	33.25	34915	33.30	10302
Jul-20	23.50	37606	23.35	11073
Aug-20	27.20	38628	27.53	11387
Sep-20	23.80	38067	23.70	11247
Oct-20	22.75	39614	22.75	11642
Nov-20	30.30	44149	30.25	12968
Dec-20	28.75	47751	28.60	13981
Jan-21	27.10	46285	27.00	13634
Feb-21	40.50	49099	40.35	14529
Mar-21	29.50	49509	29.45	14690

Distribution of shareholdings as on 31st March 2021

Category (Shares)	Folio		Shares	
	Numbers	%	Numbers	%
1 - 100	84612	69.14	3066770	5.25
101 - 500	27276	22.29	6976761	11.95
501 - 1000	5788	4.72	4506148	7.73
1001 - 2000	2734	2.23	4049567	6.94
2001 - 3000	819	0.67	2074883	3.55
3001 - 4000	372	0.30	1325613	2.27
4001 - 5000	255	0.21	1195039	2.05
50001 - 10000	346	0.28	2488646	4.26
10001 and above	190	0.16	32681896	56.00
Total	122382	100.00	58365323	100.00

ANNEXURE F
Auditor's Certificate on compliance of Corporate Governance
To the Members of Aban Offshore Limited

We have examined the compliance of Corporate Governance by Aban Offshore Limited, for the year ended on 31st March 2021, as stipulated in the Regulation 4(2) read with Chapter IV and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of Conditions of Corporate Governance is the responsibility of Management. Our examination was limited to review the procedures and implementation thereof, adopted by the company, for ensuring the compliance of conditions of Corporate Governance as prescribed in the above mentioned Listing Regulations. It is neither an audit nor expression of opinion on financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the management of company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For P.Murali & Co

Chartered Accountants

Firm Registration No: 007257S

A Krishna Rao

Partner

Membership No. 020085

UDIN: 21020085AAAAPD6985

Date: 21-06-2021

Place: Hyderabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
M/s. Aban Offshore Limited
CIN: L01119TN1986PLC013473
‘Janpriya Crest’
96, Pantheon Road, Egmore,
Chennai 600008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Aban Offshore Limited having CIN: L01119TN1986PLC013473 and having registered office at ‘Janpriya Crest’ 96, Pantheon Road, Egmore, Chennai TN 600008 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial Year ending on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Reji Abraham	00210557	09/02/1994
2	Mr. Chakkungal Pathayapura Gopalkrishnan	00379618	01/08/2001
3	Ms. Deepa Reji Abraham	00212451	19/09/2014
4	Mr. Parasuraman Iyer Venkateswaran	00379595	01/08/2001
5	Mr. Murari Pejavar	00020437	18/09/1996
6	Mr. Krishnamurthy Bharathan	00210433	26/12/2003
7	Mr. Ashok Kumar Rout	00002605	01/11/2012
8	Ms. Subhashini Chandran	00075592	19/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. G Ramachandran & Associates
Company Secretaries

G RAMACHANDRAN
Proprietor
M.No.: F9687, COP: 3056

Place: Chennai
Date: 21st June, 2021
UDIN: F009687C000489925

Form No. MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s. Aban Offshore Limited
CIN: L01119TN1986PLC013473
'Janpriya Crest', 96, Pantheon Road,
Egmore, Chennai – 600008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Aban Offshore Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Aban Offshore Limited for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Customs Act, 1962;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The Merchant Shipping Act, 1958
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

1. Two Preference Shareholders filed commercial suits before the Honorable High Court of Judicature at Bombay for non-redemption of Non- Convertible Cumulative Redeemable Preference Shares on due dates. The cases are pending before the Honorable High Court.

Two of the Preference Shareholders filed petitions under section 55 of the Companies Act, 2013/under section 80 of the Companies Act, 1956 before the Honorable National Company Law Tribunal ("NCLT"), Chennai Bench for non-redemption of Non-Convertible Cumulative Redeemable Preference Shares. These two cases were dismissed by the said Tribunal. One of the preference shareholders preferred an appeal against the order of NCLT, Chennai Bench before the Honorable National Company Law Appellate Tribunal ("NCLAT"), New Delhi. NCLAT, New Delhi vide its order No. Company Appeal (AT) No.35 of 2019 dated 29th January, 2020 set aside the order and remitted back to NCLT, Chennai to decide the application. Against this order, the Company preferred an appeal (Civil Appeal No.3300/2020) before the Honorable Supreme Court of India. The Honorable Supreme Court dismissed the appeal.

2. The company had made three applications to the Central Government seeking its approval for reappointment of Managerial Personnel under clause (e) of Part I of Schedule V of the Companies Act, 2013. Out of the three, approval was received for two applications and one application is still pending.
3. The Company has transferred 18,990, 75,180 and 59,793 unclaimed equity shares of Rs.2/- each, pertaining to the Financial Year 2010-11, 2011-12 and 2012-13 respectively, to the Investor Education and Protection Fund as on 31st March, 2021. Out of the equity shares transferred to the fund, 2,359 equity shares of Rs.2/- each has been claimed by shareholders.
4. The Company has obtained the consent of its shareholders, by way of special resolution, for sale of its assets and assets of its subsidiaries, at an Extraordinary General Meeting held on 29th March, 2021, as required under Section 180(1)(a) of the Companies Act, 2013 and regulation 24 of SEBI LODR.
5. One of the financial creditors has filed an application under Section 7 of Insolvency & Bankruptcy Code, before the Honorable National Company Law Tribunal, Chennai for the default committed in the repayment of credit facilities availed aggregating to Rs.190.30 Crores. The outcome of the case is awaited.

For M/s. G Ramachandran & Associates
Company Secretaries

G. RAMACHANDRAN

Proprietor

M.No.: F9687 CoP. No.3056

Place: Chennai
Date: 21st June, 2021
UDIN: F009687B000349631

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
M/s. Aban Offshore Limited
CIN L01119TN1986PLC013473
'Janpriya Crest', 96, Pantheon Road,
Egmore, Chennai – 600008

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s. G Ramachandran & Associates
Company Secretaries

G. RAMACHANDRAN

Proprietor

M.No.: F9687 CoP. No.3056

Place: Chennai
Date: 21st June, 2021
UDIN: F009687C000489870

SECRETARIAL COMPLIANCE REPORT OF
M/S. ABAN OFFSHORE LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2021

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 read with Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019]

1. We have examined:

- (a) all the documents and records made available to us and explanation provided by M/s. ABAN OFFSHORE LIMITED ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

2. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the listed entity during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the listed entity during the review period)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars / guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S . No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Nil	Nil	Nil

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) No action was taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) There were no observations made in the previous report, hence reporting on actions to comply with the observations made in previous reports does not arise.
- (e) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.

For M/s. G Ramachandran & Associates
Company Secretaries

G. RAMACHANDRAN

Proprietor

M.No.: F9687 CoP. No.3056

Place: Chennai
Date: 21st June, 2021
UDIN: F009687C000489936

INDEPENDENT AUDITOR'S REPORT

To the Members of
ABAN OFFSHORE LIMITED

Report on the Ind AS Standalone Financial Statements

I. Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of Aban Offshore Limited ("the company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of "the Act" read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

II. Basis for Opinion

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

III. Material uncertainty related to going Concern

We draw attention to Note - 42 to the Standalone financial statements - "the Company" has accumulated losses on account of which the net worth is eroded and also, current liabilities exceeded current assets and the company has defaulted in respect of instalments and payment of interest on term loans and dues on account of cash credit from banks, these indicate that material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. However, the management believes that the use of the going concern assumption on the preparation of the financial statements of "the Company" is still appropriate in view of its continuing discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan, and that "the Company" will continue to be in operation in the foreseeable future.

Our opinion is not modified in respect of this matter.

IV. Emphasis of Matter Paragraph

- i. As disclosed in Note-43 to the Standalone financial statements the COVID -19 has impacted the financial performance and operating environment of "the Company" in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

Our opinion is not modified in respect of this matter.

V. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

- I. Valuation and Impairment of Property, Plant and equipment (PPE): Refer note - 3 to the Ind AS Standalone Financial statements - an impairment charge of Rs.1163.41 million has been recognized for the year 2020-21 in respect of Jack up rigs and Drillship as the carrying amounts of such assets exceeded its estimated value in use which is mainly due to slump in the oil and gas industry.
- II. Impairment / Write-off of Trade Receivables: As Disclosed in Note - 20 to the Standalone financial statements, the company has charged for expected credit loss allowance of Rs.36.70 million for trade receivables as per Ind AS 109 and also has written off trade receivables of an amount Rs.1,186.83 million.
- III. Reclassification of Property, Plant & Equipment (PPE) to Non-Current Assets Held for sale: Refer note - 3 to the Ind AS Standalone Financial statements - during the year the company has reclassified PPE of Rs.766.27 million as Non - Current Assets held for sale, in accordance with Ind AS 105.
- IV. Evaluation of uncertain Tax Positions: The company has material uncertain tax positions including matters under dispute as disclosed contingent liabilities (Refer note no - 30 "Note on Contingent Liabilities"), which involves significant judgement to determine the possible outcomes of these disputes.

How our audit addressed the key audit matters

Our procedures included, but were not limited to the following:

- Calculation of impairment of PPE has been done by management and not by external expert agency: obtained an understanding of management's process and evaluated design and tested operating effectiveness of control's around identification of indicators of impairment under Ind AS. Assessed the appropriateness of methodology and valuation model used by the management to estimate the recoverable value of assets. Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc., based on historical results, current developments and future plans of business estimated by management.
- The management has done an internal assessment of trade receivables and made a credit loss allowance on long overdue receivables as a matter of prudence. In calculating the expected credit loss rates, the Company considers historical loss rates which management is of the view that the historical conditions are representative of the conditions prevailing at the balance sheet date - obtained an understanding on management's process and assumptions made in arriving at those figures. Assessed the appropriateness of methodology and assumptions used by the management to estimate the recoverable value of Trade receivables.
- The management has done an internal assessment of trade receivables and written off certain trade receivables as bad which have a remote chance of recovery.
- The management has explained that idle rigs of the company have been identified for sale and the proceeds of the same would be utilized to service the outstanding debt to the consortium of lenders. The sale is probable within one year from the date of reclassification of PPE as Non- Current Assets held for sale - based on the information and explanations given by management, we have obtained an understanding on this process and satisfied that the reclassification is in conformity with Ind AS.
- We have obtained from the management the details of present status of completed/ pending disputes, and taken into consideration the effect of these in respect of uncertain tax provisions to evaluate the uncertainties at the year end.

VI. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report hereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

VII. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

VIII. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or, in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

IX. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting
- 2) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

A Krishna Rao
Partner
Membership No. 020085
UDIN: 21020085AAAAOW1163

Date: 21.06.2021
Place: Hyderabad

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **ABAN OFFSHORE LIMITED** of even date)

- I. In respect of the Company's Property, plant and equipment:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment on the basis of available information.
 - b) As explained to us all the Property, plant, and equipment have been physically verified by the management in a phased periodic manner, which in our opinion is reasonable having regard to the size of the company and natures of its assets. No physical discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on verification of documents provided to us, we are of the opinion that, the title deeds immovable properties are in the name of the Company.
- II. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals. The material discrepancies noticed on verification between the physical stocks and the book records have been dealt within the books of account.
- III. The company has not granted any loans secured, unsecured to companies, firms, limited liability partnerships, covered in the register maintained under section 189 of the Companies Act, 2013.
- IV. The company has provided guarantees and invested in its wholly owned foreign subsidiary and Indian subsidiaries the company has also invested in other companies. Based on the information and explanations given to us, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 where ever applicable with respect to said transactions.
- V. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 of "the Act" and hence directives issued by the reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of "the Act" the Rules framed there under are not applicable to the Company at present.
- VI. The maintenance of cost records has not been specified by the Central Government under section 148(1) of "the Act" for the business activities carried out by the Company.
- VII. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:
 - i. In respect of Income tax matters:

Name of the Statute	Nature of dispute	Disputed demand in Rs in millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Regular Assessment	556.43	2002-2006	High Court of Madras
Income Tax Act 1961	Regular Assessment	396.17	2006-2008	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Regular Assessment	418.38	2008-2009	High Court of Madras

Name of the Statute	Nature of dispute	Disputed demand in Rs in millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Regular Assessment	812.00	2009-2010	High Court of Madras
Income Tax Act 1961	Regular Assessment	702.40	2009-2010	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Regular Assessment	1907.93	2010-2011	High Court of Madras
Income Tax Act 1961	Regular Assessment	298.88	2010-2011	Income Tax Appellate Tribunal, Chennai
Income Tax Act 1961	Regular Assessment	854.33	2011-2012	High Court of Madras
Income Tax Act 1961	Regular Assessment	1081.23	2013-2014	Income Tax Appellate Tribunal, Chennai
Income Tax Act 1961	Regular Assessment	29.64	2013-2014	Income Tax Appellate Tribunal, Chennai
Income Tax Act 1961	Regular Assessment	846.82	2014-2015	Income Tax Appellate Tribunal, Chennai
Income Tax Act 1961	Regular Assessment	398.60	2015-16	Income Tax Appellate Tribunal, Chennai

ii. In respect of Service Tax matters :

Name of the Statute	Nature of dispute	Disputed demand in Rs in millions	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994 (Service Tax dues)	Regular Assessment	78.72	2011	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	18.94	2011-2012	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	46.76	2006-2007	Honorable Supreme Court
Finance Act 1994 (Service Tax dues)	Regular Assessment	36.78	2012-2014	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	79.80	2014-2015	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	37.31	2005-2011	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	236.49	2012-2014	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	0.60	2015-2016	CESTAT, Chennai
Finance Act 1994 (Service Tax dues)	Regular Assessment	223.02	2015-2017	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	605.75	2008-2010	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	166.89	2009-2012	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	1.54	2013-2015	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	6.31	2013-2015	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	0.57	2016-2017	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	46.01	2015-2017	CESTAT, Mumbai
Finance Act 1994 (Service Tax dues)	Regular Assessment	495.92	2009-2016	Honorable High Court, Mumbai

iii. In respect of Customs Duty matters :

Name of the Statute	Nature of dispute	Disputed demand in Rs in millions	Period to which the amount relates	Forum where dispute is pending
Customs Act 1962	Regular Assessment	107.90	2015-2016	CESTAT, Mumbai
Customs Act 1962	Regular Assessment	916.00	2016-2017	Mumbai High Court

iv. In respect of Value Added Tax :

Name of the Statute	Nature of dispute	Disputed demand in Rs in millions	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax	Regular Assessment	984.91	2010-2011	Tribunal
Maharashtra Value Added Tax	Regular Assessment	459.75	2012-2013	Tribunal
Maharashtra Value Added Tax	Regular Assessment	587.29	2013-2014	Appellate Authority
Maharashtra Value Added Tax	Regular Assessment	667.03	2014-2015	Hon'ble Mumbai High Court
Maharashtra Value Added Tax	Regular Assessment	949.23	2015-2016	Hon'ble Mumbai High Court
Maharashtra Value Added Tax	Regular Assessment	846.00	2016-17	Hon'ble Mumbai High Court

v. In respect of civil suits against the company Rs.94.50 Million.

VIII. Based on our audit procedures and according to the information and explanations given to us, we have noted default in repayment of term loan installments and payment of interest to banks during the year. The unpaid overdue loan installments and interest as at 31st March 2021 are as given below:

Name of the Lender	Amount of default including interest payable as at the Balance Sheet Date in Rs. Million	Period of Default
Punjab National Bank	4,436.64	Feb 2017 to March 2021
Central Bank of India	1906.44	March 2017 to March 2021
IndusInd Bank	232.47	May 2017 to March 2021
Lakshmi Vilas Bank	130.62	September 2018 to March 2021

The banks have issued notices recalling the dues. As such, the company has classified the dues under term loans from Non-current Liability to current liability – refer note no 8(a) to the Standalone Financial Statements.

The Company has no dues to Government during the year and has no dues to financial institutions and does not have any debentures.

- IX. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.
- X. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI. The Company has not paid / provided managerial remuneration for the FY : 2020-2021. Refer to Note no: 29 – “Note on Managerial Remuneration”
- XII. The Company is not a Nidhi Company as per section 406 of “the Act”.
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the

details of related party transactions have been disclosed in note no: 29 to standalone financial statements as required by the applicable accounting standards.

XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures.

XV. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors' or persons connected to its directors.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P. Murali & Co.,

Chartered Accountants

Firm Registration No: 007257S

A Krishna Rao

Partner

Membership No.020085

UDIN: 21020085AAAAOW1163

Date: 21.06.2021

Place: Hyderabad

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ABAN OFFSHORE LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ABAN OFFSHORE LIMITED (“the Company”)** as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company ;and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Murali & Co.,

Chartered Accountants

Firm Registration No: 007257S

A Krishna Rao

Partner

Membership No.020085

UDIN: 21020085AAAAOW1163

Date: 21.06.2021

Place: Hyderabad

Balance Sheet As at 31st March 2021

Particulars	Notes	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,729.35	3,543.22
Assets held for Sale	3	766.27	-
Financial Assets			
(i) Investments	4(a)	128.55	128.55
(ii) Loans	4(c)	299.90	304.86
(iii) Other financial assets	4(f)	197.77	197.77
Deferred Tax Assets	10	633.19	405.86
Total-Non-current assets		3,755.03	4,580.26
Current assets			
Inventories	6	889.86	935.66
Financial Assets			
(ii) Trade receivables	4(b)	3,333.42	5,109.86
(ii) Cash and cash equivalents	4(d)	17.91	73.60
(iii) Other Bank balances	4(e)	18.23	23.61
(iv) Loans	4(c)	625.56	430.25
(v) Other financial assets	4(f)	918.46	754.63
Other current assets	5	10.15	30.19
Total-current assets		5,813.59	7,357.79
Total- Assets		9,568.62	11,938.05
EQUITY AND LIABILITIES			
Equity			
(i) Equity Share Capital	7 (a)	116.73	116.73
(ii) Other Equity	7 (b)	(6,711.61)	(4,391.17)
Total-Equity		(6,594.88)	(4,274.44)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Employee benefit obligations	9	9.95	5.59
Total-Non-Current Liabilities		9.95	5.59
Current liabilities			
Financial Liabilities			
(i) Borrowings	8(b)	123.42	544.89
(ii) Trade payables			
a) Dues of Micro and Small Enterprises		-	7.20
b) Total Outstanding dues of other Creditors	11	3,574.38	4,465.20
(iii) Other financial liabilities	8(c)	11,690.00	11,124.09
Employee benefit obligations	9	4.61	1.47
Other current liabilities	12	761.14	64.05
Total-Current Liabilities		16,153.55	16,206.90
Total-Liabilities		16,163.50	16,212.49
Total-Equity and Liabilities		9,568.62	11,938.05
Summary of significant accounting policies	2.1		

The accompanying notes 1 to 44 are an integral part of the financial statements

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
 Partner
 Membership No.020085
 Place: Chennai
 Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
 Managing Director

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

P.Venkateswaran
 Director

S.N. Balaji
 Dy. General Manager (Legal) & Secretary

Statement of Profit and Loss for the year ended 31st March 2021

Particulars	Notes	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Continuing Operations			
Income			
Revenue from operations	13	1,559.32	2,405.38
Other income	14	331.09	98.74
Total Income		1,890.41	2,504.12
Expenses			
Consumption of stores,spares,power and fuel	15	142.42	336.65
Employee benefits expense	16	293.40	405.63
Finance Costs	17	815.11	958.52
Depreciation and amortization expense	18	607.91	1,607.17
Impairment loss / Write Off of Receivables	20	1,223.53	75.31
Impairment loss of property, plant and equipment	19	1,163.41	11,537.12
Impairment loss of Investments	4(a)	-	35,317.32
Other expenses	21	517.61	1,054.50
Total expenses		4,763.39	51,292.22
Profit before exceptional items and tax		(2,872.98)	(48,788.10)
Exceptional items [Profit / (Loss)]	39	332.64	-
Profit before tax		(2,540.34)	(48,788.10)
Tax expense			
Current tax		-	-
Deferred tax		(227.32)	(4,214.24)
Total tax expense		(227.32)	(4,214.24)
Profit for the year from continuing operations		(2,313.02)	(44,573.86)
Discontinued Operations			
Profit before tax from discontinued operations		-	-
Tax income/(expense) of discontinued operations		-	-
Profit for the year from discontinued operations		-	-
Profit for the year		(2,313.02)	(44,573.86)
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Net gain/(loss) on fair value through other comprehensive income-Non current investments		-	-
Expected return on Plan assets & Net Actuarial gain/(loss) recognised during the year-Employee benefit		(7.42)	4.40
Total Comprehensive Income for the year		(2,320.44)	(44,569.46)
Earnings per equity share for continuing operations			
Basic		(39.63)	(763.77)
Diluted		(39.63)	(763.77)
Earnings per equity share for discontinued operations			
Basic		-	-
Diluted		-	-
Earnings per equity share for continuing and discontinued operations			
Basic		(39.63)	(763.77)
Diluted		(39.63)	(763.77)
Summary of significant accounting policies	2.1		

The accompanying notes 1 to 44 are an integral part of the financial statements

As per our report of even date

For P.Murali & Co**Chartered Accountants****ICAI-Registration No.007257S****A Krishna Rao**

Partner

Membership No.020085

Place: Chennai

Date:June 21, 2021

For and on behalf of the Board

Reji Abraham

Managing Director

C.P.Gopalkrishnan

Dy.Managing Director & Chief Financial Officer

P.Venkateswaran

Director

S.N. Balaji

Dy. General Manager (Legal) & Secretary

Statement of Changes in Equity for the year ended 31st March 2021 and 2020

A. Equity Share Capital Rs.millions

As at 31st March 2020	116.73
Changes in equity share capital	-
As at 31st March 2021	116.73

B. Other Equity

	Money received against share warrants	Reserves and Surplus						Items of Other Comprehensive Income		Total
		Capital Reserve	Securities Premium Reserve	Investment Allowance Reserve	Capital Redemption reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Others	
Balance at 1st April 2019	-	0.03	17,765.80	52.40	2,810.00	1,479.79	18,046.51	(0.55)	24.31	40,178.29
Profit for the year	-	-	-	-	-	-	(44,573.86)	-	-	(44,573.86)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	4.40	4.40
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to Capital redemption reserve	-	-	-	-	-	-	-	-	-	-
Any other change-allotment against share warrants	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2020	-	0.03	17,765.80	52.40	2,810.00	1,479.79	(26,527.35)	(0.55)	28.71	(4,391.17)

	Money received against share warrants	Reserves and Surplus						Items of Other Comprehensive Income		Total
		Capital Reserve	Securities Premium Reserve	Investment Allowance Reserve	Capital Redemption reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Others	
Balance at 1st April 2020	-	0.03	17,765.80	52.40	2,810.00	1,479.79	(26,527.35)	(0.55)	28.71	(4,391.17)
Profit for the year	-	-	-	-	-	-	(2,313.02)	-	-	(2,313.02)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(7.42)	(7.42)
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to Capital redemption reserve	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2021	-	0.03	17,765.80	52.40	2,810.00	1,479.79	(28,840.37)	(0.55)	21.29	(6,711.61)

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
 Partner
 Membership No.020085
 Place: Chennai
 Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
 Managing Director

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

P.Venkateswaran
 Director

S.N. Balaji
 Dy. General Manager (Legal) & Secretary

Cash Flow Statement for the year ended 31st March 2021

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Cash Flow from operating activities		
Loss before tax	(2,540.34)	(48,786.68)
<u>Non cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation/amortization	607.91	1,607.17
Impairment on tangible assets	1,163.41	11,537.12
Loss/(profit) on sale of fixed assets	(0.13)	-
Provision for Employee Benefits	3.46	10.04
Excess Provision Reversed	(212.06)	-
Unrealized foreign exchange (gain)/loss	60.83	358.53
Interest expenses	815.11	958.52
Interest Income	(1.38)	(46.47)
Impairment of Investments	-	35,317.32
Net (Gain) / Loss on Sale of Non-Current Investments	-	5.70
Impairment Loss / Write off of Bad Debts	1,223.53	75.31
Exceptional Item	(332.64)	-
Operating profit before working capital changes	787.70	1,036.54
<u>Movements in working capital:</u>		
Increase/(Decrease) in trade payables	(642.38)	891.68
Increase/(Decrease) in other current liabilities	865.83	230.07
Decrease/(Increase) in trade receivables	314.28	78.23
Decrease/(Increase) in inventories	46.58	6.10
Decrease/(Increase) in long term loans and advances	4.96	(0.38)
Decrease/(Increase) in short term loans and advances	(320.21)	46.26
Cash generated from operations	1,056.76	2,288.51
Direct taxes paid (net of refunds)	(41.48)	(180.78)
Net cash flow from operating activities (A)	1,015.28	2,107.72

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Cash Flow from investing activities		
Purchase of fixed assets	(704.15)	(1,263.61)
Capital advances	(1.14)	(77.19)
Proceeds from sale of non-current investments	-	21.82
Interest received	0.10	0.92
Net cash flow used in investing activities (B)	(705.20)	(1,318.04)
Cash Flow from financing activities		
Repayment of long term borrowings	102.49	(289.74)
Repayment of loan by foreign subsidiary and other Group Companies/ (Loans extended to foreign subsidiary and other Group Companies)	59.64	66.62
Interest paid	(111.96)	16.61
Net cash used in financing activities (C)	50.17	(206.51)
Net increase /(decrease) in cash and cash equivalents (A+B+C)	360.25	583.12
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.16	(72.92)
Cash and cash equivalents at the beginning of the year	(447.69)	(957.95)
Cash and cash equivalents at the end of the year	(87.28)	(447.70)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (note 4 (d) & (e)) *	36.14	97.21
Cash credit from banks (secured) (note 8(b))	(123.42)	(544.89)
Balance as per statement of cash flows	(87.28)	(447.70)
* Includes Restricted Cash balance - unpaid dividend liability	7.83	13.22

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
 Partner
 Membership No.020085
 Place: Chennai
 Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
 Managing Director

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

P.Venkateswaran
 Director

S.N. Balaji
 Dy. General Manager (Legal) & Secretary

Notes to IND AS Financial Statements for the year ended 31st March 2021

1. Corporate Information

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

2. Basis of preparation

The financial statements have been prepared in accordance with IFRS converged Indian Accounting Standards (IndAS) as issued by the Ministry of Corporate Affairs (MCA).

