




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

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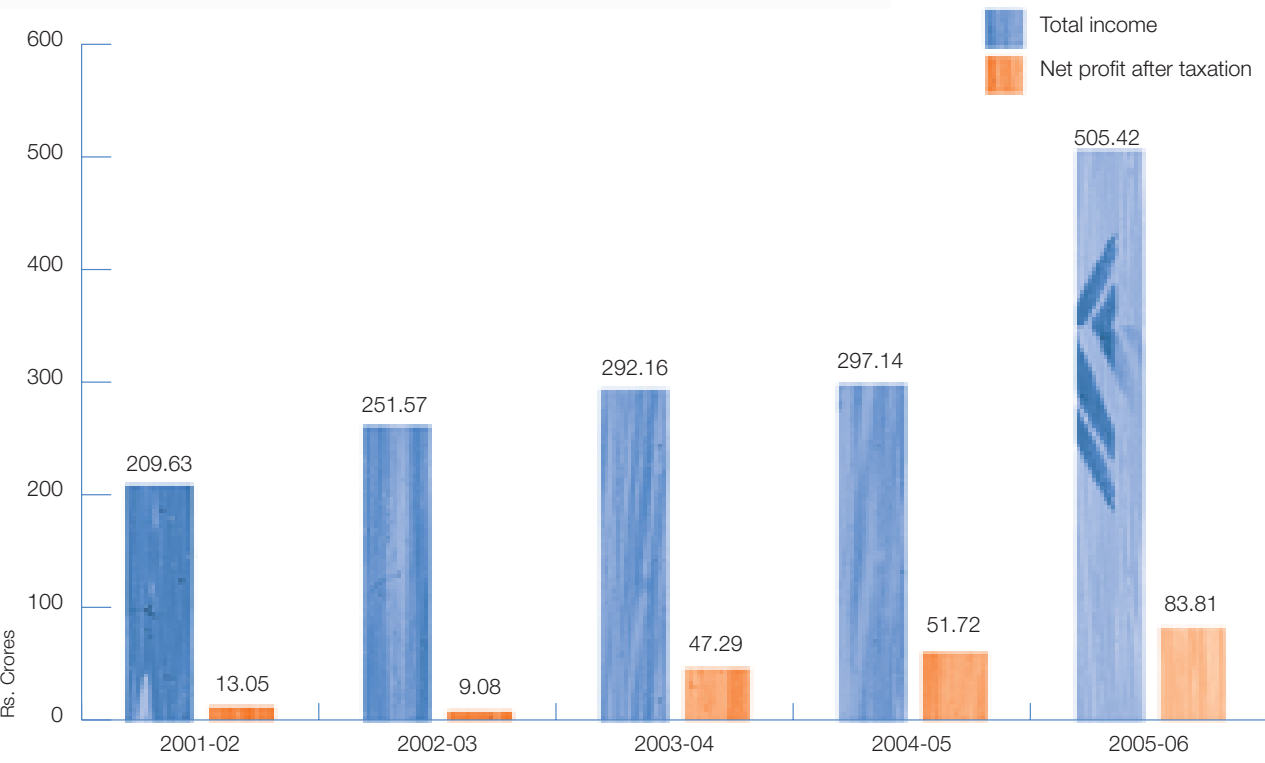
*M.A. Abraham*  
1939 - 2004



# Financial highlights of the last five years

Description	2001-02	2002-03	2003-04	2004-05	2005-06
Operating results					
Total income	209.63	251.57	292.16	297.14	505.42
EBIDTA	90.56	112.09	148.31	158.69	296.60
Interest	32.06	36.85	25.75	18.99	43.63
Depreciation	35.98	32.92	38.10	47.43	95.08
Amortisation	6.35	6.35	6.35	6.29	6.29
Profit before taxation	16.17	35.98	78.10	85.97	151.59
Net profit after taxation	13.05	9.08	47.29	51.72	83.81
Sources and application of funds					
Sources of funds:					
Share capital	7.37	7.37	7.37	7.37	157.37
Reserves & surplus	124.50	129.42	170.47	213.78	275.87
Shareholders' funds	131.87	136.79	177.84	221.15	433.24
Borrowed funds	252.80	307.99	240.87	717.90	677.09
Deferred tax liability	10.33	34.39	44.21	56.46	65.61
Total funds employed	395.00	479.17	462.92	995.51	1,175.94
Application of funds:					
Net fixed assets	242.39	327.97	296.03	807.41	1,023.35
Investments	6.54	23.04	76.47	23.86	57.01
Gross current assets	137.00	128.83	111.07	228.20	201.17
Current liabilities and provisions	15.15	16.65	28.41	63.96	105.58
Net current assets	121.85	112.18	82.66	164.24	95.59
Miscellaneous expenditure	24.22	15.98	7.76	-	-
Total assets employed	395.00	479.17	462.92	995.51	1,175.94

