



**SEAMEC LIMITED**  
A MEMBER OF THE TECHNIP GROUP



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## SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

### TWENTY FOURTH ANNUAL REPORT 2010-11

#### BOARD OF DIRECTORS

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

#### BOARD COMMITTEE

##### Audit Committee

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

##### Shareholders / Investors

##### Grievance & Transfer Committee

Mr. Shardul Thacker, Chairman  
Mrs. Bhavna Doshi  
Captain C. J. Rodricks

##### Management Committee

Captain 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  
16th Floor, The Ruby,  
29 Senapati Bapat Marg,  
Dadar (W) - 400 028

#### BANKERS

IDBI Bank Limited

#### REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.  
P-22, Bandel Road, 2nd Floor, Kolkata 700 019  
Tel : (033) 2280 6692 / 6693 / 6694 / 2486,  
4011 6700 6718 / 66723  
Fax : (033) 22870263  
Email : rta@cbmsLcom

#### REGISTERED & CORPORATE OFFICE

A - 901 - 905, 9th Floor,  
215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 069.  
Tel ; (022) 6694 1800  
Fax : (022) 6694 1818  
Email : seamec@bom5.vsnl.net, in  
Website : www.technip.com/en/entities/seamec-ltd

#### 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

### ATTENTION ALL SHAREHOLDERS

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

A - 901 - 905, 9th Floor, 215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 069.

Tel : (022) 6694 1800

Fax : (022) 6694 1818

Email : [Seamec@bom5.vsnl.net.in](mailto:Seamec@bom5.vsnl.net.in)

Website : [www.technip..com/en/entities/seamec-ltd](http://www.technip..com/en/entities/seamec-ltd)

All Communication, 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, Bandel Road, 2nd Floor, Kolkata 700 019

Tel: (033) 2280 6692/ 6693 / 6694, 4011 6700 • Fax : (033) 22870263

E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of SEAMEC LIMITED will be held on Tuesday, 26th July 2011, at 04.30 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 March, 2011 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. Christophe Armengol, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Georges Michel, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification (s), the following resolutions as SPECIAL RESOLUTIONS:

RESOLVED THAT in modification of earlier resolution approved by the members of the Company in the Annual General Meeting held on 29<sup>th</sup> April 2008 and in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, as may be required, the Company do hereby accord its approval for payment of remuneration to Captain C.J. Rodricks, Managing Director in excess of the limit prescribed under section 198 read with schedule XIII of the Companies Act, 1956 as the remuneration in the event of absence/inadequacy of profit during the remainder of current terms of his appointment expiring on 31.12.2012 and the agreement dated 8<sup>th</sup> November 2007 entered between the Company and Captain Rodricks be altered accordingly.

FURTHER RESOLVED THAT in accordance with the Provisions of sections 198,269,309,310 and 311 read with schedule XIII and all other applicable provisions of Companies Act, 1956 and subject to the approval of the Central Government as may be required, the Company do hereby accord its approval and confirms the payment of excess remuneration of ₹1,05,11,372/- to Captain C.J. Rodricks, Managing Director for the financial year ended on 31<sup>st</sup> March 2011.

FURTHER RESOLVED THAT the Board be and is hereby authorised to take all such steps and to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to above resolutions.

Registered Office :  
A-901-905, 9th Floor,  
215 Atrium, Andheri Kurla Road,  
Andheri (East), Mumbai 400 069.

By order of the Board

**S. N. Mohanty**  
Chief Legal Officer & Company Secretary

Dated, 10th May, 2011

### 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 22th July 2011 to 26th July 2011 (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 7 (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, 5th 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.

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

### ITEM NO. 5

The members of the Company in the Annual General Meeting held on 29th April 2008 had re-appointed Captain C.J. Rodricks as Managing Director for a further period of five years w.e.f. 1st January 2008 on the terms and conditions as contained in the agreement entered into on 8th November 2007 between the company and Captain C.J. Rodricks. The members also granted liberty to the Board of Directors of the Company to alter and vary terms and conditions of appointment including remuneration within the limits prescribed under the provisions of the Companies Act 1956, ( Act).

Accordingly, Managing Director was paid annual increment and Performance Linked Incentive on yearly basis as decided by the Board from time to time.

Captain C.J. Rodricks was first appointed as Managing Director for a period of three years with effect from 1st January 2005. He was subsequently re-appointed as Managing Director for a further period of five years with effect from 1st January 2008. During his tenure, the Company has grown phenomenally both in terms of turnover and profitability, enhanced the fleet strength and expanded operations to overseas earning foreign currency. It is pertinent to note that the company has made profit consistently during his tenure as Managing Director. However, there was an absence of profit during financial year ended on 31.03 2011 which was primarily due to fall out of unprecedented global recession.

Envisaging the absence of profit for the year 2010-2011, the Company had made application to Central Government under Sections 198, 309 and other applicable Provisions of the Act, seeking approval for waiver and payment of excess remuneration in the absence of profit as remuneration during the remainder tenure of Captain Rodricks as Managing Director ending on 31.12.2012.

The Company subsequently constituted a Remuneration Committee on 25.04.2011. The said Committee in its meeting held on 10th May 2011 has recommended the payment of excess remuneration to Captain C.J. Rodricks, Managing Director for the year ending on 31.03.2011 and also payment of remuneration exceeding limit as the remuneration till his remainder period of appointment in the event of inadequacy/ absence of profit. The Committee also recommended payment of yearly increment and performance linked incentive for the year 2010 to be paid in the current financial year ending on 31.12.2012.

Board and the Remuneration Committee whilst appreciating the commendable performance and contribution of Captain Rodricks decided unanimously not to cause any reduction in salary of Captain Rodricks in the event of absence of profit which could act as disincentive and demotivating factors for him considering the future strategic growth plans of the company.

Your Directors recommend this resolution for your approval.

None of the Directors except Captain Rodricks is concerned or interested in this resolution.

Registered Office :  
A-901-905, 9th Floor,  
215 Atrium, Andheri Kurla Road,  
Andheri (East), Mumbai 400 069.

Dated, 10th May, 2011

By order of the Board

**S. N. Mohanty**  
Chief Legal Officer & Company Secretary

Pursuant to sub clause (iv) of Clause C of Part II of schedule XIII of Companies Act, 1956 the statement containing following information are appended herein:

**I. GENERAL INFORMATION**

1. **Nature of Industry:** Shipping
2. **Date or expected date of commencement of commercial production:** Not applicable.
3. **Financial Performance based on given Indicators:**

Item	As at 31.03.2011 (₹ In '000)	As at 31.03.2010 (₹ In '000)
Revenue	1,157,214	4,409,515
Profit/ (Loss) Before Tax	(634,474)	2,078,432
Profit /(Loss)After Tax	(667,604)	2,039,055
Net Worth	4,470,523	5,137,734
Effective Capital	4,470,523	5,138,734

4. **Export Performance and net foreign exchange collaboration:**

Total foreign exchange earned for the year ending 31st March 2010 and 31st March 2011 are ₹ 3757 Mil and ₹541 Mil respectively.

5. **Foreign Investments or collaborations if any:**

Foreign Investments as on 31.03.2011:

Particulars	No of Shares	% to the Capital
Non Resident (Promoters)	2,54,25,000	75
Foreign Institutional Investors	4,62,871	1.37
Other Non Residents (including Bodies Corporate)	1,51,236	0.44

**II. INFORMATION ABOUT CAPTAIN C.J. RODRICKS**

1. **Background Details:**

Captain C.J. Rodricks joined the Company in the year 2003 as Chief Operating Officer. He was elevated to Managing Director in 2005. Captain C.J. Rodricks, by qualification holds a Masters Degree (Foreign Going) and has vast experience of 38 years in Shipping Industry. During his illustrious career, he worked in senior positions in many reputed Indian and Foreign Companies. Offshore Shipping Management is his expertise in specific functional area. His competency and expertise have been highly beneficial to the company. Under his leadership the Company increased its Fleet strength and got recognition abroad through successful operations.

2. **Past Remuneration: (₹ in thousands)**

Year Ended	Salary	Prerequisite & Allowances	Performance linked Bonus	Others	Total
31.12.2008	4093	2690	907	773	8463
31.03.2010 (15 months period)	5828	3718	2006	2458	14009
31.03 2011	5672	3393	2025	4221	15311

3. **Recognition or Awards :** NA

4. **Job Profile and his suitability:**

Captain. C. J. Rodricks is responsible for the overall management of the Company subject to Supervision, control and directions of the Board of Directors. He has played a pivotal role for the growth and profitability of the company and bringing the Company's stature to the level of recognition in the industry. He has vast and invaluable experience of 38 years in the Shipping industry.

### 5. Remuneration proposed:

The variation in remuneration proposed, is to confirm the payment of excess remuneration of ₹ 1,05,11,372/- for the year ending 31st March 2011 and to pay remuneration in excess of limit for the remainder period of his appointment ending on 31.12 2012 in the event of inadequacy /absence of profit.

### 6. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person:

By Industry standard the payment of remuneration made to Captain C.J.Rodricks was not extraordinary.

Comparative remuneration of Managing Directors of shipping Industry.