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.1 Summary of significant accounting policies**1. Use of estimates**

Preparation of these financial statements in accordance with IndAS requires management to make judgements on the basis of certain estimates and assumptions. In addition, the applications of accounting policies require management judgment. Estimates are based on the managements view on past events and future development and strategies. Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can reasonably be used to assess the book values of assets and liabilities.

The accounting policies which have the most significant effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant IndAS accounting policies provided below:

i. Impairment testing**a) Goodwill:**

Company's management reviews regularly, and at each reporting date, whether there is any indication of impairment in respect of Goodwill. Goodwill is tested annually for impairment, even if there is no indication of impairment.

b) Property, Plant & Equipment, Investment in Subsidiary Corporations:

Property, Plant and Equipment and Investments in subsidiary corporations are tested for impairment whenever there is objective or indication that these assets may be impaired.

For the purpose of Impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis. If the recoverable value of the asset is estimated to be less than the carrying amount, the carrying amount of the asset so reduced to its recoverable amount. The difference between the carrying amount of the asset and the recoverable amount is recognized as impairment loss in profit and loss.

c) Trade Receivables:

The Company assesses the expected credit losses associated with its Trade Receivables carried at. The impairment methodology applied depends on whether there has been significant increase in credit risk in the initial recognized amount. For Trade Receivables the Company applies the approach permitted by IND AS109 which requires expected lifetime losses to be recognized from initial recognition of the receivable.

Notes to IND AS Financial Statements for the year ended 31st March 2021

ii. Useful life of Property, Plant and Equipment

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management.

iii. Fair Value

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the income statements. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

2. Presentation of true and fair view

These financial Statements have been prepared by applying IndAS principles and necessary disclosures have been made which present a true and fair view of the financial position, financial performance and cash flows of the Company.

3. Accrual basis

These financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

4. Materiality

Each material class of similar items has been presented separately in these Financial Statements.

5. Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain properties and financial instruments that have been measured at fair values or revalued amounts as required by the relevant IndAS.

6. Offsetting

In preparation of these Financial Statements, the Company has not offset assets and liabilities or income and expenses, unless required or permitted by Ind AS.

7. Investment in Associates

An associate is an entity in which the investor has significant influence, but which is neither a subsidiary nor a joint venture of the investor. Interests in Associates are accounted in these Consolidated Financial Statements using the equity method of accounting in accordance with IndAS 28 (Investments in associates and joint venture).

8. Functional and Presentation Currency

IndAS 21 (The effects of changes in foreign exchange rates) requires that functional currency and presentation currency be determined. Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented.

These financial statements are presented in Indian Rupee, which is the functional currency and presentation currency of the Company. All foreign currency transactions are expressed in the functional currency using the exchange rate at the transaction date.

Foreign currency balances representing cash or amounts to be received or paid in cash (monetary items) are retranslated at the end of the year using the exchange rate on that date. Exchange differences on such monetary items are recognized as income or expense for the year.

Non-monetary balances that are not remeasured at fair value and are denominated in a foreign currency are expressed in the functional currency using the exchange rate at the transaction date. Where a non-monetary item is remeasured at fair value in the financial statements, the exchange rate at the date when fair value was determined is used.

Notes to IND AS Financial Statements for the year ended 31st March 2021
9. Property, plant and equipment

Property, plant and equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

In the first year of transition to IndAS, the various items of PPE have been valued as per their 'deemed cost' in accordance with IndAS 101 (First time adoption of Indian accounting standards).

The company has chosen the deemed cost exception provided in Ind AS 101. Accordingly, it has partly revalued its property, plant and equipment, and partly recalculated carrying values by applying Ind AS guidance from the date of acquisition of such assets.

The cost of a major inspection or overhaul of an item occurring at regular intervals over the useful life of the item is capitalised to the extent that it meets the recognition criteria of an asset. The carrying amounts of the parts replaced are derecognized.

10. Non-Current Assets held for Sale

In accordance with IND AS 105, Property, Plant and Equipment are classified as Non-Current Assets held for sale in case such asset is available for sale in its present condition and its sale must be highly probable. In addition the sale should be expected to qualify for recognition as completed sale within one year from the date of classification or such extended period in circumstances beyond the control of the company. A non-current asset classified as held for sale is carried at lower of its carrying amount and fair value less cost to sell. Such asset is not depreciated after the date of such classification. Interest and other expenses attributable to liability associated with non-current assets classified as held for sale shall continue to be recognized.

11. Depreciation on Property, Plant and Equipment (PPE)

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on a systematic basis over its remaining useful life. Subsequent expenditure relating to an item of PPE is capitalized if it meets the recognition criteria.

PPE may comprise parts with different useful lives. Depreciation is calculated based on each individual part's life subject to the life of the main asset. In case of replacement of one part, the new part is capitalized to the extent that it meets the recognition criteria of an asset, and the carrying amount of the parts replaced is derecognized.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life of the assets as under-

Fixed Assets	Useful Life
Buildings	60 years
Drilling Rigs	30 or 39 years
Drillship	25 years
Computers	3 years
Windmills	22 years
Furniture and fixtures	10 years
Motor Vehicles	8 years

As on transition, based on the technical evaluation, the estimated useful lives of some of the rigs have been revised from 30 years to 39 years.

Notes to IND AS Financial Statements for the year ended 31st March 2021

12. Borrowings costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.

Borrowing costs include interest expense, if any, calculated using the effective interest method, finance charges, if any, in respect of finance leases and exchange differences, if any, arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

13. Impairment of Property, plant and equipment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

14. Investments

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

Quoted Investments are recognized and measured at fair value.

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognized in the profit and loss.

15. Inventories

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per IndAS 2, 'Inventories'. The cost of other inventory items used is assigned by using either the first-in, first-out (FIFO) or weighted average cost formula.

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognized at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. Costs such as abnormal amount of wasted materials, storage costs, administrative costs and selling costs are excluded from the cost of inventories. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

16. Revenue recognition

Revenue is recognized when a customer obtains control of goods or services. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the goods or services.

Notes to IND AS Financial Statements for the year ended 31st March 2021

For this, the company first determines whether control is transferred over time. If the answer to this question is negative, only then revenue is recognized at a point in time, or else it is recognized over time.

The company recognizes revenue to depict the transfer of goods or services to customers at an amount expected to be received in exchange for those goods or services.

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

Income from wind power generation is recognized based on the number of units of power generated every month at contracted rates.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

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

17. Retirement and other employee benefits

Employee benefits are all forms of consideration given or promised by the company in exchange for services rendered by its employees. These benefits include salary-related benefits (such as wages, profit-sharing,

bonuses and compensated absences, such as paid holiday and long-service leave), termination benefits (such as severance and redundancy pay) and postemployment benefits (such as retirement benefit plans).

Defined contribution plans

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

Defined benefit plans

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Contribution to Provident Fund which is a defined contribution retirement plan is made monthly at a predetermined rate to the Provident Fund Authorities and is debited to the Statement of Profit and Loss on accrual basis.

Contribution to Superannuation Scheme / National Pension System (NPS), which is defined contribution retirement plan, is made annually at predetermined rate to Insurance Companies / Pension Funds which administer the fund and debited to the Statement of Profit and Loss

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are re-measured. The income statement reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and re-measurement gains and losses.

Re-measurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Re-measurements are recognized in other comprehensive income.

The amount of pension expense to be recognized in profit or loss is comprised of the following individual components, unless they are required or permitted to be included in the costs of an asset:

- Service costs (present value of the benefits earned by active employees)
- Net interest costs (unwinding of the discount on the defined benefit obligations and a theoretical return on plan assets)

Notes to IND AS Financial Statements for the year ended 31st March 2021

The company makes annual contribution to Gratuity Funds administered by Insurance Companies, which is considered as defined benefit plan. The present value of the defined benefit is measured using the 'Projected Unit Credit method' with actuarial valuation being carried out at each Balance Sheet date by an independent valuer. Actuarial gain and losses are immediately recognized in the Statement of Profit and Loss. Amount of contribution, computed by the insurers is paid by the company and charged to Statement of Profit and Loss. No additional liability is anticipated under the scheme administered by the Insurance Companies.

The Company makes provision for leave encashment based on actuarial valuation carried out by an independent actuary at the Balance Sheet date.

18. Taxes on income

Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the temporary difference arises from the following:

- Initial recognition of goodwill (for deferred tax liabilities only)
- Initial recognition of an asset or liability in a transaction which is not a business combination and which affects neither accounting profit nor taxable profit
- Investments in subsidiaries, branches, associates and joint ventures, but only when certain criteria apply

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in equity in the same or different period.

19. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

Notes to IND AS Financial Statements for the year ended 31st March 2021

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges - when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.

Cash flow hedges - when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

The company does not have any derivatives instruments during the period April 1, 2020 to March 31, 2021.

20. Segment reporting**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided with each segment representing strategic business unit that offers different services. The Company is engaged primarily in the business of offshore drilling services. The wind energy division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.

21. Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33 (Earning per share).

22. Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when:

- There is a present obligation to transfer economic benefits as a result of past events;
- it is probable (more likely than not) that such a transfer will be required to settle the obligation;
- and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, measured at the expected cash flows discounted for the time value of money. Provisions are not recognized for future operating losses.

An obligation and any anticipated recovery are presented separately as a liability and an asset respectively; however, an asset is recognized only if it is virtually certain that settlement of the obligation will result in a reimbursement, and the amount recognized for the reimbursement does not exceed the amount of the provision. The amount of any expected reimbursement is disclosed. Net presentation is done only in the income statement.

Management performs an exercise at each balance sheet date to identify the best estimate of the expenditure required to settle the present obligation at the balance sheet date, discounted at an appropriate rate. The increase in provision due to the passage of time (that is a consequence of the discount rate) is recognized as borrowing cost.

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because of the following

Notes to IND AS Financial Statements for the year ended 31st March 2021

- (a) It is not probable that an outflow of economic benefits will be required to settle the obligation; or
- (b) the amount cannot be measured reliably.

As per IndAS 37 (Provisions, contingent liabilities and contingent assets), Contingent liabilities, if any, are not recognized but are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote.

Contingent assets are possible assets whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. As per IndAS 37, Contingent assets, if any, are not recognized but are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect if the inflow of economic benefits is probable.

23. Cash and cash equivalents

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

24. Share based payments

All types of share-based payments and transactions are measured at fair value and recognized over the vesting period in accordance with IndAS 102. However this is not applicable for equity instruments that vested before date of transition to IndAS.

25. Events after the reporting period

Dividends proposed or declared for the reporting period but before the financial statements are approved for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time. This provision for dividends will be recognized only in the period when the dividend is declared and approved.

26. Related Party Disclosures

All disclosures as specified under IndAS 24 (Related party disclosures) are made in these Financial Statements in respect of the company's transactions with related parties.

27. Leases

The Company as a Lessor

As per IND AS 116, Leases of Property Plant and Equipment where the Company retains substantially all risks and rewards incidental to ownership and classified as Operating Lease, Income from Operating Lease is recognized in the Profit and Loss over the Lease tenure.

28. Financial Instruments

Financial assets and financial liabilities are recognized on the Company Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets - Trade receivables

Trade receivables are non-interest-bearing and are recognized initially at fair value, and subsequently at amortized cost using the effective interest rate method, less provision for impairment loss allowance, if any.

Financial Assets - Investments

Investments consist of investments in equity shares (quoted) and are recognized at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognized directly in other comprehensive income, until the security is disposed off or is determined to be impaired, at which time the cumulative

Notes to IND AS Financial Statements for the year ended 31st March 2021

gain or loss previously recognized in other comprehensive income is included in the income Statement for the period. Dividends, if any, on equity instrument are recognized in the Income Statement when the company's right to receive payment is established.

Loans and Advances

Loans and advances are initially recognized at fair value plus directly related transaction costs. Subsequent to initial recognition, these assets are carried at amortized cost using the effective interest method less any impairment losses. Income from these financial assets is calculated on an effective yield basis and is recognized in the Income Statement.

Impairment of Loans and Advances

At each balance sheet date, the Company reviews the carrying amounts of its loans and advances to determine whether there is any indication that those assets have suffered an impairment loss.

If there is objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and advances has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets and the present value of estimated future cash flows from the asset or Company of assets discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses, if any, are recognized in the Income Statement and the carrying amount of the financial asset or Company of financial assets is reduced by establishing an allowance for impairment losses.

If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognized, the previously recognized loss is reversed by adjusting the allowance. Once an impairment loss has been recognized on a financial asset or Company of financial assets, interest income is recognized on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment.

Loan impairment provisions are established taking into account the level of arrears, security, past loss experience, credit scores and defaults based on portfolio trends. The most significant factors in establishing these provisions are the expected loss rates

Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost with any difference between proceeds and redemption value being recognized in the Income Statement over the period of the borrowings on an effective interest rate basis.

Trade payables

Trade payables are non-interest-bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments and hedge accounting

The Company has not entered into any derivative or hedging transactions.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Notes to IND AS Financial Statements for the year ended 31st March 2021

3. Property, plant and equipment

Rs.millions

	Land-Freehold	Buildings	Offshore Jack-up rigs	Drillship	Other Machineries	Wind Mills	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Year ended 31st March 2020											
Gross Carrying amount											
Opening gross carrying amount	128.56	109.86	13,587.92	7,885.29	4.08	29.12	13.52	2.11	24.77	21,785.23	58.75
Additions	-	-	1,389.73	9.43	-	-	0.27	-	0.10	1,399.53	(58.75)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2020	128.56	109.86	14,977.65	7,894.72	4.08	29.12	13.79	2.11	24.88	23,184.76	-
Accumulated Depreciation / Impairment											
Opening accumulated depreciation	-	12.40	4,256.02	2,206.98	-	-	7.84	0.85	13.15	6,497.24	-
Depreciation charged during the year	-	2.43	1,021.75	579.42	-	-	0.50	-	3.07	1,607.17	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Impairment Charge	-	-	7,182.16	4,354.96	-	-	-	-	-	11,537.12	-
Closing Accumulated Depreciation	-	14.83	12,459.93	7,141.36	-	-	8.34	0.85	16.22	19,641.53	-
Net Carrying amount as on 31st March 2020	128.56	95.04	2,517.72	753.36	4.08	29.12	5.45	1.27	8.66	3,543.22	-
Year ended 31st March 2021											
Gross Carrying amount											
Opening gross carrying amount	128.56	109.86	14,977.65	7,894.72	4.08	29.12	13.79	2.11	24.88	23,184.76	-
Additions	-	-	717.29	1.15	-	-	0.48	-	4.93	723.84	-
Disposals	-	-	-	-	-	-	-	-	(3.70)	(3.70)	-
Balance as on 31st March 2021	128.56	109.86	15,694.94	7,895.87	4.08	29.12	14.27	2.11	26.11	23,904.90	-
Accumulated Depreciation / Impairment											
Opening accumulated depreciation	-	14.83	12,459.93	7,141.36	-	-	8.34	0.85	16.22	19,641.53	-
Depreciation charged during the year	-	2.43	458.22	143.79	-	-	0.60	-	2.88	607.91	-
Disposals	-	-	-	-	-	-	-	-	(3.58)	(3.58)	-
Impairment charge	-	-	1,039.30	124.11	-	-	-	-	-	1,163.41	-
Closing Accumulated Depreciation	-	17.25	13,957.45	7,409.26	-	-	8.93	0.85	15.53	21,409.28	-
Net Carrying amount as on 31st March 2021	128.56	92.61	1,737.50	486.61	4.08	29.12	5.33	1.27	10.58	2,495.62	-
Less: Non Current Assets held for Sale	-	-	279.66	486.61	-	-	-	-	-	766.27	-
Net Carrying amount after Assets held for Sale as on 31st March 2021	128.56	92.61	1,457.84	-	4.08	29.12	5.33	1.27	10.58	1,729.35	-

- Some of the offshore Jack-up rigs of the Company are charged as a security for the bank term loans taken by the wholly owned foreign subsidiary of the company.
- In respect of Jack-up rigs and the drillship an impairment charge aggregating to Rs.1,163.41 Million (previous year: Rs.11,537.12 Million) has been recognized for the year 2020-21 as the carrying amounts of such assets exceeded its estimated value-in-use which is mainly due to the slump in the Oil and Gas industry.

Non- Current Assets Held for Sale

The downturn in the Oil & Gas industry and the consequential reduced day rates that the offshore rigs are commanding in the current market conditions has put the Company in severe cashflow crisis leading to difficulty in timely servicing of outstanding debt. The Board of Directors in its meeting held on 5th March 2021 took on record the discussions between the Company and consortium of lenders for sale of the idle rigs owned by the Company. The net proceeds that would be realized from the sale of such rigs shall be utilized to repay the outstanding debt of the Company to the consortium of lenders. In the Extra ordinary meeting of the Company held on 29th March 2021, the Shareholders have accorded their approval to the Company to sell, transfer, deliver or otherwise dispose off the following assets owned by the Company viz Jack up Rigs Aban V and Aban VI, Drillship Aban Ice and Floating Production unit TAHARA (collectively “the rigs”) and also authorized the Board of Directors to finalize and execute the documents in relation to the sale of the aforementioned rigs. The sale is highly probable and expected to be completed within one year.

In view of the above circumstances, these rigs are re-classified as Non-Current Assets Held for Sale at the carrying value as on date of shareholder’s approval in accordance with Ind AS 105. Accordingly the following classes of Property Plant and Equipment are being reclassified as Non- Current Assets Held for Sale:

Class of Assets	Rs.Millions
Offshore Jack-up Rigs	279.66
Drillship	486.61
Total	766.27

4 (a). Non-current investments

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Trade Investment (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries-wholly owned		
- 0.2 million (31st March 2020:0.2 million) equity shares of Rs.10 each fully paid in Aban Energies Limited	2.00	2.00
- 562.88 million(31st March 2020:562.88 million) equity shares in Aban Holdings Pte Ltd, Singapore # @	26,046.71	26,046.71
- 131.40 million (31st March 2020: 131.40 million)Non-Cumulative Optionally Redeemable / Convertible Preference Shares in Aban Holdings Pte Ltd, Singapore	9,270.61	9,270.61
Other- Investments		
- 0.015 million (15% holding) (31st March 2020:0.015 million) equity shares of Rs.10 each fully paid in Radhapuram Wintech Private Limited	0.15	0.15
- 4.011 million (31st March 2020 :4.011 million)10% Non Cumulative Redeemable Preference shares of Rs 10 each fully paid in Radhapuram Wintech Private Limited	40.11	40.11
- 0.025 million (15% holding) (31st March 2020:0.025 million) equity shares of Rs.10 each fully paid in Aban Green Power Private Limited	0.25	0.25
- 6.613 million (31st March 2020:6.613 million)10% Non Cumulative Redeemable Preference shares of Rs 10 each fully paid in Aban Green Power Private Limited	66.13	66.13
- 0.3 million (31st March 2020: 0.3 million) equity shares of Rs.10 each fully paid in Aban Informatics Private Limited	19.85	19.85

Notes to IND AS Financial Statements for the year ended 31st March 2021

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Investment in joint ventures/associates		
- 0.05 million(31st March 2020:0.05 million) equity shares of Rs.100 each fully paid in Frontier Offshore Exploration(India) Limited (at cost less provision for other than temporary diminution in value Rs.4.99 million(31st March 2020:Rs.4.99 million))	-	-
- 0.005 million (31st March 2020: 0.005 million) equity shares of Rs.10 each fully paid in Aban Drilling Services Private Limited	0.05	0.05
	35,445.86	35,445.86
Less:		
- Impairment of Investments in Aban Holdings Pte Ltd, Singapore	(35,317.32)	(35,317.32)
	128.55	128.55
Non-trade investments (measured at fair value)		
Investment in equity shares (quoted)		
'0.01 million (31st March 2020: 0.01 million) equity shares of Rs.10 each fully paid in Arihant Threads Ltd (at cost less provision for other than temporary diminution in value of Rs.0.18 million (31st March 2020: Rs.0.18 million))	-	-
'0.0003 million (31st March 2020: 0.0003 million) equity shares of Rs.10 each fully paid in Punjab Woolcombers Ltd at cost less provision for other than temporary diminution in value of Rs 0.02 million (31st March 2020 : Rs 0.02 million)	-	-
	128.55	128.55
Aggregate amount of quoted investments	-	27.52
Aggregate amount of unquoted investments	128.55	128.55
Aggregate provision for impairment in value of investments	35,322.50	35,322.50

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: The Equity shares held in Aban Holdings Pte Limited Singapore are under pledge with Bank of Baroda, UAE as a security against credit facility availed by Aban Holdings Pte Limited, Singapore(the wholly owned foreign subsidiary).

4(b) Trade receivables

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Unsecured, considered good unless stated otherwise				
Unsecured, considered good	-	-	3,333.42	5,109.86
Doubtful	-	-	152.64	115.94
	-	-	3,486.07	5,225.80
Less: Credit Loss allowance	-	-	(152.64)	(115.94)
Total	-	-	3,333.42	5,109.86

Notes to IND AS Financial Statements for the year ended 31st March 2021
i) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits, trade receivables, amount due from bank deposits, the Company maintains its deposits primarily with banks with high credit quality

Due to the nature of the Company's operations, revenue and receivable are typically concentrated amongst a relatively small customer base of oil and gas companies. The Company ensures that drilling contracts are with customers of adequate financial standing and appropriate credit history. Additionally, the customers' payment profile and credit exposure are continuously monitored. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets on the balance sheet.

The credit risk for trade receivables (net of loss allowance) based on the information provided to key management is as follows:

	2021 INR millions	2020 INR Millions
By geographical areas		
Asia	3,333.42	5,109.86

Customers are mainly government-linked oil and gas corporations.

