



**P. MURALI & CO.,**

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

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**Independent Auditor's Review Report On consolidated unaudited quarterly financial results of the Company for the quarter ended 30<sup>th</sup> June, 2022, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
Aban Offshore Limited,  
113 'Janapriya Crest,  
Pantheon Road,  
Egmore,  
Chennai-600008  
Tamilnadu  
India.

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Aban Offshore Limited** ("the Holding company") and its **subsidiaries** ( the Holding company and its subsidiaries together referred to as "the Group") for the quarter ended 30<sup>th</sup> June, 2022 ("the Statement"), being submitted by "the Holding company" pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30<sup>th</sup> June, 2021, as reported in these financial results have been approved by the Holding Company's Board of Directors.

2. This Statement, which is the responsibility of the Holding company's Management and approved by the Holding company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on "the Statement" based on our review.

3. We conducted our review of "the Statement" in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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We also performed procedures in accordance with the Circular issued by the Securities and Exchange board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. "The Statement" includes the results of the following entities:

- (a) **Aban Holdings Pte Ltd, Singapore** - Wholly owned Foreign subsidiary (includes its subsidiary corporations)
- (b) **Aban Energies Ltd, India** - Wholly owned Indian subsidiary

### 5. Disclaimer Conclusion

Our review of the accompanying statements of unaudited financial results of "the Group" indicates that, because of the significance of the matters described in the Basis for Disclaimer Conclusion section of our report, we are unable to conclude as to whether the preparation of the accompanying interim financial information of "the Group" is appropriate.

#### Basis for Disclaimer Conclusion:

- (a) In case of wholly owned foreign subsidiary of the company "Aban Holdings Pte Ltd, Singapore and its subsidiary corporations" whose financial information have been reviewed by other auditors "Nexia TS Public Accounting Corporation, Public accountants and Chartered Accountants, Singapore" have expressed disclaimer conclusion on these Interim financial information for the financial period from 1<sup>st</sup> April, 2022 To 30<sup>th</sup> June, 2022, which is reproduced below:

#### "Basis for disclaimer Conclusion:

##### 1. Going concern

*In preparing this condensed interim financial information, the Board of Directors have considered the operations of the Group as going concerns notwithstanding that the Group incurred a net loss of US\$23,622,000 (30 June 2021: US\$32,781,000) for the three-months period then ended and as at 30 June 2022, the Group is in net current liabilities position and net liabilities position of US\$2,600,123,000 and US\$2,513,214,000 (31 March 2022: US\$2,574,168,000 and US\$2,489,592,000) respectively.*

*The Group's rigs classified as property, plant and equipment with carrying amount of US\$31,728,000 (31 March 2022: US\$32,000,000) and the Group's rigs classified as assets held-for-sale with carrying amount of US\$103,349,000 (31 March 2022: US\$146,429,000) have been pledged as security for the borrowings of the Group. In addition, an*





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*impairment loss on the rigs and inventory write-down totalling to US\$134,382,000 and US\$7,758,000 respectively was made during the financial year ended 31 March 2022.*

*In addition, the Group 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 Group. Management had reclassified these borrowings of the Group, with original repayment terms beyond 12 months from the balance sheet date as current liabilities.*

*The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group'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 condensed interim financial information of the Group for the for the three-months period then ended is still appropriate after taking into consideration that, as at the date of this report, the Group has entered into binding sale and purchase agreements for the sale of 7 rigs owned by the Group and are in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan.*

*The ability of the Group 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 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 condensed interim financial information of the Group is appropriate.*

*If the Group is unable to continue in operational existence in the foreseeable future, the Group 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 condensed consolidated balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The condensed interim financial information does not include any adjustment which may arise from these uncertainties.*





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### *2. Incompleteness of bank confirmations*

*We are unable to obtain bank confirmations for the Group's bank balances of US\$48,454 and the Group's bank borrowings of US\$1,865,894,000 as at 30 June 2022.*

*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 balances and bank borrowings. In addition, we are unable to verify the completeness of the Group's transactions with the banks for the aforesaid bank balances and 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 condensed interim financial information for the financial period from 1 April 2022 to 30 June 2022.*

### *3. Amounts due from the immediate and ultimate holding corporation*

*The amounts due from the immediate and ultimate holding corporation amounting to US\$1,720,000 (31 March 2022: US\$1,704,000). Management has determined that no impairment is required as there was no significant increase in credit risk.*

