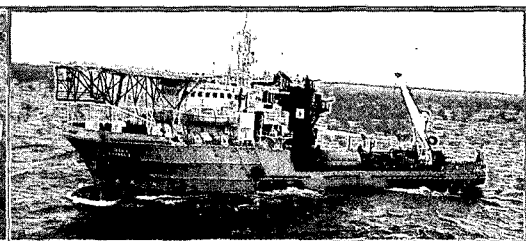
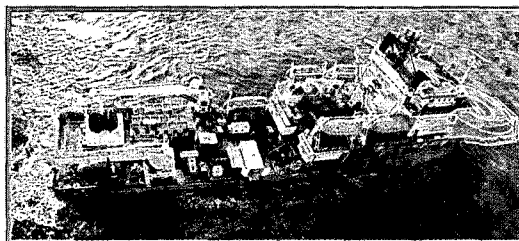




SEAMEC LIMITED

(Formerly South East Asia Marine Engineering & Construction Ltd.)

A MEMBER OF THE TECHNIP GROUP



ANNUAL
REPORT
2008

SEAMEC LIMITED

TEN YEAR HIGHLIGHTS

Rs. In Millions

DETAILS	99-2000	2000	2001 (9 Months)	2002	2003	2004	2005	2006	2007	2008
BALANCE SHEET										
SOURCES OF FUNDS										
SHARE CAPITAL	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00
RESERVE & SURPLUS	734.74	771.47	644.91	745.07	837.23	1,258.28	1,451.51	2,037.17	2,407.45	2,878.66
NET WORTH	951.18	946.88	1,106.39	1,059.22	1,213.59	1,538.70	1,790.51	2,376.17	2,746.45	3,217.66
LOAN FUND	486.80	493.77	426.00	339.75	198.06	86.25	-	-	-	-
SOURCES OF FUNDS	1,437.98	1,440.65	1,532.39	1,398.97	1,411.65	1,624.95	1,790.51	2,376.17	2,746.45	3,217.66
APPLICATION OF FUNDS										
GROSS BLOCK OF FIXED ASSET	1,835.05	1,856.10	1,875.92	1,940.68	1,979.28	1,768.02	1,827.95	2,781.45	3,803.19	3,974.32
RESERVE FOR DEPRECIATION	651.58	735.10	850.79	981.41	1,093.00	979.36	1,088.18	1,232.37	1,409.46	1,631.56
NET BLOCK OF FIXED ASSETS	1,183.47	1,121.00	1,025.13	959.27	886.28	788.66	739.77	1,549.08	2,393.73	2,342.76
INVESTMENTS	0.46	-	-	-	-	-	-	-	-	-
DEBTORS (NET)	242.17	316.46	185.36	158.56	227.43	148.57	226.77	293.82	268.62	529.76
TOTAL CURRENT ASSETS	396.94	502.11	628.03	571.46	629.36	1,033.03	1,138.40	1,078.90	1,038.85	1,606.32
CURRENT LIABILITIES & PROVISION	142.89	182.46	120.77	131.76	103.99	196.74	87.66	251.81	686.12	731.42
NET CURRENT ASSETS	254.06	319.65	507.26	439.70	525.37	836.29	1,050.74	827.09	352.73	874.90
APPLICATION OF FUNDS	1,437.98	1,440.65	1,532.39	1,398.97	1,411.65	1,624.95	1,790.51	2,376.17	2,746.46	3,217.66
PROFIT & LOSS ACCOUNT										
REVENUE- Charter Hire	857.54	753.40	879.92	1,000.73	901.46	964.17	822.81	1,591.33	1,704.47	2,685.86
OTHER INCOME	3.10	13.04	11.13	26.56	16.88	43.80	50.15	45.00	88.37	38.90
EBITDA before extra ordinary items	110.03	172.18	263.69	283.15	349.35	243.96	322.46	752.82	604.23	788.78
EXTRA ORDINARY ITEMS	-	-	-	-	-	114.80	12.07	-	(7.70)	(47.23)
INTEREST EXPENSES	71.94	47.91	63.01	57.33	39.73	24.21	10.41	2.73	4.23	3.76
DEPRECIATION	109.66	84.24	120.00	131.39	135.00	126.03	112.02	149.15	189.50	254.13
PROFIT BEFORE TAX	(71.57)	40.04	80.70	94.43	174.63	208.52	212.10	600.94	402.80	483.66
TAX	-	3.30	9.50	(5.73)	82.47	(212.54)	18.87	15.27	32.53	12.45
PROFIT AFTER TAX	(71.57)	36.74	71.20	100.16	92.16	421.06	193.23	585.67	370.27	471.21



SEAMEC LIMITED

(Formerly known as South East Asia Marine Engineering & Construction Limited)

A MEMBER OF THE TECHNIP GROUP

TWENTY SECOND ANNUAL REPORT 2008

BOARD OF DIRECTORS

Mr. Carl Holmen, Chairman
Mr. Georges Michel
Mr. Christophe Armengol
Mr. Shardul Thacker
Ms. Bhavna Doshi
Capt. C.J. Rodricks, Managing Director

BOARD COMMITTEE

Audit Committee

Ms. Bhavna Doshi, Chairperson
Mr. Shardul Thacker
Mr. Christophe Armengol

Shareholders / Investors

Grievance & Transfer Committee

Mr. Shardul Thacker, Chairman
Ms. Bhavna Doshi
Capt. C.J. Rodricks

Management Committee

Capt. C.J. Rodricks
Managing Director
Mr. Carl Holmen
Director
Mr. S. N. Mohanty
Chief Legal Officer & Company Secretary
Mr. S. S. Biswas
Chief Financial Officer
Mr. R. R. Roy
General Manager (Operations)

CHIEF FINANCIAL OFFICER

Mr. S. S. Biswas

AUDITORS

S. R. Batliboi & Associates, Chartered Accountants
Ground Floor, Jalan Mills Compound,
95, Ganpat Rao Kadam Marg,
Lower Parel, Mumbai – 400 013.

BANKERS

Industrial Development Bank of India Ltd

REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.
P-22, Bondei Road, 2nd Floor, Kolkata 700 019
Tel : (033) 2280 6692 / 6693 / 6694
Fax : (033) 22870263
Email : cbmsl1@cal2.vsnl.net.in

REGISTERED & CORPORATE OFFICE

7th Floor, The Eagle's Flight,
Suren Road, Off. Andheri Kurla Road,
Andheri East, Mumbai - 400 093.
Tel : (022) 6694 1800
Fax : (022) 6694 1818
Email : seamec@bom5.vsnl.net.in
Website : www.technip.com/entities/seamec

CHIEF LEGAL OFFICER & COMPANY SECRETARY

Mr. S. N. Mohanty



LISTING ON THE STOCK EXCHANGES

The company's shares are listed on :

- 1) Bombay Stock Exchange Limited
1st Floor, Rotunda Building
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
- 2) National Stock Exchange of India Limited
'Exchange Plaza',
Bandra – Kurla Complex,
Bandra (E), Mumbai 400 051.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Second Annual General Meeting of SEAMEC LIMITED will be held on Tuesday, 21st April, 2009 at 04.00 p.m. at Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057 to transact the following business:-

AS ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account of the Company for the year ended on 31st December, 2008 and the Balance Sheet as on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Georges Michel, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification (s), the following resolution as Ordinary Resolution :
RESOLVED THAT Mr. Carl Holmen be and is hereby appointed as Director of the Company whose period of the office shall be liable to determination by retirement by rotation".

Registered Office :
7th Floor, The Eagles Flight,
Suren Road, Off. Andheri Kurla Road,
Andheri East, Mumbai - 400 093.

By order of the Board

S. N. Mohanty
Chief Legal Officer &
Company Secretary

Dated, 24th February, 2009

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her place and a proxy, so appointed, need not be a member of the Company. A proxy form, duly completed, must be deposited at the Registered Office of the Company at least forty-eight hours before the commencement of the meeting.
2. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.04.2009 to 21.04.2009 (both days inclusive).
4. Members desirous of obtaining any information regarding Accounts and operations of the Company are requested to write to the Company, so that it reaches the Company at least seven days before the meeting, to enable the Company to keep the information ready at the time of the meeting.
5. Any change of address of the members of the Company may be intimated to the Registered Office of the Company or to the Registrars: C B Management Services (P) Ltd., P-22, Bondel Road, 2nd Floor, Kolkata 700 019.
6. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
7. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.



EXPLANTORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Mr. Carl Holmen, aged 52 years was appointed as Director of the Company on 23rd October 2007 in the casual vacancy caused by withdrawal of nomination of Mr. Knut Boe nominee of COFLEXIP STENA OFFSHORE MAURITIUS LIMITED (CSOML). Mr. Homen, pursuant to the provisions of section 262 (2) of the Companies Act, 1956, holds office up to the date of this Annual General Meeting. Mr. Holmen, by qualification, is a Mechanical Engineer with over twenty six years of experience in sub sea construction including Executive Management. Mr. Carl Holmen is employee of Technip Norge. AS, a subsidiary of Technip SA, France. Based in Paris, Mr. Holmen holds the position of Vice President, Marine Assets in Technip group. Mr. Holmen does not hold any shares in the Company. He is not a Director in any other Company in India nor is a member of any committee in India.

The Company has received a notice under section 257 (1) of Companies Act, 1956 from the member signifying his intention to propose the name of Mr. Carl Holmen for appointment as a Director of the company in the ensuing Annual General Meeting of the Company.

Your Directors are of the view that it will be in best of interest of the Company to appoint Mr. Carl Holmen as Director and therefore recommend adoption of the resolution proposed under item no. 4 of the notice.

Save and except Mr. Carl Holmen, no other director is concerned or interested in the resolution. The above disclosure is pursuant to clause 49 (VI) of the listing agreement on Corporate Governance.

Registered Office :
7th Floor, The Eagles Flight,,
Suren Road, Off. Andheri Kurla Road,
Andheri East, Mumbai - 400 093.

By order of the Board

S. N. Mohanty
Chief Legal Officer &
Company Secretary

Dated, 24th February, 2009

Details of Directors seeking reappointment in the 22nd Annual General Meeting to be held on Tuesday, 21st April, 2009, pursuant to requirement of Clause 49 (VI) of Listing Agreement on Corporate Governance

MR. GEORGES MICHEL

Mr. Georges Michel, aged 58 years was appointed as Director of the company in the Annual General Meeting held on 18th April 2007. Mr. Georges Michel by qualification is an Engineer having more than 35 years of experience in offshore business. Based in Paris, he holds the position of VP Sales, Middle East, South East Asia of the Parent Company Technip SA, France. Mr. Michel does not hold any shares in the Company. He is not a Director in any other Company in India nor is a member of any committee in India.

**DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company and the Audited Accounts for the year ended 31st December, 2008.

1- Financial highlights**Audited Financial Results for the year ended 31st December, 2008**

Figures in Rs. million

	Year ended 31.12.2008	Year ended 31.12.2007
Net Sales/Income from Operations	2686	1704
Other Income	39	64
Total Expenditure		
a. Consumables & Spares	260	125
b. Staff Costs (including offshore staff)	681	636
c. Dry Dock expenditure incurred	334	175
d. Other Expenditure	661	228
Earnings before Interest, Depreciation & Tax	789	604
Interest	4	4
Depreciation	254	190
Exceptional Items	47	7
Profit before Tax	484	403
Tax Expenses for the year	13	33
Profit after Taxation	471	370
Paid up Equity Share Capital	339	339
Reserves (as per Balance Sheet)	2879	2407
Basic and diluted EPS for the period (Rs)	13.90	10.92

During the year under review the Company's total revenue was Rs. 2725 million as against Rs. 1768 million in the previous year reflecting phenomenal increase of about 54% over the previous year. The primary reason for increase in revenue was due to comparatively higher charter rate earned and deployment of its vessel SEAMEC PRINCESS at a remunerative price on completion of modification.

The profit after tax was Rs. 471 Mil against Rs. 371 Mil during the previous year, an increase of about 28% in 2008. The increase in percentage of revenue and profit for the year 2008 are not in proportion. The major factors attributable for variance in terms of comparative percentage are expensing out the dry dock cost for SEAMEC III (Rs. 257 mil), and SEAMEC II (Rs. 77 mil), additional damage repair cost for SEAMEC II (Rs. 47 mil), write off debtor Superior Offshore (Rs. 31 mil) and increase in depreciation (Rs. 64 mil). However, Company's continuing effort of

savings through effective cost control measures had significant impact in over all profitability. Your Company continues to retain its debt free status and maintained its surplus annual cash flow despite dry dock of two vessels and cost incurred towards additional damage repair cost of SEAMEC II and upgradation cost of SEAMEC PRINCESS.

Considering your Company being a capital intensive industry which requires replacement/ upgradation of assets, your Directors decided to conserve the surplus for further growth of the Company. Therefore they have decided not to recommend dividend distribution for the year under review. From the Assessment Year 2005-06 (relevant accounting year 2004-05) your company has come under Tonnage regime available for shipping companies under Chapter XII-G of Income Tax Act, 1961. Your Directors have, therefore recommended transfer of Rs. 137,500 thousand from current years surplus to Tonnage Tax Reserve u/s 115 V of Income Tax Act, 1961.

2. MODIFICATION OF VESSEL "SEAMEC PRINCESS"

SEAMEC PRINCESS acquired in 2006 as a cable laying vessel was under modification and upgradation to multi-support vessel at Dubai since December 2006. The vessel originally scheduled to be completed in mid 2007. Readiness subsequently rescheduled for end February 2008. The vessel was made ready and put to hire effective from 1st March 2009.

3. OPERATIONS OFFSHORE

During the financial year 2008, all the four vessels of the company were under charter contract.

Vessel SEAMEC I operated in India, Middle East and South East Asia. Vessel SEAMEC II after completion of repairs in end June 2008 arising out of fire accident in September 2007 commenced charter hire in Mexico in mid 2008. Vessel SEAMEC III during the year under review worked in Trinidad. She had a statutory dry dock in June/July 2008. After completion of job in Trinidad she has been put on a contract for a firm period of six months effective from early February 2009 for doing the job in Mexico. Vessel SEAMEC PRINCESS was under maiden contract effective from beginning of early March 2008 for doing the job in Middle East. Upon completion of contract on 12th December 2008 she was put to separate charter for a period of six months with option for extension for working in Persian Gulf / Middle East.

4. DIRECTORS AND MANAGEMENT

Your Company is a subsidiary of Coflexip Stena Offshore (Mauritius) Ltd. (CSOML), which ultimately is owned by Technip S. A. France.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Georges Michel, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Carl Holmen was appointed as a Director on 23rd October 2007 as nominee of Coflexip Stena Offshore Mauritius Limited (CSOML) in the casual vacancy caused by resignation of Mr. Knut Boe. Mr. Holmen holds office till the ensuing Annual General Meeting.

The company has received a notice from a member under subsection (1) of section 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. Carl Holmen as the Director of the Company at the ensuing Annual General Meeting.



5. AUDITORS

M/s. S. R. Batliboi & Associates Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment.

6. AUDITORS' REPORT

The observations in the Auditors' Report have been dealt with in the relevant Notes to Accounts, which are self-explanatory.

7. RELATED PARTY TRANSACTIONS

A statement of related party transaction pursuant to accounting standard 18 is given in para 7 of schedule 15 (notes to accounts)

8. CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of business life than legal compulsion.

Your Directors re-affirm their commitment to the Corporate Governance standards prescribed by Securities and Exchange Board of India (SEBI) codified as Clause 49 of the Listing Agreement with Stock Exchanges. Corporate Governance and Management Discussions and Analysis Report as well as Corporate Governance compliance certificate by Auditors are set out in separate Annexures to this report.

9. INVESTORS SERVICES

As the members are aware, your company's shares are tradeable compulsorily in electronic form with effect from 24th August 2000 and your company has established connectivity with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of de-materialisation of Company's shares on either of the Depositories as aforesaid.

10. INCREASE IN PUBLIC HOLDING

Pursuant to Securities and Exchange Board of India (SEBI) circular dated 13 April 2006 read with amendment to clause 40A of the listing agreement for maintaining minimum level of public shareholding of 25% of the total number of issued shares, Coflexip Stena Offshore (Mauritius) Limited, the promoter shareholder, completed the dilution of 3.24% shares by way of drip sale on 29th October 2008, resulting bringing down promoters holding to 75%.

11. HUMAN RESOURCES

Your company believes in the inherent strength of the people. The company is built around people. The spirit of trust, transparency and team work has enabled the company to build a tradition of partnership and harmony. All employees have embodied the spirit of quality into their work, proactively participate in their area of operations and inculcate leadership skill. Training needs have become an integral part and regular training programmes are organized.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The information to be furnished under Section 217(1)(e) of the Companies Act, 1956 is annexed to this report.

13. PARTICULARS OF EMPLOYEES

The particulars required under Section 217(2A) of the Companies Act, 1956 are also furnished in the Annexure.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors state that

- a. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any.
- b. Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and the profit of the Company for the period.
- c. Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. Directors had prepared the annual accounts on a going concern basis.

15. ACKNOWLEDGEMENT

Your Directors record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence for the company's business. Your Directors thank the valued shareholders, customers, suppliers, Banks, Registrar and Share Transfer Agent for their continuous support to the company.

For and on behalf of the Board of Directors

Place : Mumbai

Date : February 24, 2009

Carl Holmen
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ending 31st December, 2008.

A. TECHNOLOGY ABSORPTION

The Company's activities, being in the service sector in oilfield operations, are currently confined only to rendering services offshore and do not necessitate expenditure on R & D. However, the standards of the particular industry regarding foreign technology absorption have been achieved indigenously to a great extent.

B. FOREIGN EXCHANGE EARNINGS & EXPENDITURE

During the period under review, the Company's foreign exchange earnings were equivalent to Rs. 2350 million and foreign exchange outgo was equivalent to Rs. 1616 million.

Statement of particulars of Employees, pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st December 2008.

Name	Age (Yrs)	Designation	Gross Remuneration	Qualifications	Experience (Yrs)	Date of Commencement	Previous Employment
Employed for the whole year							
Capt. Christopher J. Rodricks	56	Managing Director	Rs. 84.63 lakhs	Master – Foreign going vessel	36	28.02.03	Seabulk Offshore, Dubai
S. N. Mohanty	52	Chief Legal Officer & Company Secretary	Rs. 29.52 lakhs	M.Com, LLB, FCS, AICWA	25	03.10.00	SWIL Limited, Kolkata
S. S. Biswas	52	Chief Financial Officer	Rs. 35.69 lakhs	B-Com	25	09.03.93	PGFI
Employed for part of the year							
			NIL				

NOTES:

1. Nature of employment; Contractual in accordance with terms and conditions as per Companies Rules.
2. Remuneration received includes salary, allowances, Leave encashment, companies contribution to retiral funds etc and monetary value of other perquisites.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for the year 2008 is as under :-

CORPORATE GOVERNANCE – PHILOSOPHY

The Company philosophy on Corporate Governance aims at upholding core value of transparency, professionalism, accountability, honesty and integrity in its functioning and conduct of business with due respect to laws and regulations and attaining highest standard of business ethics and commitment to transparency in business dealings, essential for long term success. It is directed in such a way that it performs effectively keeping in view customers, employees and long term interest and confidence of the stakeholders. It adheres to the code of conduct formulated which serves as a guide to each employee on standards, values, ethics and principles.

1. BOARD OF DIRECTORS

The Board composition is in conformity with the relevant provisions of Companies Act, 1956 and requirement of Securities and Exchange Board of India (SEBI) guidelines as amended. The present strength of the Board is Six Directors comprising one Executive Director viz : Managing Director and five Non Executive Directors including Chairman. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business, finance, law and corporate management. None of the Directors on the Board is a Member on more than 10 Committees and Chairman more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he/she is a Director. Committees include Audit Committee and Shareholder / Investor Grievance and Transfer Committee. All Directors have certified that the disqualifications mentioned under section 274(1)(g) of the Companies Act, 1956 do not apply to them. The independent Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them.

The composition of the Board during 2008 is tabulated below :-

Director	Executive /Non-Executive / Independent	• Other Directorships held
Mr. Carl Holmen	Non-Executive	-
Capt. C. J. Rodricks	Managing Director	-
Mr. Christophe Armengol	Non-Executive	-
Mr. Georges Michel	Non-Executive	-
Mr. Shardul Thacker	Non-Executive & Independent	4
Mrs. Bhavna Doshi	Non-Executive & Independent	2

- Excludes directorship in Indian Private Limited Companies, foreign companies and membership of management committees of various chambers/bodies and alternate directorship.