The movement in credit loss allowance for trade receivables of the Company is set out as follows:

	2021 INR millions	2020 INR Millions
Beginning of the financial year	115.94	40.63
Loss allowance recognised in profit or loss during the financial year	36.70	75.31
End of the financial year	152.64	115.94

The Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Company purely considers historical loss rates which management is of the view that the historical conditions are representative of the conditions prevailing at the balance sheet date.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due, and writes off the financial asset after attempted all enforcement activity to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Companies credit risk exposure in relation to trade receivables under Ind AS 109 as at 31st March 2021 and 2020 are set out in the provision matrix as follows

	← Past due →				
	Not past due INR in Million	< 3 months INR in Million	3 to 6 months INR in Million	More than 180 days INR in Million	Total INR in Million
Group					
31 March 2021					
Trade receivables	-	-	16.41	3,317.01	3,333.42
Loss allowance	-	-	-	(152.64)	(152.64)

Notes to IND AS Financial Statements for the year ended 31st March 2021

	← Past due →				
	Not past due	< 3 months	3 to 6 months	More than 180 days	Total
	INR in Million	INR in Million	INR in Million	INR in Million	INR in Million
31 March 2020					
Trade receivables	310.36	-	0.33	4,871.00	5,181.69
Loss allowance	-	-	-	(115.94)	(115.94)

Cash and cash equivalents, other receivables, are considered to have low risk of default. The balances are measured on 12-month expected credit losses. The credit loss, if any, is immaterial.

4 (c) Loans

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Loans and advances to related parties				
Unsecured, considered good (Note 29)	-	-	7.67	23.89
	-	-	7.67	23.89
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	282.01	282.45	611.83	400.17
Doubtful	-	-	-	-
	282.01	282.45	611.83	400.17
Provision for doubtful advances	-	-	-	-
	282.01	282.45	611.83	400.17
Loans to employees	17.89	22.42	6.06	6.18
	299.90	304.86	625.56	430.25

4(d). Cash and bank balances

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Cash and cash equivalents				
Balances with banks:				
-On current accounts	-	-	17.37	73.23
Cash on hand	-	-	0.54	0.36
	-	-	17.91	73.60

Notes to IND AS Financial Statements for the year ended 31st March 2021
4(e). Other bank balances

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
On unpaid dividend account	-	-	7.83	13.22
-Deposits with original maturity for more than 12 months	3.03	3.03	-	-
- Margin money deposit	-	-	10.40	10.38
	3.03	3.03	18.23	23.61
Amount disclosed under other assets {(See note 4(f))}	(3.03)	(3.03)	-	-
	-	-	18.23	23.61

4(f). Other financial assets

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Security deposit	2.13	2.13	8.27	8.14
Balances with statutory/ government authorities	192.61	192.61	69.07	69.07
Non-current bank balances - {refer note 4 (e)}	3.03	3.03	-	-
Other loans and advances				
Advance income-tax (net of provision for taxation)	-	-	673.14	631.66
Input Tax Credit under GST (Net of GST Liabilities)	-	-	167.98	45.76
	197.77	197.77	918.46	754.63

5. Other assets

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Prepaid expenses	-	-	7.00	20.67
Interest accrued on fixed deposits	-	-	2.01	1.00
Capital Advances	-	-	1.14	8.53
Total	-	-	10.15	30.19

6. Inventories

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Stores, Spares and Fuel	889.86	935.66
Total	889.86	935.66

Notes to IND AS Financial Statements for the year ended 31st March 2021

7(a). Equity Share capital

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Authorised shares (No. millions)		
2,500 (31st March 2020: 2,500) Equity Shares of Rs.2/- each	5,000.00	5,000.00
Issued , subscribed and fully paid -up Equity shares (No. in millions)		
Equity Shares		
36.88 (31st March 2020: 36.88) equity shares of Rs.2/- each	73.75	73.75
0.85 (31st March 2020: 0.85) equity shares of Rs.2/- each issued against conversion of foreign currency convertible bonds	1.70	1.70
0.16 (31st March 2020: 0.16) equity shares of Rs.2/- each issued against employee stock option scheme	0.33	0.33
16.47 (31st March 2020: 16.47) equity shares of Rs.2/- each issued against qualified institutional placement	32.94	32.94
4.00 (31st March 2020:4.00) equity shares of Rs. 2/- each issued against conversion of share warrants allotted on a preferential basis	8.00	8.00
0.01 (31st March 2020: 0.01) Shares Forfeited -equity shares at Re 1/- each	0.01	0.01
	116.73	116.73

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

Equity shares of Rs 2 each

	31st March 2021	31st March 2020
	No. millions Rs. millions	No. millions Rs.millions
At the beginning of the period	58.36 116.73	58.36 116.73
Issued during the period	- -	- -
Outstanding at the end of the period	58.36 116.73	58.36 116.73

Terms / rights attached to equity shares

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

During the year ended 31st March 2021, the amount of per share dividend recognized as distributions to equity shareholders is Nil (31st March 2020:Nil).

Maximum number of options that may be granted under the scheme is 1.843 million equity shares of Rs.2 each. Options granted during the year- Nil (up to 31st March 2020: 1.843 Million equity shares of Rs.2 each)-Options lapsed during the year Nil (up to 31st March 2020: 0.331 million equity shares of Rs.2 each)-Options exercised during the year- Nil (up to 31st March 2020: 0.160 million equity shares of Rs.2 each)-Options outstanding at the end of year :1.352 million equity shares of Rs.2 each (up to 31st March 2020: 1.352 million equity shares of Rs.2 each)-Options yet to be granted under the scheme:0.332 million (31st March 2020: 0.332 million equity shares of Rs.2 each).

Notes to IND AS Financial Statements for the year ended 31st March 2021
Details of shareholders holding more than 5% shares in the Company

	31st March 2021		31st March 2020	
	No. millions	% holding in the class	No. millions	% holding in the class
Equity shares of Rs.2 each fully paid				
Reji Abraham	5.63	9.64%	5.63	9.64%
Deepa Reji Abraham	4.04	6.92%	4.04	6.92%
India Offshore Inc	8.33	14.27%	8.33	14.27%
Aban Investments Private Limited	5.65	9.68%	5.65	9.68%
	23.65	40.51%	23.65	40.51%

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

7 (b). Other equity

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Capital Reserve as per last Balance Sheet	0.03	0.03
Securities Premium Account		
Balance as per last Balance Sheet	17,765.80	17,765.80
	17,765.80	17,765.80
Investment Allowance Reserve-utilised as per last Balance Sheet	52.40	52.40
Capital Redemption Reserve		
Balance as per last Balance Sheet	2,810.00	2,810.00
Add: Transfer from statement of profit and loss	-	-
	2,810.00	2,810.00
General Reserve		
Balance as per last Balance Sheet	1,479.79	1,479.79
Add: Transfer from statement of profit and loss	-	-
	1,479.79	1,479.79
Surplus/(deficit) in the statement of profit and loss		
Balance as per last Balance Sheet	(26,499.19)	18,070.27
Profit for the year	(2,313.02)	(44,573.86)
Expected return on Plan assets & Net Actuarial gain/(loss) recognised during the year through other comprehensive income	(7.42)	4.40
Net Surplus/(deficit) in the statement of profit and loss	(28,819.63)	(26,499.19)
Total Other Equity	(6,711.61)	(4,391.17)

Notes to IND AS Financial Statements for the year ended 31st March 2021

8 (a). Borrowings

	Non-current maturities		Current maturities	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Term loans				
Foreign currency term loans from banks (secured)	-	-	3,328.04	3,430.59
Rupee term loans from banks (secured)	-	-	1,163.87	1,223.87
Rupee term loans from banks (unsecured)	-	-	191.92	191.92
Other loans				
Redeemable Preference Shares(unsecured)	-	-	2,810.00	2,810.00
	-	-	7,493.83	7,656.38
The above amount includes				
Secured borrowings	-	-	4,491.91	4,654.46
Unsecured borrowings	-	-	3,001.92	3,001.92
Amount disclosed under the head "Other financial liabilities"	-	-	(7,493.83)	(7,656.38)
Note 8 (c)				
	-	-	-	-

Particulars	Maturity Date	Terms of repayment	Coupon/ Interest rate	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Secured					
(a) Foreign currency loan (USD)	2018-2019	Loans recalled and payable on demand	6 months LIBOR + 6%	3,328.04	3,430.59
(b) Rupee term loans from banks	2018-2019	Loans recalled and payable on demand	13.18%	1,163.87	1,223.87
Unsecured					
(c) Rupee term loan from banks	2018-2019	Loans recalled and payable on demand	2.5% to 3%	191.92	191.92
(d) Non Convertible Cumulative Redeemable Preference shares	2014-2016	Overdue for repayment	12% *	2,810.00	2,810.00
Total borrowings				7,493.83	7,656.38
Less: Current maturities of long term borrowings				7,493.83	7,656.38
Non-Current borrowings				-	-

* Includes penal interest @ 2% p.a.

- Loans under (a) above are secured by second pari-passu charge on specific offshore drilling rigs owned by foreign subsidiaries of and first mortgage on windmill lands owned by the Company.
- Loans under (b) above are secured by first charge on specific offshore drilling rigs owned by foreign subsidiaries. Loans under (c) is Unsecured.
- As per IND AS, the Preference Share capital is grouped under borrowings.

Notes to IND AS Financial Statements for the year ended 31st March 2021

4. Since all term loans have been recalled by the lenders, the entire term loans are presented as current liabilities as at 31.03.2021
- i. All the secured lenders of term loans (banks) have issued recall notices in the earlier years. Also one of the secured lenders has issued notice dated 7th May 2018 under section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI Act) through the security trustee calling upon the company to pay the outstanding amount with interest in 60 days from the date of notice, failing which the bank would exercise the powers under section 13(4) of SARFAESI Act.
- ii. The Company has not redeemed its Non-Convertible Cumulative Redeemable Preference Shares on due dates. Two of the preference shareholders of the Company has filed a commercial suit before the Honourable High Court of Judicature at Bombay and these cases are pending before the Honourable High Court. One of the preference shareholder had filed petitions under section 55 of the Companies Act, 2013 / under section 80 of the Companies Act, 1956 before the Honourable National Company Law Appellate Tribunal ("NCLAT"), Delhi for non-redemption of Non-Convertible Cumulative Redeemable Preference Shares. NCLAT remitted the case back to National Company Law Tribunal ("NCLT"), Chennai for fresh consideration. Against this order, the Company had filed an appeal in Supreme Court. This appeal has been dismissed by Supreme Court.

8 (b) Current Borrowings

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Cash Credit Facility from Banks (Secured)	123.42	544.89
	123.42	544.89
The above amount includes		
Secured borrowings	123.42	544.89
	123.42	544.89

Cash credit from banks is secured by way of hypothecation of inventory of stores and spares and book debts. Moreover, all the offshore jack-up rigs of the company have been offered as a second charge for certain cash credit facilities. The cash credit is repayable on demand and carries interest @ 15.50% p.a

8 (c) Other financial liabilities

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Current maturities of long term borrowings {(note 8(a))}	7,493.83	7,656.38
Interest accrued and due on borrowings	1,898.93	1,502.28
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unclaimed dividends	7.83	13.22
Dividend accrued and due on Redeemable preference share (including penal interest)	1,943.54	1,606.34
Provision for tax on Redeemable preference share dividend	345.87	345.87
	11,690.00	11,124.09

Notes to IND AS Financial Statements for the year ended 31st March 2021

9. Employee benefit obligations

	Long- Term		Short-term	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Provision for employee benefits				
Provision for Provident Fund	-	-	0.34	1.15
Provision for Gratuity	4.99	0.01	3.86	0.00
Provision for Leave Encashment	4.96	5.59	0.41	0.31
	9.95	5.59	4.61	1.47

10 Deferred tax Assets

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Deferred tax asset on timing differences		
On depreciation	633.19	405.86
On others	-	-
	633.19	405.86

11 Trade payables

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Trade payables	3,574.38	4,465.20

12 Other Current liabilities

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Advance - Customers	756.22	44.11
Tax deducted at Source payable	4.92	19.94
	761.14	64.05

Notes to IND AS Financial Statements for the year ended 31st March 2021
13. Revenue from operations

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Revenue from drilling and drilling related contracts	1,551.45	2,396.03
Revenue from wind power generation	7.88	9.35
	1,559.32	2,405.38

14. Other income

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Rental income	7.20	9.94
Dividend income on		
- Non Current investments	-	0.14
Interest income on		
- Bank deposits	1.11	1.08
- Loan to Other Companies	0.27	3.96
- Inter Corporate Deposits	41.18	41.29
Net gain on sale of Tangible assets	0.13	-
Reversal of Provision no longer required	212.06	-
Miscellaneous Income	69.14	42.32
	331.09	98.74

15. Consumption of Stores, Spares, power and Fuel

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Consumption of stores and spares	71.95	123.06
Power and Fuel	70.47	213.58
	142.42	336.65

Notes to IND AS Financial Statements for the year ended 31st March 2021

16. Employee Benefit Expense

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Salaries,wages and bonus	264.58	367.71
Contribution to provident fund	9.78	13.81
Gratuity expense (note 25)	1.43	4.41
Post-employment pension benefits	13.36	9.83
Staff welfare expenses	4.25	9.87
	293.40	405.63

17. Finance costs

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Interest on borrowings	477.97	504.84
Loan Processing charges	-	1.19
Dividend on Redeemable Preference Shares	337.14	394.97
Tax on Dividend on Redeemable Preference Shares	-	57.52
	815.11	958.52

18. Depreciation and amortization expense

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Depreciation on property,plant and equipment	607.91	1,607.17
	607.91	1,607.17

19. Impairment of Property, Plant and Equipment

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Impairment of Property, Plant and Equipment	1,163.41	11,537.12
	1,163.41	11,537.12

20. Impairment Loss / Write Off of Receivables

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Impairment of Trade Receivables	36.70	75.31
Bad Debts	1,186.83	-
	1,223.53	75.31

Notes to IND AS Financial Statements for the year ended 31st March 2021
21. Other expenses

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Freight and Forwarding Cost	13.98	17.39
Rent	2.27	2.29
Rates and taxes	6.96	12.91
Rental charges for Machinery	18.20	18.89
Insurance	64.67	51.14
Repairs and maintenance:		
-Plant and machinery	12.30	32.53
-Buildings	1.31	2.48
-Others	5.81	4.43
Advertising and sales promotion	1.42	1.54
Travelling ,conveyance and Transportation	68.87	30.16
Communication Costs	9.69	12.99
Printing and Stationery	1.16	2.49
Professional and Consultancy Expenses	198.91	451.65
Catering Expenses	16.40	23.14
Directors' Sitting Fees	1.05	0.89
As Auditor		
-Audit fee	3.50	3.50
-Tax audit fee	0.70	0.70
-Limited review	1.40	1.40
In other capacity		
-Taxation matters	0.40	0.40
-Company law matters	-	-
-Management services	-	-
-Other services (Certification Fees)	-	-
Reimbursement of Expenses	-	-
Exchange Difference(net)	68.79	357.37
Loss on sale of Non Current Investments	-	5.70
Miscellaneous expenses	19.81	20.51
	517.61	1,054.50

22. Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or company's assumptions about pricing by market participants

Notes to IND AS Financial Statements for the year ended 31st March 2021

Financial Instruments by category

Rs. Millions

Particulars	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets						
Investments- Equity Instruments	-	-	128.55	-	-	128.55
Trade Receivables	-	-	3,333.42	-	-	5,109.86
Loans	-	-	925.46	-	-	735.11
Cash and Bank Balances	-	-	36.14	-	-	97.20
Other Financial assets	-	-	1,116.22	-	-	952.40
Total	-	-	5,539.80	-	-	7,023.12
Financial Liabilities						
Borrowings & other financial liabilities	-	-	11,813.41	-	-	11,668.98
Trade payables	-	-	-	-	-	4,472.40
Total	-	-	11,813.41	-	-	16,141.39

The fair value FVOCI equity instruments have been derived from market prices of the quoted securities hence fall under level 1 hierarchy of fair valuation.

Particulars	31st March 2021		31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non current financial assets				
Loans	299.90	299.90	309.09	309.09
Other financial assets	197.77	197.77	197.77	197.77
Total	497.67	497.67	506.86	506.86
Non current Financial Liabilities				
Borrowings	-	-	-	-
Total	-	-	-	-

23. Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effect from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. They review and agree on the policies for managing each of these risks and are summarized as follows:

Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:

- transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the company

Trade and other Receivables

Rs. Millions

Currency	2020-21	2019-20
USD	2,144.42	4,396.52
EURO	266.85	507.82

Notes to IND AS Financial Statements for the year ended 31st March 2021

- Transactional exposure that arises from the cost of goods sold / payables denominated in a currency other than the functional currency of the Company.

Payables

Rs. Millions

Currency	2020-21	2019-20
USD	228.75	296.34
SGD	11.33	16.15
AED	11.36	17.62
EURO	19.38	18.83

- Foreign currency exposure that arises from foreign currency term loans / Working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.

Loans including interest payable

Rs. Millions

Currency	2020-21	2019-20
USD	4,500.16	4,094.26

- Cash and cash equivalents held in foreign currency.

Cash & Cash equivalents

Rs. Millions

Currency	2020-21	2019-20
USD	0.26	1.34
EURO	-	1.04
AED	-	0.62

All these unhedged exposures are naturally hedged by future foreign currency earnings.

The impact on the Company financial statements from foreign currency volatility is shown in the sensitivity analysis.

Sensitivity analysis

The sensitivity analysis reflects the impact on income and equity due to financial instruments held at the balance sheet date. It does not reflect any change in sales or costs that may result from changing interest or exchange rates.

The following table shows the illustrative effect on the Income Statement and equity that would result, at the balance sheet date, from changes in currency exchange rates that are reasonably possible for major currencies where there have recently been significant movements:

Currency Table

Rs. Millions

Currency	2020-21		2019-20	
	Income Gain / (Loss)	Equity Gain / (Loss)	Income Gain / (Loss)	Equity Gain / (Loss)
5% appreciation of USD (2020: 5 %)	(87.77)	-	0.30	-
10% appreciation of Euro (2020: 10%)	26.68	-	50.78	-
5% appreciation of SGD (2020: 5%)	(0.57)	-	(0.81)	-
5% appreciation of AED (2020: 5%)	(0.57)	-	(0.88)	-

The following table shows the illustrative effect on the Income Statement and equity that would result, at the balance sheet date, from changes in interest rates that are reasonably possible for term loans with floating interest where there have recently been significant movements:

Notes to IND AS Financial Statements for the year ended 31st March 2021

	2020-21	2019-20
	Income Gain / (Loss)	Income Gain / (Loss)
Increase in 6M LIBOR by 50 basis points	(16.64)	(17.15)
Increase in rupee lending rate by 100 basis points	(13.56)	(14.16)

A decrease in interest rates and a depreciation of foreign currencies would have the opposite effect to the impact in the table above.

Credit risk

- a) Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits, trade receivables, amount due from associated company and amounts due from subsidiary corporations. For bank deposits, the Company maintains its cash deposits if any primarily with lenders of the Company or financial institutions with high credit quality to minimize their exposure to the banks.
- b) Due to the nature of the Company's operations, revenue and receivable are typically concentrated amongst a relatively small customer base of oil and gas companies. Customers are government linked based oil and gas corporations. The Company has policies in place to ensure that drilling contracts are with customers of adequate financial standing and appropriate credit history, and where necessary, certain guarantees in form of bank. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets on the balance sheet
- (i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially receivables from companies with a good collection track record with the Group. Amounts due from subsidiary corporations are neither past due nor impaired.

- (ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of trade receivables that are past due but not impaired is as follows:

	2020-21	2019-20
Past due upto 6 months	1,107.65	195.15
Past due over 6 months	2,225.77	4,870.60

Allowance for impairment of trade receivables arise from customers that are either in financial difficulties and/or have history at default or significant delay in payments which management is of the opinion that payments are not forthcoming as at the end of financial year. In the event that payment is doubtful, the receivables will be recommended for write off.

(c) Liquidity risk

The drilling operations of the Company require substantial investment and are dependent on its ability to finance its rig construction and acquisitions and service its bank borrowings as well as other capital and operating requirements and commitments. The Company ensures that arrangements have been made to obtain adequate funds to meet all its operating and capital obligations in the form of continuing committed credit facilities with financial institutions as well as continuing financial support from the immediate and ultimate holding corporation to enable the Group to meet its debts and liabilities as and when they fall due for at least 12 months from the balance sheet date.

Notes to IND AS Financial Statements for the year ended 31st March 2021

The table below analyses the maturity profile of the Company's and the Company's financial liabilities based on contractual undiscounted cash flows at the balance sheet date.

As At 31/3/2021

Rs.millions

Non-derivative financial liabilities	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due beyond 5 years
Bank and other borrowings	6,706.17	-	-	-	-	-
Non convertible Cumulative Redeemable preference shares	5,099.41	-	-	-	-	-

As At 31/3/2020

Rs.millions

Non-derivative financial liabilities	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due beyond 5 years
Bank and other borrowings	6,893.55	-	-	-	-	-
Non convertible Cumulative Redeemable preference shares	4,762.21	-	-	-	-	-

The above analysis table does not include loans to be settled on demand.

Capital management

- (a) The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity, borrowings and other instruments when necessary.

As the Company is mainly funded through external borrowings, the objectives of the Board of Directors when managing capital is to ensure that the Group and the Company continue to enjoy the use of funds from borrowings by ensuring that the Company continue to service its debt obligations in the form of interests and principal repayments on due dates in accordance with the borrowing agreements, and to ensure that they remain in compliance with the financial and non-financial covenants in relation to their borrowings.

The Company considers capital to comprise of its equity and borrowings, as follows:

Rs. Millions

Particulars	2020-21	2019.20
Total Equity	(6,594.88)	(4,274.44)
Borrowings	7,617.25	8,201.27

- (b) Fair value measurements

The carrying amounts less impairment provision of trade receivables if any and payables are assumed to approximate their fair values. The carrying amounts of current borrowings approximate their fair values.

Notes to IND AS Financial Statements for the year ended 31st March 2021

24. Earnings per share (EPS)

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

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Profit for the year	(2,313.02)	(44,573.86)
	No. millions	No. millions
Weighted average number of equity shares in calculating basic EPS	58.36	58.36
Effect of dilution:		
Stock options/Share Warrants Outstanding less number of shares that would have been issued at par value.	*	-
Weighted average number of equity shares in calculating diluted EPS	-	-
	58.36	58.36
Earning per share (basic in Rs)	(39.63)	(763.77)
Earning per share (diluted in Rs)	(39.63)	(763.77)

* Since diluted earnings per share shows higher value as compared to basic earnings when taking the options/warrants into account, the options/warrants are anti-dilutive as at the year ended 31.03.2021 and are ignored in the calculation of diluted earnings per share as required under the Accounting Standard.