*Based on the latest financial performance and position of the immediate and ultimate holding corporation as well as other information made available to us, we are unable to obtain sufficient appropriate audit evidence in respect of the management's assessment of the expected credit losses associated with the amounts due from the immediate and ultimate holding corporation as at 30 June 2022. Consequently, we are unable to determine whether any adjustments in respect of the amount due from the immediate and ultimate holding corporation as at 30 June 2022 is necessary.*

### *Disclaimer Conclusion*

*Our review indicates that, because of the matters as described in the Bases for Disclaimer Conclusion, we are unable to conclude as to whether the preparation of the accompanying condensed interim financial information of the Group is appropriate."*

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 subsidiary "Aban Holdings Pte Ltd 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.





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6. We refer to "Material uncertainty related to Going Concern", "Sale and Delivery of offshore Jack-up Rigs" and "Disclosure regarding notice under SARFAESI Act,2002" in Independent Auditor's Limited review report on Standalone unaudited financial results for the Quarter ended 30<sup>th</sup> June, 2022 which is reproduced below:

### **"Material uncertainty relating to Going Concern:**

"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, 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 financials 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 conclusion is not modified in respect of this matter.*

### **Sale and Delivery of Offshore Jack-up Rigs**

In respect of Non-Current Assets held for Sale, two offshore jack up rigs were sold and delivered to the buyer during the quarter ending 30<sup>th</sup> June 2022.

*Our conclusion is not modified in respect of this matter.*

### **Disclosure regarding notice under SARFAESI Act,2002**

Disclosure is made by "the Company" that "on 8<sup>th</sup> July 2021, one of the lender banks has served symbolic possession notice under the SARFAESI Act,2002 in respect of windmill lands belonging to the Company situated in Tirunelveli district. The Company is seeking legal recourse in the matter".

*Our conclusion is not modified in respect of this matter."*

7. In respect of Non- Current Assets held for sale, the parent company has sold and delivered two offshore jack-up rigs whereas its foreign step-down subsidiaries have sold and delivered two offshore jack-up rigs and one drillship to the buyers during the quarter ended 30<sup>th</sup> June 2022. The foreign step down subsidiaries have also entered into a binding sale and purchase agreement for two more offshore jack-up rigs during the quarter ended 30<sup>th</sup> June 2022.





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8. The reversal of impairment (Net) is recognised in respect of certain rigs classified under Non-Current Assets held for sale to bring the carrying value of such rigs to its realisable value in terms of the sale and purchase agreement executed by the foreign step-down subsidiaries during the quarter ended 30<sup>th</sup> June 2022.

### 9. Other Matter Paragraph

(i) We did not review the interim financial statements/financial information/ financial results of "Aban Holdings Pte Ltd, Singapore and it's subsidiary corporations" included in the consolidated unaudited financial results of "the group", whose interim financial statements/financial information/ financial results reflect total income of Rs.1518.16 Million [Excluding Reversal of Impairment Loss(Net) of Rs.890.47 Million] and total comprehensive loss of Rs.1824.38 Million, for the Quarter ended 30<sup>th</sup> June, 2022.

These interim financial statements/financial information/ financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on "the statement", in so far as it relates to the amounts and disclosures included in respect of "Aban Holdings Pte Ltd and it's subsidiary corporations", is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

*Our conclusion is not modified in respect of this matter.*

(ii) The consolidated unaudited financial results include the interim financial results of "Aban Energies Limited", Chennai, India, an Indian subsidiary which reflects the total income of Rs.3.21 million and total comprehensive loss of Rs.2.93 million for the Quarter ended 30<sup>th</sup> June, 2022 which are certified by the management. According to the information and explanations given to us by the management, these interim financial results are not material to "the Group".