Description	2001-02	2002-03	2003-04	2004-05	2005-06
Ratios:					
Earnings per share (Rs.)	17.71	12.32	64.16	70.16	19.81*
Cash earning per share (Rs.)	79.37	102.08	166.30	189.55	68.68*
Dividend - equity share	40%	50%	75%	100%	130%
Dividend - preference share	-	-	-	-	8%
Return on shareholders' funds	10%	7%	27%	23%	19%
Book value per share(Rs.)	146.07	163.92	230.78	300.07	117.53*
Debt equity ratio	1.92	2.25	1.35	3.25	1.56*
* Paid up capital of Rs. 2 per share					





**aban**

## Aban Loyd Chiles Offshore Ltd

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

### NOTICE TO MEMBERS

# Corporate information

#### Board of Directors

V. S. RAO  
Chairman

P. MURARI  
Vice Chairman

REJI ABRAHAM  
Managing Director

K. BHARATHAN  
S. SRINIVASAN (Nominee of ICICI Bank Limited, upto  
24.11.2005)

K.M. JAYARAO (Nominee of ICICI Bank Limited, effective  
12.01.2006)

P. VENKATESWARAN  
Director (Operations)

C.P. GOPALKRISHNAN  
Director (Finance) & Secretary

#### Audit Committee

V. S. RAO - Chairman

P. MURARI - Member

K. BHARATHAN - Member

#### Shareholders / Investors Grievance Committee

K. BHARATHAN - Chairman

P. VENKATESWARAN - Member

C.P. GOPALKRISHNAN - Member

#### Compensation Committee

V. S. RAO - Chairman

P. MURARI - Member

K. BHARATHAN - Member

REJI ABRAHAM - Member

#### Auditors

FORD, RHODES, PARKS & CO.,  
Chartered Accountants

Paruvatham

No.2, 56th Street,  
Off: 7th Avenue, Ashok Nagar  
Chennai - 600 083

#### Bankers

CANARA BANK

ICICI BANK LIMITED

INDIAN OVERSEAS BANK

INDUSTRIAL DEVELOPMENT BANK OF INDIA LIMITED

PUNJAB NATIONAL BANK

STATE BANK OF INDIA

UCO BANK

UTI BANK LIMITED

#### Registered Office

Janpriya Crest

113 Pantheon Road

Egmore

Chennai 600 008.

Website : [www.abanindia.com](http://www.abanindia.com)

#### Registrar and Share Transfer Agent

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building

1, Club House Road,

Chennai 600 002

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of **ABAN LOYD CHILES OFFSHORE LIMITED** will be held on Friday the 14th July 2006 at 12.15 P.M. at Mini Hall, Music Academy No. 168 (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014 to transact the following business:

#### ORDINARY BUSINESS

1. To receive consider and adopt the Profit and Loss Account for the year ended 31st March 2006 and the Balance Sheet as at that date together with Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Cumulative Non Convertible Redeemable Preference Shares for the year ended 31st March 2006.
3. To declare Dividend on Equity Shares for the year ended 31st March 2006
4. To appoint a Director in place of Mr. P. Venkateswaran who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. C.P. Gopalkrishnan who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution

**"RESOLVED THAT** in accordance with the provisions of sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Mr. P. Venkateswaran as Director (Operations) of the Company for a period of 5 years from 1st August, 2006 to 31st July, 2011 on the terms and conditions as under:

#### A. Remuneration effective 1st April 2006

##### a) Basic Salary

In the range of Rs.1,50,000/- to Rs. 4,50,000/- 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 insurances

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.