25. Gratuity and other defined benefit plans

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

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

(i) Leave Obligations

	31st March 2021		31st March 2020	
	Current Rs. millions	Non-Current Rs. millions	Current Rs. millions	Non-Current Rs. millions
Provision Leave Encashment	0.41	4.96	0.31	5.59

(ii) Post-employment obligations-Gratuity

The amount recognized in the balance sheet and the movement in the defined benefit obligation over the year is as follows:

Notes to IND AS Financial Statements for the year ended 31st March 2021

Ind AS 19		Projected Unit Credit Method 2019-20	Projected Unit Credit Method 2020-21
	Period Covered		
A.	Change in defined benefit obligation	31-03-2020	31-03-2021
1.	Defined benefit obligation at beginning of period	91,731,938	92,634,634
2.	Service cost		
	a. Current service cost	4,641,401	1,625,401
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	6,887,709	5,526,189
4.	Cash flows		
	a. Benefit payments from plan	(5,945,612)	(24,390,402)
	b. Benefit payments from employer	-	-
	c. Settlement payments from plan	-	-
	d. Settlement payments from employer	-	-
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	-	301,314
	b. Effect of changes in financial assumptions	(4,395,183)	3,212,635
	c. Effect of experience adjustments	(285,619)	3,791,215
6.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of period	92,634,634	82,700,986
B.	Change in fair value of plan assets	31-03-2020	31-03-2021
1.	Fair value of plan assets at beginning of period	90,895,777	92,625,394
2.	Interest income	7,120,621	5,718,327
3.	Cash flows		
	a. Total employer contributions		
	(i) Employer contributions	836,161	9,240
	(ii) Employer direct benefit payments	-	-
	(iii) Employer direct settlement payments	-	-
	b. Participant contributions	-	-
	c. Benefit payments from plan assets	(5,945,612)	(24,390,402)
	d. Benefit payments from employer	-	-
	e. Settlement payments from plan assets	-	-
	f. Settlement payments from employer	-	-
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	(281,553)	(115,561)
5.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
6.	Fair value of plan assets at end of period	92,625,394	73,846,998
C.	Amounts recognized in the Balance Sheet	31-03-2020	31-03-2021
1.	Defined benefit obligation	92,634,634	82,700,986
2.	Fair value of plan assets	(92,625,394)	(73,846,998)
3.	Funded status	9,240	8,853,988
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	9,240	8,853,988
D.	Components of defined benefit cost	31-03-2020	31-03-2021
1.	Service cost		
	a. Current service cost	4,641,401	1,625,401
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost	4,641,401	1,625,401
2.	Net interest cost		
	a. Interest expense on DBO	6,887,709	5,526,189
	b. Interest (income) on plan assets	7,120,621	5,718,327
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	(232,913)	(192,138)
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in demographic assumptions	-	301,314
	b. Effect of changes in financial assumptions	(4,395,183)	3,212,635
	c. Effect of experience adjustments	(285,619)	3,791,215
	d. (Return) on plan assets (excluding interest income)	(281,553)	(115,561)
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	(4,399,248)	7,420,725
4.	Total defined benefit cost recognized in P&L and OCI	9,240	8,853,988

Notes to IND AS Financial Statements for the year ended 31st March 2021

Ind AS 19		Projected Unit Credit Method	Projected Unit Credit Method
E. Re-measurement		31-03-2020	31-03-2021
a. Actuarial Loss/(Gain) on DBO		(4,680,802)	7,305,164
b. Returns above Interest Income		(281,553)	(115,561)
c. Change in Asset ceiling		-	-
Total Re-measurements (OCI)		(4,399,248)	7,420,725
F. Employer Expense (P&L)		31-03-2020	31-03-2021
a. Current Service Cost		4,641,401	1,625,401
b. Interest Cost on net DBO		(232,913)	(192,138)
c. Past Service Cost		-	-
d. Total P&L Expenses		4,408,488	1,433,263
G. Net defined benefit liability (asset) reconciliation		31-03-2020	31-03-2021
1. Net defined benefit liability (asset)		836,161	9,240
2. Defined benefit cost included in P&L		4,408,488	1,433,263
3. Total remeasurements included in OCI		(4,399,248)	7,420,725
4. a. Employer contributions		-836,161	(9,240)
b. Employer direct benefit payments		-	-
c. Employer direct settlement payments		-	-
5. Net transfer		-	-
6. Net defined benefit liability (asset) as of end of period		9,240	8,853,988
H. Reconciliation of OCI (Re-measurment)		31-03-2020	31-03-2021
1. Recognised in OCI at the beginning of period		(15,974,250)	(20,373,498)
2. Recognised in OCI during the period		-4,399,248	7,420,725
3. Recognised in OCI at the end of the period		(20,373,498)	(12,952,773)
I. Sensitivity analysis - DBO end of Period		31-03-2020	31-03-2021
1. Discount rate +100 basis points		90,725,678	18,587,472
2. Discount rate -100 basis points		94,756,132	20,810,414
3. Salary Increase Rate +1%		94,698,602	20,740,074
4. Salary Increase Rate -1%		90,751,378	18,632,751
5. Attrition Rate +1%		93,521,473	19,771,972
6. Attrition Rate -1%		91,684,915	19,521,868
J. Significant actuarial assumptions		31-03-2020	31-03-2021
1. Discount rate Current Year		6.87%	6.57%
2. Discount rate Previous Year		7.76%	6.87%
3. Salary increase rate		0.0%	3.0%
4. Attrition Rate		3.0%	4.0%
5. Retirement Age		60	60
6. Pre-retirement mortality		IALM (2012-14) Ultimate	IALM(2012-14) Ultimate
7. Disability		Nil	Nil
K. Data		31-03-2020	31-03-2021
1. No.		251	50
2. Avg. Age (yrs.)		43	50
3. Avg. Past Service (yrs.)		10	17
4. Avg. Sal. Mly (Rs.)		36,194	53,979
5. Future Service (yrs.)		17	10
6. Weighted average duration of DBO		12	8
L. Defined benefit obligation at end of period		31-03-2020	31-03-2021
Current Obligation		7,763,643	64,297,881
Non-Current Obligation		84,870,991	18,403,105
Total		92,634,634	82,700,986
M. Expected cash flows for following year		31-03-2020	31-03-2021
1. Expected employer contributions / Addl. Provision Next Year		6,041,679	1,625,401
2. Expected total benefit payments			
Year 1		2,412,266	1,513,339
Year 2		2,195,737	1,960,852
Year 3		3,053,320	1,798,792
Year 4		2,801,290	1,781,651
Year 5		2,896,983	4,360,951
Next 5 years		14,998,948	7,584,171
SUMMARY			
Assets / Liabilities		31-03-2020	31-03-2021
1. Defined benefit obligation at end of period		92,634,634	82,700,986
2. Fair value of plan assets at end of period		92,625,394	73,846,998
3. Net defined benefit liability (asset)		9,240	8,853,988
4. Defined benefit cost included in P&L		4,408,488	1,433,263
5. Total remeasurements included in OCI		(4,399,248)	7,420,725
6. Total defined benefit cost recognized in P&L and OCI		9,240	8,853,988

Notes to IND AS Financial Statements for the year ended 31st March 2021
26. Employee stock option scheme

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

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

The Company has not recognized any deferred compensation expenses, as the exercise price was equal to the market value (as defined by SEBI) of the underlying equity shares on the grant date.

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 1.843 million equity shares of Rs.2 each. Options granted during the year-Nil (up to 31st March 2020: 1.843 Million equity shares of Rs.2 each)-Options lapsed during the year Nil (up to 31st March 2020: 0.331 million equity shares of Rs.2 each)-Options exercised during the year- Nil (up to 31st March 2020: 0.160 million equity shares of Rs.2 each)-Options outstanding at the end of year :1.352 million equity shares of Rs.2 each (up to 31st March 2020: 1.352 million equity shares of Rs.2 each)-Options yet to be granted under the scheme:0.332 million (31st March 2020: 0.332 million equity shares of Rs.2 each).

27. Interest in joint venture/associate

(a) The company's interest, in joint venture entity/associate is as follows:

Name of the company	Country of incorporation	Nature of Interest	Proportion of ownership interest 31st March 2021	Proportion of ownership interest 31st March 2020
Frontier Offshore Exploration (India) Limited	India	Joint Venture	25%	25%
Aban Drilling Services private Limited	India	Associate	49%	49%

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

(b) The company's share of the assets, liabilities, Revenue and Profit in the associate company –Aban Drilling Services Private Limited, based on the audited financial statements are as follows:

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Assets-As at	0.17	0.16
Liabilities- As at	0.07	0.06
Revenue for the year ended	-	-
Net Profit for the year ended	-	-

Notes to IND AS Financial Statements for the year ended 31st March 2021

28. Segment information

The Company is engaged primarily in the business of offshore drilling services. The wind energy division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.

29.(a). Related Party Disclosures

Names of related parties and related party relationship

Related parties where control exists

A. Subsidiary companies

Aban Energies Limited, India (wholly owned subsidiary)

Aban Holdings Pte Limited, Singapore (wholly owned foreign subsidiary)

B. Subsidiaries of Aban Holdings Pte Limited, Singapore

Aban Singapore Pte Ltd, Singapore

Aban 7 Pte Ltd, Singapore

Aban 8 Pte Ltd, Singapore

Aban Abraham Pte Ltd, Singapore

Aban Pearl Pte Ltd, Singapore

Aban International Norway As, Norway

Deep Drilling Invest Pte Ltd, Singapore

Deep Drilling 1 Pte Ltd, Singapore

Deep Drilling 2 Pte Ltd, Singapore

Deep Drilling 3 Pte Ltd, Singapore

Deep Drilling 4 Pte Ltd, Singapore

Deep Drilling 5 Pte Ltd, Singapore

Deep Drilling 6 Pte Ltd, Singapore

Deep Drilling 7 Pte Ltd, Singapore

Deep Drilling 8 Pte Ltd, Singapore

Deep Driller Mexico S de RL de CV, Mexico

Aban Labuan Pvt Ltd, Labuan, Malaysia

Caldera Petroleum (UK) Limited

C. Associate of Aban Offshore Limited

Aban Drilling Services Private Limited

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

a. Key Management personnel

(i) Mr. Reji Abraham Managing Director

(ii) Mr. C. P. Gopalkrishnan Dy. Managing Director and Chief Financial Officer

(iii) Mr. P. Venkateswaran- Director (Key Management Personnel till 10th August 2020)

b. Relative of Key Management Personnel – Mrs. Deepa Reji Abraham - Director

Notes to IND AS Financial Statements for the year ended 31st March 2021
Related Party transactions during the year

Nature of transaction	Subsidiary companies		Key Management Personnel/ Relative	
	31st March 2021 Rs. millions	31st March 2020 Rs. millions	31st March 2021 Rs. millions	31st March 2020 Rs. millions
1. Machinery maintenance charges paid	0.94	0.94	-	-
2. Rent paid/(received)	-	-	4.95	4.95
3. Remuneration - Paid / (Recovery)	-	-	(30.28)	7.17
4. Interest received/(paid)	-	-	-	-
5. Sale of Asset	-	-	-	-
6. Investment In foreign subsidiary	-	-	-	-
7. Investment In Indian subsidiary	-	-	-	-
8. Advances recoverable/(payable)	(13.81)	(23.41)	-	-
9. Loan given (Unsecured)	-	2.27	-	-
10. Loan taken /(repaid)	-	-	-	-
11. Bareboat charter received in advance	756.22	44.11	-	-
12. Bareboat charter and support service income	454.17	145.57	-	-
13. Amount outstanding as at 31st March 2021				
- Receivable	7.67	23.89	-	-
- Payable	-	-	-	-

Note on Managerial Remuneration

In view of the loss incurred by the Company during the financial year 2019-20, the entire managerial remuneration was in excess of the limits prescribed under section 197 of the Companies Act, 2013 (Act). Such managerial remuneration paid has been recovered from the Key Management Personnel during the year 2020-21. In view of the loss incurred by the Company during the year 2020-21, no managerial remuneration has been paid by the Company during the year.

30. Contingent Liabilities

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
(a) Guarantees given by banks on behalf of the company	-	204.36
(b) Corporate guarantees given by the company to banks and customers on behalf of subsidiaries of company's wholly owned foreign subsidiary	532.43	8,084.94

(c) Claims against the company not acknowledged as debt:

As at 31st March 2021:

- (i) In respect of civil suits against the company – Civil suits against the Company – Rs. 94.50 Million (Previous Year Rs. 94.50 Million)
- (ii) In respect of Income Tax Matters :
Income Tax dues relating to the period 2002–2006 amounting to Rs. 556.43 million (Previous Year – Rs.556.43 million) pending before the Honorable High Court of Madras;

Notes to IND AS Financial Statements for the year ended 31st March 2021

Income Tax dues relating to the period 2006–2008 amounting to Rs. 396.17 million (Previous Year – Rs.396.17 million) pending before Deputy Commissioner of Income Tax, Corporate Circle, Chennai;

Income Tax dues relating to the period 2008 – 2009 amounting to Rs. 418.38 million (Previous Year – Rs.418.38 million) pending before the Honorable High Court of Madras.

Income Tax dues relating to the period 2009 – 2010 amounting to Rs. 812.00 million (Previous Year – Rs.812 million) pending before the Honorable High Court of Madras.

Income Tax dues relating to the period 2009 – 2010 amounting to Rs. 702.40 million (Previous Year – Rs.702.40 Million) pending before the Deputy Commissioner of Income Tax, Corporate Circle, Chennai.

Income tax dues relating to the period 2010-2011 amounting to Rs. 1,907.93 Million (Previous Year – Rs.1,907.93 Million) pending before the Honorable High Court of Madras.

Income tax dues relating to the period 2010-2011 amounting to Rs. 298.88 Million (Previous Year – Rs..298.88 Million) pending before the Income Tax Appellate Tribunal, Chennai.

Income tax dues relating to the period 2011-2012 amounting to Rs. 854.33 Million (Previous Year – Rs.854.33 Million) pending before the Honorable High Court of Madras.

Income tax dues relating to the period 2013-2014 amounting to Rs. 1081.23 Million (Previous Year – Rs. 1,081.23 Million) pending before the Income Tax Appellate Tribunal, Chennai..

Income tax dues relating to the period 2013-2014 amounting to Rs. 29.64 Million (Previous Year – Rs. Nil) pending before the Commissioner of Income Tax (Appeals).

Income tax dues relating to the period 2014-2015 amounting to Rs. 846.82 Million (Previous Year – Rs. 846.82 Million) pending before the Income Tax Appellate Tribunal, Chennai..

Income tax dues relating to the period 2015-16 amounting to Rs.398.60 Million (Previous Year – Rs. Nil Million) pending before the Income Tax Appellate Tribunal.

(iii) In respect of Service Tax Matters:

Service Tax dues relating to the year 2011 amounting to Rs. 78.72 Million (Previous Year 78.72 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2011 – 2012 amounting to Rs. 18.94 Million (Previous Year 18.94 Million) pending before the CESTAT ,Chennai.

Service Tax Dues relating to the period FY 2006-07 amounting to Rs.46.76 Million (Previous Year Rs. Nil Million) Pending before the Honorable Supreme Court.

Service Tax dues relating to the period 2012 – 2014 amounting to Rs. 36.78 Million (Previous Year – Rs. 36.78 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2014 – 2015 amounting to Rs. 79.80 Million (Previous Year – Rs. 79.80 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2005 – 2011 amounting to Rs. 37.31 Million (Previous Year – Rs. 37.31 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2012 – 2014 amounting to Rs. 236.49 Million (Previous Year – Rs. 236.49 Million) pending before the CESTAT ,Chennai.

Notes to IND AS Financial Statements for the year ended 31st March 2021

Service Tax dues relating to the period 2015 – 2016 amounting to Rs. 0.60 Million (Previous Year – Rs. 0.60 Million) pending before the CESTAT ,Chennai

Service Tax dues relating to the period 2015 – 2017 amounting to Rs. 223.02 Million (Previous Year – Rs. 223.02 Million) pending before the CESTAT ,Chennai

Service Tax dues relating to the period 2008 – 2010 amounting to Rs. 605.75 Million (Previous Year – Rs. 605.75 Million) pending before the CESTAT ,Mumbai.

Service Tax dues relating to the period 2009 – 2012 amounting to Rs. 166.89 Million (Previous Year – Rs. 166.89 Million) pending before the CESTAT ,Mumbai.

Service Tax dues relating to the period 2013-2015 amounting to Rs. 1.54 Million (Previous Year Rs. 1.54 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2013-2015 amounting to Rs. 6.31 Million (Previous Year Rs. Nil) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2015-2017 amounting to Rs. 46.01 Million (Previous Year – Rs. 46.01 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2016-2017 amounting to Rs. 0.57 Million (Previous Year – Rs. 0.57 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2009-2016 amounting to Rs.495.92 Million (Previous Year – Rs. Nil Million) Writ Petition pending before the Honorable Mumbai High Court

(iv) In Respect of Value Added Tax:

Maharashtra Value Added Tax dues for the period 2010-11 amounting to Rs. 984.91 Million (Previous Year – Rs. 984.91 Million) pending before Tribunal

Maharashtra Value Added Tax dues for the period 2012-13 amounting to Rs. 459.75 Million (Previous Year – Rs. 459.75 Million) pending before Tribunal.

Maharashtra Value Added Tax dues for the period 2013-14 amounting to Rs. 587.29 Million (Previous Year 587.29 Million) pending before the Appellate Authority.

Maharashtra Value Added Tax dues for the period 2014-15 amounting to Rs. 667.03 Million (Previous Year – Rs. 667.03 Million). Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.

Maharashtra Value Added Tax dues for the period 2015-16 amounting to Rs. 949.23 Million (Previous Year – Rs. 949.23 Million) Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.

Maharashtra Value Added Tax dues for the period 2016-17 amounting to Rs. 846.00 Million (Previous Year – Rs. Nil Million) Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.

(v) In respect of Customs duty Matter:

Customs Duty dues relating to the period 2015-16 amounting to Rs. 107.90 Million (Previous Year – Rs. 107.90 Million) pending before CESTAT, Mumbai

Customs Duty dues relating to the period 2016-17 amounting to Rs. 916 Million (Previous Year 916 Million) pending before Mumbai High Court.

Notes to IND AS Financial Statements for the year ended 31st March 2021

31. Capital and Other Commitments

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Capital and Other commitments not provided for	1.14	542.41

32.(i) Loans and advances in the nature of loans given to subsidiaries (disclosures pursuant to Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations,2015.

Loans and advances in nature of loans given to subsidiaries

Particulars	Subsidiary	Balance outstanding as at 31st March 2021 Rs. millions	Maximum balance outstanding during the year Rs. millions	Balance outstanding as at 31st March 2020 Rs. millions	Maximum balance outstanding during the year Rs. millions
Aban Energies Limited (advance)	Indian subsidiary	17.04	17.04	22.76	22.76
Aban Holdings Pte Ltd (Loan & advance)	Foreign subsidiary	(9.23)	(8.08)	(1.37)	9,808.92

(ii) Investment by the Loanee in the shares of the Company

The loanees have not made any investments in the shares of the Company.

33. Value of imports calculated on CIF basis

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
a. Capital items	184.44	1,056.24
b. Stores and spare parts	16.16	39.69

34. Expenditure in foreign currency

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
a. Interest on foreign currency loans	265.39	256.51
b. Travel and transport	32.35	24.85
c. Consultancy fees	71.65	120.83
d. Rental charges for machinery		2.25
e. Insurance	56.43	41.84
f. Repairs to machinery	0.64	20.02
g. Salary and staff welfare	-	0.95
h. Others	23.38	25.45

Notes to IND AS Financial Statements for the year ended 31st March 2021
35. Imported and indigenous stores and spares consumed

	Year ended		Year ended	
	31st March 2021 Value (Rs. millions)	31st March 2021 % of total consumption	31st March 2020 Value (Rs. millions)	31st March 2020 % of total consumption
Stores and spares				
Imported	60.21	83.70%	52.12	42.40%
Indigenous	11.73	16.30%	70.79	57.60%

36. Dividend remitted in foreign currency

	31st March 2021 Rs. millions	31st March 2020 Rs.millions
Period to which it relates	2020-21	2019-20
Number of non-resident shareholders	NIL	NIL
Number of equity shares held	N/A	N/A
Net dividend remitted	NIL	NIL

37. Earnings in foreign currency

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
a. Drilling and production services	1,551.45	2,396.03
b. Others	30.21	17.01

38. Generation of Electricity from wind power (net)

Year ended 31st March 2021		Year ended 31st March 2020	
Units millions	Rs. millions	Units millions	Rs. millions
2.90	7.88	3.39	9.35

39. Exceptional Items:

Exceptional Items represents waiver of working capital facility by a bank under a One-Time Settlement Agreement with the Company which has been duly discharged by the Company.

40. Due to micro and small enterprises

Total outstanding dues of Micro and Small Enterprises included in Creditors	NIL
Principal amount due remaining unpaid to Micro and Small Enterprises	NIL
Interest remaining unpaid to Micro and Small Enterprises	-
Interest due and payable to Micro and Small Enterprises	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to IND AS Financial Statements for the year ended 31st March 2021

41. Details of loan given, Investments made and guarantees given covered u/s 186(4) of the Companies Act, 2013

- (i) Loans given to related parties and investments made in them are disclosed under the respective heads in the financial statements.
- (ii) Corporate guarantees given by the Company to:
 - (a) banks in respect of loans availed by the wholly owned foreign subsidiary and its step down subsidiaries as at 31st March 2021: Rs.532.43 million (31st March 2020: Rs.553.90 million).
 - (b) customers of wholly owned foreign subsidiary and its step down subsidiaries in respect of contractual performance of such subsidiaries as at 31st March 2021: Rs. NIL (31st March 2020:Rs.7,531.00 million).

42. Going concern

In preparing the financial statements, the Board of Directors have considered the operations of the Company as going concerns notwithstanding that the Company incurred a net loss of Rs.2,313.02 Million (Previous Year: Rs.44,573.86 Million) for the financial year ended 31st March 2021, and as at that date, the Company is in net current liabilities position of Rs. 10,339.96 Million (Previous Year: Rs.8,849.11 Million). The Company is also in net liabilities position of Rs.6,594.88 Million (Previous Year: Rs.4,274.44 Million) as at 31st March 2021.

An impairment loss on the rigs amounting to Rs.1,163.41 Million (2020: Rs.11,537.12 Million) was made during the financial year ended 31st March 2021 as disclosed in note 3. In addition, as disclosed in Note 8(a) to the financial statements, the Company has defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders have issued recall notices to the Company and all such borrowings with original repayment terms beyond 12 months from the balance sheet date have been reclassified as current liabilities. As of the date of this report, the Company is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan. However, the Company will continue to be in operation in the foreseeable future.

The Management believes that the use of the going concern assumption on the preparation of the financial statements of the Company for the financial year ended 31st March 2021 is still appropriate after taking into consideration of the above actions and measures.

43. COVID -19 Impact:

The Company faced operational disruptions on some of the offshore rigs during the year 2020-21 and operations were restored within reasonable time with no significant impact on the financial performance. The Management believes that it has taken into account all the possible impact of the COVID-19 pandemic in preparation of the financial statements. Though the Management believes that the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation still remains uncertain as at the date of approval of the accounts and probable impact of COVID-19 disruptions on its operating and financial performance cannot be reasonably ascertained. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

44. Previous year figures

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

As per our report of even date

For P.Murali & Co

Chartered Accountants

ICAI-Registration No.007257S

For and on behalf of the Board

A Krishna Rao

Partner

Membership No.020085

Reji Abraham

Managing Director

P.Venkateswaran

Director

Place: Chennai

Date: June 21, 2021

C.P.Gopalkrishnan

Dy. Managing Director &
Chief Financial Officer

S.N. Balaji

Dy. General Manager (Legal) &
Secretary

FORM AOC-1

Statement pursuant to Section 129(3) of the Companies Act, 2013

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATES AS PER COMPANIES ACT 2013

Part “A”: SUBSIDIARIES

[illegible][illegible]

	Name of the subsidiary Company	Deep Drilling 6 Pte Ltd, Singapore	Deep Drilling 7 Pte Ltd, Singapore	Deep Drilling 8 Pte Ltd, Singapore	Deep Driller Mexico S de RL De CV, Mexico	Caldera Petroleum (UK) Ltd United Kingdom
		Rs in Millions	Rs in Millions	Rs in Millions	Rs in Millions	Rs in Millions
a)	Share Capital	3,748.86	4,104.32	2,049.80	0.02	0.10
b)	Reserves & Surplus *	(7,330.47)	(9,379.63)	(5,313.80)	(2,459.48)	(14.06)
c)	Total Assets	518.54	(6,171.22)	(4,031.18)	3.70	-
d)	Total Liabilities	4,100.16	(895.91)	(767.17)	2,463.17	3,270.46
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	3,256.49
f)	Turnover	781.12	-	541.57	-	-
g)	Profit/(Loss) before Taxation	237.76	(1,618.74)	231.68	(4.99)	(9.62)
h)	Provision for Taxation	-	-	-	0.32	-
i)	Profit/(Loss) after Taxation	237.76	(1,618.74)	231.68	(5.31)	(9.62)
j)	Proposed Dividend	-	-	-	-	-
k)	% of shareholding	100%	100%	100%	100%	100%

Part “B”: Associates

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate companies

Name of the Associate		Belati Oilfield Sdn Bhd Malaysia	Aban Hydrocarbon PTE Ltd Singapore
		Rs in Millions	Rs in Millions
a)	Latest audited Balance Sheet Date	31-03-2021	31-03-2021
b)	Share of Associate/Joint Ventures held by the company on the year end		
	No. in Million	0.17	0.00
	Amount of Investment in Associates/Joint Venture	-	-
	Extent of Holding %	49%	50.25%
c)	Description of how there is significant influence	Due to Percentage of Share Capital	Due to Percentage of Share Capital
d)	Reason why the associate/Joint Venture is not consolidated	-	-
e)	Networth attributable to Shareholding as per latest audited Balance Sheet	107.89	(0.42)
f)	Profit/(Loss) for the year		
	Considered in Consolidation	3.21	(0.13)
	Not Considered in Consolidation	-	-

No of shares is less than 0.01 Million.