*Our conclusion is not modified in respect of this matter.*

For P. Murali & Co,  
Chartered Accountants  
FRN: 007257S

  
A. Krishna Rao  
Partner  
M.No. 020085  
UDIN: 22020085AODSPT5526

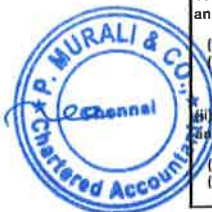


Place: Chennai  
Date: 03.08.2022

STATEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 30th JUNE 2022

Rs. Millions

PARTICULARS	QUARTER ENDED 30.06.2022 (UNAUDITED)	QUARTER ENDED 31.03.2022 (AUDITED)	QUARTER ENDED 30.06.2021 (UNAUDITED)	YEAR ENDED 31.03.2022 (AUDITED)
<b>1. INCOME</b>				
INCOME FROM OPERATIONS	1,499.60	1,283.25	1,931.53	5,983.40
OTHER INCOME	34.92	64.73	9.43	149.52
REVERSAL OF IMPAIRMENT LOSS - NET	890.47	-	-	-
<b>TOTAL INCOME</b>	<b>2,424.99</b>	<b>1,367.98</b>	<b>1,940.96</b>	<b>6,132.92</b>
<b>2. EXPENSES</b>				
COST OF MATERIALS CONSUMED	460.34	331.06	206.93	886.04
EMPLOYEE BENEFITS EXPENSE	323.45	403.16	443.87	1,609.92
FINANCE COSTS	2,771.82	2,685.40	2,730.65	10,968.34
DEPRECIATION AND AMORTISATION EXPENSES	117.51	339.36	370.71	1,448.64
IMPAIRMENT LOSS / WRITE OFF OF RECEIVABLES	-	82.85	-	82.85
IMPAIRMENT LOSS OF PROPERTY, PLANT AND EQUIPMENT	-	9,894.05	-	10,174.22
INVENTORY WRITE DOWN	-	670.19	-	670.19
OTHER EXPENDITURE	867.55	429.98	738.60	2,365.81
<b>TOTAL EXPENSES</b>	<b>4,540.67</b>	<b>14,836.05</b>	<b>4,490.76</b>	<b>28,203.81</b>
<b>3. LOSS FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS (1-2)</b>	<b>(2,115.68)</b>	<b>(13,468.05)</b>	<b>(2,549.80)</b>	<b>(22,070.89)</b>
4. EXCEPTIONAL ITEMS (Profit / (Loss)) Note:	-	-	98.82	541.13
<b>5. LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (3-4)</b>	<b>(2,115.68)</b>	<b>(13,468.05)</b>	<b>(2,450.98)</b>	<b>(21,529.76)</b>
6. TAX EXPENSES				
-CURRENT TAX	37.15	3.71	83.80	176.18
-DEFERRED TAX (NET)	(25.20)	(18.57)	23.70	53.82
<b>7. NET LOSS FROM ORDINARY ACTIVITIES AFTER TAX (5-6)</b>	<b>(2,127.63)</b>	<b>(13,453.19)</b>	<b>(2,558.48)</b>	<b>(21,759.76)</b>
8. EXTRAORDINARY ITEMS (NET OF TAX EXPENSE)	-	-	-	-
<b>9. NET LOSS FOR THE PERIOD (7-8)</b>	<b>(2,127.63)</b>	<b>(13,453.19)</b>	<b>(2,558.48)</b>	<b>(21,759.76)</b>
10. SHARE OF PROFIT/ (LOSS) OF ASSOCIATE	(1.07)	(0.60)	(5.75)	(11.02)
11. NON CONTROLLING INTERESTS				
<b>12. NET LOSS AFTER NON CONTROLLING INTEREST AND SHARE OF PROFIT OF ASSOCIATE (9+10-11)</b>	<b>(2,128.70)</b>	<b>(13,453.79)</b>	<b>(2,564.23)</b>	<b>(21,770.78)</b>
13. OTHER COMPREHENSIVE INCOME (NET OF TAX)	(8,309.98)	(3,051.31)	(2,089.70)	(5,126.49)
<b>14. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (12+13)</b>	<b>(10,438.68)</b>	<b>(16,505.10)</b>	<b>(4,653.93)</b>	<b>(26,897.27)</b>
15. PAID UP EQUITY SHARE CAPITAL (Equity Share of Rs.2/-each)	116.73	116.73	116.73	116.73
16. Net worth	-	-	-	(207,081.33)
17. Reserves excluding Revaluation Reserves	-	-	-	(195,241.53)
18 (i) Earning per share (before extraordinary items) (of Rs. 2/- each) (not annualised)				
(a) Basic	(36.48)	(230.53)	(43.94)	(373.04)
(b) Diluted	(36.48)	(230.53)	(43.94)	(373.04)
18 (ii) Earning per share (after extraordinary items) (of Rs. 2/- each) (not annualised)				
(a) Basic	(36.48)	(230.53)	(43.94)	(373.04)
(b) Diluted	(36.48)	(230.53)	(43.94)	(373.04)