2. AUDIT COMMITTEE

The Audit Committee of the Company at the Board level, interalia, provides assurance to the Board on the adequacy of the internal control system. The Committee periodically review financial reporting process and financial results, statement and disclosures, generally accepted accounting principles and on measures taken in safeguarding of assets of the Company, internal audit reports and internal control systems and procedures. The Committee discusses with Internal Auditors & Statutory Auditors, scope of audit, findings of audit, audit qualifications, if any, related party transactions and appraise Board on the above.

The terms of reference of the Audit Committee cover all areas specified under clause 49 (II) of the Listing Agreement with the stock exchanges and Section 292A of the Companies Act, 1956, besides other terms as may be referred by Board of Directors.



The Audit Committee comprises of three members, all members including the Chairman of the Committee are Non-Executive and two-third members are independent. The Chairperson of the Audit Committee is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India having accounting and related financial management expertise. The other Members of the Audit Committee are financially literate. The Statutory Auditor, Internal Auditor and Chief Financial Officer of the Company are the permanent Invitees to all Audit Committee meetings. The Chief Legal Officer & Company Secretary who is in charge of Internal Audit is the Secretary to the Audit Committee. Minutes of the Audit Committee are circulated to all Directors and discussed at the Board Meetings.

The composition of the Audit Committee and the details of meetings held by it are as follows:-

Director	Position	Meetings held	Meetings Attended
Mrs. Bhavna Doshi	Chairman	4	4
Mr. Shardul Thacker	Member	4	4
Mr. Christophe Armengol	Member	4	3

3. REMUNERATION TO DIRECTORS

Director	Designation	Remuneration paid during 2008 (All figures in Rupees)		
		Sitting fees	Salary & perks	Total
Mr. Carl Holmen	Chairman	-	-	-
Capt. C. J. Rodricks	Managing Director	-	84,62,834	84,62,834
Mr. Christophe Armengol	Director	-	-	-
Mr. Georges Michel	Director	-	-	-
Mrs. Bhavna Doshi	Director	200,000	-	200,000
Mr. Shardul Thacker	Director	180,000	-	180,000

4. SHAREHOLDERS/INVESTORS GRIEVANCE & TRANSFER COMMITTEE

The Company has "SHAREHOLDERS/INVESTORS GRIEVANCE & TRANSFER COMMITTEE" under the chairmanship of a Non-Executive and Independent Director to specifically look into shareholders issues including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints.

Details of the composition of Shareholders/Investors Grievance & Transfer Committee are as follows:

Director	Position	Meetings Held	Meetings Attended
Mr. Shardul Thacker	Chairman	4	4
Capt C J Rodricks	Member	4	4
Mrs. Bhavna Doshi	Member	4	4

M/s. C. B. Management Services (P) Ltd., the Company's Registrar and Share Transfer Agent, among others, expedite the process of transfer of shares under supervision of Chief Legal Officer & Company Secretary. Thereafter, the proposals are placed before the designated Committee.

The Chief Legal Officer & Company Secretary is the Secretary to the Committee and is also the Compliance Officer of the Company.

5. NUMBER OF BOARD MEETINGS AND BOARD PROCEDURES

Your Company's Board met 4 times during the year and details of the meetings are highlighted below. Agenda papers along with explanatory notes were circulated to the Directors well in advance of the meeting. The senior management personnel were invited to participate in matters of interest, importance and relevance. The Board has access to any information within your Company and every effort is made to ensure that the information is adequate and appropriate to enable the Board to take considered decisions on issues.

Your Company has placed all relevant information before the Board as per Annexure I of Clause 49 of the Listing Agreement.

Date of Board Meeting	City
14th February, 2008	Mumbai
29th April, 2008	Mumbai
22nd July, 2008	Mumbai
21st October, 2008	Paris

Director	No. of meetings		Attended last A.G.M
	Held	Attended	
Mr. Carl Holmen	4	4	Yes
Capt. C. J. Rodricks	4	4	Yes
Mr. Christophe Armengol	4	4	Yes
Mr. Georges Michel	4	3	Yes
Mrs. Bhavna Doshi	4	4	Yes
Mr. Shardul Thacker	4	3	Yes

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As a part of the disclosure related to Management, in addition to the Directors' Report, Management Discussion and Analysis Report forms part of the Annual Report to the shareholders as per specifications of SEBI.

7. DIRECTORS' MEMBERSHIP/CHAIRMANSHIP IN COMMITTEES

No Director is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. The details are as under:

Director	No. of Committee in which	
	Member	Chairman
Mr. Carl Holmen	-	-
Capt. C. J. Rodricks	1	-
Mr. Christophe Armengol	1	-
Mr. Georges Michel	-	-
Mrs. Bhavna Doshi	2	1
Mr. Shardul Thacker	5	1

8. DISCLOSURE REGARDING DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

The personal information about the Directors being appointed / reappointed is already mentioned in the Directors' Report and in the notice of the meeting convening Annual General Meeting and therefore is not separately mentioned in this report.

**9. MATERIAL CONTRACTS/TRANSACTIONS CONCERNING DIRECTOR'S INTEREST**

There has been no transaction of material nature that may have a potential conflict with interest of your Company during the period under review.

10. DISCLOSURE REGARDING SENIOR MANAGEMENT'S MATERIAL FINANCIAL AND COMMERCIAL TRANSACTIONS

There has been no transaction of material financial and commercial nature having personal interest of the Senior Management that may have a potential conflict with the interest of the company at large during the period under review.

11. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a code of conduct for Directors and Senior Management of the Company, the compliance of which has been affirmed by all Board Members and Senior Management Personnel. The required declaration to this effect signed by the CEO i.e. Managing Director is appended as a separate Annexure to the report.

12. POLICY ON RISK MANAGEMENT

In accordance with the requirement of Corporate Governance the Board of Directors of the Company has adopted a policy on risk management for assessment and minimization procedure of risk for periodical review by the Board.

13. CODE FOR PREVENTION OF INSIDER TRADING

In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992, as amended in February, 2002, the Board of Directors of the Company has formulated the code of conduct for prevention of insider trading in shares of the Company by its Directors and employees.

14. CEO AND CFO CERTIFICATION

In accordance with the requirement of Corporate Governance Clause 49(V) of the listing agreement, the Board of Directors of the Company have been furnished with the requisite certificate from the CEO i.e. Managing Director and Chief Financial Officer (CFO) of the Company.

15. OTHER DISCLOSURES**1. Details of Annual General Meetings****1.1 Location and time, where last three AGMs held**

Year	Location	Date	Time
2005	Mumbai	19-04-2006	4.00 P.M.
2006	Mumbai	18-04-2007	4.00 P.M.
2007	Mumbai	29-04-2008	4.00 P.M.

1.2 Whether special resolution was put through postal ballot last year ? NO

1.3 Are votes proposed to be conducted through postal ballot this year ? NO

2. **MEANS OF COMMUNICATION**

- | | |
|---|--|
| • Half yearly report/highlights sent to each household of shareholders | No. Published in specified newspapers. |
| • Quarterly results, Which newspapers normally published in | Economic Times (English) Nav Shakti (Marathi) |
| • Any website, where displayed | www.technip.com/entities/seamec/ |
| • Whether it also displays official news release | N. A. |
| • Whether MD&A is a part of Annual Report | Yes |
| • Whether Shareholder Information section forms part of the Annual Report | Yes |

3. **SHAREHOLDER INFORMATION**

1. **Annual General Meeting**

- | | |
|-----------------|---|
| - Date and Time | : 21st April 2009 at 4 p.m. |
| - Venue | : Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (E), Mumbai - 400 057 |

2. **Financial Calendar**

For the Financial Year ended 2009

- | | |
|---|--------------------|
| - Financial reporting for the first quarter ending 31st March 2009 | : 21st April, 2009 |
| - Financial reporting for the half year ending 30th June, 2009 | : * July, 2009 |
| - Financial reporting for the third quarter ending 30th September, 2009 | : * October, 2009 |
| - Financial reporting for the year ending 31st December, 2009 | : * February, 2010 |
| - Annual General Meeting for the year ending 31st December, 2009 | : * April, 2010 |

* Tentative

- | | |
|--------------------------|--|
| 3. Date of Book Closure | : 16.04.2009 - 21.04.2009 |
| 4. Dividend Payment Date | : Not applicable. |
| 5. Registered Office | : 7th Floor, The Eagles Flight, Suren Road, Off. Andheri Kurla Road, Andheri East, Mumbai - 400 093.
Tel: (022) 66941800
Fax: (022) 66941818
E.mail: Seamec@bom5.vsnl.net.in |



6. Listing Details (Equity Shares)

Bombay Stock Exchange Limited

1st Floor, Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

National Stock Exchange of India Ltd

Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

The Company has paid the Listing Fees for the
year 2008-2009 to all the Stock Exchanges.

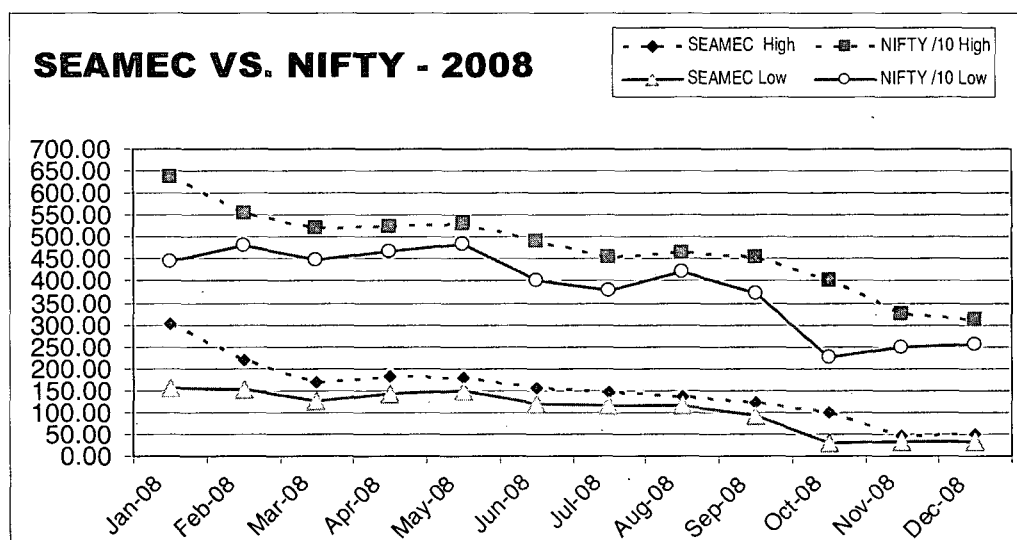
7.	Stock Code :	Scrip ID	Scrip Code
	Bombay Stock Exchange (BSE)	SEAMECLTD	526807
	National Stock Exchange (NSE)	SEAMECLTD	-
	ISIN CODE	INE497B01018	

8. Stock Price Data :

	National Stock Exchange			
Month	High	Low	Close	Av. Volume
Jan-08	303.00	156.00	202.10	52338
Feb-08	219.50	151.70	171.25	23948
Mar-08	168.00	125.00	149.50	29319
Apr-08	182.40	142.85	171.65	48998
May-08	178.45	149.00	151.30	27928
Jun-08	155.50	119.00	130.05	9365
Jul-08	145.90	115.05	124.40	9882
Aug-08	136.00	114.50	115.60	9235
Sep-08	131.30	94.00	96.00	5911
Oct-08	100.00	30.05	37.55	45805
Nov-08	46.90	33.70	35.25	7477
Dec-08	50.00	34.20	38.25	8376

9. Stock Performance (Indexed) :

STOCK PERFORMANCE OF SEAMEC VS. NSE INDEX (NIFTY) ENCLOSED



10. Registrar & Transfer Agents

: C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel No. (033) 2280-6692/93/94
E-mail : cbmsl1@cal2.vsnl.net.in

11. Share Transfer System

: A Committee of Directors (Shareholders / Investors Grievance & Transfer Committee) has been constituted to approve the transfer and transmission of shares, issue of duplicate share certificates and allied matters. Share certificates in physical form are dispatched within prescribed time limit.