#### c) Commission

The wholetime Director shall be paid Commission not exceeding 0.50% of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, 1956.

The Board or any committee thereof, be and is hereby authorised in its absolute discretion and from time to time to fix within the range stated above the salary payable to Mr. P. Venkateswaran.

#### B. Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year during the currency of tenure of the Director the Company has no profit or its profits are inadequate, the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

8. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

**"RESOLVED THAT** in accordance with the provisions of sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Mr. C.P. Gopalkrishnan Director (Finance) of the Company for a period of 5 years from 1st August, 2006 to 31st July, 2011 on the terms and conditions as detailed below.

#### A. Remuneration effective 1st April 2006

##### a) Basic Salary

In the range of Rs.1,50,000/- to Rs. 4,50,000/- 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 there of 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.

#### c) Commission

The Wholetime Director shall be paid Commission not

exceeding 0.50% of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time and subject to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, 1956.

The Board or any committee thereof, be and is hereby authorised in its absolute discretion and from time to time to fix within the range stated above the salary payable to Mr. C.P. Gopalkrishnan.

#### B. Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year during the currency of tenure of the Director the Company has no profit or its profits are inadequate, the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

9. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution.

**"RESOLVED** that in accordance with section 21 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from **"ABAN LOYD CHILES OFFSHORE LTD"** to **"ABAN OFFSHORE LTD"**.

**"RESOLVED FURTHER THAT** the name **"ABAN LOYD CHILES OFFSHORE LTD."** wherever it appears in the Memorandum and Articles of Association of the Company be replaced with the new name **"ABAN OFFSHORE LTD."**

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and deeds as may be necessary in this regard".

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

**"RESOLVED THAT** pursuant to clause 49 of the listing agreement and Special resolutions passed under Section 81, 81 (1A) of the Companies Act at the Extraordinary General Meeting held on 23rd April 2005 & at the Annual General Meeting held on 31st August 2005 the consent of the Company be and is hereby given to grant from time to time in one or more tranches, options to apply for a maximum of 5000 Equity Shares of the face value of Rs.2/- each per financial year, to each of the independent / non-whole-time / Non - Executive Directors of the Company, under the Scheme titled "Employee Stock Option Scheme-

2005" (hereinafter referred to as "ESOS - 2005") and subject to overall maximum of 1% of the paid up equity capital in total for all independent / non - executive directors".

**"RESOLVED FURTHER THAT** to determine all other terms and conditions for the purpose of giving effect to offer, issue or allotment of the Equity Shares or securities of instructions representing the same as described under the ESOS 2005 the Board / Committee be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise int his regard".

11. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

**RESOLVED THAT**, in accordance with the provisions of Section 81 and 81(1A) AND all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum of Association and Articles of Association of the Company, the Foreign Exchange Management Act, 1999 and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, guidelines prescribed by the Securities and Exchange Board of India (SEBI) and subject to such approval(s), consent(s), permission(s) and / or sanction of the Ministry of Finance of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms and conditions, modifications, alterations as may be prescribed and specified by any of them in granting any such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to offer, issue, and allot, in the course of offerings, in one or more foreign markets, any Securities including Equity Shares, Global Depository Receipts and / or American Depository Receipts/Shares convertible into Equity Shares, Foreign Currency Convertible Bonds, Convertible Bonds, Euro - Convertible Bonds/shares/Debentures/Equity Shares, Preference Shares whether Cumulative/Redeemable/ Partly



convertible/convertible at the option of the Company and / or at the option of the holders of the Security(s), Securities partly or fully convertible into Equity Shares and / or securities linked to Equity Shares and / or any instruments or securities with or without detachable warrants secured or unsecured or such other types of securities representing either Equity Shares or Convertible Securities (hereinafter referred to as "Securities") by Foreign/Domestic investors, Non-residents, Foreign Institutional Investors/Foreign Companies/NRI(s)/Foreign National(s) or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company through Prospectus, Offering Letter, Circular to the general public and / or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions as the Board may in its absolute discretion deem fit for an amount not exceeding US\$ 200 Million (US Dollar Two hundred Million only) including green shoe option on such terms and conditions including pricing as the Board may in its sole discretion decide including the form and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith."