Year	Company	Name	Designation	Amount ( ₹ in thousand)
2009-10	Dolphin Offshore Exploration India Ltd.	Mr. Satpal Singh	Managing Director	25029
		Mr. Navpreet Singh	JT Managing Director	24594
2009-10	Varun Shipping Ltd.	Mr. Arun Mehta	Managing Director	38785

### 7. Pecuniary relationship directly or indirectly with the company or relationship with Managerial personnel, if any:

Remuneration in the capacity of Managing Director and 4450 no of Shares held by him in the Company.

## III. OTHER INFORMATION:

### 1. Reason of loss or inadequate profits.:

Unprecedented global recession over last 18 months caused adverse impact on all business and shipping Industry was not an exception. Oil and gas prices fluctuated and projects were cancelled or delayed, resulting in sharp fall in demand for off shore support vessels in all oil fields. The fall out of above recession has resulted absence of profit for the company.

### 2. Steps taken or proposed to be taken for improvement.:

1. Better and increased utilisation of vessels is planned in a strategic manner.
2. Cost control.
3. Expansion and diversification in the related field.

### 3. Expected increase in productivity and profit measures taken.:

The measures stated above would increase business and profitability. Planned activity will help us in availing opportunity in the improving business scenario.

**Details of Directors seeking reappointment at the 24th Annual General Meeting to be held on Tuesday, 26th July 2011, pursuant to requirement of Clause 49 (VI) of Listing Agreement on Corporate Governance.**

#### MR. CHRISTOPHE ARMENGOL

Mr. Christophe Armengol, aged 43 years was appointed as Director of the Company on 19.04.2006. Mr. Armengol has long experience in Finance. By qualification Mr. Armengol is a Chemical Engineer and holds Master Degree from IAE of Paris in Audit and Finance controller. Based in Paris, he holds the position as Finance Controller of Middle East, South West Asia Business Unit of the parent company i.e. Technip SA France. Mr. Armengol is member of Audit Committee of your Board. Mr. Armengol does not hold any shares in the company.

#### MR. GEORGES MICHEL

Mr. Georges Michel aged 62 years was appointed as Director of the Company on 18th April 2007. Mr. Michel by qualification is an Engineer having more than 38 years experience in offshore Business. Based in Paris, he holds the position of VP Sales, Subsea Unit Africa Middle East & India. Mr. Michel does not hold any shares in the company. Mr. Michel is not a Director in any other company in India nor is a member of any other Committee in India.

By order of the Board

**S. N. Mohanty**

Chief Legal Officer & Company Secretary

Dated, 10th May, 2011



## DIRECTORS' REPORT

To

### The Members

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report of the Company and the Audited Accounts for the Financial Period ended 31<sup>st</sup> March, 2011.

The current financial period is for 12 months whereas the previous financial period was for 15 months. The previous year's figures are, therefore, not strictly comparable with those of the current financial year.

### 1. FINANCIAL HIGHLIGHTS

#### Audited Financial Results for the twelve months period ended 31<sup>st</sup> March, 2011

(Figures in ₹ '000)

	Current Year Period ended 31.03.2011 (12 months)	Previous Period ended 31.03.2010 (15 months)
Net Sales/Income from Operations	1,023,759	4,248,407
Other Income	133,455	161,108
Total Expenditure		
a. Consumables & Spares	262,170	212,245
b. Staff Costs (including offshore staff)	691,218	943,165
c. Dry Dock expenditure incurred	323,780	88,148
d. Other Expenditure	294,262	772,251
Earnings before Depreciation & Tax	(414,216)	2,393,706
Depreciation	264,700	321,681
Exceptional Items	(44,442)	(6,407)
Profit / (Loss) before Tax	(634,474)	2,078,432
Tax Expenses for the year	33,130	39,377
Profit /(Loss) after Taxation	(667,604)	2,039,055
<u>Add:</u> Balance brought forward from previous year	2,910,173	1,619,007
Surplus available for appropriation	2,242,569	3,658,062
<b>Appropriation:</b>		
Dividend	-	101,700
Corporate Dividend Tax	(393)	17,284
Transfer to General Reserve	-	203,905
Transfer to Tonnage Tax Reserve	-	425,000
Retained profit carried forward	2,242,962	2,910,173

In the Directors' report of 2009-2010, members were given a perspective of the deteriorating economic indicators and their adverse impact on the deployment and charter rate of vessels which was fall out of unprecedented global economic recession.

The adverse impact for your company became visible during the year under review. The charter rates dropped significantly and for most part of the year majority of vessels were idling due to slow progress in execution of projects in oil and gas industry. In addition, three of company's four vessels were under statutory maintenance during the year under review for which ₹ 323,780 thousand was expensed out. The impressive performance achieved during 15 months period ended on 31.03.2010 was overshadowed by the performance of the year ended on 31.03.2011. The revenue from the vessels operations for the period under review was ₹ 1,023,759 thousand against revenue earned for the period ended 31.03.2010 of ₹ 4,248,407 thousand. The inevitable consequence of sharp drop in employment and charter rate of vessels coupling with dry dock of three vessels resulted in ending with loss of ₹ 667,604 thousand for the year 2010-2011 against the profit of ₹ 2,039,055 thousand in 2009-2010.

During this stressful situation, your Company cautiously monitored the cost control measures to arrest adverse burden. Your Company continues to retain its debt free status. Cash Balance at the beginning of financial period was ₹ 2,551,446 thousand. The balance at the end of the period was ₹ 2,024,929 thousand a decrease of 20 % over last year.

The company had utilized the Shipping Reserve created under section 33 AC for ₹ 351,000 thousand and Tonnage Tax Reserve for ₹ 59,400 thousand created under section 115V of the Act. These reserves after completion of 3 years were transferred to General Reserve during the year under review. Due to shipping loss, no Reserve was transferred to Tonnage Tax Reserve u/s 115V of Income Tax Act, 1961 in the year under review.

## **2. DIVIDEND**

In view of the loss suffered during the year, the Board of Directors has decided not to recommend payment of dividend.

## **3. OPERATIONS OFFSHORE**

The Company owns and operates four multi support vessels.

The company experienced the volatility of decline in business during the year under review. Overall deployment was about 49%.

One vessel remained under charter through out the year working in India except the period of 45 days, she went for dry docking. Other three vessels remained outside carrying out limited jobs and waiting in quest for new jobs. Two of the vessels from the above were in Dry dock for 45 days and 75 days respectively.

## **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.

Messrs Alain Marion, Gregorie Abele and Emmanuel Fontan were appointed as Alternate Directors to Messrs Carl Holmen, Christophe Armengol and Georges Michel respectively. These directors are nominees of CSOML.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Christophe Armengol and Mr. Georges Michel, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

## **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. They have expressed their unwillingness to be re-appointed as Auditors. Board of Directors have recommended appointment of M/S S.R.Batliboi & Co, Chartered Accountants as Auditors of the Company at the ensuing Annual General meeting.

## **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 9 of schedule 16 (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 24 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. WHOLLY OWNED SUBSIDIARY

In order to pursue future expansion plan, as a strategic measure, your Company has set up a wholly owned subsidiary by name and style "SEAMEC INTERNATIONAL FZE" in Dubai Airport Free Zone (DAFZA), Dubai on 14<sup>th</sup> March 2010 for carrying out operations in the related fields. Due to prolonged recessionary impact no activity was pursued during the year. The license granted by DAFZA has been renewed. Your company is looking forward to carry out business activities in the year 2011-2012. As per the Regulatory Provisions, the Consolidated financial statements of your company and its wholly owned subsidiary for the financial year ended on 31.03.2011 duly audited by statutory auditors is attached to the Annual Report of the Company. The Annual Accounts of wholly owned subsidiary and the related detailed information shall be made available to the shareholders on request at any point of time.

#### 11. CORPORATE SOCIAL RESPONSIBILITY

Your company is aware of its social obligation and accordingly has structured its approach to discharge the Corporate Social Responsibility by supporting local organizations involved in providing education, basic amenities, health, social awareness to the deprived section of the society.

#### 12. HUMAN RESOURCES

Your Company consider people as one of the most valuable resources. All employees are committed to their work and proactively participate in their area of operations. The continuous training courses give employees the opportunity to improve their skill leading to consistent improvements in systems and practices and adhering to SEAMEC value. Health and Safety of the employees and our associates we work with remains our paramount importance. Your Company ensures that operations are carried out as per the safety guidelines and procedures in place. Employees are regularly made aware of hazards/risks associated with their jobs and appropriate training is imparted to them to improve their skills. Periodic safety audit are undertaken to confirm proper functioning of system and procedure.

#### 13. 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.

#### 14. PARTICULARS OF EMPLOYEES

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

#### 15. 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 loss 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.

#### 16. 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

**Shardul Thacker**

Date : 10th May, 2011

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 31<sup>st</sup> March, 2011.

### 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 ₹ 398,974 thousand and foreign exchange outgo was equivalent to ₹ 653,840 thousand.