12. Investor Services :

Complaints received during the year

Nature of complaints	2008		2007	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of address, Demat	19	19	44	44
Received from SEBI, Stock Exchanges and other statutory authorities	NIL	NIL	1	1
TOTAL	19	19	45	45

The Company endeavors to settle all shareholder complaints in the minimum possible time.

As on 31.12.08, 1 Transfer deed containing 100 shares was pending for approval by Committee which was subsequently approved on 12.01.2009.


13. Distribution of Shareholding as on 31st December

Shares held	2008				2007			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
1-500	17,141	92.97	2,118,508	6.25	15,849	92.38	2,003,846	5.91
501-1000	696	3.77	569,345	1.68	656	3.82	542,103	1.60
1001-2000	297	1.61	448,679	1.32	296	1.72	453,281	1.34
2001-3000	108	0.59	276,472	0.82	118	0.69	298,421	0.88
3001-4000	50	0.27	178,586	0.53	46	0.27	164,980	0.48
4001-5000	38	0.21	179,103	0.53	43	0.25	202,438	0.60
5001-10000	51	0.28	371,116	1.09	89	0.52	624,092	1.84
10001& above	56	0.30	29,758,191	87.78	60	0.35	29,610,839	87.35
TOTAL	18,437	100	33,900,000	100	17,157	100	33,900,000	100

14. Categories of Shareholding as on 31st December

	Category	2008			2007		
		No. of share holders	No. of shares held	% of share holding	No. of share holders	No. of shares held	% of share holding
01	Promoter Company	1	25,425,000	75.00	1	26,522,750	78.24
02	Directors	1	4,450	0.01	—	—	—
03	Directors Relatives	—	—	—	—	—	—
04	Mutual Funds	9	2,596,712	7.66	11	1,641,743	4.84
05	F. I. I.	13	550,660	1.63	12	425,575	1.26
06	Financial Institutions	—	—	—	—	—	—
07	Central Government / State Government	1	5,601	0.02	1	5,601	0.02
08	N.R.I.	181	164,105	0.48	173	143,479	0.42
09	Other Bodies Corporate	599	889,918	2.63	668	1,071,037	3.16
10	Banks	5	4,900	0.01	5	5,200	0.02
11	Resident Individuals	17,563	4,181,921	12.34	15,935	378,926	11.17
12	Clearing Members	60	75,919	0.22	349	296,119	0.87
12	Overseas Body Corporate	2	514	0.00	2	300	0.00
13	Trust	2	514	0.00	—	—	—
	TOTAL	18,437	33,900,000	100.00	17,157	33,900,000	100.00

15. Dematerialisation of Shares & Liquidity

Over 39.60% of equity shares have been dematerialized as on 31.12.2008.

Trading in equity shares of your Company in Stock Exchange is permitted only in dematerialized mode w.e.f. 24th August, 2000 as per notification issued by SEBI.

To facilitate the investors in having easy access to Demat system, the Company has signed agreements with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

16. Details on use of public fund obtained in the last three years

NIL

17. Investors' Correspondence

Address For correspondence

Regd. Office :

7th Floor, The Eagles Flight,
Suren Road, Off. Andheri Kurla Road,
Andheri East, Mumbai - 400 093.

Tel: (022) 66941800

Fax: (022) 66941818

Email: seamec@bom5.vsnl.net.in

OR

C B Management Services (P) Ltd.

P-22, Bondel Road, 2nd floor,

Kolkata - 700 019

Tel No. (033) 2280-6692/93/94

Fax : (033) 2270 0263

E-mail : cbmsl1@cal2.vsnl.net.in

18. Per Share Data

		2008	2007
EPS (Rs.)		13.90	10.92
EPS Growth (%)		27.29	(36.80)
CPS (Rs.)		21.32	16.51
Book Value per share (Rs.)		94.92	81.08
Share price as on 31 December 2008	NSE	38.25	286.35
	BSE	37.75	286.85

19. Related Party Transactions

Disclosures on materially significant related party transactions appear at the appropriate place in Schedule 15 of Notes to Accounts.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of SEAMEC Limited

We have examined the compliance of conditions of corporate governance by SEAMEC Limited, for the year ended on December 31, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

Sd/-

Per Hemal Shah
Partner

Membership no : 42650

Date : February 24 , 2009

Place : Mumbai

**MANAGEMENT CERTIFICATE ON
CLAUSE 49 (1D) OF THE LISTING AGREEMENT**

To,
The Members
SEAMEC LIMITED

Dear Sirs,

This is to affirm that the Board of Directors of Seamec Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchanges and Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st December 2008.

Capt. C. J. Rodricks
Managing Director

Place : Mumbai

Dated : February 24, 2009



MANAGEMENT DISCUSSION & ANALYSIS REPORT

01. OVERVIEW

The year 2008 was a mixture of economic growth and decline. Beginning of second half witnessed the start of global economic recession. Global recession had caused tough time for the oil and gas industry vis a vis shipping industry. Higher oil prices and steep growth in oil and gas industry hitherto enjoyed experienced steady fall both in terms of price and production. There has been a steep fall in demand for vessels supporting offshore activities.

Despite Shipping Industry witnessing rough times in recent history, offshore support is the only segment that has managed to fare reasonably well. In spite of the steep fall in oil prices, momentum in oil exploration was maintained to a great extent initially. However, exploration activities are closely related to prices and demand for oil, both of which have started moving in downward trajectory. The recessionary impact is expected to continue for 2009.

SEAMEC I was deployed 349 days during the year. She is under long term contract till March 2010. The operation of vessel is contracted to be in India, Middle East and South East Asia. During the year under review the vessel operated in Vietnam for 3 months before returning to India.

SEAMEC II worked for 146 days during the year 2008. She completed the repair in Curacao yard in end June 2008 and thereafter went back to Mexico and charter hire commenced in Gulf of Mexico from 8th July 2008 and ended on 20th January 2009. Thereafter, she was mobilized to West Africa for a firm engagement till Mid May 2009 with option for extension

SEAMEC III worked for 268 days during 2008. All through the year her engagement was in Trinidad. The vessel went for scheduled dry dock in June 2008. After completing dry dock on 7th September 2008 she was back to charter. The Company had entered into a long term contract for charter hire of vessel for a firm period of six months with option for extension for working in Gulf of Mexico. The vessel was mobilized and charter commenced from 3rd February 2009.

SEAMEC PRINCESS was deployed for 306 days during the year. After completion of her upgradation and modification from Cable Laying vessel to Multisupport vessel in line with Company's business, she was put to charter with effect from 1st March 2008 for working in Qatar. The Contract ended on 12th December 2008. She had successfully completed her maiden charter to the utmost satisfaction of client on 12th December 2008. Immediately on completion of charter in Qatar, She has been contracted for a period of six months with option for extension for doing jobs in Persian Gulf / Middle East.

02. OPPORTUNITIES AND THREATS

The impact of unprecedented recession is currently experiencing downward trajectory in offshore market around the globe. This is expected to continue over a year. There has been a slow down of oil exploration and production. Oil prices ruling at record low level. These have caused decline in demand for the multi support vessels. For SEAMEC, opportunities, however, lies in closely monitoring the market to explore replacement with newer tonnage based on competency and management in the related field. New vessels have emerged in the market posing steep competition and threat to existing players. The Indian shipping industry, due to several other taxes including service tax continues exposure to vulnerable competition and the advantage envisaged under tonnage tax gets diluted. The shortage of quality manpower remains as a great concern. In addition, the drift of qualified personnel both marine and diving to foreign shipping companies due to receipt of tax benefits from such companies remain as a threat. The Company constantly endeavors strategically to mitigate on time. Additionally, with regard to skilled off shore personnel, the Company constantly recruit and train people to meet international standard.

03. BUSINESS SEGMENT ANALYSIS

The only business segment for the Company during year was Off Shore segment.

04. FINANCIAL PERFORMANCE

For meaningful comparison pertinent financial parameters are discussed below: -

(Rs. In million)

	2008	2007
Revenue	2725	1769
Operating Expenses	1937	1165
Operating Profit	788	604
Interest Expenses	4	4
Exceptional Items	47	7
Depreciation	254	190
Profit before Tax	483	403
Provision Tax Expenses	12	33
Net Profit	471	370
Debtor/Sales	0.20	0.16
Creditor/Purchase	0.36	0.28

Comments on current year's performance:

- Revenue : Increase in Revenue mainly due to deployment of new vessel SEAMEC PRINCESS at a higher rate.
- Operating Cost : Increase in operating cost is mainly due to expensing out of dry dock expenses of SEAMEC II & SEAMEC III and write off of Debtors not recovered and payment for diving services.
- Operating Profit : Increase due to higher revenue.
- Exceptional Items : Charging of Damage repair Expenses of SEAMEC II
- Depreciation : Increased due to additional depreciation charges for Seamec Princess
- Current Tax Exp. : The Company is being assessed under Tonnage Tax scheme. Tax expenses include Tonnage Tax of Rs. 317 thousand for Shipping Business, current year normal tax charges of Rs.9833 thousand on other income computed as per Income Tax Act, 1961 and Fringe Benefit Tax of Rs. 2,300 thousand.
- Net Profit : Net profit for 2008 is higher compared to 2007 primarily due to increase in charter hire income.