Note :

- Names of Associates which are yet to commence operations - Nil
- Names of Associates which have been liquidated or sold during the year - Nil

For and on behalf of the Board

P.Murari
Managing Director

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

Place: Chennai
Date: June 21, 2021

P.Venkateswaran
Director

S.N. Balaji
Dy. General Manager (Legal) &
Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of

ABAN OFFSHORE LIMITED

Report on the Audit of Consolidated IND AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated Ind AS Financial Statements of ABAN OFFSHORE LIMITED (hereinafter referred to as the "Holding company"), its subsidiaries and associate (the Holding company, its subsidiaries and associate together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow and the Consolidated Statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the consolidated Ind AS financial statements").

The Consolidated Ind AS financial statements includes the following entities:

- i. **Aban Holdings Pte Ltd, Singapore** – Wholly owned foreign subsidiary (includes its subsidiary corporations)
- ii. **Aban Energies Ltd, India** - Wholly owned Indian subsidiary.

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

Basis for Disclaimer of Opinion:

- a) In case of wholly owned subsidiary of the company "Aban Holdings Pte Ltd" Singapore along with its subsidiaries and associates whose consolidated Financial Statements have been audited by other auditors "Nexia TS Public Accounting Corporation, Public accountants and Chartered Accountants, Singapore" have expressed disclaimer of opinion on the consolidated financial statements for the year ended 31st March, 2021 which is reproduced as under:

"Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Aban Holdings Pte. Ltd. (the "Company") and its subsidiary corporations (the "Group") which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 50.

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

Basis for Disclaimer of Opinion

1. Going concern

As disclosed in Note 2.1 to the financial statements, in preparing the financial statements, the Board of Directors have considered the operations of the Group and of the Company as going concerns notwithstanding that the Group and the Company incurred a net loss of US\$234,832,000 and US\$2,329,834,000 (2020: US\$1,135,534,000 and US\$801,000) respectively for the financial year ended 31 March 2021, and as at that date, the Group and the Company are in net current liabilities position of US\$2,625,750,000 and US\$2,490,663,000 (2020: US\$2,473,576,000 and US\$2,362,692,000) respectively. The Group and the Company are also in net liabilities position of US\$2,211,495,000 and US\$1,808,882,000 (2020: US\$1,976,663,000 and net assets of US\$520,952,000) respectively as at 31 March 2021.

As disclosed in Note 19 to the financial statements, the Group's rigs with carrying amount of US\$368,520,000 (2020: US\$449,999,000) have been pledged as security for the borrowings of the Group and of the Company amounting US\$1,974,174,000 and US\$1,829,791,000 (2020: US\$1,974,242,000 and US\$1,829,791,000) respectively. An impairment loss on the rigs amounting to US\$63,444,000 (2020: US\$868,815,000) was made during the financial year ended 31 March 2021.

As disclosed in Note 23 to the financial statements, the Group had a bond of US\$9,313,000 (2020: US\$9,313,000) which is secured by a first priority mortgage on a rig (Note 19) owned by a subsidiary corporation of the Company, a pledge over 100% of the shares in a subsidiary corporation of the Company, assignment of insurances, corporate guarantee of a subsidiary corporation of the Company, and a charge over bank accounts to be maintained by the borrower in respect of the rig. During the financial year, the bond is due in December 2020 but the Group has extended the maturity date to 21 June 2022. In addition, the Group and the Company have defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders had issued recall notices to the Group and the Company. Management had reclassified these borrowings of the Group and of the Company, with original repayment terms beyond 12 months from the balance sheet date as current liabilities. As of the date of this report, the Group and the Company are in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's ability to continue as going concern. Nevertheless, the Board of Director believes that the use of the going concern assumption on the preparation of the financial statements of the Group and of the Company for the financial year ended 31 March 2021 is still appropriate after taking into consideration of the above actions and measures.

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

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

2. Incompleteness of bank confirmations

In view of the COVID-19 situation in India, we are unable to obtain bank confirmations for the Group's and the Company's bank borrowings of US\$1,864,845,988 and US\$1,729,775,542 respectively as at 31 March 2021. There are also no practicable audit procedures available to us to verify these balances and transactions. As a result, we are unable to ascertain the accuracy and completeness of the aforesaid bank borrowings. In addition, we are unable to verify the completeness of the Group's and the Company's transactions with the banks for the aforesaid bank borrowings. Consequently, we are unable to determine whether any adjustments and disclosures might have been found necessary in respect of unrecorded and/or undisclosed transactions, facilities and information with the banks in the financial statements.

The above Disclaimer conclusion indicating the existence of material uncertainties which may cast doubt on the ability to continue as a going concern of the wholly owned foreign subsidiary “Aban Holdings Pte Ltd, Singapore and its Subsidiary Corporations” which is material to the Group, also cast a significant doubt on the ability of “the Group” to continue as a going concern and on the appropriateness of the preparation of accompanying financial information of “the Group” as a going concern.

We refer to “Material uncertainty related to Going Concern” and “Emphasis of Matter Paragraph” in our Independent Auditor’s Report on the Standalone financial statements of “ABAN OFFSHORE LIMITED” for the year ended 31st March 2021, which is reproduced below :

Material uncertainty related to going Concern

We draw attention to Note-42 to the Standalone financial results - “the Company” has accumulated losses on account of which the net worth is eroded and also, current liabilities exceeded current assets and the company has defaulted in respect of instalments and payment of interest on term loans and dues on account of cash credit from banks, these indicate that material uncertainty exists that may cast a significant doubt on the company’s ability to continue as a going concern. However, the management believes that the use of the going concern assumption on the preparation of the financial statements of “the Company” is still appropriate in view of its continuing discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan, and that “the Company” will continue to be in operation in the foreseeable future.

Our opinion is not modified in respect of this matter.

Emphasis of Matter Paragraph

- i. As disclosed in note 43 to the Standalone financial statements, the COVID -19 has impacted the financial performance and operating environment of “the Company” in financial year 2020-21. Though the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation is still remains uncertain. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

Our opinion is not modified in respect of this matter.

Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these “Consolidated Ind AS financial statements” in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the Consolidated financial position ,Consolidated financial performance and Consolidated cash flows of “the Group” in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in “the group” are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of “the group” and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of “consolidated Ind AS financial statements” by the Directors of the Holding Company as aforesaid.

In preparing the “consolidated Ind AS financial statements”, the respective Board of Directors of the companies included in “the Group” are responsible for assessing the ability of “the Group” to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate “the Group” or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in “the Group” are responsible for overseeing the financial reporting process of “the Group”.

Auditor’s Responsibility for the audit of the Consolidated Ind AS Financial Statements

Our responsibility is to conduct an audit of “the Group’s” “consolidated Ind AS financial statements” in accordance with Standards on Auditing and to issue an auditor’s report. However, because of the matter described in the “Basis of Disclaimer of Opinion” section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these “consolidated Ind AS financial statements”.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated IND AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) The financial statements of Aban Energies Limited, Chennai, India, an Indian subsidiary of the Holding company are audited by other Auditors which reflects the total assets of Rs.3.13 million as at 31st March, 2021 and total revenue of Rs. 12.86 million for the year then ended.
- (b) The financial statements of Aban Holdings Pte Limited, Singapore and its Subsidiaries, whose consolidated financial statements have been audited by other auditors reflect total assets of Rs.38,563.28 million as at 31st March 2021, total revenue of Rs.12,709.35 million for the year ended on that date, as considered in the consolidated financial statements. We are informed that Deep Drilling Mexico S DE R L DE CV, Mexico ('DD Mexico') a subsidiary of Aban Singapore Pte Ltd is not required to be audited. The audit report of the consolidated accounts of "Aban Holdings Pte Ltd", the wholly owned foreign subsidiary and its subsidiaries includes unaudited financials of 'DD Mexico'. The unaudited financial statement of Deep Drilling Mexico S DE R L DE CV, Mexico reflects the total assets of Rs.3.7 million as at 31st March, 2021 and total revenue of Rs.Nil for the year then ended.
- (c) The above financial informations /financial statements have been furnished by the management and our opinion on the consolidated financial statements in respect of these subsidiaries and it's associates and our report in terms of sub Section (3) and (11) of section 143 of "the Act" in so far as it relates to the afore said Subsidiaries and associates is solely based on reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid "consolidated Ind AS financial statements".
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid "consolidated Ind AS financial statements" have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the "consolidated Ind AS financial statements".
- d) In our opinion, the aforesaid "Consolidated Ind AS Financial Statements" comply with the Accounting Standards specified under Section 133 of the Act.

- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2021, and taken on record by the Board of Directors of the Holding Company and as per the audit report of other auditors on the financial statements of its Indian Subsidiary company, none of the directors of the Holding Company, and its subsidiary incorporated in India is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The "consolidated Ind AS financial statements" disclose the impact of pending litigations on the consolidated financial position of "the Group".
 - ii. "The Group" did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies

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

A Krishna Rao
Partner
Membership No.020085
UDIN: 21020085AAAAOY3504

Date: 21.06.2021
Place: Hyderabad

“ANNEXURE A”

ANNEXURE TO INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON “THE CONSOLIDATED IND AS FINANCIAL STATEMENTS” OF “ABAN OFFSHORE LTD”.

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)

In conjunction with our audit of the “consolidated Ind AS financial statements” of “the Group” as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of Aban Offshore Limited (“the holding company”) and its Indian subsidiary company.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its Indian subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the respective Company’s internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an Audit of Internal Financial Controls. These standards and guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes these policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Indian subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the Indian subsidiary Company is based on the audit reports of the other auditors.

For P. Murali & Co.,

Chartered Accountants

Firm Registration No: 007257S

A Krishna Rao

Partner

Membership No. 020085

UDIN: 21020085AAAAOY3504

Date: 21.06.2021

Place: Hyderabad

Consolidated Balance Sheet As at 31st March 2021

Particulars	Notes	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5	28,654.61	37,437.97
Intangible assets	5	3,256.49	3,086.82
Assets held for Sale	5	766.27	-
Financial Assets			
(i) Investments	6(a)	234.21	234.40
(ii) Loans	6(c)	299.91	304.87
(iii) Other financial assets	6(f)	219.10	218.78
Deferred tax asset	7	633.19	405.86
Total-Non-current assets		34,063.78	41,688.70
Current assets			
Inventories	8	2,897.56	4,614.17
Financial Assets			
(i) Trade receivables	6(b)	5,382.84	10,976.67
(ii) Cash and cash equivalents	6(d)	722.45	439.90
(iii) Other Bank balances	6(e)	18.23	23.61
(iv) Loans	6(c)	1,341.70	636.09
(v) Other financial assets	6(f)	1,719.16	1,678.92
Other current assets	7	47.11	48.23
Total-current assets		12,129.05	18,417.59
Total- Assets		46,192.83	60,106.29
EQUITY AND LIABILITIES			
Equity			
(i) Equity Share Capital	9(a)	116.73	116.73
(ii) Other Equity	9(b)	(168,344.26)	(153,323.70)
(iii) Money received against share warrants			
Reserves and surplus	9(b)		
Other reserves	9(c)		
Equity attributable to shareholders of the Company		(168,227.53)	(153,206.97)
Non-controlling interests		-	-
Total-Equity		(168,227.53)	(153,206.97)
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	10(a)	680.38	-
Employee benefit obligations	11	11.58	6.25
Total-Non-Current Liabilities		691.96	6.25
Current liabilities			
Financial Liabilities			
(i) Borrowings	10(b)	123.42	544.89
(ii) Trade payables	13		
a) Dues of Micro and Small Enterprises		-	7.20
b) Dues of Creditors other than Micro and Small Enterprises		6,054.72	9,357.45
(iii) Other financial liabilities	10(c)	207,427.02	203,304.38
Employee benefit obligations	11	4.73	1.67
Other current liabilities	14	118.51	91.42
Current tax liabilities (Net)		-	-
Total-Current Liabilities		213,728.40	213,307.01
Total-Liabilities		214,420.36	213,313.26
Total-Equity and Liabilities		46,192.83	60,106.29
Summary of significant accounting policies	3.1		

The accompanying notes 1 to 42 are an integral part of the financial statements

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
Partner
Membership No.020085

Place: Chennai
Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
Managing Director

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

P.Venkateswaran
Director

S.N. Balaji
Dy. General Manager (Legal) & Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

Particulars	Notes	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Continuing Operations			
Income			
Revenue from operations	15	10,694.69	9,740.36
Other income	16	2,235.75	131.34
Total Income		12,930.44	9,871.70
Expenses			
Consumption of stores,spares,power and fuel	17	1,679.04	1,473.92
Employee benefits expense	18	2,325.00	2,110.37
Finance Costs	19	11,057.10	12,029.63
Depreciation and amortization expense	20	1,949.90	8,448.58
Impairment / Write Off of Receivables	21	5,531.09	1,207.30
Impairment loss of property, plant and equipment	22	5,870.20	73,104.20
Inventory write-down	8	1,198.44	-
Other expenses	23	3,577.71	5,496.47
Total expenses		33,188.48	103,870.47
Loss before exceptional items and tax		(20,258.04)	(93,998.77)
Add : Exceptional items (Note : 40)		332.64	-
Loss before tax before share in earnings of associate		(19,925.40)	(93,998.77)
Share of profit/(loss) of associate		3.09	(8.50)
Loss before tax from continuing operations		(19,922.31)	(94,007.27)
Tax expense			
Current tax		30.31	(66.90)
Deferred tax		(227.32)	(4,214.24)
Total tax expense		(197.01)	(4,281.14)
Loss for the year after tax from continuing operations		(19,725.30)	(89,726.13)
Discontinued Operations			
Profit before tax from discontinued operations		-	-
Tax income/(expense) of discontinued operations		-	-
Profit/(loss) for the year from discontinued operations		-	-
Loss for the year		(19,725.30)	(89,726.13)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Exchange differences on translation of foreign operations		4,712.30	(10,398.61)
B (i) Items that will be reclassified to profit or loss			
Net gain/ (loss)on FVTOCI non current investments		-	-
Expected return on Plan assets & Net Actuarial gain/ (loss) recognised - Employee Benefits		(7.56)	4.09
Other Comprehensive Income for the year,net of tax		4,704.74	(10,394.52)
Total Comprehensive Income for the year		(15,020.56)	(100,120.65)
Loss attributable to:			
Owners of the entity		(15,020.56)	(100,120.65)
Non-controlling interest		-	-

Particulars	Notes	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Other comprehensive income attributable to:			
Owners of the entity		-	-
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the entity		(15,020.56)	(100,120.65)
Non-controlling interest		-	-
Total comprehensive income attributable to owners:			
Continuing operations		(15,020.56)	(100,120.65)
Discontinued operations		-	-
Earnings per equity share for profit from continuing operations attributable to owners of the entity			
Basic earnings per share		(337.99)	(1,537.46)
Diluted earnings per share		(337.99)	(1,537.46)
Earnings per equity share for profit from discontinued operations attributable to owners of the entity			
Basic earnings per share		-	-
Diluted earnings per share		-	-
Earnings per equity share from continuing and discontinued operations attributable to owners of the entity			
Basic earnings per share		(337.99)	(1,537.46)
Diluted earnings per share		(337.99)	(1,537.46)
Summary of significant accounting policies	3.1		
The accompanying notes 1 to 42 are an integral part of the financial statements			

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
Partner
Membership No.020085
Place: Chennai
Date::June 21,2021

For and on behalf of the Board

Reji Abraham
Managing Director

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

P.Venkateswaran
Director

S.N. Balaji
Dy. General Manager (Legal) & Secretary

Consolidated IND AS Cash Flow Statement for the year ended 31st March 2021

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Cash Flow from operating activities		
Loss including Exchange differences on translation of foreign operations before tax from continuing Operations	(15,217.57)	(104,393.28)
Profit before tax from discontinuing Operations	-	-
Loss before tax	(15,217.57)	(104,393.28)
<u>Non cash adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation/amortization on continuing operations	1,949.90	8,448.58
Impairment/other write off on tangible assets to continuing operations	5,870.20	73,104.20
Loss/(profit) on sale of fixed assets	(0.13)	-
Provision for Employee Benefits	3.44	7.10
Inventory write-down	1,198.44	-
Bad Debts Written off/Impairment of receivables	5,531.09	1,207.30
Unrealized foreign exchange loss/(gain)	60.83	358.53
Provision no longer required written back	(1,920.12)	-
Amortization of ancillary cost/Bond premium	-	1,081.89
Net (gain)/Loss on sale of Non Current investments	-	5.70
Interest on borrowings and dividend on redeemable preference shares	11,057.10	10,946.55
Interest income	(53.97)	(48.22)
Dividend income	-	(0.14)
Exceptional items	(332.64)	-
Operating profit before working capital changes	8,146.56	(9,281.80)
<u>Movements in working capital:</u>		
Increase/(Decrease) in trade payables	(1,346.22)	(491.96)
Increase/(Decrease) in other current liabilities	363.86	356.62
Decrease/(Increase) in trade receivables	(175.88)	(626.93)
Decrease/(Increase) in inventories	518.17	(441.81)
Decrease/(Increase) in other non current financial assets/other assets	4.64	24.14
Decrease/(Increase) in other current financial assets/other assets	(704.09)	1,079.66
Cash generated from(used in) operations	6,807.04	(9,382.07)
Direct taxes paid (net of refunds)	(16.85)	(379.35)
Net cash flow from /(used in) operating activities (A)	6,790.19	(9,761.41)

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Cash Flow from investing activities		
Purchase of fixed assets including Intangible Assets net of exchange difference on translation #	(973.51)	(1,471.40)
Exchange difference on translation of fixed assets including Intangible Assets of Foreign Subsidiaries	1,034.34	(4,875.65)
Capital advances	(1.14)	(8.53)
Proceeds from sale of non-current investments	-	21.82
Interest received	52.96	47.92
Dividends received	-	0.14
Net cash flow from /(used in) investing activities (B)	112.65	(6,285.67)
Cash Flow from financing activities		
Proceeds from long term borrowings #	(4,507.06)	13,098.88
Repayment of short term borrowings	(88.84)	-
Interest paid/Effect of translation of interest on Foreign Currency Loans	(1,608.45)	3,247.23
Net cash used in financing activities (C)	(6,204.35)	16,346.12
Net increase /(decrease) in cash and cash equivalents (A+B+C)	698.49	299.03
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.16	(72.92)
Cash and cash equivalents at the beginning of the year	(81.39)	(307.50)
Cash and cash equivalents at the end of the year	617.26	(81.39)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
	31st March 2021	31st March 2020
Cash and cash equivalents (note 6 (d) & (e)) *	740.68	463.51
Cash credit from banks (secured) (note 10(b))	(123.42)	(544.89)
Balances per statement of cash flows	617.26	(81.39)
* Includes Restricted Cash balance - unpaid dividend liability	8.79	17.59
# Due to exchange differences on translation.		

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
Partner
Membership No.020085
Place: Chennai
Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
Managing Director

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

P.Venkateswaran
Director

S.N. Balaji
Dy. General Manager (Legal) & Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2021 and 2020

A. Equity Share Capital Rs.millions

As at 31st March 2020	116.73
Changes in equity share capital	-
As at 31st March 2021	116.73

B. Other Equity

	Notes	Money received against share warrants	Equity component of compound financial instruments	Reserves and Surplus						Items of Other Comprehensive Income			Total
				Capital Reserve	Securities Premium Reserve	Investment Allowance Reserve	Capital Redemption reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign currency translation reserve	Other items of Other Comprehensive Income	
Balance at 1st April 2019		-	-	0.03	17,800.78	52.40	2,810.00	1,479.72	(75,999.46)	(0.55)	629.92	24.11	(53,203.05)
Profit for the year		-	-	-	-	-	-	-	(89,726.13)	-	-	-	(89,726.13)
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	-	(10,398.61)	4.09	(10,394.52)
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital redemption reserve		-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)		-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2020		-	-	0.03	17,800.78	52.40	2,810.00	1,479.72	(165,725.59)	(0.55)	(9,768.69)	28.20	(153,323.70)



	Notes	Money received against share warrants	Equity component of compound financial instruments	Reserves and Surplus						Items of Other Comprehensive Income			Total
				Capital Reserve	Securities Premium Reserve	Investment Allowance Reserve	Capital Redemption reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign currency translation reserve	Other items of Other Comprehensive Income	
Balance at 1st April 2020		-	-	0.03	17,800.78	52.40	2,810.00	1,479.72	(165,725.59)	(0.55)	(9,768.69)	28.20	(1,53,323.70)
Profit for the year		-	-	-	-	-	-	-	(19,725.30)	-	-	-	(19,725.30)
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	-	4,712.30	(7.56)	4,704.74
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital redemption reserve		-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)		-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2021		-	-	0.03	17,800.78	52.40	2,810.00	1,479.72	(185,450.89)	(0.55)	(5,056.39)	20.64	(168,344.26)

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
 Partner
 Membership No.020085
 Place: Chennai
 Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
 Managing Director

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

P.Venkateswaran
 Director

S.N. Balaji
 Dy. General Manager (Legal) &
 Secretary

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

1. Corporate Information

Aban Offshore Limited (AOL) (the Parent Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Parent Company and its 20 subsidiaries and three associates are referred to as "Company" for the purpose of this Consolidated Financial Statements. The Parent Company has one Indian subsidiary company - Aban Energies Ltd (wholly owned subsidiary), and a wholly owned foreign subsidiary Aban Holdings Pte. Limited, Singapore. The Parent Company, the wholly owned foreign subsidiary and its step-down subsidiaries are engaged in the business of providing offshore drilling and production services to companies engaged in exploration, development and production of oil and gas both in domestic and international markets. The Parent Company and its Indian subsidiary are engaged in the ownership, operation and maintenance of wind turbines for generation of electricity through wind power in India.

2. Basis of preparation

The Consolidated financial statements have been prepared in accordance with IFRS converged Indian Accounting Standards (IndAS) as issued by the Ministry of Corporate Affairs (MCA).

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

3. Principles of consolidation

The consolidated financial statements have been prepared in accordance with IndAS 27 (Separate financial statements), IndAS 110 (Consolidated financial statements) and IndAS 112 (Disclosure of interest in other entities) based on the core principle that the consolidated entity presents the Parent company and its subsidiaries as if they are a single economic entity.

In preparing these consolidated financial statements, the financial statements of the Parent company and its subsidiaries are combined line by line by adding together like items of assets, liabilities, equity, income and expenses. In order that the consolidated financial statements present financial information about the Company as that of a single economic entity, the following steps are taken:

- (a) The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in consolidated Subsidiaries at the respective dates on which the investment in such entities was made is recognized in the financial statements as goodwill/capital reserve.
- (b) Non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period, if any, are identified; and
- (c) Non-controlling interests in the net assets of consolidated subsidiaries, if any, are identified separately from the parent's ownership interests in them.

IntraCompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intraCompany transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full.

These Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Functional Currency of Foreign Subsidiaries is United States Dollars. The assets and liabilities of overseas subsidiaries denominated in foreign currencies are translated in Indian Rupees at exchange rates prevailing at the date of the Balance Sheet; profits and losses are translated at average exchange rates for the relevant accounting periods. Exchange differences arising are recognized in the Other Comprehensive Income and are included in the translation reserve. Such translation differences shall be recognized as income or expenses in the period in which the operation is disposed of.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

3.1 Summary of significant accounting policies**I. Use of estimates**

Preparation of these consolidated financial statements in accordance with IndAS requires management to make judgements on the basis of certain estimates and assumptions. In addition, the application of accounting policies requires management judgement. Estimates are based on the managements view on past events and future development and strategies. Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can reasonably be used to assess the book values of assets and liabilities.