**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 fifteen months period ended 31<sup>st</sup> March, 2011 .**

Name	Age (Yrs)	Designation	Remuneration	Qualifications	Experience (Yrs)	Date of Commencement	Previous Employment
<b>Employed for the Period</b>							
Captain Christopher J. Rodricks	58	Managing Director	₹ 15,311 thousand	Master – Foreign going vessel	38	28.02.03	SeabulkOffshore, Dubai

#### NOTES:

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

## REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for the Twelve months period ended March 31,2011 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 interests 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 the period is tabulated below :-

Director	Executive/Non- Executive/ Independent	● Other Directorships held
Mr. Shardul Thacker	Non-Executive & Independent	4
Captain C. J. Rodricks	Managing Director	-
Mr. Carl Holmen	Non- Executive	-
Mr. Christophe Armengol	Non-Executive	-
Mr. Georges Michel	Non-Executive	-
Mrs. Bhavna Doshi	Non-Executive & Independent	3

● 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 appraises 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	2

### 3. REMUNERATION COMMITTEE

The Remuneration Committee was constituted on 25th April 2011. The Committee comprises of:

Mr. Shardul Thacker	: Chairman & Independent Director
Mr. Christophe Armengol	: Non Executive Director
Mr. Carl Holmen	: Non Executive Director

The term of reference of Remuneration Committee is to determine specific remuneration package for Executive Director including pension rights and other compensation related matters and issues. The Remuneration of Executive Director is decided by the Board of Directors on the basis of recommendation of the Remuneration Committee.

### 4. REMUNERATION TO DIRECTORS

Director(s)	Designation	Remuneration paid during the period (All figures in ₹ in thousand)			
		Salary & Allowances	Sitting Fees	Commission	Total
Mr. Shardul Thacker	Chairman	–	240	300	540
Captain C. J. Rodricks	Managing Director	15,311	–	–	15,311
Mr. Carl Holmen	Director	–	–	–	–
Mr. Christophe Armengol	Director	–	–	–	–
Mr. Georges Michel	Director	–	–	–	–
Mrs. Bhavna Doshi	Director	–	240	300	540
Total		15,311	480	600	16,391

The company has no pecuniary relationship or transactions with its Non Executive Directors other than payment of sitting fees for attending Board and Committee meetings and payment of Commission which has been approved by the shareholders of the company. Non Executive Directors don't hold any shares in the company.

### 5. 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 like non receipt of balance sheet, etc.

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

Director(s)	Position	Meetings Held	Meetings Attended
Mr. Shardul Thacker	Chairman	4	4
Captain 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.

## 6. NUMBER OF BOARD MEETINGS AND BOARD PROCEDURES

Your Company's Board met 4 times during the period 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 IA of Clause 49 of the Listing Agreement.

Date of Board Meeting	City
21st May 2010	Mumbai
20th July 2010	Mumbai
10th November 2010	Paris
01st February 2011	Mumbai

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

## 7. 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.

## 8. 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/She is a Director. The details are as under:

Director(s)	No. of Committees	
	Member	Chairman
Mr. Shardul Thacker	4	1
Captain C. J. Rodricks	1	-
Mr. Carl Holmen	-	-
Mr. Georges Michel	-	-
Mrs. Bhavna Doshi	4	1
Mr. Christophe Armengol	1	-

## 9. DISCLOSURE REGARDING DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

The personal information about the Directors being appointed / re-appointed 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.

## 10. 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.

## 11. 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.

## 12. 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.

## 13. 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.

## 14. 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.

## 15. CEO AND CFO CERTIFICATION

In accordance with the requirement of Corporate Governance Clause 49(VIII) 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.

## 16. OTHER DISCLOSURES

### 1. DETAILS OF ANNUAL GENERAL MEETINGS

1.1 Location and time, where last three AGMs held

Year	Location	Date	Time
2007	Mumbai	29-04-2008	4.00 P.M.
2008	Mumbai	21-04-2009	4.00 P.M.
2009-10	Mumbai	20-07-2010	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)
- Any website, where displayed Nav Shakti (Marathi)
- Whether it also displays official news release [www.technip.com/en/entities/Seamec-Ltd](http://www.technip.com/en/entities/Seamec-Ltd).
- Whether MD&A is a part of Annual Report N. A.
- Whether Shareholder Information section forms part of the Annual Report Yes



### 3. SHAREHOLDER INFORMATION

#### 1. Annual General Meeting

- Date and Time : 26th July 2011 at 4.30 p.m.
- Venue : Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shradhdhanand Road, Vile Parle (E), Mumbai – 400 057

#### 2. Financial Calendar

For the Financial Year ended 31.03.2012

- Financial reporting for the first quarter ending 30th June 2011 : 26th July 2011
  - Financial reporting for the half year ending 30th September, 2011 : \*November 2011
  - Financial reporting for the third quarter ending 31st December, 2011: \*February 2012
  - Financial reporting for the year ending 31st March, 2012 : \*May 2012
  - Annual General Meeting for the year ending 31st March, 2012 : \*July 2012
- \* Tentative

#### 3. Date of Book Closure : 22nd July 2011 – 26th July 2011

#### 4. Registered Office : A 901 – 905, 9th Floor 215 Atrium Andheri Kurla Road, Andheri East, Mumbai - 400 069. Tel: (022) 66941800 Fax: (022) 66941818 E.mail: Seamec@bom5.vsnl.net.in

#### 5. 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 2011-2012 to all the Stock Exchanges.

7.	Stock Code :	Scrip ID	Scrip Code
	Bombay Stock Exchange	SEAMECLTD	526807
	National Stock Exchange	SEAMECLTD	
	ISIN Code	INE497B01018	

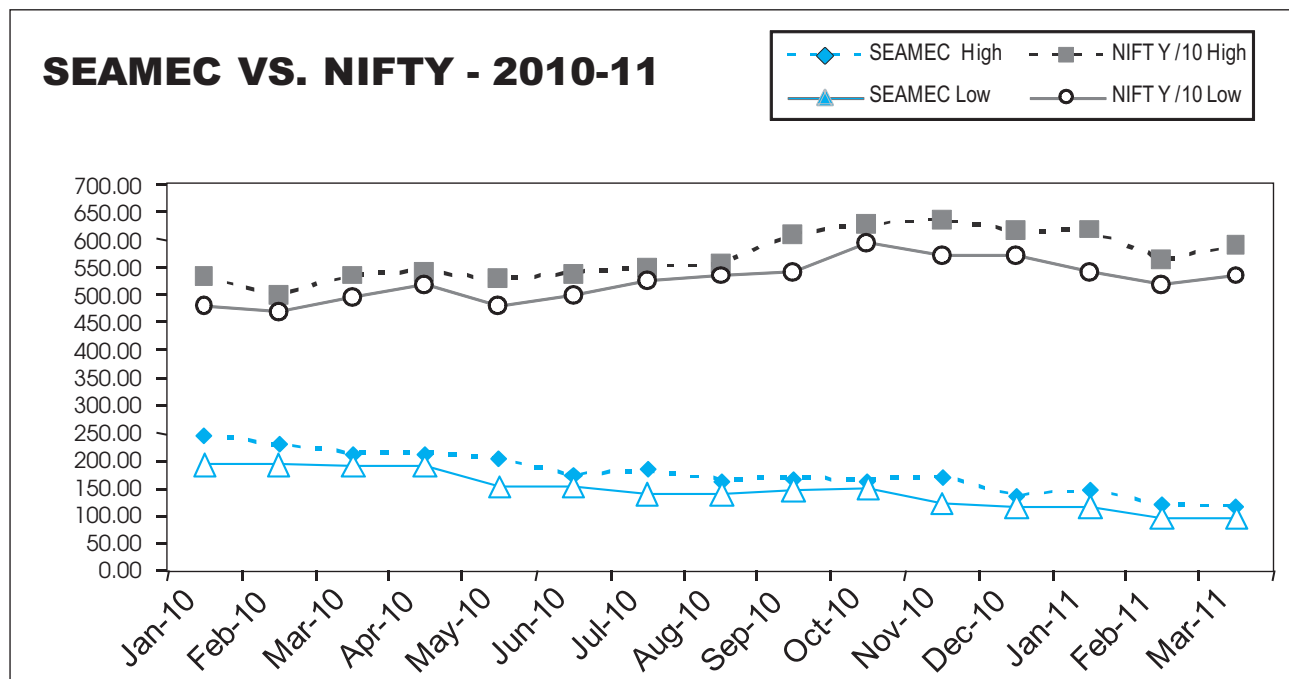


8. Stock Price Data :

Month	National Stock Exchange			
	High	Low	Close	Av. Volume
Apr - 10	211.00	190.75	200.30	31505
May - 10	203.00	151.00	156.00	25801
Jun - 10	173.70	151.95	167.10	14631
July - 10	182.00	139.80	144.80	27708
Aug - 10	162.90	140.95	149.50	33320
Sept - 10	166.00	146.15	153.70	75743
Oct - 10	163.50	149.25	152.30	29069
Nov - 10	169.95	124.10	128.40	36356
Dec - 10	135.90	116.05	130.60	11109
Jan - 11	147.45	117.45	118.00	12017
Feb - 11	118.00	95.05	100.40	11367
Mar - 11	116.00	95.05	99.70	9199

9. Stock Performance (Indexed) :

STOCK PERFORMANCE OF SEAMEC VS. NSE INDEX (NIFTY)



10. Registrar & Transfer Agents : C B Management Services (P) Ltd.  
2nd FloorP-22, Bondel Road, Kolkata – 700 019  
Tel No. (033) 40116700, 22806692/93/94  
Fax no. 033-22870263  
E-mail : rta@cbmsl.com Website : www. cbmsl.com