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

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares as may be required to be issued and allotted upon conversion of any such securities referred to above or as may be in accordance with the terms of the offering(s) and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company

and shall rank in all respects pari passu with the existing Equity Shares of the Company."

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

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

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

**"RESOLVED FURTHER THAT** the securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the securities in the international market and may be governed by applicable foreign laws."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities, Exercise of warrants / Redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such

issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the Appointment of Registrar, Book-Runner, Lead-Managers, Trustees / Agents, Bankers, Global Co-ordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies / intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and / or in one or more international stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Whole Time Director or any other Officer or Officers of the company to give effect to the aforesaid resolution."

By Order of the Board

Chennai - 600 008

Date: 25th May, 2006

**C.P. Gopalkrishnan**

Director (Finance) & Secretary

#### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Blank Proxy Form is Annexed
2. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 187 of

the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 8th July, 2006 to 14th July, 2006 (both days inclusive) for the purpose of dividend declaration.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto
5. Dividend on Equity Shares/Preference Shares if declared at the Annual General Meeting will be paid on or after 14th July, 2006 to those persons or their mandates.
  - a) Whose names appear as Beneficial Owners as at the end of the business hours on 7th July, 2006 in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held on electronic form; and
  - b) Whose name appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agent on or before 7th July, 2006.
6. Members / Proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the Annual Report. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the Meeting.
7. Nomination Facility
 

As per the provisions of the Companies Act, 1956 nomination facility is available to the Members in respect of shares held by them

Members holding shares in physical form may obtain the Nomination Forms from the Company's Registrar and Share Transfer Agent

Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.

**Electronic Clearing Services (ECS) facility**

To avoid the loss of dividend warrants in transit and undue delay in respect thereof the Company provides ECS facility to the members. The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns

Members holding shares in physical form may furnish their

details in the prescribed form, which can be obtained, from the Registrar and Share Transfer Agent of the Company. Members holding shares in the electronic form may furnish their details in the prescribed form, which can be obtained from their respective Depository participants.

8. Unclaimed Dividends

Transfer to General Revenue Account

Pursuant to Section 205 A of the Companies Act, 1956 all unclaimed / unpaid dividends upto the Financial Year ended 31st March 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not yet encashed their dividend warrants for the said period are requested to forward their claims in prescribed form under the Companies Unpaid Dividend (Transfer to General Reserve Account of the Central Government) Rules 1978 to Office of the Registrar of Companies Sastri Bhavan, 26 Haddows Road, Chennai 600 006.

Transfer to the Investor Education and Protection Funds

Consequent upon amendment to Section 205 A of the Companies Act, 1956 and introduction of Section 205 C by the Companies (Amendment) Act 1999 the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the fund) set up by the Government of India.

Accordingly the dividend, which had remained unpaid/ unclaimed for the Financial Year ended 31st March 1996, 31st March 1997 and 31st March 1998, had been transferred to the Investor Education and Protection Fund.

It may be noted that the unclaimed dividend for the financial year ended 31st March 1999 is due for transfer to the fund in the month of October 2006.

Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they first became due for payment. Any person / member who has not claimed dividend in respect of the financial year ended 31st March 1999 or any year thereafter are requested to approach the

Company / Registrar and Share Transfer Agent of the Company immediately for claiming the same.

9. In order to provide protection against fraudulent encashment of the warrants, members holding shares in physical form are requested to intimate the Registrar and Share Transfer Agent(s) under the signature of the Sole / First Holder, the following information to be incorporated on the dividend warrants:

1. Name of the Sole / First joint holder and the Folio Number.
2. Particulars of Bank Account Viz.
  - a. Name of the Bank.
  - b. Name of Branch.
  - c. Complete address of the Bank with Pin code number.
  - d. Bank Account number allotted by the Bank.