## Notes:


- (i) The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 3<sup>rd</sup> August 2022
- (ii) The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting principles and policies to the extent applicable.
- (iii) In respect of Non-Current Assets held for sale, the parent company has sold and delivered two offshore jack-up rigs whereas its foreign step-down subsidiaries have sold and delivered two offshore jack-up rigs and one drillship to the buyers during the quarter ended 30<sup>th</sup> June 2022. The foreign step down subsidiaries have also entered into a binding sale and purchase agreement for two more offshore jack up rigs during the quarter ended 30<sup>th</sup> June 2022.
- (iv) The reversal of impairment (Net) is recognised in respect of certain rigs classified under Non-Current Assets held for sale to bring the carrying value of such rigs to its realisable value in terms of the sale and purchase agreement executed by the foreign step-down subsidiaries during the quarter ended 30<sup>th</sup> June 2022.
- (v) 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.
- (vi) The Standalone Financial results are as under:

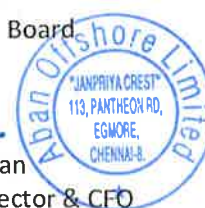
Particulars	In Millions			
	Quarter ended 30.06.2022 (Unaudited)	Quarter ended 31.03.2022 (Audited)	Quarter ended 30.06.2021 (Unaudited)	Year ended 31.03.2022 (Audited)
Total Income	235.92	278.08	224.36	962.55
Profit before tax	(309.45)	(539.87)	(132.99)	(1,003.59)
Total comprehensive income for the period	(284.25)	(517.68)	(156.69)	(1,053.80)

(vii) The Standalone financial results of the Company for the aforesaid period can be viewed on its website at [www.abanoffshore.com](http://www.abanoffshore.com)

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

For and on behalf of the Board

  
 C.P. Gopalkrishnan  
 Dy. Managing Director & CFO



Place: Chennai  
Date 3<sup>rd</sup> August 2022





I. Pursuant to the requirements of SEBI circular dt 22nd Oct 2019, the Company has listed Non-Convertible Cumulative Redeemable Preference Shares: Regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended based on Consolidated financial results as at and for the quarter ended 30th June 2022

Consolidated

Ratio	Numerator	Denominator	Quarter Ended 30.06.2022	Quarter Ended 30.06.2021	Quarter Ended 31.03.2022	Year Ended 31.03.2022
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.04	0.05	0.04	0.04
Debt-Equity Ratio (In times)	Debt consists of borrowings & lease Liabilities	Total Equity	.-Ve	.-Ve	.-Ve	.-Ve
Non-Convertible Cumulative Redeemable Preference Shares (Qty / value)						281 Million/ 2,810.00
Capital Redemption Reserve (Rs. In Million)						2,810.00
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after Taxes + Non-Cash Operating Expenses + Interest + Other non-cash adjustments	Debt Service = Interest & Lease Payments + Principal Repayments	0.28	0.24	0.08	0.10
Return on Equity Ratio (in %)	Profit for the year less Preference Dividend (If any)	Average Total Equity	N.A.	N.A.	N.A.	N.A.
Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables	0.31	0.18	0.16	0.69
Trade Payables Turnover Ratio (in times)	Cost of Equipment and software licences + Other Expenses	Average Trade Payables	0.37	0.18	0.16	0.69
Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Capital Employed	.-Ve	.-Ve	.-Ve	.-Ve
Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	(141.95)	(132.76)	(1,048.36)	(363.85)
Return of Capital Employed (in %)	Profit before tax and finance Costs	Capital Employed = Networth + Lease Liabilities + Deferred Tax Liabilities	.-Ve	.-Ve	.-Ve	.-Ve
Return on Investment (in %)	Income generated from Invested funds	Average Invested funds In Treasury Investments	N.A.	N.A.	N.A.	N.A.

Place : Chennai  
Date 3rd August 2022

For and on behalf of the Board



C.P. Gopalakrishnan  
Dy. Managing Director & CFO

