

FORD RHODES PARKS & CO. LLP

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INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT OF THE CONSOLIDATED UNAUDITED QUARTERLY FINANCIAL RESULTS OF M/S ABAN OFFSHORE LIMITED, CHENNAI, INDIA FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2023, PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

To
The Board of Directors
Aban Offshore Limited
113 'Janpriya Crest'
Pantheon Road, Egmore
Chennai 600008
Tamil Nadu, India

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **M/s Aban Offshore Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months ended 31st December 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The accompanying 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.



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Ford, Rhodes, Parks & Co., a partnership firm with Registration No. BA 61078 converted into Ford Rhodes Parks & Co.LLP with LLP Registration No : AAE-4990 with effect from August 04, 2015

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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' and also considering the requirements of Standard on Auditing (SA 600) on "Using the Work of Another Auditor" both issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India (SEBI) under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

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

- a. Aban Offshore Limited, India – Holding Company
- b. Aban Holdings Pte Ltd, Singapore - Wholly owned foreign subsidiary (including its 10 subsidiaries and 1 associate company)
- c. Aban Energies Ltd, India - Wholly owned Indian subsidiary.

5. Disclaimer Conclusion:

The basis for the disclaimer conclusion (para 5 A of this report) of the other auditor indicates the existence of material uncertainties that may cast doubt on the ability to continue as a going concern of the wholly owned foreign subsidiary Aban Holdings Pte Ltd and its subsidiary companies which is material to the Group. The said disclaimer of the other auditor and our observations on unaudited stand-alone financial statements of Aban Offshore Limited (para 5 B of this report) cast 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. However, the Management of the Group believes that the use of the going concern assumption or the preparation of the financial statements of the Group 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 Group is continuing to be in operation at present and also in the foreseeable future.

Our conclusion is not modified with respect to this matter.



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The Basis for Our Disclaimer Conclusion:

5A. Relating to the wholly owned foreign subsidiary.

In the case of the wholly owned foreign subsidiary of the company Aban Holdings Pte Ltd, Singapore, and its subsidiary companies whose condensed interim financial information has been reviewed by other auditors "CLA Global TS Public Accounting Corporation - Formerly Nexia TS, Public accountants and Chartered Accountants, Singapore" have expressed disclaimer conclusion on such condensed interim financial information for the financial period from 1st April 2023 to 31st December 2023, which is reproduced below:

Beginning of Reproduction of the other auditor's disclaimer conclusion:

"Basis for disclaimer conclusion-

I. Going Concern:

In preparing this condensed interim financial information, the Board of Directors have considered the operations of the Group as going concern, notwithstanding that the Group incurred a net loss of US\$93,356,000 for the nine-month period then ended 31 December 2023, and as of that date, the Group was in a net current liabilities and net liabilities position of US\$2,795,465,000 and US\$2,703,218,000 respectively.

The Group's rigs classified as property, plant and equipment with a carrying amount of US\$31,456,000 have been pledged as security for the borrowings of the Group.

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 have 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 a going concern. Nevertheless, the Board of Directors believes that the use of the going concern assumption on the preparation of the condensed interim financial information of the Group for the nine-month period then ended is still appropriate after taking into consideration that, as at the date of this report, the Group has sold and delivered to the buyers seven rigs except for one rig under operation during the financial period from 1 April 2023 to 31 December 2023, and are in discussions with its lenders to obtain approval for and



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implementation of an appropriate debt resolution plan for the Group.

The ability of the Group to continue in operational existence in the foreseeable future and meet their financial obligations as and when they fall due is 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, particularly the rigs of the Group, may need to be realized other than in the normal course of business and at amounts that could differ significantly from the amounts at which they are currently recorded in the condensed consolidated balance sheet. Additionally, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. The condensed interim financial information does not include any adjustment which may arise from these uncertainties.

II. Incompleteness of Bank Confirmations:

We were unable to obtain bank confirmations to confirm the Group's bank balances and bank borrowings amounted to US\$169,000 and US\$1,763,418,000 respectively as at 31 December 2023.