05 HUMAN RESOURCES

The company's human resource strategy, primarily is in line with the group strategy. The company believes that by blending spirits and values one helps to convert a good company to an excellent one. The relations between the employees and the company remained cordial throughout the year. The committed shore based staff provides prompt and efficient support and guidance to the floating staff on a continuous basis, which helps to maintain effective performance and efficiency. In keeping tune with changed business environment, focus is given for retention of potential employees of the Company. The Company has 45 employees at its offices and engages through contract around 288 marine crew and officers, in its four vessels. The company continues to focus on safety, training and development of employees.

06 INTERNAL CONTROLS

The Company has an adequate system of internal controls commensurate with its size and nature of the business. Conscious efforts are in place on a continuous basis to ensure that all its assets are safeguarded and protected against loss from unauthorized use and disposal and that all transactions are authorized, recorded and financial statements show a true and fair picture of the state of affairs of the Company.

The internal controls system of the Company are monitored and evaluated by internal audits, reviewed by Management and Audit Committee of the Board of Directors.

AUDITOR'S REPORT

To
The Members of SEAMEC Limited

1. We have audited the attached Balance Sheet of SEAMEC Limited ('the Company') as at December 31, 2008 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on December 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at December 31, 2008;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Associates
Chartered Accountants

per Hemal Shah
Partner

Membership No: 42650

Mumbai
February 24, 2009



Annexure referred to in paragraph 3 of our report of even date

Re: SEAMEC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as per information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, customs duty, cess and other material statutory dues applicable to it. There are no dues during the year towards investor education and protection fund, employees' state insurance, sales tax, wealth tax and excise duty.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The Company has no dues payable to financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. Batliboi & Associates
Chartered Accountants

per Hemal Shah
Partner

Membership No: 42650

Mumbai
February 24, 2009



SEAMEC LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

	<u>Schedule</u>	<u>As at 31.12.2008</u>	<u>As at 31.12.2007</u>
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	339,000	339,000
Reserves & surplus	2	2,878,663	2,407,450
		<u>3,217,663</u>	<u>2,746,450</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross block	3	3,963,989	2,771,849
Less: Accumulated depreciation		<u>1,631,559</u>	<u>1,409,463</u>
Net block		2,332,430	1,362,386
Capital work-in-progress including capital advances		9,447	1,023,582
Asset held for sale		-	6,650
		<u>2,341,877</u>	<u>2,392,618</u>
Intangible assets	4	880	1,104
Current Assets, Loans and Advances			
Inventories	5	117,649	183,471
Sundry debtors	6	529,761	268,623
Cash and bank balances	7	635,425	547,244
Loans and advances	8	323,486	39,509
		<u>1,606,321</u>	<u>1,038,847</u>
Less: Current liabilities and provisions			
Current liabilities	9	716,249	672,718
Provisions	10	15,166	13,401
		<u>731,415</u>	<u>686,119</u>
Net current assets:		874,906	352,728
		<u>3,217,663</u>	<u>2,746,450</u>
Notes to accounts	15		

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.

Signatures to the Balance Sheet and Schedules 1 to 10 and 15

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

Per Hemal Shah
 Partner
 Membership no : 42650

For and on behalf of the Board of Directors of SEAMEC Limited

Captain C.J.Rodricks
 Managing Director

Swapan S Biswas
 Chief Financial Officer

Bhavna Doshi
 Director

S N Mohanty
 Chief Legal Officer & Company Secretary

Place: Mumbai
 Date: February 24, 2009

SEAMEC LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

	Schedule	Year Ended 31.12.2008	Year Ended 31.12.2007
INCOME			
Charter hire income		2,682,973	1,701,341
Service charges		2,887	3,124
Other income	11	38,895	64,180
		<u>2,724,755</u>	<u>1,768,645</u>
EXPENDITURE			
Operating expenses	12	1,729,545	1,057,588
Administrative expenses	13	253,661	114,530
Interest and Finance expenses	14	3,758	4,225
Depreciation		254,128	189,498
		<u>2,241,092</u>	<u>1,365,841</u>
Profit before tax		483,663	402,804
Less: Current tax		10,150	24,700
Previous year tax		-	5,460
Fringe benefit tax		2,300	2,368
Profit for the year after tax		471,213	370,276
Balance brought forward		1,285,294	975,018
Profit available for appropriation		1,756,507	1,345,294
Appropriation:			
Transfer to tonnage tax reserve u/s 115VT of Income Tax Act, 1961		137,500	60,000
Surplus carried to Balance Sheet		<u>1,619,007</u>	<u>1,285,294</u>
EARNING PER SHARE			
Profit for the year		471,213	370,276
No. of outstanding shares (in '000)		33,900	33,900
Nominal value of shares (in Rs)		10	10
Basic and diluted earning per share (in Rs)		13.90	10.92
Notes to Accounts	15		

The schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss Account

Signatures to the Profit and Loss Account and Schedules 11 to 15

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

Per Hemal Shah
 Partner
 Membership no : 42650

For and on behalf of the Board of Directors of SEAMEC Limited

Captain C.J.Rodricks
 Managing Director

Swapan S Biswas
 Chief Financial Officer

Bhavna Doshi
 Director

S N Mohanty
 Chief Legal Officer & Company Secretary

Place: Mumbai

Date: February 24 , 2009



SEAMEC LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

	Year Ended 31.12.2008	Year Ended 31.12.2007
Cash flows from operating activities		
Profit/(loss) before tax	483,663	402,804
Adjusted for		
Depreciation	254,128	189,498
(Profit)/ Loss on sale of assets	(8,666)	348
Assets and Inventory written off /(back)	(1,989)	7,704
Advances written off	2,085	60
Machinery spares consumed	39,017	22,548
Provision for doubtful debts/Bad debts written off	34,445	3,848
Interest Income, net	(23,564)	(44,407)
Unrealised exchange (gain) / losses	18,071	(8,329)
Operating profit before working capital changes	797,190	574,074
Adjusted for (increase) / decrease		
Inventories	65,822	(57,704)
Sundry debtors	(291,735)	25,719
Loans and advances	(318,667)	(36,727)
Current liabilities	43,531	19,513
Provisions	1,765	3,820
Cash generated from operations	297,906	528,695
Direct taxes paid, net of refunds	(4,160)	(2,645)
Net cash flows from operating activities	293,746	526,050
Cash flows from investing activities		
Purchase of fixed assets and capital work in progress	(244,445)	(649,482)
Proceeds from sale of fixed assets	15,316	131
Investment in fixed deposits	(122,500)	(52,500)
Interest received	27,322	51,075
Net cash used in investing activities	(324,307)	(650,776)
Cash flows from financing activities		
Finance charges paid	(3,758)	(4,138)
Net cash used in financing activities	(3,758)	(4,138)
Net increase / (decrease) in cash and cash equivalents	(34,319)	(128,864)
CASH AND BANK BALANCES, beginning of period	547,244	623,608
CASH AND BANK BALANCES, end of period	512,925	494,744
Components of Cash and Cash equivalents: (Refer Note 1 & 2 below)	As at 31.12.2008	As at 31.12.2007
Cash on hand	20	5
Balances with Scheduled banks		
- current accounts	41,328	9,604
- foreign currency accounts	71,577	135
- fixed deposit accounts	522,500	537,500
As per balance sheet	635,425	547,244
Less: Fixed deposit with maturity of more than three months	122,500	52,500
Cash and Cash equivalents as restated	512,925	494,744

Notes:

1. Cash and cash equivalents for the year ended December 31, 2008 includes unrealised gain of Rs. 685 (Previous year unrealised loss of Rs. 30) on account of translation of foreign currency bank balances.
2. Fixed deposits included in Cash and Cash equivalents pertains to investments with an original maturity of three months or less. Fixed deposits having maturity greater than three months have been shown under the Cash flow from Investing activities

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

Per Hemal Shah
 Partner
 Membership no : 42650

Place: Mumbai
 Date: February 24, 2009

For and on behalf of the Board of Directors of SEAMEC Limited

Captain C.J. Rodricks
 Managing Director

Swapan S Biswas
 Chief Financial Officer

Bhavna Doshi
 Director

S N Mohanty
 Chief Legal Officer - Company Secretary

SEAMEC LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008
(All amounts in thousand of Indian Rupees)

	As at 31.12.2008	As at 31.12.2007
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,000,000 (Previous Year 50,000,000) equity shares of Rs 10 each	500,000	500,000
Issued, subscribed and paid-up	339,000	339,000
33,900,000 (Previous Year 33,900,000) equity shares of Rs 10 each fully paid-up	339,000	339,000
[Of the above shares, 25,425,000 (Previous Year - 26,522,750) shares are held by Coflexip Stena Offshore (Mauritius) Limited (the Holding Company), which is a wholly owned subsidiary of Technip SA, France, the ultimate holding company.]		
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital redemption reserve	3	3
Securities premium account	501,753	501,753
General reserve	70,000	70,000
Tonnage tax reserve u/s 115VT of Income Tax Act, 1961		
As per last Balance Sheet	140,000	80,000
Add: Transferred from Profit and Loss Account	137,500	60,000
	277,500	140,000
Shipping reserve (u/s 33AC) utilised	351,000	351,000
Tonnage tax reserve utilised	59,400	59,400
Profit and loss account	1,619,007	1,285,294
	2,878,663	2,407,450



SEAMEC LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

SCHEDULE 3 : FIXED ASSETS

GROSS BLOCK	As at 01.01.2008	Additions	Deletions	As at 31.12.2008
Fleet and fleet equipment	2,688,728	1,198,294	(12,669)	3,874,353
Machinery spares	56,670	64,299	(47,769)	73,200
Furniture, fittings and office equipment	22,732	373	(10,388)	12,717
Vehicles	3,719	-	-	3,719
	<u>2,771,849</u>	<u>1,262,966</u>	<u>(70,826)</u>	<u>3,963,989</u>
As at 31/12/2007	<u>2,717,530</u>	<u>98,002</u>	<u>(43,683)</u>	<u>2,771,849</u>
ACCUMULATED DEPRECIATION				
Fleet and fleet equipment	1,365,668	240,621	(12,669)	1,593,620
Machinery spares	19,337	12,408	(8,751)	22,994
Furniture, fittings and office equipment	21,346	559	(10,388)	11,517
Vehicles	3,112	316	-	3,428
	<u>1,409,463</u>	<u>253,904</u>	<u>(31,808)</u>	<u>1,631,559</u>
As at 31/12/2007	<u>1,232,366</u>	<u>189,489</u>	<u>(12,392)</u>	<u>1,409,463</u>
NET BLOCK				
Fleet and fleet equipment	1,323,060			2,280,733
Machinery spares	37,333			50,206
Furniture, fittings and office equipment	1,386			1,200
Vehicles	607			291
	<u>1,362,386</u>			<u>2,332,430</u>
Capital work in progress, including capital advances	1,023,582			9,447
Asset held for sale	6,650			-
	<u>2,392,618</u>			<u>2,341,877</u>