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 period

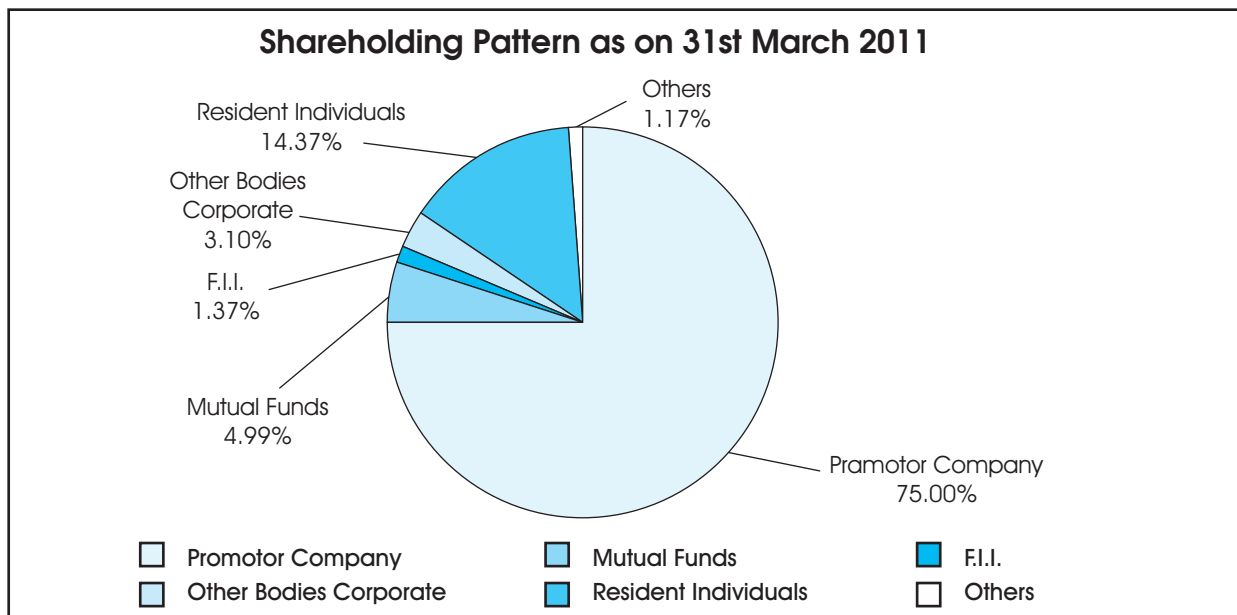
Nature of complaints	2010-11		2009-2010	
	Received	Cleared	Received	Cleared
A. Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of address, Demat – Remat and others	19	19	18	18
B. Received from SEBI, Stock Exchanges and other statutory authorities	2	2	1	1
<b>TOTAL</b>	<b>21</b>	<b>21</b>	<b>19</b>	<b>19</b>

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

As on 31.03.2011, 1 Transfer deed containing 200 shares were pending for approval by Committee which were subsequently approved on 13.04.2010.

13. Distribution of Shareholding as on:

Shares held	31.03.2011				31.03.2010			
	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	19,091	91.75	2,363,390	6.97	19,140	92.21	2,343,653	6.91
501-1000	955	4.59	770,363	2.27	877	4.22	717,931	2.12
1001-2000	388	1.87	592,649	1.75	373	1.80	575,837	1.70
2001-3000	144	0.69	367,890	1.08	130	0.63	338,075	1.00
3001-4000	48	0.23	171,332	0.51	43	0.21	152,033	0.45
4001-5000	42	0.20	196,033	0.58	50	0.24	234,747	0.69
5001-10000	71	0.34	523,876	1.55	76	0.36	543,287	1.60
10001 & above	68	0.33	28,914,467	85.29	69	0.33	28,994,437	85.53
<b>TOTAL</b>	<b>20,807</b>	<b>100.00</b>	<b>33,900,000</b>	<b>100.00</b>	<b>20,758</b>	<b>100</b>	<b>33,900,000</b>	<b>100</b>



14. Categories of Shareholding as on:

	Category	31.03.2011			31.03.2010		
		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	25,425,000	75.00
02	Directors	1	4,450	0.01	1	4,450	0.01
03	Directors Relatives	—	—	—	—	—	—
04	Mutual Funds	11	1,692,682	4.99	7	1,667,300	4.92
05	F. I. I.	14	462,871	1.37	14	456,731	1.35
06	Financial Institutions	—	—	—	—	—	—
07	Central Government / State Government	1	5,601	0.02	1	5,601	0.02
08	N.R.I.	232	150,636	0.44	255	155,137	0.46
09	Other Bodies Corporate	558	1,049,459	3.10	610	919,025	2.71
10	Banks	5	115,935	0.34	4	97,707	0.29
11	Resident Individuals	19,874	4,869,627	14.37	19,740	5,011,735	14.78
12	Clearing Members	106	119,424	0.35	118	150,314	0.44
13	Overseas Body Corporate	2	300	0.00	2	300	0.00
14	Trust	2	4,015	0.01	5	6,700	0.02
	<b>TOTAL</b>	<b>20807</b>	<b>339,00,000</b>	<b>100.00</b>	<b>20758</b>	<b>339,00,000</b>	<b>100.00</b>

15. Dematerialisation of Shares & Liquidity : Over 39.74% of equity shares have been dematerialized as on 31.03.2011.  
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 : A 901 – 905, 9th Floor  
215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 069.  
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) 40116700, 22806692/93/94 Fax : (033) 2270 0263  
E-mail : rta@cbmsl.com  
Website : www. cbmsl.com

Shareholders are advised to register their email address and any changes therein from time to time for sending notice/ documents through email in reference to circular dated 21st April 2011 of Ministry of Corporate Affairs. In addition, registering and corresponding with Registrar and Share Transfer Agents and company through email would speed up response, reduce paper work and also help to redress the complaints on fast track basis. However, for instructions like change of bank mandate, change of address, transfer and transmission of shares etc letters duly signed by the shareholder(s) concerned should be sent otherwise such request cannot be procured by the Registrars.

18. Per Share Data

	2010-11	2009-10
EPS (₹)	(19.68)	60.15
EPS Growth (%)	(132.72)	332.73
CPS (₹)	11.87	69.64
Book Value per share (₹)	130.02	151.56
Share price as on 31 March 2011		
	NSE	116.00
	BSE	129.35
		95.05
		95.30

19. Unclaimed Shares : Pursuant to amended Clause 5A of the Listing Agreement, which provides that shares held physically and remained unclaimed by shareholders due to insufficient/ incorrect information or any other reason should be transferred in demat mode to one folio in the name of "Unclaimed Suspense Account" with one of the depository participants. The company is taking steps to issue notices to the concerned shareholders.
20. Disclosures :
- Disclosures on materially significant related party transactions appear at the appropriate place in Schedule 16 of Notes to Accounts.
  - There was no compliance, penalties or stricture imposed on company by any Stock Exchanges, SEBI or any other statutory authority or any matters relating to capital market.



## AUDITOR'S 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 12 months period ended on March 31, 2011, 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 Amit Majmudar**

Partner

Membership No. 36656

Place : Mumbai

Date : May 10, 2011

**MANAGEMENT CERTIFICATE ON  
CLAUSE 40 (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 March 2011.

**Captain C. J. Rodricks**

Managing Director

Place : Mumbai

Date : May 10, 2011

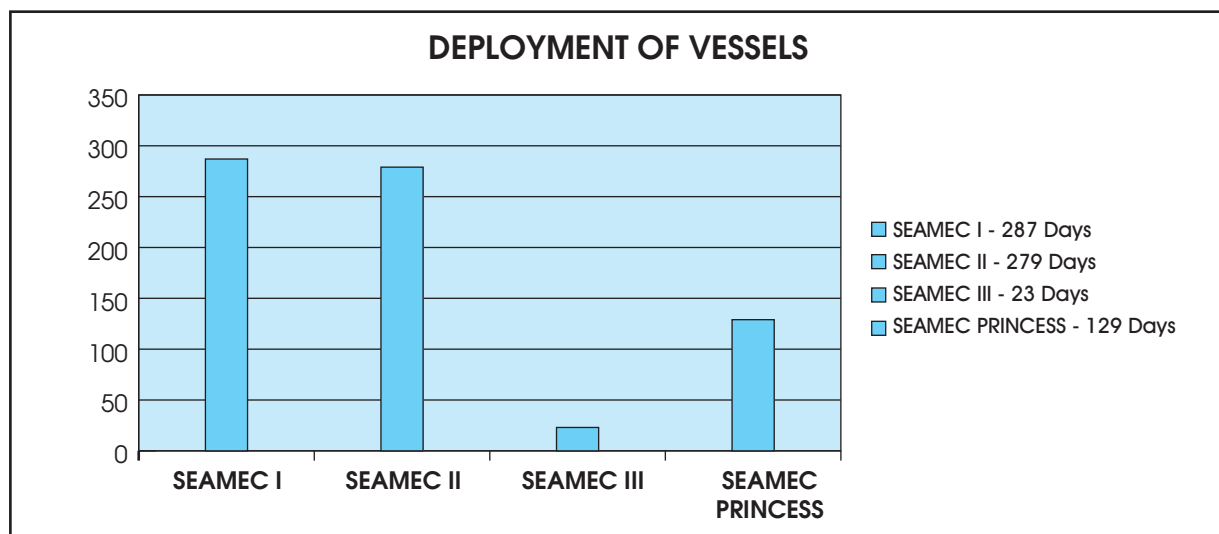
## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 01. OVERVIEW

Globally, the major economies continued through recession in the last twelve months. The adverse impact on oil and gas businesses and shipping world wide was witnessed with extreme delay of projects resulting in a state of slowdown. Off Shore industry suffered significantly due to sharp fall in demand for offshore support vessels in all oilfields coupled with reduction in rates.