There were also no practicable audit procedures available to us to confirm or verify these bank balances and transactions. As a result, we were unable to ascertain the accuracy and completeness of the aforementioned bank balances and bank borrowings. Additionally, we were unable to verify the completeness of the Group's transactions with the banks related to these bank balances and bank borrowings.

Consequently, we were 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 2023 to 31 December 2023.



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III. Amounts due from the immediate and ultimate holding corporation:

The amounts due from the immediate and ultimate holding corporation as at 31 December 2023 amounted to US\$8,763,000. Management has determined that no impairment is required as there was no significant increase in credit risk.

Based on the latest financial performance and financial position of the immediate and ultimate holding corporation as well as other information made available to us, we were unable to obtain sufficient appropriate audit evidence regarding the management's assessment of the expected credit losses associated with the amounts due from the immediate and ultimate holding corporation as at 31 December 2023. Consequently, we were unable to determine whether any adjustments might have been found necessary in respect of the amount due from the immediate and ultimate holding corporation as at 31 December 2023.

IV. Non-compliance with FRS 34 "Interim Financial Reporting":

Management has not included the required explanatory notes in this interim financial information, which contravenes the requirements of FRS 34.

Disclaimer Conclusion

Due to the significance of the matters described in the Bases for Disclaimer of Conclusion paragraph, we are unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying financial statements. Accordingly, we do not express a conclusion on these financial statements."

End of Reproduction of the other auditor's disclaimer conclusion

5B. Relating to the Holding Company

We refer to "Material uncertainty related to Going Concern" and "Non-Receipt of Bank Balance Confirmations" para in our Limited review report on Standalone unaudited financial results for the quarter and nine months ended 31st December 2023 which is reproduced below:

"Material uncertainty relating to Going Concern:

The Company has accumulated losses on account of which the net worth is eroded. Also, current liabilities exceeded current assets and the company has defaulted in respect of term loan instalments, payment of interest on term loans, and redemption of non-convertible redeemable preference shares including the dividend.. These situations indicate that material uncertainty exists that may cast significant doubt on the



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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 also taking into consideration the new contracts and that the Company is continuing to be in operation at present and also in the foreseeable future.

Our conclusion is not modified with respect to this matter.

Non-Receipt of Bank Balance Confirmations:

Though the Company authorized its bankers to send balance confirmation of the Company's various bank account balances to us directly, we did not receive any direct confirmations except for three accounts. The company is unable to obtain and provide bank balance confirmations for the Company's bank balances (current account and deposit accounts) of INR 25.97 million (out of total bank balances of INR 26.11 million) and the Company's outstanding bank borrowings from two banks (term loans) amounting to INR 3966.37 million as of 31st December 2023.

In our opinion, there are no other practicable authentic audit procedures available to us to verify these bank balances and transactions. In addition, we are unable to verify the completeness of the company's transactions with the banks for the aforesaid bank balances and bank borrowings. As a result, 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 for the nine-month period April 2023 – December 2023.

6. Other Matter Paragraph:

(i) We have reviewed the unaudited financial results of Indian Subsidiary M/s Aban Energies Limited, Chennai, India.

(ii) We did not review the interim financial statements/financial information/ financial results of "Aban Holdings Pte Ltd, Singapore, and its subsidiary corporations" included in the consolidated unaudited financial results of the group, whose interim financial statements/financial information/ financial results reflect the total income of INR 2955.25 million and total comprehensive Income reflect a loss of INR 7719.12 million, for the nine months ended 31st December 2023.



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These interim financial statements/financial information/ financial results have been reviewed by the other auditor whose report has 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 its subsidiary corporations", is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified with respect to this matter.

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
ICAI – Registration No: 102860W / W100089



Ramaswamy Subramanian
Partner
Membership No: 016059
Place: Chennai
Date: February 09, 2024