SCHEDULE 4 : INTANGIBLE ASSETS

GROSS BLOCK	As at 01.01.2008	Additions	Deletions	As at 31.12.2008
Software	1,113	-	-	1,113
As at 31.12.2007	<u>10,378</u>	<u>1,113</u>	<u>(10,378)</u>	<u>1,113</u>
ACCUMULATED AMORTIZATION				
Software	9	224	-	233
As at 31.12.2007	<u>10,378</u>	<u>9</u>	<u>(10,378)</u>	<u>9</u>
NET BLOCK				
Software	1,104			880
As at 31.12.2007	<u>-</u>			<u>1,104</u>

SEAMEC LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

	<u>As at 31.12.2008</u>	<u>As at 31.12.2007</u>
SCHEDULE 5 : INVENTORIES		
Stores and consumables	109,264	138,667
Stores and consumables (Dry Dock)	-	34,217
Goods in transit - Stores and consumables	8,385	10,587
	<u>117,649</u>	<u>183,471</u>
SCHEDULE 6 : SUNDRY DEBTORS		
Sundry debtors (Unsecured)		
Outstanding for more than six months		
- considered good (Refer Note 5 of Schedule 15)	65,178	35,091
- considered doubtful	8,389	12,237
	<u>73,567</u>	<u>47,328</u>
Other debts - considered good	464,583	233,532
- considered doubtful	2,841	-
	<u>540,991</u>	<u>280,860</u>
Less: Provision for doubtful debts	11,230	12,237
	<u>529,761</u>	<u>268,623</u>
SCHEDULE 7 : CASH AND BANK BALANCES		
Cash on hand	20	5
Balances with scheduled banks		
- current accounts	41,328	9,604
- foreign currency accounts	71,577	135
- fixed deposit accounts	522,500	537,500
	<u>635,425</u>	<u>547,244</u>
SCHEDULE 8 : LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loans to employees	386	463
Advance income tax (net of provision for tax Rs 164,002 (Previous Year -Rs 153,852))	25,754	4,094
Security deposits	15,296	8,293
Insurance claim receivable (Refer Note 6 of Schedule 15)	258,127	-
Advances recoverable in cash or in kind or for value to be received	23,923	26,659
	<u>323,486</u>	<u>39,509</u>
SCHEDULE 9 : CURRENT LIABILITIES		
Sundry creditors	562,105	665,107
Advance from customers	151,244	5,897
Deferred Premium on Forward Contracts	-	305
Other liabilities	2,900	1,409
	<u>716,249</u>	<u>672,718</u>
SCHEDULE 10 : PROVISIONS		
Provision for employee benefits	15,166	13,401
	<u>15,166</u>	<u>13,401</u>



SEAMEC LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008
 (All amounts in thousand of Indian Rupees)

	Year Ended 31.12.2008	Year Ended 31.12.2007
SCHEDULE 11 : OTHER INCOME		
Interest		
Deposits with banks (TDS Rs 5,613; Previous Year. Rs 10,777)	24,774	48,608
Others (TDS- Rs Nil; P.Y. - Rs Nil)	2,548	3,544
Premium / discounts on forward contract (net)	2,626	2,231
Profit/ (Loss) on sale of fixed asset	8,666	(348)
Miscellaneous income	281	10,145
	<u>38,895</u>	<u>64,180</u>
SCHEDULE 12 : OPERATING EXPENSES		
Stores and spares consumed	220,668	102,393
Machinery spares consumed	39,017	22,548
Crew cost (including bought-out services)		
- Wages, bonus and other expenses	507,198	458,164
- Gratuity	247	-
- Contribution to provident fund	982	-
Project Expenses	285,691	-
Crew travelling expenditure	82,581	66,732
Dry dock expenses	334,447	174,638
Repairs to damaged vessel	486,170	
Less: Insurance claim received/receivable (Refer note 6 of Schedule 15)	438,939	-
Victualling and other benefit to crew	41,788	66,970
Repairs and maintenance - vessels	53,765	55,618
Certification fees	12,868	5,801
Insurance charges	23,583	26,419
Agency expenses	16,986	8,340
Commission	35,905	53,955
Other operational expenses	26,588	16,010
	<u>1,729,545</u>	<u>1,057,588</u>

SEAMEC LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008
(All amounts in thousand of Indian Rupees)

	Year Ended 31.12.2008	Year Ended 31.12.2007
SCHEDULE 13 : ADMINISTRATIVE EXPENSES		
Salaries, wages and bonus	42,081	37,578
Contribution to provident, gratuity fund and other funds	5,959	6,476
Staff welfare	297	219
Travelling and conveyance	24,078	19,852
Repairs and maintenance -others	2,151	1,810
Rent	8,135	7,745
Payment to auditors (excluding service tax)		
- As audit fees	2,038	1,000
- As advisor	-	-
- Any other matter	641	143
Legal & professional fees	5,722	7,536
Management fees	26,529	16,445
Bad debts written off	31,604	-
Advances written off	2,085	60
Provision for doubtful debt	2,841	3,848
Asset and inventory written off/(back)	(1,989)	7,704
Exchange loss / (gain)	85,261	(19,874)
Miscellaneous expenses	16,228	23,988
	<u>253,661</u>	<u>114,530</u>
SCHEDULE 14 : INTEREST AND FINANCE EXPENSES		
Bank charges	3,394	4,157
Interest		
- bank overdraft	319	-
- others	45	68
	<u>3,758</u>	<u>4,225</u>

**SEAMEC LIMITED****SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT DECEMBER 31, 2008****SCHEDULE – 15: NOTES TO ACCOUNTS****1. Nature of Operations:**

The Company owns and operates four Multi Support Vessels for providing support services including marine, construction and diving services to offshore oilfields.

2. Statement of Significant Accounting Policies**(a) Basis of preparation**

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Change in Accounting Policies

During the year the Company has changed the policy of accounting for consumption of inventory. Inventory having unit value less than Rs.5 thousand is charged to consumption as and when purchased, as against inventory having unit value less than Rs 1.50 thousand being charged to consumption as per the earlier policy. As a result, the profit for the year and reserves and surplus and value of inventory, as at December 31, 2008, are lower by Rs 32,328 thousand. (Refer Note 2(h)).

(d) Revision in Accounting Estimates

During the year, the residual life of vessel SEAMEC Princess has been reassessed by approved Surveyors. Based on the surveyors' report residual life of the vessel Seamec Princess has been considered as 15 (fifteen) years with effect from March 16, 2008. The net book value of the assets as on the above date are being depreciated over the revised residual life of the vessel. As a result the charge to profit for the year is lower by Rs. 13,844 thousand and the net book value and reserve and surplus as at December 31, 2008 are higher by Rs.13,844 thousand.

(e) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(f) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, which is higher than at the rates prescribed under schedule XIV of the Companies Act, 1956.

Assets	Useful life (In Years)
Fleet	15 to 20
Fleet Equipments	5 to 7
Furniture	10
Office Equipments and Computers	5
Vehicles	4

Machinery/ insurance spares are depreciated over the balance useful life of the respective asset or the mother vessel, whichever is lower. Fixed assets individually costing less than Rs. 5 thousand are fully depreciated in the year of purchase.

Computer software is capitalised and amortised on a straight-line basis over its useful life, which is estimated as five years.

(g) Impairment

The carrying amounts of all assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(h) Inventories

Inventories consist of stores and consumables for use in running of fleet. These are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Inventory items individually costing less than Rs 5 thousand are charged to consumption.

(i) Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme, and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.
- ii. Contribution to Superannuation Fund, a defined contribution scheme is made to the Life Insurance Corporation of India, as per the arrangement with them.
- iii. Gratuity, a defined benefit scheme is covered by a Group Gratuity cum Life Assurance Policy with Life Insurance Corporation of India ("LIC"). Annual contribution to the fund as determined by LIC is expensed in the year of contribution. The shortfall between the accumulated funds available with LIC and liability as determined on the basis of an actuarial valuation is provided for as at the year-end. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.
- iv. Short term compensated absences are provided for based on estimates.

(j) Foreign Currency transactions

- i. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the closing rate.

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- ii. Forward Exchange Contracts not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(k) Income Tax

Tax expense comprises of Current and Fringe Benefit Tax. Current Income tax liability on shipping income is determined based on the net tonnage of each of its vessels, in accordance with section 115VT of the Income Tax Act, 1961. Income other than shipping income is taxed in accordance with the other provisions of the Income Tax Act, 1961. Further, with the applicability of above section, there is no timing difference between taxable and book profit. Therefore, there is no deferred tax.

Fringe Benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.

**(l) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Charter hire income

Charter hire income comprises income from charter hire of multi-support vessels and income from supply of marine and diving crew and services. Charter hire revenues are recognised at contracted rates over the charter period. Revenues from supply of crew and services are recognised on rendering of the service, based on day rate charges as per the terms of the agreements.

ii. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Claims

Claims are accounted when it is reasonably certain that the ultimate collections will be received.

(m) Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the lease term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

(n) Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Segment Reporting

i. Primary Business Segments

The Company is primarily engaged in a single segment business of providing support services including marine, construction and diving services to offshore oilfields in India and abroad, and accordingly, this is the only primary reportable segment.

ii. Geographical Segments

Secondary segmental reporting is based on geographical location of the vessel. The geographical segment has been disclosed based on revenues within India and revenues outside India.

(p) Earning per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of diluted potential equity shares, if any. The Company does not have any diluted equity shares as at the year end.

3. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 208 thousand (Previous Year Rs 58,627 thousand).