SEAMEC experienced the worst hit as its growth spree came to a halt. Despite best efforts, vessel utilization was only 49% with sharp fall in charter rates. This is mainly due to the diving sector work reducing significantly during the year.

The scenario appears to be slightly changing in 2011. The work in India appears to be on the rise, with work in the near markets showing only a slight improvement. Bringing all the vessels to India for work is showing good results. There is a sign of revival in economy globally and more so in Oil and shipping industry in major parts of the globe including India, China, Middle East, Far East and South East Asia is on the card. Oil and exploration majors are revamping their activities. Forecast of investment growth in exploration and production is about 11%. The outcome of the above in turn will lead to demand of Diving Support Vessels, SEAMEC's line of business.



### 02. OPPORTUNITIES AND THREATS

Indian market is becoming vibrant. Opportunities are forthcoming in West and East coast both in public and private sectors. The opportunity for SEAMEC is to focus its presence in Indian waters and in addition to charter hire, also focus on related sectors with suitable partners.

The situations in Middle East, Far East and South East Asia are also improving. Seamec is familiar in Middle East as two of its vessels were in this region in recent past. With the changed scenario, opportunity for Seamec to revamp its business strategy to improve its position in Middle East and to make its presence felt amply in all other sectors. But ageing vessels are a deterrent to many clients.

West Africa is a potential region emerging fast for exploration of oil and gas resources. Major players are increasingly making their presence in this region. Strategically integrating with these players on a long term basis will contribute growth and profitability of the Company.

The charter rates at present are still not encouraging as newer vessels offering distress charter rates, just to keep their vessels employed. More new tonnage with ROV facilities are also emerging. Idle resources of some players remain a threat as they bid very low price against project tender which ultimately affects charter hire of vessels. Financial weaknesses of some of the operators also remain as a factor. Seamec relies on client relations, past performance, capability and aims at keeping vessels occupied fully.

Shortage of quality manpower becoming a threat. Your Company segment requires special experience personnel which are regulated by market determined factors. Planning and retaining people has been quite successful within the Company, but the scenario is now changing.



### 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: -

(₹ In thousand)

	2010-11 (Twelve months)	2009-10 (Fifteen months)
Revenue	1,157,214	4,409,515
Operating Expenses	1,567,578	2,011,007
Operating Profit	(410,364)	2,398,508
Interest Expenses	3,852	4,802
Exceptional Items	(44,442)	(6,407)
Depreciation	264,700	321,641
Profit before Tax	(634,474)	2,078,432
Provision Tax Expenses	33,130	39,377
Net Profit	(667,604)	2,039,055
Debtor/Sales	0.33	0.08
Creditor/Purchase	0.24	0.30

#### Comments on current year's performance:

Revenue	: Decrease in Revenue mainly due to significant drop in vessel utilization and charter rates.
Operating Cost	: Statutory dry dock cost of three vessels had an impact on the cost. The normal operating cost was not very significant as vessels were less utilized.
Operating profit (Loss)	: Loss was due to lesser revenue and expensing of three dry dock cost as per Indian gap.
Exceptional Items	: Receipt of Insurance Claim against damage repair expenses
Depreciation	: No change.
Current Tax Exp.	: The Company is being assessed under Tonnage Tax scheme. Current tax is primarily on the interest income of short term deposits.
Net Profit(Loss)	: Net loss due to low revenue and dry dock cost of three vesels, when expensed out as per Indian gap.

### 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 42 employees at its offices and engages through contract around 316 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 External internal audits, reviewed by Management and Audit Committee of the Board of Directors.



SEAMEC Limited

₹ In Millions

	2001	2002	2003	2004	2005	2006	2007	2008	2009-10 (15 months)	2010-11
<b>BALANCE SHEET</b>										
<b>SOURCES OF FUNDS</b>										
SHARE CAPITAL	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00
RESERVE & SURPLUS	644.91	745.07	837.23	1,258.28	1,451.51	2,037.17	2,407.45	2,878.66	4,798.73	4,131.52
<b>NET WORTH</b>	<b>1,106.39</b>	<b>1,059.22</b>	<b>1,213.59</b>	<b>1,538.70</b>	<b>1,790.51</b>	<b>2,376.17</b>	<b>2,746.45</b>	<b>3,217.66</b>	<b>5,137.73</b>	<b>4,470.52</b>
LOAN FUND	426.00	339.75	198.06	86.25	-	-	-	-	-	-
<b>SOURCES OF FUNDS</b>	<b>1,532.39</b>	<b>1,398.97</b>	<b>1,411.65</b>	<b>1,624.95</b>	<b>1,790.51</b>	<b>2,376.17</b>	<b>2,746.45</b>	<b>3,217.66</b>	<b>5,137.73</b>	<b>4,470.52</b>
<b>APPLICATION OF FUNDS</b>										
GROSS BLOCK OF FIXED ASSET	1,875.92	1,940.68	1,979.28	1,768.02	1,827.95	2,781.45	3,803.19	3,974.32	4,155.10	4,302.05
RESERVE FOR DEPRECIATION	850.79	981.41	1,093.00	979.36	1,088.18	1,232.37	1,409.46	1,631.56	1,932.14	2,176.26
NET BLOCK OF FIXED ASSETS	1,025.13	959.27	886.28	788.66	739.77	1,549.08	2,393.73	2,342.76	2,222.96	2,125.79
INVESTMENTS	-	-	-	-	-	-	-	-	12.24	12.24
DEBTORS (NET)	185.36	158.56	227.43	148.57	226.77	293.82	268.62	529.76	349.62	385.76
TOTAL CURRENT ASSETS	628.03	571.46	629.36	1,033.03	1,138.40	1,078.90	1,038.85	1,606.32	3,446.52	2,712.64
CURRENT LIABILITIES & PROVISION	120.77	131.76	103.99	196.74	87.66	251.81	686.12	731.42	543.99	380.48
NET CURRENT ASSETS	507.26	439.70	525.37	836.29	1,050.74	827.09	352.73	874.90	2,902.53	2,332.16
<b>APPLICATION OF FUNDS</b>	<b>1,532.39</b>	<b>1,398.97</b>	<b>1,411.65</b>	<b>1,624.95</b>	<b>1,790.51</b>	<b>2,376.17</b>	<b>2,746.46</b>	<b>3,217.66</b>	<b>5,137.73</b>	<b>4,470.19</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>										
REVENUE- Charter Hire	879.92	1,000.73	901.46	964.17	822.81	1,591.33	1,704.47	2,685.86	4,248.41	1,023.76
OTHER INCOME	11.13	26.56	16.88	43.80	50.15	45.00	88.37	38.90	161.11	133.45
EBITDA before extra ordinary items	263.69	283.15	349.35	243.96	322.46	752.82	604.23	788.78	2,398.51	(410.36)
EXTRA ORDINARY ITEMS			-	114.80	12.07	-	(7.70)	(47.23)	6.41	44.44
INTEREST EXPENSES	63.01	57.33	39.73	24.21	10.41	2.73	4.23	3.76	4.80	3.85
DEPRECIATION	120.00	131.39	135.00	126.03	112.02	149.15	189.50	254.13	321.68	264.70
<b>PROFIT BEFORE TAX</b>	<b>80.70</b>	<b>94.43</b>	<b>174.63</b>	<b>208.52</b>	<b>212.10</b>	<b>600.94</b>	<b>402.80</b>	<b>483.66</b>	<b>2,078.44</b>	<b>(634.47)</b>
TAX	9.50	(5.73)	82.47	(212.54)	18.87	15.27	32.53	12.45	39.38	33.13
<b>PROFIT AFTER TAX</b>	<b>71.20</b>	<b>100.16</b>	<b>92.16</b>	<b>421.06</b>	<b>193.23</b>	<b>585.67</b>	<b>370.27</b>	<b>471.21</b>	<b>2,039.06</b>	<b>(667.60)</b>

## AUDITORS' REPORT

To

### The Members of SEAMEC Limited

1. We have audited the attached Balance Sheet of SEAMEC Limited ('the Company') as at March 31, 2011 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. Without qualifying our opinion, we draw attention to Note 7(f) of Schedule 16 to the financial statements. The Company has incurred managerial remuneration of ₹ 15,311 Thousand during the year which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956 by ₹ 10,511 Thousand. The Company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration to managerial personnel. Pending the final outcome of the Company's application, no adjustments have been made to the accompanying financial statements in this regard.
5. 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 March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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 March 31, 2011;
    - b) in the case of the profit and loss account, of the loss 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**

Firm registration number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership No.: 36656

Place: Mumbai

Date: May 10, 2011



**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 period 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. Therefore, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable to the Company.
- (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. Therefore, the provisions of clause 4 (iii) (f) to (g) of the Order are not applicable to the Company.
- (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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (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. Therefore, the provisions of clause 4 (v) (a) & (b) of the Order are not applicable to the Company.
- (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) Undisputed statutory dues including provident fund, income-tax, service tax, customs duty and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *except for provident fund of crew members in respect of which there has been a slight delay in a few cases*. There are no dues during the year towards investor education and protection fund, employees' state insurance, sales tax, wealth tax and excise duty.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise 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 period. However the Company has incurred cash losses in the current year whereas there were cash profits in the immediately preceding financial period.