The accounting policies which have the most significant effect on the figures disclosed in the consolidated financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant IndAS accounting policies provided below:

i. Impairment testing**i) Goodwill:**

Company's management reviews regularly, and at each reporting date, whether there is any indication of impairment in respect of Goodwill. Goodwill is tested annually for impairment, even if there is no indication of impairment.

ii) Property, Plant & Equipment, Investment in Subsidiary Corporations:

Property, Plant and Equipment and Investments in subsidiary corporations are tested for impairment whenever there is objective or indication that these assets may be impaired.

For the purpose of Impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis. If the recoverable value of the asset is estimated to be less than the carrying amount, the carrying amount of the asset so reduced to its recoverable amount. The difference between the carrying amount of the asset and the recoverable amount is recognized as impairment loss in profit and loss.

iii. Trade Receivables:

The Company assesses the expected credit losses associated with its Trade Receivables carried at. The impairment methodology applied depends on whether there has been significant increase in credit risk in the initial recognized amount. For Trade Receivables the Company applies the approach permitted by IND AS109 which requires expected lifetime losses to be recognized from initial recognition of the receivable.

ii. Useful life of Property, Plant and Equipment

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management.

iii. Fair Value

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the income statements. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

II Presentation of true and fair view

These Consolidated financial Statements have been prepared by applying IndAS principles and necessary disclosures have been made which present a true and fair view of the financial position, financial performance and cash flows of the Company.

III Accrual basis

These Consolidated financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

IV Materiality

Each material class of similar items has been presented separately in these Consolidated Financial Statements.

V Basis of Measurement

These consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain property, plant and equipment and financial instruments that have been measured at fair values or revalued amounts as required by the relevant IndAS.

VI Offsetting

In preparation of these Consolidated Financial Statements, the Company has not offset assets and liabilities or income and expenses, unless required or permitted by Ind AS.

VII Investment in Associates

An associate is an entity in which the investor has significant influence, but which is neither a subsidiary nor a joint venture of the investor. Interests in Associates are accounted in these Consolidated Financial Statements using the equity method of accounting in accordance with IndAS 28.

VIII Functional and Presentation Currency

IndAS 21 (Effects of changes in foreign exchange rates) requires that functional currency and presentation currency be determined. Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented.

These consolidated financial statements are presented in Indian Rupee, which is the functional currency and presentation currency of the Parent Company. All foreign currency transactions are expressed in the functional currency using the exchange rate at the transaction date.

Foreign currency balances representing cash or amounts to be received or paid in cash (monetary items) are retranslated at the end of the year using the exchange rate on that date. Exchange differences on such monetary items are recognized as income or expense for the year.

Non-monetary balances that are not remeasured at fair value and are denominated in a foreign currency are expressed in the functional currency using the exchange rate at the transaction date. Where a non-monetary item is remeasured at fair value in the financial statements, the exchange rate at the date when fair value was determined is used.

The functional currency of the foreign subsidiaries is United States Dollars. However for the purpose of preparation of consolidated financial statements, the assets and liabilities of the foreign subsidiaries are translated and presented in Indian Rupees (which is the functional and presentation currency of the Parent company) at the closing rate at the end of the reporting period. The income statement is translated at exchange rates at the dates of the transactions or at the average rate if that approximates the actual rates. All resulting exchange differences are recognized in other comprehensive income.

IX Property, plant and equipment

Property, plant and equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

The company has chosen the deemed cost exception provided in Ind AS 101. Accordingly, it has partly revalued in property, plant and equipment, and partly recalculated carrying values by applying Ind AS guidance from the date of acquisition of such assets.

The cost of a major inspection or overhaul of an item occurring at regular intervals over the useful life of the item is capitalised to the extent that it meets the recognition criteria of an asset. The carrying amounts of the parts replaced are derecognized.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
X Non Current Assets held for sale

In accordance with IND AS 105, Non- Current Assets are as Non-Current Assets held for sale in case such asset is available for sale in its present condition and its sale must be highly probable. In addition the sale should be expected to qualify for recognition as completed sale within one year from the date of classification or such extended period in circumstances beyond the control of the company. A non-current asset classified as held for sale is carried at lower of its carrying amount and fair value less cost to sell. Such asset is not depreciated after the date of such classification. Interest and other expenses attributable to liability associated with non- current assets classified as held for sale shall continue to be recognized.

XI Depreciation on Property, plant and equipment

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life. Subsequent expenditure relating to an item of PPE is capitalised if it meets the recognition criteria.

PPE may comprise parts with different useful lives. Depreciation is calculated based on each individual part's life subject to the life of the main asset. In case of replacement of one part, the new part is capitalised to the extent that it meets the recognition criteria of an asset, and the carrying amount of the parts replaced is derecognized.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life of the assets as under-

Fixed Assets	Useful Life
Buildings	60 years
Drilling Rigs	30 or 40 years
Drillship	25 or 40 years
Office Equipment	5 years
Computers	3 years
Windmills	22 years
Furniture and fixtures	10 years
Motor Vehicles	3/8 years

XII Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

- a. Goodwill is recognized in these Consolidated Financial Statements as an intangible asset using the following principles:

An intangible asset has an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Goodwill on acquisition of subsidiaries has been recognized in the consolidated financial statements as an intangible asset and it is measured on the date of acquisition applying the principles of IndAS retrospectively.

Goodwill is presumed to have indefinite useful life. Hence goodwill will not be amortised but tested for impairment annually or whenever there is an indication of impairment.

- b. Acquired Licence/Exploration and Evaluation Assets

Licence acquired/Exploration and Evaluation Assets is initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortised to Profit and loss using the straight line method over the period of contractual right or estimated useful lives. These assets are not amortised until available for use.

- c. Farm-outs - in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

XIII Borrowings costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.

Borrowing costs include interest expense, if any, calculated using the effective interest method, finance charges, if any, in respect of finance leases and exchange differences, if any, arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

XIV Impairment of Property, plant and equipment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

XV Investments

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

Quoted Investments are recognized and measured at fair value.

XVI Inventories

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per IndAS 2, 'Inventories'. The cost of other inventory items used is assigned by using either the first-in, first-out (FIFO) or weighted average cost formula.

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognized at the lower of cost and net realisable value (NRV). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. Costs such as abnormal amount of wasted materials, storage costs, administrative costs and selling costs are excluded from the cost of inventories. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

Inventories is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

XVII Revenue recognition

Revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the goods or services.

For this, the company first determines whether control is transferred over time. If the answer to this question is negative, only then revenue is recognized at a point in time, or else it is recognized over time.

The company recognizes revenue to depict the transfer of goods or services to customers at an amount expected to be received in exchange for those goods or services.

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

Income from wind power generation is recognized based on the number of units of power generated every month at contracted rates.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

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

XVIII Retirement and other employee benefits

Employee benefits are all forms of consideration given or promised by the company in exchange for services rendered by its employees. These benefits include salary-related benefits (such as wages, profit-sharing, bonuses and compensated absences, such as paid holiday and long-service leave), termination benefits (such as severance and redundancy pay) and post employment benefits (such as retirement benefit plans).

Defined contribution plans

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

Contribution to Provident Fund which is a defined contribution retirement plan is made monthly at a predetermined rate to the Provident Fund Authorities and is debited to the statement of profit and loss on accrual basis.

Contribution to Superannuation Scheme/National Pension System which is defined contribution retirement plan is made annually at predetermined rate to insurance companies/Pension Funds which administer the fund and debited to the statement of Profit and Loss.

Defined benefit plans

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The income statement reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and remeasurement gains and losses.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognized in other comprehensive income.

The amount of pension expense to be recognized in profit or loss is comprised of the following individual components, unless they are required or permitted to be included in the costs of an asset:

- Service costs (present value of the benefits earned by active employees)
- Net interest costs (unwinding of the discount on the defined benefit obligations and a theoretical return on plan assets)

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Annual contribution is made to Gratuity Funds administered by Insurance Companies, which is considered as defined benefit plan. The present value of the defined benefit is measured using the 'Projected Unit Credit method with actuarial valuation being carried out at each Balance Sheet date by an independent valuer. Actuarial gain and losses are immediately recognized in the statement of profit and loss. Amount of contribution, computed by the insurers is paid by the company and charged to statement of profit and loss. No additional liability is anticipated under the scheme administered by the Insurance Companies.

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

XIX Taxes on income

Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the temporary difference arises from the following:

- Initial recognition of goodwill (for deferred tax liabilities only)
- Initial recognition of an asset or liability in a transaction which is not a business combination and which affects neither accounting profit nor taxable profit
- Investments in subsidiaries, branches, associates and joint ventures, but only when certain criteria apply.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in equity in the same or different period.

Deferred income taxes have not been recognised on certain temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in respect of foreign subsidiary.

XX Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in Other Comprehensive Income (OCI) and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges - when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Cash flow hedges - when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

The company does not have any derivatives instruments during the period April 1, 2020 to March 31, 2021.

XXI Segment reporting**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided with each segment representing strategic business unit that offers different services. The Company is engaged primarily in the business of offshore drilling services. The wind energy division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.

XXII Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33 (Earnings per share).

XXIII Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when:

- There is a present obligation to transfer economic benefits as a result of past events;
- it is probable (more likely than not) that such a transfer will be required to settle the obligation;
- and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, measured at the expected cash flows discounted for the time value of money. Provisions are not recognized for future operating losses.

An obligation and any anticipated recovery are presented separately as a liability and an asset respectively; however, an asset is recognized only if it is virtually certain that settlement of the obligation will result in a reimbursement, and the amount recognized for the reimbursement does not exceed the amount of the provision. The amount of any expected reimbursement is disclosed. Net presentation is done only in the income statement.

Management performs an exercise at each balance sheet date to identify the best estimate of the expenditure required to settle the present obligation at the balance sheet date, discounted at an appropriate rate. The increase in provision due to the passage of time (that is a consequence of the discount rate) is recognized as cost.

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because of the following:

- (a) It is not probable that an outflow of economic benefits will be required to settle the obligation; or
- (b) the amount cannot be measured reliably.

As per IndAS 37 (Provisions, Contingent liabilities and Contingent assets), Contingent liabilities, if any, are not recognized but are disclosed and described in the notes to the Consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Contingent assets are possible assets whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. As per IndAS 37, Contingent assets, if any, are not recognized but are disclosed and described in the notes to the Consolidated financial statements, including an estimate of their potential financial effect if the inflow of economic benefits is probable.

XXIV Cash and cash equivalents

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

XXV Share based payments

All types of share-based payments and transactions are measured at fair value and recognized over the vesting period in accordance with IndAS 102. However this is not applicable for equity instruments that vested before date of transition to IndAS.

XXVI Related Party Disclosures

All disclosures as specified under IndAS 24 (Related party disclosures) are made in these Consolidated Financial Statements in respect of the company's transactions with related parties.

XXVII Leases

The Company as a Lessor:

As per IND AS 116, Leases of Property Plant and Equipment where the Company retains substantially all risks and rewards incidental to ownership and classified as Operating Lease, Income from Operating Lease is recognized in the Profit and Loss over the Lease tenure.

The Company as a Lessee:

At the inception of Contract, the company assesses if the Contract contains a lease. A Contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for Consideration

Reassessment is only required when the terms and conditions of the contract are changed.

There is no externally imposed Covenants on these lease arrangements.

XXVIII Financial Instruments

Financial assets and financial liabilities are recognized on the Company Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets - Trade receivables

Trade receivables are non-interest-bearing and are recognized initially at fair value, and subsequently at amortized cost using the effective interest rate method, less provision for impairment loss allowance, if any.

Financial Assets - Investments

Investments consist of investments in equity shares (quoted) and are recognized at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognized directly in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in other comprehensive income is included in the Consolidated Income Statement for the period. Dividends, if any, on equity instrument are recognized in the Company Income Statement when the company's right to receive payment is established.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Loans and advances

Loans and advances are initially recognized at fair value plus directly related transaction costs. Subsequent to initial recognition, these assets are carried at amortized cost using the effective interest method less any impairment losses. Income from these financial assets is calculated on an effective yield basis and is recognized in the Consolidated Income Statement.

Impairment of loans and advances

At each balance sheet date, the Company reviews the carrying amounts of its loans and advances to determine whether there is any indication that those assets have suffered an impairment loss.

If there is objective evidence that an impairment loss on a financial asset or Company of financial assets classified as loans and advances has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset or Company of assets and the present value of estimated future cash flows from the asset or Company of assets discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses, if any, are recognized in the Consolidated Income Statement and the carrying amount of the financial asset or Company of financial assets is reduced by establishing an allowance for impairment losses.

If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognized, the previously recognized loss is reversed by adjusting the allowance. Once an impairment loss has been recognized on a financial asset or Company of financial assets, interest income is recognized on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment.

Loan impairment provisions are established taking into account the level of arrears, security, past loss experience, credit scores and defaults based on portfolio trends. The most significant factors in establishing these provisions are the expected loss rates.

Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost with any difference between proceeds and redemption value being recognized in the Consolidated Income Statement over the period of the borrowings on an effective interest rate basis.

Trade payables

Trade payables are non-interest-bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments and hedge accounting

The Company has not entered into any derivative or hedging transactions.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

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

S. No	Name of the company	Country of Incorporation	Percentage of holding	Accounts considered	Reporting Currency
1	Aban Energies Limited	India	100%	31st March 2021 (audited)	Indian Rupee
2	Aban Holdings Pte Ltd	Singapore	100%	31st March 2021 (audited)	US Dollars
3	Aban Singapore Pte Ltd	Singapore	(a)	31st March 2021 (audited)	US Dollars
4	Aban International Norway AS	Norway	(b)	31st March 2021 (audited)	US Dollars
5	Aban 7 Pte Ltd	Singapore	(b)	31st March 2021 (audited)	US Dollars
6	Aban 8 Pte Ltd	Singapore	(b)	31st March 2021 (audited)	US Dollars
7	Aban Abraham Pte Ltd	Singapore	(b)	31st March 2021 (audited)	US Dollars
8	Aban Pearl Pte Ltd	Singapore	(b)	31st March 2021 (audited)	US Dollars
9	Deep Drilling Invest Pte Ltd	Singapore	(c)	31st March 2021 (audited)	US Dollars
10	Deep Drilling 1 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
11	Deep Drilling 2 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
12	Deep Drilling 3 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
13	Deep Drilling 4 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
14	Deep Drilling 5 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
15	Deep Drilling 6 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
16	Deep Drilling 7 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
17	Deep Drilling 8 Pte Ltd	Singapore	(d)	31st March 2021 (audited)	US Dollars
18	Deep Driller Mexico S de RL de CV, Mexico	Mexico	(b)	31st March 2021 (not required to be audited)	US Dollars
19	Aban Labuan Pvt Limited	Labuan, Malaysia	(b)	31st March 2021 (audited)	US Dollars
20	Caldera Petroleum (UK) Ltd	United Kingdom	(b)	31st March 2021 (audited)	US Dollars

Note:

- Wholly-owned subsidiary of Aban Holdings Pte Ltd
- Wholly-owned subsidiaries of Aban Singapore Pte Ltd
- Subsidiary of Aban International Norway AS (66%) and Aban Singapore Pte Ltd (34%)
- Wholly-owned subsidiaries of Deep Drilling Invest Pte Ltd

Besides the above, the financials of Belati Oilfield Sdn Bhd, Malaysia, an associate company with 49% interest held by Aban Singapore Pte Ltd, the financials of Aban Hydrocarbons Ptd Ltd, Singapore, an associate company with 50.25% interest held by Aban Singapore Pte Ltd, have been considered in the consolidated accounts of Aban Holdings Pte Ltd under Equity method of accounting.

Event occurring after balance sheet date

On 21 May 2021, the Company has commenced the striking off application of its associate company, Aban Hydrocarbons Pte Ltd. The transaction is not expected to have any material impact to the Group for the next financial year.

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.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
5. Property, plant and equipment

Rs.millions

	Land-Freehold	Buildings	Offshore Jack-up rigs	Drillship	Other Machineries	Wind Mills	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Year ended 31st March 2020											
Gross Carrying amount											
As on 1st April 2019	128.56	109.86	143,893.95	36,117.20	4.08	70.81	60.25	38.29	29.63	180,452.64	58.75
Additions	-	-	1,460.07	9.43	-	-	1.80	-	0.10	1,471.40	(58.75)
Disposals	-	-	-	-	-	-	-	-	-	-	-
-Exchange differences	-	-	16,002.86	3,457.31	-	-	17.45	-	2.34	19,479.96	-
Closing Gross Carrying amount	128.56	109.86	161,356.88	39,583.93	4.08	70.81	79.51	38.29	32.09	201,404.00	-
Accumulated Depreciation											
Opening accumulated depreciation	-	12.40	52,451.09	18,035.85	-	41.68	29.50	3.10	14.60	70,588.22	-
Depreciation charged during the year	-	2.43	4,242.19	1,163.10	-	-	3.48	0.85	3.07	5,415.12	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
-Exchange differences	-	-	11,793.16	3,046.45	-	-	16.61	-	2.26	14,858.48	-
Impairment charge	-	-	57,648.65	15,455.55	-	-	-	-	-	73,104.21	-
Closing Accumulated Depreciation	-	14.83	126,135.09	37,700.94	-	41.68	49.60	3.96	19.93	163,966.03	-
Net Carrying amount	128.56	95.04	35,221.79	1,882.99	4.08	29.13	29.91	34.34	12.16	37,437.97	-
Year ended 31st March 2021											
Gross Carrying amount											
Opening gross carrying amount	128.56	109.86	161,356.88	39,583.93	4.08	70.81	79.51	38.29	32.09	201,404.00	-
Additions	-	-	717.29	1.15	-	-	0.48	-	4.93	723.84	-
Disposals	-	-	-	-	-	-	-	-	(3.70)	(3.70)	-
Exchange differences	-	-	(5,663.49)	(1,223.10)	-	-	(6.22)	-	(0.83)	(6,893.64)	-
Closing Gross Carrying amount	128.56	109.86	156,410.68	38,361.98	4.08	70.81	73.78	38.29	32.50	195,230.52	-
Accumulated Depreciation											
Opening accumulated depreciation	-	14.83	126,135.09	37,700.94	-	41.68	49.60	3.96	19.93	163,966.03	-
Depreciation charged during the year	-	2.43	1,757.90	182.07	-	-	4.63	-	2.88	1,949.90	-
Disposals	-	-	-	-	-	-	-	-	(3.58)	(3.58)	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
-Exchange differences	-	-	(4735.38)	(1230.75)	-	-	(5.96)	-	(0.81)	(5,972.91)	-
Impairment charge	-	-	5,032.85	837.36	-	-	-	-	-	5,870.21	-
Closing Accumulated Depreciation	-	17.25	128,190.45	37,489.61	-	41.68	48.27	3.96	18.41	165,809.65	-
Net Carrying amount	128.56	92.61	28,220.23	872.37	4.08	29.13	25.51	34.34	14.09	29,420.87	-
Less: Assets held for Sale	-	-	279.66	486.61	-	-	-	-	-	766.27	-
Net Carrying amount after Assets held for Sale as on 31st March 2021	128.56	92.61	27,940.57	385.76	4.08	29.13	25.51	34.34	14.09	28,654.61	-

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

- Bank borrowings and Bonds are secured by rigs of the parent company and its foreign subsidiaries with carrying amounts of Rs 29,092.60 Million and freehold lands of parent company with amounts of Rs 128.56 Million as at the Balance sheet date. [(note: 10(a))].
- An impairment charge of Rs. 5,870.20 million (Previous Year: Rs.73,104.20 million) is recognized for the financial year ended 31st March 2021 as the carrying amount of the rigs exceeded its estimated value in use which is mainly due to the current slump in the oil and gas industry.

• Non- Current Assets Held for Sale

The downturn in the Oil & Gas industry and the consequential reduced day rates that the offshore rigs are commanding in the current market conditions has put the Company in severe cashflow crisis leading to difficulty in timely servicing of outstanding debt. The Board of Directors in its meeting held on 5th March 2021 took on record the discussions between the Company and consortium of lenders for sale of the idle rigs owned by the Company. The net proceeds that would be realized from the sale of such rigs shall be utilized to repay the outstanding debt of the Company to the consortium of lenders. In the Extra ordinary meeting of the Company held on 29th March 2021, the Shareholders have accorded their approval to the Company to sell, transfer, deliver or otherwise dispose off the following assets owned by the Company viz Jack up Rigs Aban V and Aban VI, Drillship Aban Ice and Floating Production unit TAHARA (collectively “the rigs”) and also authorized the Board of Directors to finalize and execute the documents in relation to the sale of the aforementioned rigs. The sale is highly probable and expected to be completed within one year

In view of the above circumstances, these rigs are re-classified as Non-Current Assets Held for Sale at the carrying value as on date of shareholder’s approval in accordance with Ind AS 105. Accordingly the following classes of Property Plant and Equipment are being reclassified as Non- Current Assets Held for Sale:

Class of Assets	Rs.Millions
Offshore Jack-up Rigs	279.66
Drillship	486.61
Total	766.27

Intangible assets

Rs.millions

	Licence/ E&E assets	Total
At 1st April 2019	2,755.47	2,755.47
Additions	77.19	77.19
Disposals	-	-
Impairment charge	-	-
-Exchange differences	254.17	254.17
-Borrowing costs	-	-
At 31st March 2020	3,086.82	3,086.82
Cost		
At 1st April 2020	3,086.82	3,086.82
Additions	261.89	261.89
-Exchange differences	(92.22)	(92.22)
-Borrowing costs	-	-
At 31st March 2021	3,256.49	3,256.49
At 31st March 2021	3,256.49	3,256.49
At 31st March 2020	3,086.82	3,086.82

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

	Licence/ E&E assets	Total
	31st March 2021	31st March 2020
Representing		
Farm-out Interest	2442.37	-
Retained Interest	814.12	3,086.82
	3,256.49	3,086.82

a. Licence / Exploration & Evaluations Assets – During the financial year, the wholly owned foreign subsidiary of the parent Company, through its new incorporated subsidiary company Caldera Petroleum (UK) Petroleum Limited has acquired the UK Continental Shelf Petroleum Production Licence No : P198 Block 15/13 a and 15/13b in the UK Central North Sea (Licence) for a consideration of Rs 5,539.47 Million. Subsequently it sold 50% of its interest in the Licence to Hibiscus and entered into a joint operating agreement with them.

The Licence is carried at cost without amortization but is tested for impairment whenever there is any objective evidence or indication that the asset may be impaired.

Exploration & Evaluation of Assets relate to conceptual study costs incurred for development in the Marigold and Sunflower fields amounts to Rs.261.89 Million (Previous Year: Rs.77.19 Million)

During the financial year ended 31 March 2021, the Parent Company, through its wholly owned subsidiary corporation Caldera, entered into a farm-out agreement with Hibiscus to transfer 37.5% interest in the licence and share the costs and risks associated with the exploration activities on the Marigold and Sunflower fields. As part of the farm-out arrangement, Hibiscus will contribute the additional funds which is required to achieve the farm development plan and the development costs for the 12.5% interest retained by the Company, capped at INR 2,508.22 Million.

The 37.5% interest in the licence may be required to transfer back to the Group if:-

Caldera agrees to reimburse the contributions made by Hibiscus; or

Hibiscus is unable to proceed with the development of the project either due to changed in market dynamics or inability to raise equity and loans.