4. Contingent Liabilities

	Rs in Thousand	
	As at 31.12.2008	As at 31.12.2007
(a) In respect of Income Tax matters	NIL	27,617
(b) Claim against the Company not acknowledged as debts	Refer note below	Refer note below

On January 29, 1998 the Foreign Exchange Enforcement Directorate issued a Show Cause Notice on the Company, Ex-Managing Director and an Ex-General Manager of the Company, alleging contravention of certain provisions of the erstwhile Foreign Exchange Regulation Act, 1973 (FERA). Subsequently, the Enforcement Directorate filed charges in court on May 29, 2002. The Company received an order on May 31, 2004, from Directorate of Enforcement, Kolkata, holding the Company and its former Managing Director guilty of contravention of FERA and imposing a penalty of Rs.100,000 thousand on the Company and Rs.50,000 thousand on the former Managing Director. The management believes that there has been no contravention of FERA and this was based on the opinion received from the Company's legal counsel. Accordingly, the Company had filed an appeal against the order with the Appellate Tribunal for Foreign Exchange and also filed an application for dispensing with deposit of the amount of penalty. The Appellate Tribunal by its order dated October 28, 2004 allowed the Company to submit unconditional Bank Guarantee of the penalty amount within 45 days and exempted the former Managing Director from making any pre-deposit of the penalty.

The Company had filed a writ petition in the Mumbai High Court challenging the said order dated October 28, 2004. The Hon'ble Mumbai High Court by its order dated January 25, 2005 did not interfere with the said order dated October 28, 2004 and dismissed the writ petition. Further, the Hon'ble Mumbai High Court granted 4 weeks' time to furnish the said Bank Guarantee.

Against the said order of High Court, Special Leave Petition was filed before the Supreme Court. The Supreme Court allowed the Company to file an appeal before the appropriate authority. Based on a legal advice, the Company filed an application before the Appellate Tribunal on March 26, 2005. The Appellate Tribunal passed an order dated July 15, 2005, directing the Company to furnish an unconditional bank guarantee within 15 days. Accordingly the Company has furnished a Bank Guarantee of Rs. 100,000 thousand on July 12, 2005. The Appellate Tribunal by its order dated July 10, 2006, issued on August 2, 2006, has dismissed the appeal made by the Company and has directed the Company to deposit the penalty within 60 days of the order, failing which the Bank Guarantee would be invoked by the respondent. The Company has filed an appeal before the Mumbai High Court against the order of the Appellate Tribunal and also requested for stay on deposit of penalty. The Honourable High Court vide its order dated September 7, 2006, has granted a stay till the final disposal of the appeal. Enforcement Directorate requested for clubbing of Company's appeal and ex- Managing Directors appeal, pending before Kolkata High Court and assigned to either Court. As per direction of Mumbai High Court, the Company has appealed before Hon'ble Supreme Court for maintaining its appeal before Mumbai High Court and Hon'ble Supreme Court has considered the request of the Company by clubbing the appeal with the appeal of ex-Managing Director. Appeals have since been admitted in Mumbai High Court. The Bank Guarantee has been extended upto March 31, 2009. Based on the opinion received from the legal experts, no provision is considered necessary in respect of the said penalty, as the management believes that there has been no contravention of FERA.

5. Sundry Debtors

The Charter hire contract, for vessel MSV SEAMEC-III, with M/S Offshore Technologies Solutions Limited, Port of Spain, Trinidad, was prematurely terminated on July 13, 2007 due to delay in payments. Against the total outstanding of Rs 251,830 thousand, the Company has since recovered Rs 194,871 thousand from the charterer, till end June 2008, as per terms of payment agreed. The balance amount is receivable on or before June 30, 2010. The charterer has since paid interest @ 8% for the half year ended December 31, 2008, on the balance amount, as per terms of the contract. Management considers the outstanding balance from the charterer, as good and recoverable and hence no provision is considered necessary.

6. Insurance Claim Receivable

The insurance claim receivable includes Rs 257,783 thousand claim receivable against MSV SEAMEC-II damage repair claim. The Company's vessel SEAMEC-II was damaged due to explosion on September 20, 2007 while undergoing statutory periodic maintenance at Dry Dock in Curacao, Netherlands Antilles. The damage repair of the vessel has since been completed in June 2008 and the vessel has been redeployed with previous charterer w.e.f 8th July 2008. Damage Repair Cost is accounted as and when incurred. The total repair cost accrued as at the end of the period is Rs 486,170 thousand out of which Rs 181,156 thousand has been reimbursed by the Hull and Machinery underwriters. The claim for the damage repair cost of vessel SEAMEC-II has been submitted to Hull and Machinery underwriter. The average adjuster recommended for an initial claim settlement of Rs 474,190 thousand. The Management believes that the total repairs cost will be reimbursed by Hull & Machinery underwriter and there is no impairment of asset. However as a prudent practice, the Management made a fair estimation of the Insurance Claim Receivable at Rs 438,939 thousand, charged Rs 47,231 thousand to profit & loss account and after considering Rs 181,156 thousand already received from Hull and Machinery underwriter, accrued Rs 257,783 thousand towards Insurance Claim Receivable at the year ended December 31, 2008.



7. Related Party Disclosure

Related party disclosures, as required by accounting Standard-18 "Related Party Disclosures", are given below:-

Particulars	Technip Offshore Contracting BV		Technip France		Technip Offshore UK Limited		Technip S A		Technip Net	
Relationship	Associate Company of Parent		Associate Company of Parent		Associate Company of Parent		Holding Company		Associate Company of Parent	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Rent Recovered	180	180	-	-	-	-	-	-	-	-
Expenses recovered	-	1	419	290	-	47	-	-	-	-
Diving Crew Cost	-	4,699	-	-	-	-	-	-	-	-
Repair & Maintenance cost	-	-	-	-	1,769	-	-	-	-	-
Personnel deputation charges recovered	-	-	281	559	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	21,760	12,683	4,769	3,762
Balance payable at the end of period	-	-	-	-	-	-	20,538	14,894	5,405	3,877
Balance receivable at the end of period	-	-	-	-	-	47	-	-	-	-

Key management personnel – Captain C. J. Rodricks, Managing Director, (Managerial remuneration paid is disclosed in note no – 8(e)).

8. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956

(a) Value of imported and indigenous stores, spare parts and fuel consumed

(Rs. in thousand)

	Year Ended 31.12.2008		Year Ended 31.12.2007	
	Value	%	Value	%
Imported	284,784	90	135,334	88
Indigenous	29,975	10	18,165	12
	314,759	100	153,499	100
(b) C.I.F. value of imports				
Stores and spares	144,187		106,131	
Capital goods	267,258		618,790	
	411,445		724,921	
(c) Expenditure in foreign currency (on accrual basis)				
Dry dock expenses	307,957		170,517	
Repairs to damaged vessel	479,618		-	
Crew costs	337,270		212,950	
Travelling	7,117		4,222	
Victualling cost	36,340		41,133	
Repairs & maintenance	44,752		43,460	
Commission	35,905		53,955	
Management fees	28,825		20,415	
Consultancy and service charges	18,720		-	
Others	319,253		26,562	
	1,615,757		573,214	

(d) Earnings in foreign exchange (on accrual basis)

	Year Ended 31.12.2008	Year Ended 31.12.2007
Charter hire income	2,326,012	1,443,545
Service charges	2,799	1,680
Interest on delayed payment	2,490	3,520
Others	19,080	—
	<u>2,350,381</u>	<u>1,448,745</u>

(e) Managerial remuneration

Salaries	4,093	3,720
House rent allowance	1,436	1,305
Contribution to provident fund	270	246
Contribution to superannuation fund	338	307
Contribution to employer employee fund	646	646
Performance incentive	907	1,319
Other allowances	773	679
	<u>8,463</u>	<u>8,222</u>

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Managing Director is not ascertainable and, therefore, not included above.

9. Segment Information

Secondary segment: Geographical Segments

(Rs in thousand)

Particulars	Year Ended 31.12.2008			Year Ended 31.12.2007		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue						
Gross Receipts	357,048	2,328,812	2,685,860	251,610	1,452,855	1,704,465
Results						
Segment Results	109,795	377,626	487,421	75,910	331,119	407,029
Interest			3,758			4,225
Tax Expenses			10,150			30,160
Fringe Benefit Tax			2,300			2,368
Net Profit			471,213			370,276
Other Information*						
Assets			3,949,078			3,432,569
Liabilities			731,415			686,119
Capital Employed			3,217,663			2,746,450

*Assets used in the Company's business or liabilities contracted have not been identified to any segment, as the assets and services are used interchangeably between segments. Accordingly, no disclosure relating to segment assets and liabilities are made.

**10. Disclosure regarding Derivative Instruments and Unhedged Foreign Currency Exposure**

- (a) The Company enters into forward exchange contracts being derivative instruments which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables. The Company does not have any losses on the forward contracts entered to hedge firm commitments or highly probable transactions.

(b) Derivative Instruments (Amounts in thousand)

Particulars	Year Ended 31.12.2008			Year Ended 31.12.2007		
	Currency	Amt in Foreign Currency	Rs.	Currency	Amt in Foreign Currency	Rs.
Sell (Hedge against receivables)	—	—	—	USD	3,355	138,320
Sell (Hedge against future receivables)	—	—	—	USD	1,320	54,516
	Total	—	—			192,836
Buy (Hedge against future payables)		—	—	USD	3,000	119,085

(c) Unhedged Foreign Currency Exposure (Amounts in thousand)

Particulars	Year Ended 31.12.2008			Year Ended 31.12.2007		
	Currency	Amt in Foreign Currency	Rs.	Currency	Amt in Foreign Currency	Rs.
Sundry Creditors	EURO	245	16,916	EURO	133	7,809
	GBP	87	6,166	GBP	221	17,624
	NOK	4,267	29,829	NOK	453	3,341
	SGD	50	1,730	SGD	161	4,494
	AED	356	4,985	AED	828	9,392
	USD	7,694	375,172	USD	14,138	553,211
	TTD	37	265	TTD	—	—
	JPY	—	—	JPY	2,344	838
	QAR	52	735	QAR	—	—
		Total	435,798		Total	596,709
Sundry Debtors	USD	9,295	448,685	USD	2,852	111,828
		Total	448,685		Total	111,828
Bank balance	USD	1,483	71,577	USD	3	135
		Total	71,577		Total	135

11. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with LIC in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (contribution to provident, gratuity fund and other funds)

	Rs. In thousand	
	Gratuity	
	2008	2007
Current service cost	705	412
Interest cost on benefit obligation	423	249
Expected return on plan assets	(370)	(351)
Net actuarial(gain) / loss recognised in the year	(517)	907
Past service cost	—	—
Net benefit expense	241	1,217
Actual return on plan assets	623	621