ICAI UDIN: 24016059BKHGVU8973

Aban Offshore Limited



STATEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER 2023

Rs. Millions

PARTICULARS	QUARTER ENDED 31.12.2023 (UNAUDITED)	QUARTER ENDED 30.09.2023 (UNAUDITED)	QUARTER ENDED 31.12.2022 (UNAUDITED)	NINE MONTHS ENDED 31.12.2023 (UNAUDITED)	NINE MONTHS ENDED 31.12.22 (UNAUDITED)	YEAR ENDED 31.03.2023 (AUDITED)
1. INCOME						
INCOME FROM OPERATIONS	942.02	633.36	789.42	2,621.87	3,237.77	3,957.27
OTHER INCOME	121.82	115.96	114.42	385.81	248.50	452.84
REVERSAL OF IMPAIRMENT LOSS - NET	-	-	-	-	890.47	690.47
TOTAL INCOME	1,064.74	749.32	903.84	3,007.68	4,376.74	5,310.58
2. EXPENSES						
COST OF MATERIALS CONSUMED	85.13	62.43	109.87	225.04	713.84	840.00
EMPLOYEE BENEFITS EXPENSE	218.13	217.27	250.12	683.61	806.66	1,060.20
FINANCE COSTS	2,741.45	2,848.52	2,752.10	8,150.25	8,226.49	11,095.77
DEPRECIATION AND AMORTISATION EXPENSES	234.13	228.34	123.28	654.95	364.05	471.25
IMPAIRMENT LOSS OF RECEIVABLES / BAD DEBTS	725.62	310.12	-	1,012.88	-	667.64
IMPAIRMENT LOSS OF PROPERTY, PLANT AND EQUIPMENT	-	-	-	-	-	268.09
INVENTORY WRITE DOWN	-	-	-	-	-	81.94
OTHER EXPENDITURE	327.27	445.57	483.00	1,336.47	2,070.79	2,418.06
TOTAL EXPENSES	4,302.90	3,912.25	3,719.47	12,654.42	12,183.83	18,843.75
3. LOSS FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS (1-2)	(3,238.16)	(3,162.93)	(2,815.63)	(9,632.74)	(7,807.09)	(11,533.17)
4. EXCEPTIONAL ITEMS (Profit / Loss)	-	-	-	-	933.12	933.12
5. LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (3-4)	(3,238.16)	(3,162.93)	(2,815.63)	(9,632.74)	(6,873.97)	(10,600.05)
4. TAX EXPENSES						
-CURRENT TAX	20.77	15.20	44.64	85.05	129.12	167.42
-DEFERRED TAX (NET)	6.24	(0.02)	13.88	37.60	73.48	115.01
7. NET LOSS FROM ORDINARY ACTIVITIES AFTER TAX (5-4)	(3,263.20)	(3,177.11)	(2,874.19)	(9,774.21)	(7,676.57)	(10,882.48)
6. EXTRAORDINARY ITEMS (NET OF TAX EXPENSE)	-	-	-	-	-	-
8. NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS (7-6)	(3,263.20)	(3,177.11)	(2,874.19)	(9,774.21)	(7,676.57)	(10,882.48)
10. LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS	-	-	-	-	-	(23.53)
11. TAX EXPENSE / (CREDIT) FROM DISCONTINUED OPERATIONS	-	-	-	-	-	-
12. LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS (10-11)	-	-	-	-	-	(23.53)
13. LOSS FOR THE PERIOD (9+12)	(3,263.20)	(3,177.11)	(2,874.19)	(9,774.21)	(7,676.57)	(10,906.01)
14. SHARE OF PROFIT/(LOSS) OF ASSOCIATE	(2.74)	-	0.08	(2.74)	(1.43)	(7.48)
15. NON CONTROLLING INTERESTS	-	-	-	-	-	-
16. NET LOSS AFTER NON CONTROLLING INTEREST AND SHARE OF PROFIT OF ASSOCIATE (13+14-15)	(3,265.94)	(3,177.11)	(2,874.07)	(9,776.95)	(7,678.00)	(10,907.47)
17. OTHER COMPREHENSIVE INCOME / (LOSS) (NET OF TAX)	(1,030.86)	(2,775.60)	(2,918.90)	(2,238.58)	(17,062.02)	(16,935.51)
18. TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD (16+17)	(4,296.80)	(5,952.71)	(5,793.05)	(12,015.54)	(24,740.02)	(27,842.98)
19. PAID UP EQUITY SHARE CAPITAL (Equity Share of Rs.3/-each)	116.73	116.73	116.73	116.73	116.73	116.73
20. Net worth	-	-	-	-	-	(1,95,854.50)
21. Reserves excluding Revaluation Reserves	-	-	-	-	-	(1,95,971.23)
22. (i) Earning per share (before extraordinary items) (of Rs. 3/- each) (not annualised)						
(a) From Continuing Operations	(56.00)	(54.44)	(49.25)	(167.53)	(121.28)	(196.50)
(b) From Discontinued Operations	-	-	-	-	-	(0.40)
(ii) Earning per share (after extraordinary items) (of Rs. 3/- each) (not annualised)						
(a) From Continuing Operations	(56.00)	(54.44)	(49.25)	(167.53)	(121.28)	(196.50)
(b) From Discontinued Operations	-	-	-	-	-	(0.40)



