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ABAN LOYD CHILES OFFSHORE LTD

Eighteenth Annual Report 2003-2004

CORPORATE INFORMATION

BOARD OF DIRECTORS

V.S. RAO
Vice Chairman
M.A. ABRAHAM
Managing Director (upto 12.06.2004)
REJI ABRAHAM
Managing Director (effective 19.07.2004)
FRANK A. WOJTEK (upto 31.10.2003)
P.MURARI
K. BHARATHAN (effective 26.12.2003)
S. SRINIVASAN (Nominee of ICICI Bank Limited)
RENNY ABRAHAM (upto 05.10.2003)
P. VENKATESWARAN
Director (Operations)
C.P. GOPALKRISHNAN
Director (Finance) & Secretary

AUDIT COMMITTEE

V.S. RAO - Chairman
P.MURARI - Member
RENNY ABRAHAM - Member (upto 05.10.2003)
K. BHARATHAN - Member (effective 26.12.2003)

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

RENNY ABRAHAM - Chairman (upto 05.10.2003)
K. BHARATHAN - Chairman (effective 26.12.2003)
P. VENKATESWARAN - Member
C.P. GOPALKRISHNAN - Member

AUDITORS

FORD, RHODES, PARKS & Co.
Chartered Accountants
Chennai 600 083.

BANKERS

INDIAN OVERSEAS BANK
STATE BANK OF INDIA
STATE BANK OF TRAVANCORE
ICICI BANK LIMITED
UTI BANK LIMITED
IDBI BANK LIMITED
UNITED BANK OF INDIA

REGISTERED OFFICE

Janpriya Crest
113 Pantheon Road
Egmore
Chennai 600 008.

REGISTRARS AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LTD.
"Subramanian Building"
No. 1, Club House Road,
Chennai 600 002.

CONTENTS

Notice - 1	Management Discussion and Analysis - 15	Directors' Report - 20
Corporate Governance Report - 23	Auditors' Report - 29	Balance Sheet - 32
Profit and Loss Account - 33	Schedules to Accounts - 34	Balance Sheet Abstract - 48
Cash Flow Statement - 49	Subsidiary Company Accounts - 50	Consolidated Accounts - 66



M. A. Abraham

1939 - 2004

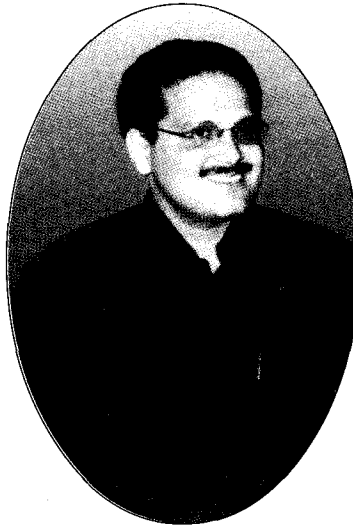
A tribute to Enterprise, Leadership, Humility

A man of great modesty and humility, compassion and a forgiving nature. A visionary who believed that success could be achieved with courage and confidence. A leader, who set a personal example with continuous innovation of thought, a culture of hard work and determined effort and believed totally in the power of working as a team.

Mr. Abraham touched all in the most compelling manner, impacting their lives in myriad ways. His unflagging enthusiasm, his courage against various odds and his vision guided him from success to success. Daring to dream, he encouraged all with his dauntless courage. A people's person in his business and organisational approach, Mr. Abraham personally reached out to thousands of families who benefited from his humane outlook and humanitarian work, in the fields of education, health, social and community projects.

With his passing away, the family and friends of Mr. Abraham and all Abanites, have suffered a grievous loss. May God give us strength to bear the loss. May his memory be always alive in our hearts and may his life's work guide us in our future quests.

May his soul rest in peace and his spirit live on forever in all our future endeavours.



Renny Abraham
1969 – 2003

Report *A Tribute to* Junction.com

Enthusiasm, Intelligence, Empathy

A life taken in the prime of youth. A force sundered along the path to greater success. A star fallen at its zenith.

Fired by the Aban vision, Mr. Renny Abraham, dreamed of great heights and envisioned greater success. With a keen willingness to learn, explore and innovate, he touched all around him, firing their imagination and urging them to achieve more; reach higher.

With his untimely death at the age of 34, a very dear colleague who showed great promise of building a bright future has been cruelly snatched from all those who loved him.