- (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**

Firm Registration Number: 101049W  
Chartered Accountants

per Amit Majmudar

Partner

Membership No.: 36656

Place: Mumbai  
Date: May 10, 2011

**SEAMEC LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2011**

₹'000

Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	1	339,000
Reserves & surplus	2	4,131,523
		<u>4,470,523</u>
		<u>5,137,734</u>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross block	3	4,194,525
Less: Accumulated depreciation		2,176,295
Net block		2,018,230
Capital work-in-progress including capital advances		107,523
		<u>2,125,753</u>
		<u>2,222,359</u>
<b>Intangible assets</b>	4	379
<b>Investments</b>	5	12,240
<b>Current Assets, Loans and Advances</b>		
Inventories	6	191,661
Sundry debtors	7	385,759
Cash and bank balances	8	2,024,929
Loans and advances	9	110,286
		<u>2,712,635</u>
		<u>3,446,523</u>
<b>Less: Current liabilities and provisions</b>		
Current liabilities	10	368,247
Provisions	11	12,237
		<u>380,484</u>
		<u>543,990</u>
<b>Net current assets</b>		
		<u>2,332,151</u>
		<u>4,470,523</u>
		<u>5,137,734</u>
Notes to accounts	16	

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

Signatures to the Balance Sheet and Schedules 1 to 11 and 16

As per our report of even date

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

**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: May 10, 2011

**SEAMEC LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2011**

₹'000

	Schedule	Year Ended As at 31.03.2011	15 month period ended 31.03.2010
<b>INCOME</b>			
Charter hire income		1,023,667	4,247,765
Service charges		92	642
Other income	12	133,455	161,108
		<b>1,157,214</b>	<b>4,409,515</b>
<b>EXPENDITURE</b>			
Operating expenses	13	1,395,827	1,527,488
Administrative expenses	14	171,751	483,519
Interest and Finance expenses	15	3,852	4,802
Depreciation / amortisation		264,700	321,681
		<b>1,836,130</b>	<b>2,337,490</b>
<b>Profit/(Loss) before tax and exceptional items</b>		<b>(678,916)</b>	<b>2,072,025</b>
<b>Exceptional item</b>			
Insurance claim received (Refer Note 6 of Schedule 16)		44,442	6,407
<b>Profit/(Loss) before tax and after exceptional items</b>		<b>(634,474)</b>	<b>2,078,432</b>
Less: Current tax		33,130	44,100
Tax of earlier years		-	(5,491)
Fringe benefit tax		-	768
<b>Profit/ (Loss) for the period after tax</b>		<b>(667,604)</b>	<b>2,039,055</b>
Balance brought forward		2,910,173	1,619,007
<b>Profit available for appropriation</b>		<b>2,242,569</b>	<b>3,658,062</b>
<b>Appropriation:</b>			
Proposed dividend		-	101,700
Dividend distribution tax		(393)	17,284
Transfer to general reserve		-	203,905
Transfer to tonnage tax reserve u/s 115VT of Income Tax Act, 1961		-	425,000
<b>Surplus carried to Balance Sheet</b>		<b>2,242,962</b>	<b>2,910,173</b>
<b>EARNINGS PER SHARE</b>			
Profit/ (Loss) for the period		(667,604)	2,039,055
No. of outstanding shares (in '000)		33,900	33,900
Nominal value of shares (in ₹)		10	10
Basic and diluted earning per share (in ₹)		(19.69)	60.15
Notes to Accounts	16		

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

Signatures to the Profit and Loss Account and Schedules 12 to 16

As per our report of even date

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

**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: May 10, 2011



**SEAMEC LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011**

₹'000

	Year Ended 31.03.2011	15 month period ended 31.03.2010
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	(634,474)	2,078,432
Adjusted for		
Depreciation	264,700	321,681
(Profit) on sale of assets	(641)	(326)
Advances written off	-	8
Machinery spares consumed	19,919	29,191
Provision for doubtful debts (Net)	-	239,386
Liability no longer required	(10,633)	(11,209)
Interest income, net	(95,005)	(119,276)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(3,530)	324
Unrealised exchange gain	-	19,045
Operating profit before working capital changes	(459,664)	2,557,256
Adjusted for (increase) / decrease		
Inventories	(14,614)	(59,398)
Sundry debtors	(36,137)	(90,185)
Loans and advances	130,844	108,417
Current liabilities	(27,433)	(302,550)
Provisions	(126,422)	4,509
<b>Cash (utilised) / generated in / from operations</b>	(533,426)	2,218,049
Direct taxes paid, net of refunds	(16,195)	(40,080)
<b>Net cash flows (used)/generated in / from operating activities</b>	(549,621)	2,177,969
<b>Cash flows from investing activities</b>		
Purchase of fixed assets and capital work in progress	(194,961)	(231,073)
Proceeds from sale of fixed assets	641	326
Investment in fixed deposits	42,400	(1,637,500)
Investment in subsidiary	-	(136,988)
Investment in subsidiary received back	124,748	-
Interest received	92,998	110,762
<b>Net cash (used) in investing activities</b>	65,826	(1,894,473)
<b>Cash flows from financing activities</b>		
Finance charges paid	(3,852)	(4,651)
<b>Net cash used in financing activities</b>	(3,852)	(4,651)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	3,530	(324)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(484,117)	278,521
CASH AND BANK BALANCES, beginning of period	791,446	512,925
<b>CASH AND BANK BALANCES, end of period</b>	307,329	791,446
<b>Components of Cash and Cash equivalents: (Refer Note 1 below)</b>	<b>As at 31.03.2011</b>	<b>As at 31.12.2010</b>
Cash on hand	70	57
Balances with Scheduled banks		
- current accounts	49,606	21,391
- foreign currency accounts	57,653	79,998
- fixed deposit accounts	1,917,600	2,450,000
<b>As per balance sheet</b>	2,024,929	2,551,446
Less: Fixed deposit with maturity of more than three months	1,717,600	1,760,000
<b>Cash and Cash equivalents as restated</b>	307,329	791,446

## Notes:

1. 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

As per our report of even date  
**For S. R. BATLIBOI & ASSOCIATES**  
Firm Registration No.: 101049W  
Chartered Accountants

per **Amit Majmudar**  
Partner  
Membership No.: 36656

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: May 10, 2011



SEAMEC LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
50,000,000 (Previous period 50,000,000 ) equity shares of ₹ 10 each	<b>500,000</b>	500,000
<b>Issued, subscribed and paid-up</b>		
33,900,000 (Previous period 33,900,000) equity shares of ₹ 10 each fully paid-up	339,000	339,000
	<b>339,000</b>	339,000

[Of the above shares, 25,425,000 (Previous period - 25,425,000) 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		
As per last Balance Sheet	273,905	70,000
Add: Transferred from Shipping Reserve (u/s 33AC) utilised	351,000	-
Add: Transferred from Tonnage Reserve utilised	59,400	-
Add: Transferred from Profit and Loss Account	-	203,905
	684,305	273,905
Tonnage tax reserve u/s 115VT of Income Tax Act, 1961		
As per last Balance Sheet	702,500	277,500
Add: Transferred from Profit and Loss Account	-	425,000
	702,500	702,500
Shipping reserve (u/s 33AC) utilised	351,000	351,000
Less: Transferred to General Reserve	351,000	-
	-	351,000
Tonnage tax reserve utilised	59,400	59,400
Less: Transferred to General Reserve	59,400	-
	-	59,400
Profit and loss account	2,242,962	2,910,173
	<b>4,131,523</b>	<b>4,798,734</b>

**SEAMEC LIMITED**
**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011**

₹'000

	As at 01.04.2010	Additions	Deletions	As at 31.03.2011
<b>SCHEDULE 3 : FIXED ASSETS</b>				
<b>GROSS BLOCK</b>				
Fleet and fleet equipment	3,890,639	209,502	(9,741)	4,090,400
Machinery spares	77,065	27,384	(30,072)	74,377
Furniture, fittings and office equipment	29,245	257	(4,350)	25,152
Vehicles	4,127	2,595	(2,126)	4,596
	<b>4,001,076</b>	<b>239,738</b>	<b>(46,289)</b>	<b>4,194,525</b>
As at 31.03.2010	3,963,989	87,092	(50,005)	4,001,076
<b>ACCUMULATED DEPRECIATION</b>				
	As at 01.04.2010	For the period	Adjustments	As at 31.03.2011
Fleet and fleet equipment	1,881,979	247,234	(3,697)	2,125,516
Machinery spares	33,312	12,608	(10,154)	35,766
Furniture, fittings and office equipment	14,103	3,785	(4,350)	13,538
Vehicles	2,751	850	(2,126)	1,475
	<b>1,932,145</b>	<b>264,477</b>	<b>(20,327)</b>	<b>2,176,295</b>
As at 31.03.2010	1,631,559	321,403	(20,817)	1,932,145
<b>NET BLOCK</b>				
Fleet and fleet equipment	2,008,660			1,964,884
Machinery spares	43,753			38,611
Furniture, fittings and office equipment	15,142			11,614
Vehicles	1,376			3,121
	2,068,931			2,018,230
Capital work in progress, including Capital advances	153,428			107,523
	<b>2,222,359</b>			<b>2,125,753</b>
<b>SCHEDULE 4 : INTANGIBLE ASSETS</b>				
<b>GROSS BLOCK</b>				
	As at 01.04.2010	Additions	Deletions	As at 31.03.2011
Software	1,113	-	-	1,113
As at 31.03.2010	1,113	-	-	1,113
<b>ACCUMULATED AMORTISATION</b>				
	As at 01.04.2010	For the period	Adjustments	As at 31.03.2011
Software	511	223	-	734
As at 31.03.2010	233	278	-	511
<b>NET BLOCK</b>				
Software	602			379
As at 31.03.2010	880			602