Balance sheet

Details of Provision for gratuity

	Gratuity	
	2008	2007
Defined benefit obligation	5,332	4,695
Fair value of plan assets	5,135	4,719
	(197)	24
Less: Unrecognised past service cost	—	—
Plan asset / (liability)	(197)	24

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity	
	2008	2007
Opening defined benefit obligation	4,695	3,430
Interest cost	423	249
Current service cost	705	412
Benefits paid	(226)	(572)
Actuarial (gains) / losses on obligation	(264)	1,176
Closing defined benefit obligation	5,332	4,695

Changes in the fair value of plan assets are as follows:

	Gratuity	
	2008	2007
Opening fair value of plan assets	4,719	3,170
Expected return	370	351
Contributions by employer	20	1,501
Benefits paid	(226)	(572)
Actuarial gains / (losses)	253	269
Closing fair value of plan assets	5,135	4,719

The Company expects to contribute Rs 750 thousand to gratuity in 2009.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	2008	2007
Investments with insurer	5,135	4,719



The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to the improved stock market scenario.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	2008	2007
	%	%
Discount rate	7.50	8.00
Expected rate of return on assets	7.50	8.00
Salary Escalation	7.00	7.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous periods are as follows:

	Gratuity	
	2008	2007
Defined benefit obligation	5,332	4,695
Plan assets	5,135	4,719
Surplus / (deficit)	(196)	24

12. Leases

In case of assets taken on lease

Operating Lease :

Office premises are obtained on operating lease / leave and license. The lease term is for the period of 12 months and renewable at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

	Rs. In thousand	
	2008	2007
Minimum lease payments under operating lease / leave and license for period		
i. Not later than one year	13,816	5,738
ii. Later than one year but not later than five years	NIL	352
iii. Later than five years	NIL	NIL
Lease payments recognized in the Profit and Loss Account	8,135	7,745

13. The Company does not owe any amount to Micro, Small and Medium Enterprises as per MSMED Act 2006.
14. The requirements of paragraphs 4A and 4C of part II of Schedule VI to the Companies' Act, 1956 is not applicable. Further, requirements of paragraph 4D of part II of Schedule VI to the Companies Act, 1956, other than those shown above are not applicable and hence information thereof is not given.
15. The previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year's figures.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

Per Hemal Shah
Partner
Membership no : 42650

For and on behalf of the Board of Directors of SEAMEC Limited

Captain C.J.Rodricks
Managing Director

Bhavna Doshi
Director

Swapan S Biswas
Chief Financial Officer

S.N.Mohanty
Chief Legal Officer & Company Secretary

Place: Mumbai
Date: February 24, 2009

SEAMEC LIMITED

(Formerly known as SOUTH EAST ASIA MARINE ENGINEERING & CONSTRUCTION LIMITED)

BALANCE SHEET ABSTRACT AND COMPANAY'S GENERAL BUSINESS PROFILE

(a) Registration details

Registration no:	154910
State code:	11
Date of balance sheet	December 31, 2008

(b) Capital raised during the period

Public issue:	Nil
Rights issue:	Nil
Bonus issue:	Nil
Preferential allotment:	Nil

(c) Position of mobilisation and deployment of funds

Total liabilities and shareholder's funds:	3,217,663
Total assets:	3,217,663

Sources of funds

Paid-up capital	339,000
Reserves & surplus	2,878,663
	3,217,663

Application of funds

Fixed assets	2,341,877
Intangible assets	880
Net current assets	874,906
	3,217,663

(d) Performace of the company

Turnover (including other income):	2,682,973
Total expenditure:	2,241,092
Profit/(loss) before tax:	483,663
Profit/(loss) after tax:	471,213
Earnings per share (in Rs):	13.90
Dividend rate (%):	Not applicable

(e) Generic names of three principal products/services of the

Company (as per monetary terms)	
Item code no.(ITC code):	890590-09
Product description:	Maintenance of offshore oilfield installations



NOTES



SEAMEC LIMITED

(Formerly known as South East Asia Marine Engineering & Construction Limited)

A MEMBER OF THE TECHNIP GROUP

Registered Office : 7th Floor, The Eagle's Flight, Suren Road
Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 093.

PROXY FORM

Reg. Folio No.	
No. of Equity Shares held	

I/We _____
(In Block Letters)
of _____ in the district of _____ being a
Member/Members of **SEAMEC LIMITED**, hereby appoint _____ of
_____ in the district of _____
or falling him/her _____ of
_____ as my/our behalf at the TWENTY SECOND
ANNUAL GENERAL MEETING of the Company to be held on Tuesday, April 21, 2009 at 4.00 p.m. at 'Navinbhai Thakkar Auditorium',
Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057 and at any adjournment thereof.

Signed this _____ day of _____ 2008

**Affix
Re. 1
Revenue
Stamp**

NOTES : 1. A Proxy need not be a member of the Company.

2. This Form, duly filled in and signed across the Revenue Stamp, must reach the Registered Office of the Company not less than 48 hours before the time of the meeting

✂ TEAR HERE ✂

SEAMEC LIMITED



(Formerly known as South East Asia Marine Engineering & Construction Limited)

A MEMBER OF THE TECHNIP GROUP

Registered Office : 7th Floor, The Eagle's Flight, Suren Road
Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 093.

ATTENDANCE SLIP

Reg. Folio No.	
No. of Equity Shares held	

I/We hereby record my/our presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Tuesday, April 21, 2009 at 4.00 p.m. at 'Navinbhai Thakkar Auditorium', Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057.

Name of Shareholder(s) (IN BLOCK LETTERS)	
Signature of Shareholder(s)	
Name of the Proxy (IN BLOCK LETTERS)	
Signature of Proxy	

NOTE : You are requested to sign and hand this over at the entrance.;

**ATTENTION
ALL SHAREHOLDERS**

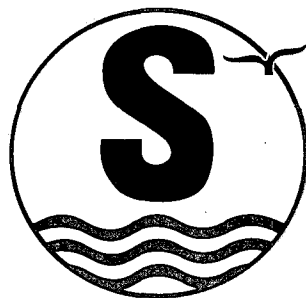
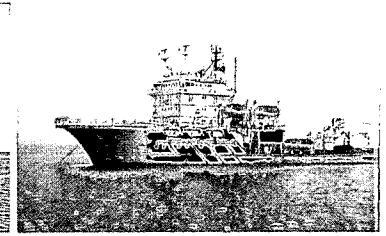
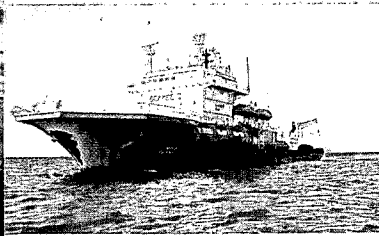
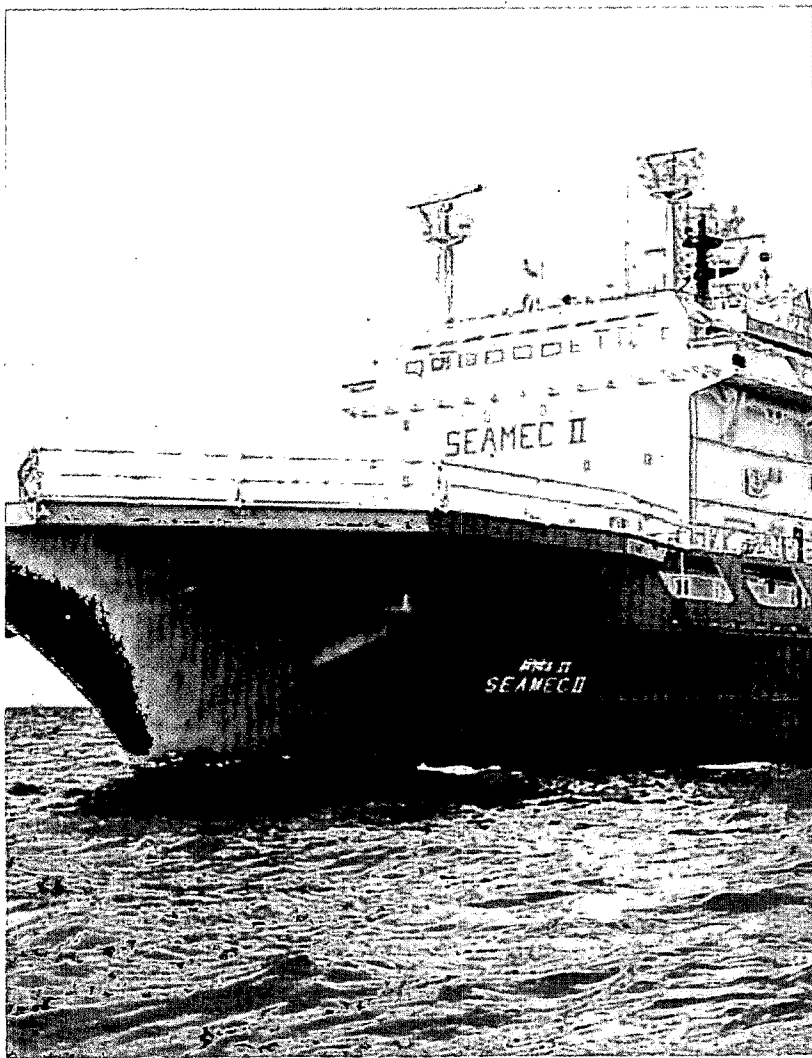
Present address of the Registered Office of the Company is at :

7th Floor, The Eagle's Flight, Suren Road
Off. Andheri Kurla Road, Andheri (East), Mumbai 400 093
Phone : (022) 6694 1800 • Fax : (022) 6694 1818
E-mail : seamec@bom5.vsnl.net.in

All communications, pertaining to shares, should be made
either to the Company's Registered Office
at the above address or to the
Registrar & Share Transfer Agents :

C B Management Services (P) Ltd.

P-22, Bondel Road, 2nd Floor, Kolkata 700 019
Phone : (033) 2280 6692 / 93 / 94 • Fax : (033) 2247 0263
E-mail : cbmsl1@cal2.vsnl.net.in



Registered & Corporate Office

7th Floor, The Eagle's Flight, Suren Road, Off. Andheri Kurla Road,
Andheri (East), Mumbai - 400093. INDIA

Tel. : +91-22-6694 1800 Fax : +91-22-6694 1818 ● Email : seamac@bom5.vsnl.net.in