10. In respect of matters pertaining to bank details, ECS mandates, nomination, Power of Attorney, Change in name / address etc. Members are requested to approach the Company's Registrar and Share Transfer Agent, in case of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company / Registrar and Share Transfer Agent members are requested to quote their account / folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

11. Members desirous of getting any information on the accounts or operations of the Company's are requested to forward queries to the Company's registered office at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.

12. Reappointment of Directors

- a. Mr. P Venkateswaran a graduate in Technology from Indian Institute of Technology, Madras. He has over 33 years of experience in operations. He was appointed as Director (Operations) in year 2001. He is a Member of Shareholders Grievance Committee.
- b. Mr. C.P. Gopalkrishnan is a Chartered Accountant, Company Secretary and a Graduate in law by qualification. He has over 27 years of experience in Finance. He was appointed as Director (Finance) in the year 2001. He is a Member of Shareholders Grievance Committee.

Details of Directors seeking re- appointment at the forthcoming Annual General Meeting to be held on 14th July, 2006 (in pursuance of clause 49 of the Listing Agreement)

Name of Director	P Venkateswaran	C.P. Gopalkrishnan
Date of Birth	12th February, 1951	9th March, 1956
Nationality	Indian	Indian
Date of Appointment on the Board	1st August, 2001	1st August, 2001
Qualification(s)	B.Tech	B.Com (Hons.) ACA ACS LLB
Shareholding in the Company Equity Shares of Rs.2/- each	7005	23750
List of Companies in India in which Directorship held	Aban Energies Ltd. The Perunad Plantations Ltd. North Chennai Power Company Limited. Mahanadhi Aban Power Company Limited Aban Investments Private Ltd. Saipem Aban Drilling Company Private Limited Aban Constructions Private Limited Aban Oils & Solvents Private Limited Hydrill Pressure Controll Private Limited Aban Marketing & Exports Pvt. Ltd.	Ratan Plantations Ltd. West Mountain Power Ltd. Tyford Tea Limited North Chennai Power Company Limited Mahanadhi Aban Power Company Limited Aban Investments Private Limited Aban Informatics Private Limited
Membership of Committees in the Company Committee.	Shareholders' /Investors Grievances Committee.	Shareholders' /Investors Grievances Committee.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 25.05.2006**

**Item No. 7**

Mr. P. Venkateswaran has been working with the Organisation since its inception in the year 1986. At the Annual General Meeting of the Company held on 21st September 2001 he was appointed as Director (Operations) for a period of five years effective 1st August, 2001 and will hold office till 31st July, 2006.

Considering his contributions to the growth and in the best interest of the Company the Directors at their meeting held on 25th April 2006 recommended the reappointment of Mr. P. Venkateswaran as Director (Operations) for a period of 5 years from 1st August, 2006 to 31st July, 2011 with a revision in terms of remuneration and commission effective 1.04.2006 as detailed in the resolution.

The revised remuneration shall be paid to Wholetime Director on obtaining the approval of the members at the ensuing Annual General Meeting. The resolution requires approval of the members and hence the item is placed before the Meeting for approval.

None of the Directors other than Mr. P. Venkateswaran is

interested or concerned in the item of business.

The terms of contract and the interest of the Director set out in the resolution and the Explanatory Statement may be treated as the abstract of the memorandum under section 302 of the Companies Act, 1956.

**Item No.8**

Mr. C.P. Gopalkrishnan who is presently the Director (Finance) & Secretary of the Company joined the organisation in the year 1987. At the Annual General Meeting of the Company held on 21st September 2001 he was appointed as Director (Finance) for a period of five years effective 1st August, 2001 to 31st July, 2006.

Considering his contributions to the growth and in the best interest of the Company the Board of Directors at their meeting held on 25th April 2006 recommended the reappointment of Mr. C.P. Gopalkrishnan as Director (Finance) for a period of 5 years from 1st August, 2006 to 31st July, 2011 with a revision in terms of remuneration and commission effective 1.04.2006 as detailed in the resolution. The revised remuneration shall be paid to Wholetime Director on obtaining the approval of the members at the ensuing Annual General Meeting. The resolution requires approval of the members and hence the item is placed before the Meeting for approval.