SEAMEC LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 5 : INVESTMENTS</b>		
<b>Long term investments (at cost)</b>		
<b>Non-trade (unquoted)</b>		
<u>Investment in subsidiary</u>		
1 (Previous period : 1) fully paid up equity share of AED 1,000,000 of SEAMEC International FZE	12,240	12,240
	<b>12,240</b>	<b>12,240</b>
<b>SCHEDULE 6 : INVENTORIES</b>		
(at lower of cost and net realisable value)		
Stores and consumables	183,025	156,087
Stores and consumables (Dry Dock)	-	11,362
Goods in transit - Stores and consumables	8,636	9,598
	<b>191,661</b>	<b>177,047</b>
<b>SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)</b>		
Outstanding for more than six months		
- considered good (Refer Note 5 of Schedule 16)	38,779	61,016
- considered doubtful	247,775	8,389
	286,554	69,405
Other debts - considered good	346,980	288,606
- considered doubtful	-	239,386
	633,534	597,397
Less: Provision for doubtful debts	247,775	247,775
	<b>385,759</b>	<b>349,622</b>
Dues from companies under the same management		
- Technip U K Limited	-	4,036
<b>SCHEDULE 8 : CASH AND BANK BALANCES</b>		
Cash on hand	70	57
Balances with scheduled banks		
- current accounts*	49,606	21,391
- foreign currency accounts	57,653	79,998
- fixed deposit accounts	1,917,600	2,450,000
	<b>2,024,929</b>	<b>2,551,446</b>

\*Includes ₹ 982 (Previous period NIL) in Unclaimed Dividend A/c

**SEAMEC LIMITED**
**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011**

₹'000

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 9 : LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Loans to employees	146	162
Advance income tax (net of provision for tax ₹ 85,750 (Previous period - ₹ 63,050))	23,928	26,458
Security deposits	16,724	15,943
Advances recoverable in cash or in kind or for value to be received	69,488	201,097
Share application money in subsidiary company	-	124,748
	<b>110,286</b>	<b>368,408</b>
Dues from companies under the same management		
- Technip U K Limited (maximum outstanding during the period ₹ 146,388 (Previous period 145,001))	-	145,001
- SEAMEC International FZE (maximum outstanding during the period ₹ 4,007 (Previous period 4,007))	-	4,007
<b>SCHEDULE 10 : CURRENT LIABILITIES</b>		
Sundry creditors		
- Dues to micro and small enterprises (Refer note 13 of Schedule 16)	-	-
- Dues to creditors other than micro and small enterprises	362,659	400,666
Investor Education and Protection Fund shall be credited by following amounts (as and when due) - Unclaimed Dividend	982	-
Other liabilities	4,606	4,665
	<b>368,247</b>	<b>405,331</b>
<b>SCHEDULE 11 : PROVISIONS</b>		
Provision for employee benefits	12,237	19,675
Proposed Dividend	-	101,700
Dividend Distribution Tax on proposed dividend	-	17,284
	<b>12,237</b>	<b>138,659</b>
	<b>Year Ended 31.03.2011</b>	<b>15 months period ended 31.03.2010</b>
<b>SCHEDULE 12 : OTHER INCOME</b>		
Interest		
Deposits with banks (TDS ₹ 9,741; Previous Year. ₹ 8,139)	97,414	117,725
Others (TDS- ₹ NIL; Previous period. - ₹ Nil )	1,443	6,353
Premium / discounts on forward contract (net)	-	2,235
Exchange gain (net of losses)	18,846	22,483
Liability no longer required written back	10,633	11,209
Rent received	3,655	-
Deputation Charges	-	724
Profit on sale of fixed asset	641	326
Sale of Scrap	823	53
	<b>133,455</b>	<b>161,108</b>

SEAMEC LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	Year Ended 31.03.2011	15 months period ended 31.03.2010
<b>SCHEDULE 13 : OPERATING EXPENSES</b>		
Stores and spares consumed	242,251	183,054
Machinery spares consumed	19,919	29,191
Crew cost		
- Wages, bonus and other expenses	529,477	
- Contribution to provident fund	1,510	
	<u>530,987</u>	717,676
Crew travelling expenditure	45,337	89,240
Sub Contractor Cost- Diving Project	14,752	-
Dry dock expenses	323,780	88,148
Victualling and other benefit to crew	49,125	65,489
Repairs and maintenance - vessels	24,599	54,280
Certification fees	13,235	14,296
Insurance charges	33,272	37,039
Agency expenses	4,706	12,920
Security Expenses	29,789	4,621
Service Tax Expenses	26,903	1,683
Commission	-	206,750
Other operational expenses	37,172	23,101
	<u><b>1,395,827</b></u>	<u><b>1,527,488</b></u>
<b>SCHEDULE 14 : ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and bonus	55,306	62,499
Contribution to provident, gratuity fund and other funds	9,865	7,708
Staff welfare	598	553
Directors Commission and Fees	480	1,200
Travelling and conveyance	16,085	21,697
Repairs and maintenance -others	2,196	2,679
Rent	23,152	31,599
<u>Payment to auditors (excluding service tax)</u>		
As auditor		
- Audit fees	1,576	1,475
- Tax audit fees	400	525
- Limited review fees	424	425
- Out of pocket expenses	37	23
As advisors, in respect of		
- Taxation matters	-	-
- Company law matters	-	-
- Management services	-	-
In any other matter	-	26
Legal & professional fees	5,613	4,735
Management fees	22,410	85,983
Bad debts written off	13,926	-
Advances written off	-	8
Provision for doubtful debt	-	239,386
Miscellaneous expenses	19,683	22,998
	<u><b>171,751</b></u>	<u><b>483,519</b></u>
<b>SCHEDULE 15 : INTEREST AND FINANCE EXPENSES</b>		
Bank charges	2,738	4,770
Interest		
- others	1,114	32
	<u><b>3,852</b></u>	<u><b>4,802</b></u>

**SEAMEC LIMITED**
**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011**
**SCHEDULE – 16: 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, as amended 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 applied by the Company 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) 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.

**(d) Depreciation and amortisation**

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

<b>Assets</b>	<b>Useful life (In Years)</b>
Fleet	15 to 20
Fleet Equipments	3 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 ₹ 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.

**(e) Impairment**

The carrying amounts of all assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**(f) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at

cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**(g) Inventories**

Inventories consist of stores and consumables for use in running of fleets. These are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

**(h) Cash and cash equivalents**

Cash and cash equivalents in cash flow statement comprise cash in hand and at bank in current and foreign currency accounts. Term deposits having original maturity of three months or less are considered as cash equivalents.

**(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, and charged to Profit and Loss Account when incurred.
- 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. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

**(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. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting such monetary items of 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 period 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 period.

**(k) Income Tax**

Tax expense comprises of Current Income 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.

**(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 recognized 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****In case of assets taken on 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.

**In case of assets given on sub-lease**

The Company has leased out part of office premises on operating lease. The total lease term is for a period of 60 months out of which there is a lock-in period of initial 36 months with non-renewable condition after 60 months.

**(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****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.

**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) Earnings per Share**

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

**3. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 141,468 thousand (Previous period ₹ 28,543 thousand).

**4. Contingent Liabilities**

₹ '000

Particulars	As at 31.03.2011	As at 31.03.2010
Claim against the Company not acknowledge as debts	Refer note below	Refer note below

The case against the Company alleging violation of Foreign Exchange Regulation Act (FERA), related to acquisition of Land drilling Rig, is pending before the Hon'ble Mumbai High Court. The Company has furnished a Bank Guarantee of ₹ 100,000 thousand to the Enforcement Directorate, FERA, towards penalty imposed, as directed by the Hon'ble Mumbai High Court. The bank guarantee is valid till June 30, 2011. No provision is considered necessary in respect



of the said penalty as the management believes, based on legal opinion, that there has been no contravention to FERA.

**5. Sundry Debtors**

In earlier year the Company withdrew one of its vessels from a charter-hire contract due to commercial disputes. The Company has not recognised revenue of ₹ 281,985 thousand (Previous period ₹ 281,985 thousand) in respect of contract for the period January 2010 to March 2010 on account of uncertainty relating to acceptance and realisability of claims. Further, the Company has also made, in earlier year, a provision of ₹ 239,386 thousand towards outstanding receivables from the same client on grounds of prudence. The claim is pending before court in Mexico.

**6. Insurance Claim**

During the year the Company has received ₹ 44,442 thousand from Insurers, towards claims against damage to vessel SEAMEC-II at Curacao Dry Dock in September 2007. The relevant expenditure was expensed to profit and loss account when incurred.