May his promise be fulfilled and may his soul rest in peace.

aban**Aban Loyd Chiles Offshore Ltd.**

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

NOTICE TO MEMBERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of **ABAN LOYD CHILES OFFSHORE LTD.** will be held on Friday the 17th September 2004 at 10.15 A.M. at the Auditorium of Madras School of Social Work, 32 Casa Major Road, Egmore, Chennai-600 008 to transact the following business:

Ordinary Business

1. To consider and adopt the Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To declare a Dividend for the year ended 31st March 2004.
3. To appoint a Director in place of Mr. P. Venkateswaran, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. P. Gopalkrishnan who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business

6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. K. Bharathan, who was appointed as an Additional Director of the Company by the Board on 26.12.2003 and who holds office as per Section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to such approvals as may be necessary and pursuant to section 198, 269, 309, 310 and all other applicable provisions if any, of the Companies Act, 1956 the Company hereby approves the redesignation of Mr. Reji Abraham, as Managing Director of the Company for a period from 19.07.2004 to 25.09.2007, under the terms and conditions as to remuneration as set out below:

A. Remuneration**a) Salary**

In the range of Rs. 50,000/- to Rs. 1,50,000/- per month.

b) Perquisites**i) Housing**

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

If the Company does not provide accommodation to the Managing Director the HRA will be paid to him @ 60 percent of Basic Salary.

Reimbursement of Gas, electricity, water expenses etc. shall be as per actuals.

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 and medical insurance premium be paid up to Rs. 50,000/- p.a.

iii) Leave Travel Concession

Reimbursement of expenditure incurred for the Managing Director and his family once in a year subject to a maximum of one month's salary.

iv) Club Fees

Actual fees for a maximum of two clubs. No admission and/or life membership fees will be paid.

v) Insurance

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

vi) a. Company contribution towards Provident fund as per the Rules of the Company but not exceeding 12 percent of the salary.

b. Company's contribution towards Superannuation fund as per the rules of the Company, but it should not together with the Company's contribution to Provident Fund exceed 27 percent of the salary.

Contribution to Provident Fund and Superannuation Fund 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.

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 on perquisites. He

will also be entitled to Casual leave and sick leave as per the leave Rules of the Company.

c) Commission

2 (Two) percent of the net profits of the Company subject to the overall ceiling laid down under 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 Reji Abraham.

B. Minimum Remuneration

Notwithstanding anything stated herein, wherein any financial year during the currency of tenure of the Managing 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.

RESOLVED FURTHER that the Managing Director Mr. Reji Abraham shall not be liable to retire by rotation during his tenure as Managing Director.

Chennai

19th July 2004

By Order of the Board

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.
2. The instrument appointing proxy, in order to be effective should be lodged at the Registered Office of the Company not less than 48 hours before the Meeting. A Blank proxy form is attached.
3. 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.
4. The Register of Members and Share Transfer Books will remain closed from 10.09.2004 to 17.09.2004 (Both days inclusive).
5. Members are requested to intimate the Company's Registrar and Share Transfer Agent regarding any change in their address immediately at its Registrar and Share Transfer Agent's Office quoting their folio numbers.
6. Shareholders are requested to bring their copy of Annual Report to the Meeting.
7. 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.
8. Members are requested to send the Bank Account details to ensure safe and prompt receipt of dividend warrants and to avoid any fraudulent encashment of such warrants.
9. Members and Proxies should bring the attendance slips duly filled in for attending the Meeting.
10. The Dividend will be paid to Members whose name appear in the Register of Members as on 17.09.2004 subject to the provisions of the Companies Act, 1956.
11. Members holding shares in Electronic Form are advised that their address and Bank details as furnished to the Company by the respective Depositories viz. NSDL & CDSL will be printed on the dividend warrants. Shareholders holding shares in the Physical form who wish to avail ECS facility may authorise the Company with their ECS Mandate in the prescribed form which can be obtained from the Company's Registrar and Share Transfer Agent. Request for payment of Dividend through ECS for the year 2003-2004 should be lodged with Registrar and Share Transfer Agent on or before 09.09.2004.
12. With respect to payment of Dividend the Company provides the facility of ECS to all Shareholders holding in Electronic and Physical Forms residing in the following cities:

Ahmedabad, Bangalore, Bhuvaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Trivandrum.
13. The Company has already transferred all unclaimed dividends declared up to the financial year ended 31st March 1995 to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules 1978. Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to claim their Dividend from Registrar of Companies, Shastri Bhawan, 26 Haddows Road, Chennai 600 006 in the prescribed form which will be furnished on receipt of request by the Registrar and Share Transfer Agents.
14. The Company has already transferred all the unclaimed dividend declared for the year ended 31st March 1996 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 C of the Companies Act, 1956.
15. Pursuant to the provision of Section 205 A(5) of the Companies Act, 1956 dividend for the financial year ended 31st March 1997 and thereafter which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 C of the Companies Act, 1956.
16. Shareholders who have not so far encashed the Dividend warrant(s) are requested to seek issue of Duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agents immediately.

Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amount which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of such claims.