None of the Directors other than Mr. C.P. Gopalkrishnan is

interested or concerned in the item of business.

The terms of the Contract and the interest of the Director set out in the resolution and explanatory Statement may be treated as the abstract of the memorandum under Section 302 of the Companies Act, 1956.

**Item No.9**

For easy recall it is proposed to change the name of your company as "ABAN OFFSHORE LTD."

Under section 21 of the Companies Act, 1956 the approval of the members and the Central Government is required for changing the name of the Company. The Registrar of Companies Tamil Nadu, Chennai has confirmed the name "ABAN OFFSHORE LTD" is available for adoption by the Company. Hence the item is placed before the meeting for approval.

None of the Directors of the Company are interested or concerned in the item of business.

**Item No.10**

Non-executive Directors have been actively involved in the key decisions of the company and considering their contributions for the growth of the Company it is proposed to offer shares under Employee Stock Option Scheme - 2005 (ESOS-2005) . As per the provisions of the amended Listing Agreement the proposal requires the approval of members and hence the

resolution is placed before the Meeting for approval.

Note : The Directors Mr. V.S. Rao, Mr. P. Murari and Mr. K.Bharathan may be interested to the extent of the shares that may be granted to them under ESOS-2005

**Item No.11**

Your Company foresees great business opportunities in the near future. To augment the fund requirement for capital expansion opportunities for the company your Board of Directors have decided to raise funds not exceeding US\$ 200 million through the issue of FCCBs/ GDRs/ ADRs etc. The proposed issue requires the approval of the members and the item is placed before the Meeting for approval.

None of the Directors are interested or concerned in the item of the business.

By Order of the Board

Place: Chennai  
Dated : 25th May 2006  
Registered Office  
Janpriya Crest  
113, Pantheon Road, Egmore,  
Chennai - 600 008

**C.P. Gopalkrishnan**  
Director (Finance) & Secretary





# Indian to global

Our vision is to emerge among the top ten offshore drilling companies in the world

- Established in 1986.
- South Asia's largest private sector offshore oil and gas drilling Company.
- Interests in the development of three marginal oil fields of ONGC in Gujarat through a joint venture with Prize Petroleum Company Limited.
- Supporting Global presence through its wholly owned subsidiary in Singapore.
- Also engaged in renewable power generation.
- Employs approximately 700 people with offices in Chennai, Mumbai and Dubai.

## Organic

- Commenced operations with two jack-up rigs (Aban I and Aban II).
- Aggressive (near three-fold) build-up of assets since 2003-04.
  - ◆ Acquisition of Drill ship Frontier Ice in September 2004.
  - ◆ Acquisition of 300 ft jack-up offshore drilling rig Aban V (formerly known as Pride West Virginia) in December 2004.
  - ◆ Acquisition of 250 ft jack-up offshore drilling rig Aban VI (formerly known as Energy Explorer IV) in February 2005.
  - ◆ Acquisition of 250 ft jack-up offshore drilling rig Aban VII (formerly known as Rowan Texas) in September 2005.
  - ◆ Placed an order for construction of a new 375 feet jack-up rig through its Singapore subsidiary, which will be known as Aban VIII.
  - ◆ Acquired drillship Aban Abraham (formerly known as Peregrine III) through its Singapore subsidiary.

## Inorganic

- Acquired and merged Hitech Drilling Services India Limited from the Tatas in 2001.
- Added one 300 ft jack-up rig and one floating production unit (FPU) through the above acquisition.

## Track record

- Unbroken dividend record for 18 years.
- Net worth increase from Rs. 129.19 Crores in 2000-01 to Rs. 433.24 Crores in 2005-06.

## Customers

The Company's clients comprise of ONGC, Hardy Exploration and Production (India) Limited, Oriental Oil Co. (Dubai) and Hindustan Oil Exploration Co. Limited.

## Listing

### Instrument

Equity shares

Non Convertible Cumulative

Redeemable Preference Shares

Foreign Currency Convertible Bonds

Market capitalisation of Rs. 4,057.15 Crores as on 31st March 2006 (The National Stock Exchange of India Limited).