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e-mail : abanoffshore@aban.com website : www.abanoffshore.com



IADC

Notes:

- (i) The unaudited Consolidated financial results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at their meeting held on 9th February 2024
- (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) The Group operates in only one business segment i.e. Offshore Drilling.
- (iv) The Consolidated financial results have been subjected to limited review by the statutory auditors of the Company.
- (v) Clause 52 (6) of LODR disclosure – The Parent Company hasn't redeemed its 281 million non-convertible redeemable preference shares on due dates aggregating to Rs.2810 Million and has not paid Dividend.
- (vi) The Standalone Financial results are as under

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine Months	Nine Months	Year ended
	31.12.2023	30.09.2023	31.12.2022	Ended	Ended	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income	222.41	194.84	120.74	681.07	664.61	908.96
Profit / (Loss) before tax	(815.36)	(646.58)	(294.27)	(2,028.43)	41.29	(1,011.38)
Total comprehensive (Loss) / Income for the period	(621.60)	(646.57)	(248.15)	(2,966.03)	(32.19)	(1,157.49)

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

Place: Chennai
Date 9th February 2024



For and on behalf of the Board



C.P.Gopalkrishnan
Dy. Managing Director & CFO



I. Pursuant to the requirements of SEBI circular dt 22nd Oct 2015, the Company has listed Non-Convertible Cumulative Redeemable Preference Shares Regulation 52(4) of Securities Additional Information pursuant to 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 and nine months ended 31st December 2023

Consolidated

Ratio	Numerator	Denominator	Quarter Ended 31.12.2023	Quarter Ended 30.09.2023	Quarter Ended 31.12.2022	Nine Months Ended 31.12.2023	Nine Months Ended 31.12.2022	Year Ended 31.03.2023
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.51	0.51	0.04	0.51	0.06	0.27
Debt-Equity Ratio (in times)	Debt consists of borrowings & lease Liabilities	Total Equity	-/0	-/0	-/0	-/0	-/0	-/0
Non-Convertible Cumulative Redeemable Preference Shares (Qty / value)			281 Million/ 3,810.00	281 Million/ 3,810.00	281 Million/ 3,810.00	281 Million/ 3,810.00	281 Million/ 3,810.00	281 Million/ 3,810.00
Capital Redemption Reserve (Rs. in Million)			2,810.00	2,810.00	2,810.00	2,810.00	2,810.00	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	-/0	-/0	-/0	-/0	-/0
Return on Equity Ratio (in %)	Profit for the year less Preference Dividend (if any)	Average Total Equity	-/0	-/0	N.A.	-/0	N.A.	-/0
Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables	0.11	0.24	0.17	0.89	0.71	0.23
Trade Payables Turnover Ratio (in times)	Cost of Equipment and software licenses + Other Expenses	Average Trade Payables	0.11	0.14	0.07	0.43	0.46	0.21
Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Capital Employed	-/0	-/0	-/0	-/0	-/0	-/0
Net Profit Ratio	Profit for the year	Revenue from Operations	-/0	-/0	-/0	-/0	-/0	-/0
Return of Capital Employed (in %)	Profit before tax and finance costs	Capital Employed = Networth + Lease Liabilities + Deferred Tax Liabilities	-/0	-/0	-/0	-/0	-/0	-/0
Return on Investment (in %)	Income generated from invested funds	Average Invested funds in Treasury Investments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.




C P Gopalekrishnan
By Managing Director & CFO