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| <p>17. The Members who are holding shares in identical order of names in more than one folio are requested to intimate to the Company's Registrar's and Share Transfer Agent the folio nos of such accounts and to send their share certificates to enable the consolidation of the folios under one account. The share certificate will be returned to the Members after making the necessary endorsement.</p> <p>18. Members desirous of getting any information on the accounts or operations of the Company are requested to forward queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available to the meeting.</p> <p>19. Directors seeking reappointment</p> <p style="padding-left: 20px;">a. Mr. P. Venkateswaran aged 53 years was appointed as Director (Operations) effective 01.08.2001. He is the Member of Shareholders'/Investors' Grievance Committee.</p> <p style="padding-left: 20px;">b. Mr. C.P. Gopalkrishnan aged 48 years was appointed as Director (Finance) effective 01.08.2001. He is the Member of Shareholders'/Investors' Grievance Committee.</p> | <p style="padding-left: 20px;">c. Mr. K. Bharathan aged 54 years was appointed as Additional Director effective 26.12.2003 being eligible offers himself for the appointment as Director. He is a member of Audit Committee and Chairman of Shareholders' / Investors' Grievance Committee.</p> <p style="padding-left: 20px;">d. Mr. Reji Abraham aged 38 years was appointed as Director in the year 1994 and appointed as Wholetime Director since 1997. He is a promoter Director. He is redesignated as the Managing Director of the Company effective 19.07.2004.</p> <p>20. Members holding shares in physical form and desirous of making the nomination in respect of their shareholding in the Company as permitted under section 109 A of the Companies Act, 1956 are requested to submit to the Company the prescribed form 2B.</p> |
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 19TH JULY 2004

Item No.6

Mr. K. Bharathan was appointed as Additional Director effective 26.12.2003. Notice pursuant to Section 257 has been received from a member proposing the candidature of Mr. K. Bharathan as Director of the Company. Hence the resolution under item No.6 is placed before the meeting for approval.

Note : None of the Directors except Mr. K.Bharathan are concerned or interested in the item of business.

Item No.7

The Board of Directors recommend the re-designation of Mr. Reji Abraham as Managing Director for a period from 19.07.2004 to 25.09.2007 and a revision in remuneration payable to Managing Director. Hence the item no.7 is placed before the Meeting for approval.

Note : None of the Directors except Mr. Reji Abraham are concerned or interested in the item of business.

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

Chennai
19th July, 2004

By Order of the Board
C.P. Gopalkrishnan
Director (Finance) & Secretary

Details of Directors seeking re-appointment in Annual General Meeting to be held on 17th September 2004

Name of Director	Mr. P. Venkateswaran	Mr. C.P. Gopalkrishnan
Date of Birth	12.02.1951	09.03.1956
Date of Appointment	01.08.2001	01.08.2001
Date of Appointment as Wholetime Director	01.08.2001	01.08.2001
Qualification	B. Tech	B. Com (Hons) ACA, ACS, LLB
Experience in specific functional ares	In service for more than 32 years	In service for more than 20 years
List of Public Limited Companies in India in which Directorship held	Aban Energies Limited, Frontier Aban Drilling (India) Limited, The Perunad Plantations Limited	Tyford Tea Limited, Ratan Plantations Limited, West Mountain Power Limited
Membership of Committes in the Company	Shareholders'/Investors' Grievance Committee	Shareholders'/Investors' Grievance Committee
Membership of Committees in other Companies	—	—
Chairmanships of Committee in other Companies	—	—

Details of Director seeking redesignation as Managing Director of the Company and appointment as Director of the Company.

Name of Director	Mr.Reji Abraham	Mr.K. Bharathan
Date of Birth	23.06.1966	15.4.1950
Date of Appointment	09.02.1994	26.12.2003
Date of Appointment as Wholetime Director	26.09.1997	N.A.
Qualification	B.E, MBA	ACA
Experience in specific functional areas	In Business for 13 years	Banking and Insurance
List of Public Limited Companies in India in which Directorship held	Aban Energies Limited, The Perunad Plantations Limited, Aban Power Company Ltd, Ratan Plantations Limited, Asian Techs Limited, West Mountain Power Limited, Saipem Aban Drilling Co.Ltd.	Tamilnadu Urban Development Fund Limited
Membership of Committes in the Company	—	Audit Committee – Member Shareholders'/Investors' Grievance Committee –Chairman
Membership of Committees in other Companies	—	—
Chairmanships of Committees in other Companies	—	—

CORPORATE PROFILE

- **Business:** Aban Loyd Chiles Offshore Limited (Aban), the largest Indian offshore drilling company in the private sector, is an Indo-US joint venture established in 1986 with the express objective to provide drilling and other oil field services in the offshore hydrocarbon exploration and production in India.
- **Fleet:** Three offshore drilling rigs - Aban II, Aban III and Hitdrill-I - and a floating production unit called 'Tahara'. Fleet currently deployed in Bombay High and Pondicherry coast.
- **Clients:** ONGC and Hardy Exploration and Production (India) Inc.
- **Investor presence:** Listed on the Madras, Mumbai, National and Delhi stock exchanges, enjoying a market capitalization of Rs. 382 cr as on 31 March 2004 in the Stock Exchange Mumbai.
- **Performance:** Over the years, Aban Loyd has grown into a 375 member organization with revenues of Rs 292 cr and a profit after tax of Rs 47 cr in 2003-2004.