### Listing at

Bombay Stock Exchange Ltd.  
National Stock Exchange Ltd.  
Madras Stock Exchange Ltd.

Bombay Stock Exchange Ltd.

Singapore Exchange Ltd.

## Fleet

- Owned and operated five offshore jack-up rigs, one floating production system unit and one drillship during the past year.
- Aban VII will be operational in 2006, Aban Abraham will be ready by 2007 after refurbishment and the new rig Aban VIII will be delivered by March 2008.

Vessel	Classification	Year built	Maximum operating water depth
<b>Rigs</b>			
Aban II	Mat supported slot type jack-up rig	1981	250 feet
Aban III	Independent leg cantilever type jack-up rig	1974	300 feet
Aban IV	Independent leg cantilever type jack-up rig	1983	300 feet
Aban V	Independent leg cantilever type jack-up rig	1982	300 feet
Aban VI	Independent leg cantilever type jack-up rig	1975	250 feet
Aban VII <sup>(i)</sup>	Independent leg slot type jack-up rig	1973	250 feet
Aban VIII <sup>(ii)</sup>	Independent leg cantilever type jack-up rig	2008	375 feet
<b>Drillships</b>			
Frontier Ice	Drillship	1959	1,000 feet
Aban Abraham (ii)	Drillship	1976	6,000 feet
<b>FPSU</b>			
Tahara	Floating Production System	1973	50-800 feet

<sup>(i)</sup>Being built in Singapore Shipyard. <sup>(ii)</sup> Refurbishment to be completed in 2007.

The assets are internationally Mobile providing operational and logistical flexibility.

## Performance profile

- Largest private sector offshore drilling service Company in South Asia.
- One of the fastest growing drilling service companies in the world during the past two years.
- Enhanced revenue from Rs. 297 Crores in 2004-05 to Rs. 505 Crores in 2005-06.

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Revenue (Rs. Crores)	209.63	251.57	292.16	297.14	505.42
EBIDTA (Rs.Crores)	90.56	112.09	148.31	158.69	296.59
PAT (Rs.Crores)	13.05	9.08	47.29	51.72	83.82
Cash profit (Rs.Crores)	55.38	48.35	91.74	105.43	185.19
Interest cover (EBIDTA / Interest)	2.82	3.04	5.76	8.36	6.80
Debt coverage (EBIDTA / Debt)	0.36	0.36	0.61	0.22	0.44
Earning per share (Rs.)	17.71	12.32	64.16	70.16	19.81*
Dividend per share (Rs.)	4.0	5.0	7.5	10.0	2.60*
Book value per share (Rs.)	146.07	163.92	230.78	300.07	117.53*

\* Rs.2 per share

## Broadened our horizon

We are proud of having broadened our horizon from a dominant Indian presence to a growing presence across international waters.

- Until 2004-05, majority of the drilling revenue was derived from operations conducted in Indian waters.
- In 2005-06, the company completed its first full year deployment of a rig in international waters.
- Global exposure accounted for 13.03 per cent of the Company's income in 2005-06.
- Acquired Aban VII in 2005-06 which will be deployed from 2006-07.
- Our Singapore subsidiary placed an order of US \$ 175 mn for the construction of a rig, which is expected to be delivered by March 2008.
- Acquired a drillship Aban Abraham through the Singapore subsidiary.
- Issued FCCBs for US \$ 100 mn in April 2006 which strengthened the financial structure for prospective fund raising.
- An FCCB/ GDR/ ADR issue upto US \$ 200 mn is proposed subject to shareholder approval.



# Respectable global scale

AT ABAN LOYD CHILES OFFSHORE, WE ARE PROUD OF  
HAVING LEVERAGED OUR EXPERIENCE IN INDIAN WATERS TO  
COMPETE IN THE INTERNATIONAL MARKET.

REPORT  **junction.com**

- Largest private sector offshore drilling service company in South Asia.
- One of the fastest growing drilling service companies in the world during the last two years.
- Enhanced our gross block from Rs.1140 cr in 2004-05 to Rs. 1147 Cr in 2005-06.
- Enhanced revenue from Rs. 297 Cr in 2004-05 to Rs.505 Cr in 2005-06.