As at the balance sheet date, the Company has not received the sale consideration. In accordance with the accounting policy described in Note XII(c) to the financial statements, the gain on disposal will be recognised in the statement of comprehensive income when the consideration is received.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

6 (a). Non-current investments

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Trade Investment (valued at cost unless stated otherwise)		
Investment in joint ventures/associates		
0.05 million(31st March 2020: 0.05 million) equity shares of Rs.100 each fully paid in Frontier Offshore Exploration(India) Limited	-	-
(at cost less provision for other than temporary diminution in value Rs.4.99 million(31st March 2020:Rs.4.99 million))	-	-
0.17 million (31st March 2020 : 0.17 million) equity shares of MYR 1 each in Belati Oilfield Sdn Bhd [(Note 29(b))]	107.67	107.85
Investments in associates-Aban Drilling Services Private Limited 0.00 million (31st March 2020 : 0.00 million) equity shares of USD 1 each in Aban Hydrocarbons Pte Ltd [(Note 29(c))]	0.05	0.05
Other Investments		
0.3 million (31st March 2020: 0.3 million) equity shares of Rs.10 each fully paid in Aban Informatics Private Limited	19.85	19.85
0.015 million (15% holding) (31st March 2020:0.015 million) equity shares of Rs.10 each fully paid in Radhapuram Wintech Private Limited	0.15	0.15
4.011 million (31st March 2020 :4.011 million)10% Non Cumulative Redeemable Preference shares of Rs 10 each fully paid in Radhapuram Wintech Private Limited	40.11	40.11
0.025 million (15% holding) (31st March 2020:0.025 million) equity shares of Rs.10 each fully paid in Aban Green Power Private Limited	0.25	0.25
6.613 million (31st March 2020:6.613 million)10% Non Cumulative Redeemable Preference shares of Rs 10 each fully paid in Aban Green Power Private Limited	66.13	66.13
	234.21	234.40
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	234.21	234.40
Aggregate provision for impairment in value of investments	5.18	5.18

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
6b) Trade receivables

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Unsecured, considered good unless stated otherwise				
Unsecured, considered good	-	-	5,382.84	10,976.67
Doubtful	-	-	5,813.07	1,577.97
	-	-	11,195.91	12,554.64
Less: Credit Loss allowance	-	-	(5,813.07)	(1,577.97)
Total	-	-	5,382.84	10,976.67

i) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits, trade receivables, amount due from bank deposits, the Company maintains its deposits primarily with banks with high credit quality

Due to the nature of the Company's operations, revenue and receivable are typically concentrated amongst a relatively small customer base of oil and gas companies. The Company ensures that drilling contracts are with customers of adequate financial standing and appropriate credit history. Additionally, the customers' payment profile and credit exposure are continuously monitored. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets on the balance sheet.

The credit risk for trade receivables (net of loss allowance) based on the information provided to key management is as follows:

	31st March 2021 INR millions	31st March 2020 INR Millions
By geographical areas		
Asia	5,382.84	10,976.67

Customers are mainly government-linked oil and gas corporations.

The movement in credit loss allowance for trade receivables of the Company is set out as follows:

	31st March 2021 INR millions	31st March 2020 INR Millions
Beginning of the financial year	1,577.97	280.57
Loss allowance recognised in profit or loss during the financial year	4,344.26	1,207.30
Loss allowance recognised in other comprehensive income in profit or loss during the financial year	(109.16)	90.10
End of the financial year	5,813.07	1,577.97

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

The Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Company purely considers historical loss rates which management is of the view that the historical conditions are representative of the conditions prevailing at the balance sheet date.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due, and writes off the financial asset after attempted all enforcement activity to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Companies credit risk exposure in relation to trade receivables under IND AS 109 as at 31st March 2021 and 2020 are set out in the provision matrix as follows:

	Past due				
	Not past due INR in Million	< 3 months INR in Million	3 to 6 months INR in Million	More than 180 days INR in Million	Total INR in Million
Group					
31 March 2021					
Trade receivables	1,999.47	569.16	120.18	8,507.10	11,195.91
Loss allowance	-	-	-	(5,813.07)	(5,813.07)
31 March 2020					
Trade receivables	1,354.36	412.77	2.14	10,785.37	12,554.64
Loss allowance	-	-	-	(1577.97)	(1577.97)

Cash and cash equivalents, other receivables, are considered to have low risk of default. The balances are measured on 12-month expected credit losses. The credit loss, if any, is immaterial.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
.6(c) . Loans

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Loans and advances to related parties				
Unsecured, considered good	-	-	6.94	3.95
	-	-	6.94	3.95
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	282.02	282.45	1,315.72	612.74
Doubtful	-	-	-	-
	282.02	282.45	1,315.72	612.74
Provision for doubtful advances	-	-	-	-
	282.02	282.45	1,315.72	612.74
Loans to employees	17.89	22.42	19.04	19.41
	299.91	304.87	1,341.70	636.09

6(d). Cash and cash equivalents

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	721.24	435.48
- Deposits with original maturity of less than three months	-	-	-	-
Cash on hand	-	-	1.21	4.42
	-	-	722.45	439.90

6(e). Other bank balances

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
On unpaid dividend account	-	-	7.83	13.22
-Deposits with original maturity for more than 12 months	11.56	11.71	-	-
- Margin money deposit	-	-	10.40	10.38
	11.56	11.71	18.23	23.61
Amount disclosed under other assets {(See note 6(f))}	(11.56)	(11.71)		
	-	-		

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

6(f). Other financial assets

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	14.63	14.46	782.57	991.91
Doubtful	-	-	-	-
	14.63	14.46	782.57	991.91
Provision for doubtful security deposit	-	-	-	-
	14.63	14.46	782.57	991.91
Balances with statutory/government authorities	192.61	192.61	163.73	129.30
Non current bank balances [Note 6 (e)]	11.56	11.71	-	-
Other loans and advances				
Advance income-tax(net of provision for taxation)	0.30	-	604.88	557.72
Input Tax Credit GST (Net of GST Liabilities)	-	-	167.98	-
	219.10	218.78	1,719.16	1,678.92

7. Other assets

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Unsecured, considered good unless stated otherwise				
Non-current bank balances	-	-	-	-
(A)	-	-	-	-
Others				
Interest accrued on fixed deposits	-	-	2.01	1.00
Prepaid Expenses	-	-	43.95	38.70
Capital Advances	-	-	1.14	8.53
(B)	-	-	47.11	48.23
Total(A+B)	-	-	47.11	48.23

8. Inventories

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Stores, Spares and Fuel	2,897.56	4,614.17
Total	2,897.56	4,614.17

Foreign Stepdown Subsidiaries recognised Inventory write-down amounting to INR 1,198.44 Million (2020 : INR NIL Million)

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
9(a). Equity Share capital

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Authorised shares (No. millions)		
2,500 (31st March 2020: 2,500) Equity Shares of Rs.2/- each	5,000.00	5,000.00
Issued , subscribed and fully paid -up Equity shares (No. in millions)		
Equity Shares		
36.88 (31st March 2020: 36.88) equity shares of Rs.2/- each	73.75	73.75
0.85 (31st March 2020: 0.85) equity shares of Rs.2/- each issued against conversion of foreign currency convertible bonds	1.70	1.70
0.16 (31st March 2020: 0.16) equity shares of Rs.2/- each issued against employee stock option scheme	0.33	0.33
16.47 (31st March 2020: 16.47) equity shares of Rs.2/- each issued against qualified institutional placement	32.94	32.94
4.00 (31st March 2020:4.00) equity shares of Rs. 2/- each issued against conversion of share warrants allotted on a preferential basis	8.00	8.00
0.01 (31st March 2020: 0.01) Shares Forfeited -equity shares at Re 1/- each	0.01	0.01
	116.73	116.73

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares of Rs 2 each

	31st March 2021		31st March 2020	
	No. millions	Rs. millions	No. millions	Rs.millions
At the beginning of the period	58.36	116.73	58.36	116.73
Issued during the period	-	-	-	-
Outstanding at the end of the period	58.36	116.73	58.36	116.73
Total Value of Outstanding Shares (A) +(B)		116.73		116.73

Terms/ rights attached to equity shares

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

During the year ended 31st March 2021 , the amount of per share dividend recognized as distributions to equity shareholders is Nil (31st March 2020: Nil).

The Parent company has reserved 1.84 million equity shares of Rs.2 each for offering to employees under the Employee Stock Option Scheme (ESOS) (31st March 2020:1.84 million equity shares of Rs.2 each) out of which 0.16 million equity shares of Rs.2 each have been already allotted up to the balance sheet date under the scheme and included under the paid up capital (31st March 2020: 0.16 million equity shares of Rs.2 each) .

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Details of shareholders holding more than 5% shares in the Company

	31st March 2021		31st March 2020	
	No. millions	% holding in the class	No. millions	% holding in the class
Equity shares of Rs.2 each fully paid				
Reji Abraham	5.63	9.64%	5.63	9.64%
Deepa Reji Abraham	4.04	6.92%	4.04	6.92%
India Offshore Inc	8.33	14.27%	8.33	14.27%
Aban Investments Private Limited	5.65	9.69%	5.65	9.69%
	23.65	40.52%	23.65	40.52%

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

9 (b) Other equity

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs. millions
Capital Reserve as per last Balance Sheet	0.03	0.03
Securities Premium Account		
Balance as per last Balance Sheet	17,800.78	17,800.78
	17,800.78	17,800.78
Investment Allowance Reserve-utilised as per last Balance Sheet	52.40	52.40
Capital Redemption Reserve		
Balance as per last Balance Sheet	2,810.00	2,810.00
Add: Transfer from statement of profit and loss	-	-
	2,810.00	2,810.00
General Reserve		
Balance as per last Balance Sheet	1,479.72	1,479.72
Add: Transfer from statement of profit and loss	-	-
	1,479.72	1,479.72
Translation Reserve		
Balance as per last financial statements	(9,768.69)	629.92
Movements during the year	4,712.30	(10,398.61)
	(5,056.39)	(9,768.69)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(165,697.94)	(75,975.90)
Profit/(Loss) for the year	(19,725.30)	(89,726.13)
Net gain/(loss) on fair value through OCI	(0.14)	(0.31)
Expected return on Plan assets & Net Actuarial gain/(loss) recognised during the year through OCI	(7.42)	4.40
	(185,430.80)	(165,697.94)
Net Surplus/(deficit) in the statement of profit and loss		
Total Other Equity	(168,344.26)	(153,323.70)

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
10 (a) Borrowings

	Non-current maturities		Current maturities	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Term loans				
Foreign currency term loans from banks (secured)	-	-	146,880.84	151,393.44
Rupee term loans from banks (secured)	-	-	1,163.87	1,239.87
Rupee term loans from banks (unsecured)	-	-	191.92	191.92
Other loans				
Bonds	680.38	-	-	701.33
Redeemable Prefence Shares(unsecured)	-	-	2,810.00	2,810.00
	680.38	-	151,046.63	156,336.56
The above amount includes				
Secured borrowings	680.38	-	148,044.71	153,334.64
Unsecured borrowings	-	-	3,001.92	3,001.92
Amount disclosed under the head "Other financial liabilities"	-	-	(151,046.63)	(156,336.56)
Note 10 (c)	680.38	-	-	-

S no	Particulars	Maturity Date	Terms of repayment	Coupon/ Interest rate	As at 31st March 2021	As at 31st March 2020
a	Term loans from banks	2017-2018	Loans recalled and Payable on demand	Varies from bank to bank	143,552.80	147,978.85
b	Bond Loans	2020-2021	Bullet Payment	15% p.a.	680.38	701.33
c	Term loans from banks	2017-2018	Loans recalled and Payable on demand	6 months LIBOR + 6% to 13% p.a.	4,491.91	4,382.07
d	Rupee term loans from banks	2017-2018	Loans recalled and Payable on demand	14% to 15% p.a	191.92	191.92
e	Redeemable Preference shares	2014-2016	Overdue for Payment	12% p.a.	2,810.00	2,810.00
	Total Borrowings				151,727.00	156,064.17
	Less: Current maturities of long term debt				151,727.00	156,064.17
	Non-Current borrowings				-	-

- 1 Loans under (a) above are secured by first and second charge on specific drilling rigs of the foreign subsidiary company and first charge on drilling rigs owned by Parent company & first pari-passu charge on the receivables arising out of deployment of the drilling rigs of the foreign subsidiary company. The rate of interest varies from bank to bank depending on the currency in which are loans are being denominated in the books of each bank.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

- 2 Loans under (b) above are secured by first charge on specific offshore drilling rig of the foreign subsidiary company
- 3 Loans under (c) above are secured by first and second charge on specific offshore drilling rigs owned by foreign subsidiaries and first mortgage on windmill lands owned by the parent company.
- 4 Loans under (d) above are unsecured.
- 5 As per INDAS, Preference share capital is grouped under Borrowings
- 6 Since all term loans have been recalled by the lenders the entire term loans are classified as current liabilities as at 31st March, 2021.
 - i) All the secured lenders of term loans (banks) have issued recall notices during the year. Also one of the secured lenders has issued notice dated 7th May 2018 under section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI Act) through the security trustee calling upon the company to pay the outstanding amount with interest in 60 days from the date of notice, failing which the bank would exercise the powers under section 13(4) of SARFAESI Act.
 - ii) The Company has not redeemed its Non-Convertible Cumulative Redeemable Preference Shares on due dates. Two of the preference shareholders of the Company has filed a commercial suit before the Honourable High Court of Judicature at Bombay and these cases are pending before the Honourable High Court. One of the preference shareholder had filed petitions under section 55 of the Companies Act, 2013 / under section 80 of the Companies Act, 1956 before the Honourable National Company Law Appellate Tribunal ("NCLAT"), Delhi Bench for non-redemption of Non-Convertible Cumulative Redeemable Preference Shares. NCLAT has remitted the case back to National Company Law Tribunal ("NCLT"), Chennai for fresh consideration. Against this order, the Company have filed an appeal in Supreme Court.

10 (b) Current Borrowings

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Cash credit from banks (secured)	123.42	544.89
	123.42	544.89

Cash credit from banks is secured by way of hypothecation of inventory of stores and spares and book debts. Moreover, two offshore jack-up rigs of the company have been offered as a second charge for certain cash credit facilities. The cash credit is repayable on demand and carries interest @ 9% p.a.to 15.10% p.a

10 (c) Other financial liabilities

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Current maturities of long term borrowings {(note 10(a))}	-	-	151,046.63	156,336.56
Interest accrued but not due on borrowings	-	-	-	-
Interest accrued and due on borrowings	-	-	54,083.15	45,002.39

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

	Non-current		Current	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Investor Education and Protection Fund will be credited by following amounts (as and when due)	-	-	-	-
- Unpaid dividend	-	-	-	-
- Unclaimed dividends	-	-	7.83	13.22
Dividend accrued and due on redeemable preference share (including penalty)	-	-	1,943.54	1,606.34
Provision for tax on redeemable preference share dividend	-	-	345.87	345.87
	-	-	207,427.02	203,304.38

11. Employee benefit obligations

	Long- Term		Short-term	
	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Provision for employee benefits				
Provision for Provident Fund	-	-	0.42	1.23
Provision for Gratuity	5.82	0.01	3.86	0.06
Provision for Leave Encashment	5.77	6.24	0.45	0.38
	11.58	6.25	4.73	1.67

12. Deferred tax Asset

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Deferred tax liability on timing differences		
On depreciation	633.19	405.86
On others	-	-
	633.19	405.86

13. Trade payables

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Due to Micro and Small Enterprises	-	7.20
Total outstanding dues to other creditors	6,054.72	9,357.45

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

14. Other Current liabilities

	As at 31st March 2021 Rs. millions	As at 31st March 2020 Rs.millions
Advance - Customers	-	44.11
Goods and Service Tax payable	113.49	27.30
Tax Deducted at Source payable	5.02	20.01
	118.51	91.42

15. Revenue from operations

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Revenue from drilling services and drilling related services	10,686.81	9,731.02
Revenue from wind power generation	7.88	9.35
	10,694.69	9,740.36

16. Other income

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Rental income	7.20	9.94
Dividend income on		
-Non Current investments	-	0.14
Interest income on		
-Bank deposits	12.52	2.98
-Loan to Others	0.27	3.96
-Inter Corporate Deposits	41.18	41.29
Exchange differences(net)	-	30.43
Net gain on sale of Tangible assets	0.13	-
Provision no longer required written back	1,920.12	-
Miscellaneous Income *	254.32	42.58
	2,235.75	131.34

* Includes insurance claim of Rs 168.93 Million (Previous Year : NIL)

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
17. Consumption of Stores, Spares, Power and Fuel

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Consumption of stores and spares	1,553.40	1,043.36
Power and Fuel	125.64	430.56
	1,679.04	1,473.92

18. Employee Benefit Expense

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Salaries,wages and bonus	2,267.57	2,004.99
Contribution to provident fund	10.93	14.99
Gratuity expense	2.21	4.59
Post-employment pension benefits	13.36	9.83
Staff welfare expenses	30.91	75.95
	2,325.00	2,110.37

19. Finance costs

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Interest on borrowings	10,719.96	10,551.83
Loan Processing charges	-	1.19
Amortization of ancillary borrowings costs	-	1,081.89
Dividend on Redeemable Preference Shares	337.14	337.20
Tax on dividend on Redeemable Preference Shares	-	57.52
	11,057.10	12,029.63

20. Depreciation and amortization expense

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Depreciation on property, plant and equipment	1,949.90	8,448.58
	1,949.90	8,448.58

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

21. Impairment/Write off of Receivables

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Impairment of Receivables	4,344.26	1,207.30
Bad Debts	1,186.83	-
	5,531.09	1,207.30

22. Impairment of Property, Plant and Equipment

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Impairment of property, plant and equipment	5,870.20	73,104.20
	5,870.20	73,104.20

23. Other expenses

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Freight and Forwarding Cost	13.98	17.39
Rent	29.39	30.34
Rates and taxes	6.99	12.96
Rental charges for Machinery	497.18	247.25
Insurance	303.26	204.14
Repairs and maintenance		
-Plant and machinery	12.30	32.53
-Buildings	1.31	2.48
-Others	7.80	4.16
Drilling services and Management Fees	-	17.96
Advertising and sales promotion	1.42	1.54
Travelling ,conveyance and Transportation	417.08	2,277.76
Communication Costs	76.13	54.17
Printing and Stationery	1.22	2.64
Professional and Consultancy Expenses	1,104.15	1,411.78
Catering Expenses	278.19	263.34
Directors' Sitting Fees	1.05	0.89
Payment to Auditors		

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
As Auditor		
-Audit fee	29.49	37.94
-Tax audit fee	0.70	0.81
-Limited review	1.40	1.40
In other capacity		
-Taxation matters	0.40	0.40
-Company law matters	-	-
-Management services	-	-
-Other services (Certification Fees)	-	-
Reimbursement of Expenses	-	-
Exchange Difference(net)	114.51	357.37
Provision for doubtful debts and advances	0.02	-
Loss on sale of Non Current Investments	-	5.70
Miscellaneous expenses	679.73	511.51
	3,577.71	5,496.47

24. Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Financial Instruments by category

Rs. Millions

Particulars	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets						
Investments- Equity Instruments	-	-	234.21	-	-	234.40
Trade Receivables	-	-	5,382.84	-	-	10,932.56
Loans	-	-	1,641.62	-	-	940.95
Cash and Bank Balances	-	-	740.68	-	-	463.50
Other Financial assets	-	-	1,938.25	-	-	1,897.71
Total	-	-	9,937.61	-	-	14,469.12
Financial Liabilities						
Borrowings & other financial liabilities	-	-	208,230.81	-	-	203,849.27
Trade payables	-	-	6,054.72	-	-	9,364.65
Total	-	-	214,285.53	-	-	213,213.92

The fair value FVOCI equity instruments have been derived from market prices of the quoted securities hence fall under level 1 hierarchy of fair valuation.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Fair value of financial assets and liabilities measured at amortised cost

Rs. Millions

Particulars	31st March 2021		31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non current financial assets				
Loans	299.91	299.91	304.87	304.87
Other financial assets	219.10	219.10	218.78	218.78
Total	519.01	519.01	523.65	523.65
Non current Financial Liabilities				
Borrowings	680.38	680.38	-	-
Total	680.38	680.38	-	-

25. Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effect from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. They review and agree on the policies for managing each of these risks and are summarised as follows:

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions and the availability of funds to meet business needs. The management of these risks is set out below.

Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:

- transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the company

Receivables

Rs. Millions

Currency	2020-21	2019-20
USD	2,991.98	4,397.89
EURO	266.85	507.82

transactional exposure that arises from the cost of goods sold / payables denominated in a currency other than the functional currency of the Company.

Payables

Rs. Millions

Currency	2020-21	2019-20
USD	228.75	296.34
SGD	11.33	16.15
AED	11.36	17.62
EURO	19.38	18.83

Foreign currency exposure that arises from foreign currency term loans / Working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
Loans including interest payable

Rs. Millions

Currency	2020-21	2019-20
USD	4,500.16	4,094.26

Cash and cash equivalents held in foreign currency.

Rs. Millions

Currency	2020-21	2019-20
USD	0.26	0.89
AED	-	4.05

All these unhedged exposures are naturally hedged by future foreign currency earnings.

The impact on the Company financial statements from foreign currency volatility is shown in the sensitivity analysis.

Sensitivity analysis

The sensitivity analysis reflects the impact on income and equity due to financial instruments held at the balance sheet date. It does not reflect any change in sales or costs that may result from changing interest or exchange rates.

The following table shows the illustrative effect on the Consolidated Income Statement and equity that would result, at the balance sheet date, from changes in currency exchange rates that are reasonably possible for major currencies where there have recently been significant movements:

Currency Table

Rs. Millions

Currency	2020-21		2019=20	
	Income Gain / (Loss)	Equity Gain / (Loss)	Income Gain / (Loss)	Equity Gain / (Loss)
5% appreciation of USD(2020: 5 %)	(86.85)	-	0.36	-
10% appreciation of Euro(2020: 10%)	24.75	-	48.90	-
5% appreciation of SGD(2020: 5%)	(0.57)	-	(0.81)	-
5% appreciation of AED(2020: 5%)	(0.57)	-	(0.88)	-

Interest Rate Sensitivity

Most of the bank loans of the Group have been recalled by the lending banks and the banks have a right to charge interest as per their internal policies from time to time which is not directly linked to any external benchmark; as such, the impact of any external bench mark on the quantum of interest is not readily ascertainable.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits, trade receivables, amount due from associated company and amounts due from subsidiary corporations. For bank deposits, the Company maintains its cash deposits if any primarily with lenders of the Company or financial institutions with high credit quality to minimise their exposure to the banks.

Due to the nature of the Company's operations, revenue and receivable are typically concentrated amongst a relatively small customer base of oil and gas companies. Customers are government linked based oil and gas corporations. The Company has policies in place to ensure that drilling contracts are with customers of adequate financial standing and appropriate credit history, and where necessary, certain guarantees in form of bank. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets on the balance sheet.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially receivables from companies with a good collection track record with the Group. Amounts due from subsidiary corporations are neither past due nor impaired.

(ii) Financial assets that are past due and/or impaired

The carrying amount less impairment provision of trade receivables are assumed to approximate their fair values.

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of trade receivables that are past due but not impaired is as follows:

	2020-21	2019-20
Past due upto 6 months	2,574.12	6,526.44
Past due over 6 months	2,886.80	4,406.12

Allowance for impairment of trade receivables arise from customers that are either in financial difficulties and/or have history at default or significant delay in payments which management is of the opinion that payments are not forthcoming as at the end of financial year. In the event that payment is doubtful, the receivables will be recommended for write off.

Liquidity risk

The drilling operations of the Company requires substantial investment and are dependent on its ability to finance its rig construction and acquisitions and service its bank borrowings as well as other capital and operating requirements and commitments. The Company ensures that arrangements have been made to obtain adequate funds to meet all its operating and capital obligations in the form of continuing committed credit facilities with banks and financial institutions.

The undiscounted cash flows will differ from both the carrying values and fair value. Cash flows in foreign currencies are translated using spot rates at the balance sheet date.

As At 31/3/2021

Rs.millions

Non-derivative financial liabilities	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due beyond 5 years
Bank borrowings	202,319.77	-	-	-	-	-
Bonds	-	680.38	-	-	-	-
Preference shares	4,753.54	-	-	-	-	-

As At 31/3/2020

Rs.millions

Non-derivative financial liabilities	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due beyond 5 years
Bank borrowings	197,555.23	-	-	-	-	-
Bonds	701.33	-	-	-	-	-
Preference shares	4,416.34	-	-	-	-	-

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
Capital management

- (a) The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity, borrowings and other instruments when necessary.

As the Company is mainly funded through external borrowings, the objectives of the Board of Directors when managing capital is to ensure that the Group and the Company continue to enjoy the use of funds from borrowings by ensuring that the Company continue to service its debt obligations in the form of interests and principal repayments on due dates in accordance with the borrowing agreements, and to ensure that they remain in compliance with the financial and non-financial covenants in relation to their borrowings.

The Company considers capital to comprise of its equity and borrowings, as follows:

Rs. Millions

Particulars	2020-21	2019-20
Total Equity	(1,68,227.53)	153,206.97
Borrowings	1,51,850.42	1,56,881.45

- (b) Fair value measurements

The carrying amounts less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying amounts of current borrowings approximate their fair values.

26. Earnings per share (EPS)

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

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Profit for the year	(19,725.30)	(89,726.13)
	(19,725.30)	(89,726.13)
	No. millions	No. millions
Weighted average number of equity shares in calculating basic EPS	58.36	58.36
Effect of dilution:		
Stock options/Share Warrants Outstanding less number of shares that would have been issued at par value. *	-	-
Weighted average number of equity shares in calculating diluted EPS	58.36	58.36
Earning per share (basic in Rs)	(337.99)	(1,537.46)
Earning per share (diluted in Rs)	(337.99)	(1,537.46)

* Since diluted earnings per share shows higher value as compared to basic earnings when taking the options/warrants into account, the options/warrants are anti-dilutive as at the year ended 31.03.2021 and are ignored in the calculation of diluted earnings per share as required under the Accounting Standard.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

27. Gratuity and other defined benefit plans

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

Contribution to Provident Fund which is a defined contribution retirement plan is made monthly at a predetermined rate to the Provident Fund Authorities and is debited to the Statement of Profit and Loss on accrual basis.

Contribution to Superannuation Scheme / National Pension System (NPS), which is defined contribution retirement plan, is made annually at predetermined rate to Insurance Companies / Pension Funds which administer the fund and debited to the Statement of Profit and Loss.

28. Employee stock option scheme

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

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

The Company has not recognized any deferred compensation expenses, as the exercise price was equal to the market value (as defined by SEBI) of the underlying equity shares on the grant date.

The details of option granted are given below:

Maximum number of options that may be granted under the scheme is 1.84 million equity shares of Rs.2 each. Options granted during the year-Nil (up to 31st March 2020: 1.84 Million equity shares of Rs.2 each)-Options lapsed during the year Nil (up to 31st March 2020: 0.286 million equity shares of Rs.2 each)-Options exercised during the year- Nil (up to 31st March 2020: 0.160 million equity shares of Rs.2 each)-Options outstanding at the end of year :1.396 million equity shares of Rs.2 each (up to 31st March 2020: 1.396 million equity shares of Rs.2 each)-Options yet to be granted under the scheme: 0.288 million (31st March 2020: 0.288 million equity shares of Rs.2 each).

29. Interest in joint venture/associate

(a) The Parent company's interest, in joint venture entity/associate is as follows:

Name of the company	Country of incorporation	Nature of Interest	Proportion of ownership interest 31st March 2021	Proportion of ownership interest 31st March 2020
Frontier Offshore Exploration (India) Limited	India	Joint Venture	25%	25%
Belati Oilfield Sdn Bhd	Malaysia	Associate	49%	49%
Aban Drilling Services Pvt Ltd	India	Associate	49%	49%
Aban Hydrocarbons Pte Ltd	Singapore	Associate	50.25%	50.25%

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

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

The wholly owned foreign subsidiary of the Parent Company, through its new incorporated subsidiary company Caldera Petroleum (UK) Petroleum Limited has entered into joint operating agreement with Anasuria Hibiscus (UK) Ltd (Hibiscus) for exploration, development and production of oil and gas from UK Continental Shelf Petroleum Production Licence No : P198 Block 15/13 a and 15/13b in the UK Central North Sea (Licence). Hibiscus has been appointed as the operator.

Each party has a legal 50% interest in the licence, all costs and obligations incurred in, and all rights and benefits arising out of the conduct of the joint operations shall be owned and borne by the wholly owned foreign subsidiary group companies and Hibiscus in proportion to their respective percentage of interest in the licence. The financial information of the joint operation is not disclosed as the financial impact is not material.

- (b) The company's share of the assets, liabilities, Revenue and Profit in the associate company –Belati Oilfield Sdn Bhd, based on the audited financial statements are as follows:

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Assets-As at	154.89	181.47
Liabilities-As at	(47.00)	(79.89)
Revenue for the year ended	877.77	929.45
Net Profit for the year ended	3.21	(8.41)

- (c) The company's share of the assets, liabilities, Revenue and Profit in the associate company –Aban Hydrocarbons Pte Ltd, based on the audited financial statements are as follows:

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs.millions
Assets-As at	0.38	4.40
Liabilities-As at	(0.79)	(4.68)
Revenue for the year ended	-	-
Net Profit for the year ended	(0.13)	(0.09)

Event occurring after balance sheet date

On 21 May 2021, the Company has commenced the striking off application of its associate company, Aban Hydrocarbons Pte Ltd . The transaction is not expected to have any material impact to the Group for the next financial year.

- (d) The company's share of the assets, liabilities, Revenue and Profit in the associate company –Aban Drilling Services Pvt Ltd, based on the audited financial statements are as follows:

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

	Year ended 31st March 2021 Rs. millions	Year ended 31st March 2020 Rs. millions
Assets-As at	0.17	0.16
Liabilities-As at	0.07	0.06
Revenue for the year ended	-	-
Net Profit for the year ended	-	-

30. Segment information

The Company is engaged primarily in the business of offshore drilling services. The wind energy division of the Company does not meet the quantitative threshold as per IND AS 108. Accordingly there is no requirement of segment reporting as per the said Accounting Standard.

31. Related Party Disclosures

Names of related parties and related party relationship

Related parties where control exists

A. Associate Company of Aban Holdings Pte Ltd

Belati Oilfield Sdn Bhd, Malaysia

Aban Hydrocarbons Pte Ltd

B. Associate Company of Aban Offshore Ltd

Aban Drilling services Private Limited

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

a. Key Management personnel

- (i) Mr. Reji Abraham Managing Director
- (ii) Mr. C. P. Gopalkrishnan Dy. Managing Director and Chief Financial Officer
- (iii) Mr. P. Venkateswaran- Director (Key Management Personnel till 10th August 2020)

b. Relative of Key Management Personnel – Mrs. Deepa Reji Abraham - Director

Related Party transactions during the year

	Key Management Personnel/Relative 31st March 2021 Rs. millions	31st March 2020 Rs. millions
Nature of transaction		
1. Rent paid	4.95	4.95
2. Remuneration - Net of Paid / (Recovery)	8.54	74.63

- 32.** In view of the loss incurred by the Parent Company during the financial year 2018-19, the entire managerial remuneration is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (Act). Such excess managerial remuneration paid has been recovered from the Key Management Personnel payment during the year 2020-21. In view of the loss incurred by the Parent Company during the financial year 2020-21, no managerial remuneration has been paid by the company.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021
33. Capital and other commitments

	31st March 2021 Rs. millions	31st March 2020 Rs. millions
Capital and Other commitments not provided for	1.14	542.41

34. Contingent liabilities

	31st March 2021 Rs. millions	31st March 2020 Rs. millions
(a) Guarantees given by banks on behalf of the company	611.46	983.94
(b) Corporate guarantees given by the parent company to customers on behalf of subsidiaries of company's wholly owned foreign subsidiary	-	7,531.00

(c) Claims against the company not acknowledged as debt:

- (i) In respect of civil suits against the company – Rs. 94.50 Million (Previous Year Rs. 95.50 Million)
- (ii) In respect of Income Tax Matters :

Income Tax dues relating to the period 2002 – 2006 amounting to Rs. 556.43 million (Previous Year – Rs.556.43 million) pending before the Honorable High Court of Madras;

Income Tax dues relating to the period 2006 – 2008 amounting to Rs. 396.17 million (Previous Year – Rs.396.17 million) pending before Deputy Commissioner of Income Tax, Corporate Circle, Chennai;

Income Tax dues relating to the period 2008 – 2009 amounting to Rs. 418.38 million (Previous Year – Rs.418.38 million) pending before the Honorable High Court of Madras.

Income Tax dues relating to the period 2009 – 2010 amounting to Rs. 812.00 million (Previous Year – Rs.812 million) pending before the Honorable High Court of Madras.

Income Tax dues relating to the period 2009 – 2010 amounting to Rs. 702.40 million (Previous Year – Rs.702.40 Million) pending before the Deputy Commissioner of Income Tax, Corporate Circle, Chennai.

Income tax dues relating to the period 2010-2011 amounting to Rs. 1,907.93 Million (Previous Year – Rs.1,907.93 Million) pending before the Honorable High Court of Madras.

Income tax dues relating to the period 2010-2011 amounting to Rs. 298.88 Million (Previous Year – Rs..298.88 Million) pending before the Income Tax Appellate Tribunal, Chennai.

Income tax dues relating to the period 2011-2012 amounting to Rs. 854.33 Million (Previous Year – Rs.854.33 Million) pending before the Honorable High Court of Madras.

Income tax dues relating to the period 2013-2014 amounting to Rs. 1081.23 Million (Previous Year – Rs. 1,081.23 Million) pending before the Income Tax Appellate Tribunal, Chennai..

Income tax dues relating to the period 2013-2014 amounting to Rs. 29.64 Million (Previous Year – Rs. Nil) pending before the Commissioner of Income Tax (Appeals).

Income tax dues relating to the period 2014-2015 amounting to Rs. 846.82 Million (Previous Year – Rs. 846.82 Million) pending before the Income Tax Appellate Tribunal, Chennai..

Income tax dues relating to the period 2015-16 amounting to Rs.398.60 Million (Previous Year – Rs. Nil Million) pending before the Income Tax Appellate Tribunal.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Income tax dues relating to the Step Down Foreign Subsidiary for the period 2016-17 amount to Rs.15.95 Million (Previous Year Rs. Nil Million) pending before the Income Tax Appellate Tribunal.

(iii) In respect of Service Tax Matters:

Service Tax dues relating to the year 2011 amounting to Rs. 78.72 Million (Previous Year Rs 78.72 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2011 – 2012 amounting to Rs. 18.94 Million (Previous Year 18.94 Million) pending before the CESTAT ,Chennai.

Service Tax Dues relating to the period FY 2006-07 amounting to Rs.46.76 Million (Previous Year Rs. Nil Million) Pending before the Honorable Supreme Court.

Service Tax dues relating to the period 2012 – 2014 amounting to Rs. 36.78 Million (Previous Year – Rs. 36.78 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2014 – 2015 amounting to Rs. 79.80 Million (Previous Year – Rs. 79.80 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2005 – 2011 amounting to Rs. 37.31 Million (Previous Year – Rs. 37.31 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2012 – 2014 amounting to Rs. 236.49 Million (Previous Year – Rs. 236.49 Million) pending before the CESTAT ,Chennai.

Service Tax dues relating to the period 2015 – 2016 amounting to Rs. 0.60 Million (Previous Year – Rs. 0.60 Million) pending before the CESTAT ,Chennai

Service Tax dues relating to the period 2015 – 2017 amounting to Rs. 223.02 Million (Previous Year – Rs. 223.02 Million) pending before the CESTAT ,Chennai

Service Tax dues relating to the period 2008 – 2010 amounting to Rs. 605.75 Million (Previous Year – Rs. 605.75 Million) pending before the CESTAT ,Mumbai.

Service Tax dues relating to the period 2009 – 2012 amounting to Rs. 166.89 Million (Previous Year – Rs. 166.89 Million) pending before the CESTAT ,Mumbai.

Service Tax dues relating to the period 2013-2015 amounting to Rs. 1.54 Million (Previous Year Rs. 1.54 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2013-2015 amounting to Rs. 6.31 Million (Previous Year Rs. Nil) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2015-2017 amounting to Rs. 46.01 Million (Previous Year – Rs. 46.01 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2016-2017 amounting to Rs. 0.57 Million (Previous Year – Rs. 0.57 Million) pending before the CESTAT, Mumbai

Service Tax dues relating to the period 2009-2016 amounting to Rs.495.92 Million (Previous Year – Rs. Nil Million) Writ Petition pending before the Honorable Mumbai High Court.

Service Tax dues relating to Step Down Foreign Subsidiary relating to the period 2016-2017 amounting to Rs.99.40 Million (Previous Year – Rs. Nil Million) Writ Petition pending before the Honorable Mumbai High Court.

Service Tax Interest and Penalty Dues relating to Step Down Foreign Subsidiary relating to the period 2016-17 amounting to Rs.340.56 Million (Previous Year Rs. Nil Million) pending before the CESTAT, Mumbai.

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

- Service Tax dues relating to Step Down Foreign Subsidiary relating to the period 2012-2014 amounting to Rs.11.03 Million (Previous Year Rs.Nil Million) pending before the CESTAT, Mumbai
- (iv) In Respect of Sales Tax/Value Added Tax:
- Maharashtra Value Added Tax dues for the period 2010-11 amounting to Rs. 984.91 Million (Previous Year – Rs. 984.91 Million) pending before Tribunal
- Maharashtra Value Added Tax dues for the period 2012-13 amounting to Rs. 459.75 Million (Previous Year – Rs. 459.75 Million) pending before Tribunal.
- Maharashtra Value Added Tax dues for the period 2013-14 amounting to Rs. 587.29 Million (Previous Year Rs 587.29 Million) pending before the Appellate Authority.
- Maharashtra Value Added Tax dues for the period 2014-15 amounting to Rs. 667.03 Million (Previous Year – Rs. 667.03 Million). Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.
- Maharashtra Value Added Tax dues for the period 2015-16 amounting to Rs. 949.23 Million (Previous Year – Rs. 949.23 Million) Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.
- Maharashtra Value Added Tax dues for the period 2016-17 amounting to Rs. 846.00 Million (Previous Year – Rs. Nil Million) Writ Petition has been filed before the Mumbai High Court and the hearing is yet to begin.
- (v) In respect of Customs duty Matter:
- Customs Duty dues relating to the period 2015-16 amounting to Rs. 107.90 Million (Previous Year – Rs. 107.90 Million) pending before CESTAT, Mumbai
- Customs Duty dues relating to the period 2016-17 amounting to Rs. 916 Million (Previous Year Rs 916 Million) pending before Mumbai High Court.

- 35.** The Maritime and Port Authority of Singapore has awarded “Approved International Shipping Enterprise “(AIS) to the operating subsidiaries of the wholly owned foreign subsidiary in Singapore from 1st June , 2016 for a period of ten years. Such operating subsidiaries of the wholly owned subsidiary 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.

36. Operating lease: Company as lessee

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

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

	31st March 2021 Rs. millions	31st March 2020 Rs. millions
Within one year	23.38	30.73
After one year but not more than five years	12.03	11.30
More than five years	-	-
	35.42	42.03

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

37. COVID -19 Impact

The Company faced operational disruptions on some of the offshore rigs during the year 2020-21 and operations were restored within reasonable time with no significant impact on the financial performance. The Management believes that it has taken into account all the possible impact of the COVID-19 pandemic in preparation of the financial statements. Though the Management believes that the pandemic is not expected to have any significant impact on the financial performance and operating environment of the Company in financial year 2021-22, the situation still remains uncertain as at the date of approval of the accounts and probable impact of COVID-19 disruptions on its operating and financial performance cannot be reasonably ascertained. The Company will continue to closely monitor any material changes to future economic conditions on account of COVID-19.

38. Additional Information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise	Net Assets i.e total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount Rs in Millions	As % of consolidated Profit or loss	Amount Rs in Millions
Parent				
Aban Offshore Limited	(17.10)	28,760.30	11.60	(2,288.32)
Subsidiaries				
<i>Indian</i>				
Aban Energies Limited	0.06	(96.60)	0.08	(15.33)
<i>Foreign</i>				
Aban Holdings Pte Ltd, Singapore	71.02	(119,474.52)	48.24	(9,515.02)
Aban Singapore Pte Ltd, Singapore	18.55	(31,208.65)	2.09	(412.01)
Aban Abraham Pte Ltd, Singapore	20.84	(35,051.37)	6.29	(1240.60)
Aban 7 Pte Ltd, Singapore	6.25	(10,508.83)	1.99	(392.10)
Aban 8 Pte Ltd, Singapore	0.68	(1,135.55)	5.05	(995.52)
Aban Pearl Pte Ltd, Singapore	3.13	(5,259.80)	0.00	(0.57)
Aban International Norway AS, Norway	0.71	(1,201.99)	1.85	(363.94)
Aban Labuan Pvt Ltd, Malaysia	(0.00)	4.04	0.04	(7.69)
Deep Drilling Invest Pte Ltd, Singapore	(0.58)	970.12	0.01	(2.16)
Deep Drilling 1 PteLtd, Singapore	1.35	(2,276.20)	9.19	(1,811.77)
Deep Drilling 2 PteLtd, Singapore	(5.89)	9,900.55	8.83	(1,741.37)
Deep Drilling 3 PteLtd, Singapore	(4.37)	7,347.47	4.34	(855.49)
Deep Drilling 4 PteLtd, Singapore	(6.04)	10,154.77	(2.91)	574.51
Deep Drilling 5 PteLtd, Singapore	(3.11)	5,238.69	(2.55)	503.22
Deep Drilling 6 PteLtd, Singapore	4.36	(7,330.47)	(1.21)	237.76

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

Name of the Enterprise	Net Assets i.e total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount Rs in Millions	As % of consolidated Profit or loss	Amount Rs in Millions
Deep Drilling 7 PteLtd,Singapore	5.58	(9,379.63)	8.21	(1,618.74)
Deep Drilling 8 PteLtd,Singapore	3.16	(5,313.80)	(1.17)	231.68
Deep Driller Mexico S de RL De CV, Mexico	1.46	(2,459.48)	0.03	(5.31)
Caldera Petroleum (UK) Ltd	0.01	(14.06)	0.05	(9.62)
Minority Interest	-	-	-	-
Associates (Investment as per Equity Method)	(0.06)	107.47	(0.02)	3.08

39. Investment in Wholly owned foreign subsidiary

The management is in discussion with the lenders of the wholly owned foreign subsidiary to conclude on any re-negotiation, obtain replacement financing or raise funds through any fund raising exercises or any such proposal with the lenders as on the date of this report. Considering the long-term nature of investments and in view of the efforts of the Company to turnaround the position of the operating subsidiaries and raise funds through fund raising exercise and in the absence of the fair value assessment of the investments by an external expert, the management is not in position to assess the impact on the carrying cost of the investments in the wholly owned foreign subsidiary.

40. Exceptional Items:

Exceptional Items represents waiver of working capital facility by a bank under a one time settlement agreement with the company which has been duly discharged by the company.

41. Going Concern

In preparing the financial statements, the Board of Directors have considered the operations of the Company as going concerns notwithstanding that the Company incurred a net loss of Rs. 15,020.56 Million (2020: Rs. 100,120.65 Million) for the financial year ended 31 March 2021, and as at that date, the Company is in net current liabilities position of Rs. 201,599.35 Million (2020: Rs. 194,889.42 Million). The Company is also in net liabilities position of Rs. 168,227.53 Million (2020: Rs. 153,206.97 Million) as at 31 March 2021.

An impairment loss on the rigs amounting to Rs. 5,870.20 Million (2020: Rs. 73,104.20 Million) was made during the financial year ended 31 March 2021 as disclosed in note 22. In addition, as disclosed in Note 10(a) to the financial statements, the Company have defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders have issued recall notices to the Company and all such borrowings with original repayment terms beyond 12 months from the balance sheet date have been reclassified as current liabilities. As of the date of this report, the Company is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan. However, the Company will continue to be in operation in the foreseeable future.

The Management believes that the use of the going concern assumption on the preparation of the financial statements of the Company for the financial year ended 31 March 2021 is still appropriate after taking into consideration of the above actions and measures

Notes to Consolidated IND AS Financial Statements for the year ended 31st March 2021

42. Previous year figures

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

As per our report of even date

For P.Murali & Co
Chartered Accountants
ICAI-Registration No.007257S

A Krishna Rao
Partner
Membership No.020085

Place: Chennai
Date: June 21, 2021

For and on behalf of the Board

Reji Abraham
Managing Director

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

P.Venkateswaran
Director

S.N. Balaji
Deputy General Manager (Legal) & Secretary

Financial Highlights- 10 years at a glance (Consolidated)

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	(Rs.Millions)	(Rs.Millions)	(Rs.Millions)	(Rs. Millions)	(Rs. Millions)	(Rs. Millions)	(Rs. Millions)	(Rs. Millions)	(Rs. Millions)	(Rs. Millions)
STATEMENT OF PROFIT & LOSS ACCOUNT										
Income from Operation & Other Income	12,930.44	9,871.70	9,609.67	14,813.55	17,727.96	33,539.18	40,851.97	39,671.17	36,993.64	32,286.87
Profit before Finance Cost , Tax, Depreciation, Amortisation & Impairment	5,348.70	790.94	2,217.08	6,653.38	9,214.37	19,112.38	24,231.71	22,347.58	20,125.86	19,061.83
Finance Cost	11,057.10	12,029.63	11,372.78	12,821.03	10,904.86	10,380.14	10,910.02	11,406.25	11,884.49	9,890.85
Depreciation/Exceptional Items/Amortisation/ Impairment	14,549.64	82,760.08	43,015.90	19,015.81	7,011.59	9,018.28	5,979.52	5,483.77	4,909.47	5,160.41
Exceptional items	332.64	-	-	-	-	-	-	-	-	-
Profit before Tax	(19,925.40)	(93,998.78)	(52,171.59)	(25,183.45)	(8,702.08)	(286.03)	7,342.18	5,457.55	3,331.90	4,010.57
Tax	(197.01)	(4,281.14)	539.48	880.85	1,708.45	2,144.24	1,937.58	1,545.26	1,418.24	795.38
Profit after Tax	(19,728.39)	(89,717.64)	(52,711.07)	(26,064.30)	(10,410.53)	(2,430.27)	5,404.60	3,912.29	1,913.66	3,215.19
Minority Interest	-	-	-	-	-	-	-	-	-	-
Share of profit/(loss) of associate	3.09	(8.50)	(23.42)	(0.45)	2.20	20.05	44.82	18.36	25.07	-
Profit after Tax and Minority Interest	(19,725.30)	(89,726.14)	(52,734.49)	(26,064.75)	(10,408.33)	(2,410.22)	5,449.42	3,930.65	1,938.73	3,215.19
BALANCE SHEET										
Non Current Assets (including Net Fixed Assets)	33,196.37	41,048.44	113,084.89	1,44,161.71	1,62,747.20	1,72,605.71	1,83,839.90	1,78,727.83	1,64,398.75	1,57,718.96
Investment	234.21	234.40	261.08	271.67	271.36	160.77	131.24	83.27	62.17	34.06
Net Current Assets	(50,564.30)	(38,559.11)	(20,135.16)	(4,630.26)	5,579.81	13,459.74	14,380.87	9,069.41	5,231.26	6,266.45
Total Assets	(17,133.72)	2,723.72	93,210.81	1,39,803.12	1,68,598.37	1,86,226.22	1,98,352.01	1,87,880.51	1,69,692.18	1,64,019.47
Share Holders Fund	(168,227.53)	(153,206.97)	(53,086.32)	186.81	26,354.67	36,933.84	57,011.02	41,662.53	32,837.28	28,616.45
Borrowings (including current maturities of long term borrowings)	151,727.00	156,336.56	142,488.75	1,35,595.00	1,38,024.26	1,44,883.48	1,40,596.57	1,45,608.81	1,36,467.37	1,35,134.46
Defferred Tax Liability/(Asset)	(633.19)	(405.86)	3,808.38	4,021.31	4,219.44	4,408.90	744.42	609.17	387.52	268.56
Total Liabilities	(17,133.72)	2,723.72	93,210.81	1,39,803.12	1,68,598.37	1,86,226.23	1,98,352.01	1,87,880.51	1,69,692.18	1,64,019.47
Return on Networth	N/A	N/A	N/A	-13952.48%	-39.49%	-6.53%	9.56%	9.43%	5.90%	11.24%
EPS (Basic)-Rs.	(337.99)	(1,537.46)	(903.61)	(446.62)	(178.35)	(41.30)	96.50	82.78	37.16	67.16
EPS (Dilluted)-Rs.	(337.99)	(1,537.46)	(903.61)	(446.62)	(178.35)	(41.30)	95.78	82.78	37.01	66.68
Debt Equity Ratio	-ve	-ve	-ve	725.84	5.24	3.92	2.47	3.49	4.16	4.72



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