**7. Additional Information pursuant to Part II of Schedule VI to the Companies Act, 1956**

**(a) Value of imported and indigenous stores and spares consumed**

(₹ '000)

Particulars	Year Ended		15 months period ended	
	31.03.2011		31.03.2010	
	Value	%	Value	%
Imported	277,363	79	230,275	89
Indigenous	74,805	21	29,160	11
	<b>352,168</b>	<b>100</b>	<b>259,435</b>	<b>100</b>

**(b) C.I.F. value of imports**

Stores and spares		235,028		199,190
Capital goods		163,946		66,030
		<b>398,974</b>		<b>265,220</b>

**(c) Expenditure in foreign currency (on accrual basis)**

Dry dock expenses		235,374		87,419
Crew costs		291,552		519,050
Victualling cost		12,310		(19,260)
Repairs & maintenance		19,309		41,671
Commission		0		206,750
Management fees		22,410		85,983
Security Expenses		29,789		4,621
Others		43,096		43,498
		<b>653,840</b>		<b>969,732</b>

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

Charter hire income		539,836		3,750,543
Service charges		64		485
Interest on delayed payment		1,022		6,344
		<b>540,922</b>		<b>3,757,372</b>



(₹ '000)

Particulars	Year Ended 31.03.2011	15 months period ended 31.03.2010
<b>(e) Managerial remuneration</b>		
Salaries	5,672	5,828
House rent allowance	1,913	2,045
Contribution to provident and other funds	1,480	1,673
Performance incentive	2,025	2,006
Other allowances	4,221	2,458
	<b>15,311</b>	<b>14,010</b>

Note:

- (i) 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.
- (ii) In the determination of remuneration, certain perquisites have been valued in accordance with the Income Tax Rules, 1962.
- (iii) Other allowances include ₹ 3,178 thousand (previous period ₹ 1,174) accrued towards value of shares awarded to Managing Director by Technip SA, France (the ultimate holding company) under its Employee Stock Option Plan. A total of 4,600 shares of Technip SA have been awarded vesting on fulfilment of conditions which is dependent on the performance of Technip SA at future dates.

**(f) Computation of Managerial Remuneration**

(₹ '000)

Particulars	Year Ended 31.03.2011	15 months period ended 31.03.2010
Profit/(Loss) before tax and after exceptional items	(634,474)	2,078,432
<b>Add:</b>		
Managing and Whole time Directors' Remuneration	15,311	14,009
Commission paid to Non-Executive Directors	-	600
Directors' Fees	480	600
Depreciation as per Profit and Loss Account	264,700	321,681
Provision for Doubtful Debts and Advances	-	239,386
Wealth Tax	-	10
<b>Less:</b>		
Profit (Net) on sale of fixed assets as per Section 349 of the Companies Act,	(641)	(326)
Depreciation as per Section 350 of the Companies Act	(264,700)	(321,681)
<b>Net Profit/(Loss) as per Section 349 of the Companies Act, 1956</b>	<b>(619,324)</b>	<b>2,332,711</b>
Maximum permissible remuneration to Whole time Directors under Section 198 of the Companies Act, 1956 @10% of the profits computed above	NIL	116,636
Restricted as per Service Agreement	15,311	14,009
Maximum permissible managerial remuneration to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1% of the profits computed above	NIL	23,327
Proposed Commission	-	600

The remuneration to the Managing Director is approved by the shareholders of the Company. However, in absence of profit during the year, not determinable on the date of such approval, the remuneration paid for the year is in excess of the requirements of the Companies Act, 1956. The Company has made an application to the Central Government on 14.03.2011 for waiver of the excess remuneration of ₹ 10,511 thousands.

**8. Segment Information** **Secondary segment:**

Geographical Segments

(₹ '000)

Particulars	Year Ended 31.03.2011			15 months period Ended 31.03.2010		
	Domestic	Overseas	Total	Domestic	Overseas	Total
<b>Revenue</b>						
Gross Receipts	483,809	539,950	1,023,759	497,380	3,751,027	4,248,407
<b>Results</b>						
Segment Results	36,789	(667,411)	(630,622)	233,161	1,850,073	2,083,234
Interest			3,852			4,802
Tax Expenses			33,130			38,609
Fringe Benefit Tax			—			768
<b>Net Profit</b>			<b>(667,604)</b>			<b>2,039,055</b>
<b>Other Information*</b>						
Assets			4,851,007			5,681,724
Liabilities			380,484			543,990
<b>Capital Employed</b>			<b>4,470,523</b>			<b>5,137,734</b>

\*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.

**9. Related Party disclosure**

Related party disclosures, as required by Accounting Standard-18 – "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are given below: (₹'000)

Particulars	Technip SA		Seamec International FZE		Technip Offshore Contracting BV		Technipnet SA		Technip UK Limited	
	Ultimate Holding Company		Subsidiary Company		Associate Company		Associate Company		Associate Company	
<b>Transaction during the period</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Expenses recovered	—	—	—	4,007	—	45	—	—	—	145,001
Reimbursement Received	—	—	4,007	—	—	—	—	—	145,001	—
Management Fees expenses	18,485	75,250	—	—	—	—	3,925	10,733	—	—
ESOP Expenses	3,178	1,174	—	—	—	—	—	—	—	—
Management Services income	—	—	—	—	—	—	—	—	3,609	4,036
Investment in Shares	—	—	—	12,240	—	—	—	—	—	—
Share application money paid	—	—	—	124,748	—	—	—	—	—	—
Share application money received back	—	—	124,748	—	—	—	—	—	—	—
<b>Period end balances</b>										
Balance payable	12,413	36,586	—	—	—	—	2,421	3,636	—	—
Balance receivable	—	—	—	4,007	—	—	—	—	—	149,037
Share application money paid	—	—	—	124,748	—	—	—	—	—	—

Key management personnel – Captain C J Rodricks, Managing Director, (Managerial remuneration paid is disclosed in note no-7(e)).

There are no transaction with Coflexip Stena Offshore (Mauritius) Limited, the Holding Company during the current and the previous period.

#### 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. There are no such transactions as at the Balance Sheet date in the current and the previous period.

(b) Un-hedged Foreign Currency Exposure (₹ '000)

	Year Ended 31.03.2011			15 months period Ended 31.03.2010		
	Currency	Amount In Foreign In '000	In ₹'000	Currency	Amount In Foreign In '000	In ₹'000
Sundry Creditors	EURO	331	21,128	EURO	558	34,077
	GBP	136	9,877	GBP	115	7,926
	NOK	909	7,372	NOK	1,174	8,932
	SGD	14	492	SGD	23	766
	AED	581	7,132	AED	1,175	14,582
	USD	2,915	130,754	USD	4,246	192,618
	TTD	—	—	TTD	40	283
	JPY	—	—	JPY	103	50
	SAR	—	—	SAR	364	4,680
	DKK	—	—	DKK	9	74
		<b>Total</b>	<b>176,755</b>		<b>Total</b>	<b>263,988</b>
Sundry Debtors	USD	6,979	312,235	USD	13,963	626,504
	GBP	—	—	GBP	60	4,036
	EURO	209	13,069	EURO	—	—
		<b>Total</b>	<b>325,304</b>		<b>Total</b>	<b>630,540</b>
Bank balance	USD	1,294	57,346	USD	1,779	79,823
	EURO	5	306	EURO	3	175
		<b>Total</b>	<b>57,652</b>		<b>Total</b>	<b>79,998</b>

#### 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 an insurance company in the form of a qualifying insurance policy.

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

##### Profit and Loss account

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

(₹ '000)

	Gratuity	
	Year Ended 31.03.2011	15 months Period Ended 31.03.2010
Current service cost	843	851
Interest cost on benefit obligation	448	494
Expected return on plan assets	(448)	(434)
Net actuarial( gain) / loss recognised in the year	(60)	(1,145)
Past service cost	0	0
Net benefit expense	<b>(783)</b>	<b>(234)</b>
Actual return on plan assets	<b>314</b>	<b>520</b>

Balance sheet		
<b>Details of Provision for gratuity</b>		
Defined benefit obligation	8,684	5,431
Fair value of plan assets	9,015	5,759
	331	328
Less: Unrecognised past service cost	0	0
Plan asset / (liability)	<b>331</b>	<b>328</b>

Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	5,431	5,510
Interest cost	448	494
Current service cost	843	851
Past Service Cost (Vested Benefit) in the year	2,317	0
Benefits paid	(160)	(366)
Actuarial (gains) / losses on obligation	(195)	(1,058)
Closing defined benefit obligation	<b>8,684</b>	<b>5,431</b>

Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	5,605	5,555
Expected return	448	434
Contributions by employer	3,257	50
Benefits paid	(160)	(366)
Actuarial gains / (losses)	(134)	86
Closing fair value of plan assets	<b>9,016</b>	<b>5,759</b>

The Company expects to contribute ₹ 1,825 thousand to gratuity in 2011-12.

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

Investments with insurer	100%	100%
--------------------------	------	------

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:

	Year Ended 31.03.2011	15 months Period Ended 31.03.2010
Discount rate	8.25 %	8.00 %
Expected rate of return on assets	8.00 %	7.00 %
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:

	Year Ended 31.03.2011	15 months Period Ended 31.03.2010	Year Ended 31.12.2008
Defined benefit obligation	8,684	5,431	5,332
Plan assets	9,016	5,759	5,135
Surplus / (deficit)	331	328	(196)
Experience adjustment on plan liabilities	(195)	(958)	(224)
Experience adjustment on plan assets	(134)	86	253

## 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 1 to 9 years and renewable at the option of the Company. There are no restrictions imposed by lease arrangements. The Company has leased out part of office premises on operating lease. The total lease term is for a period of 60 months out of which there is a lock-in period of initial 36 months with non-renewable condition after 60 months.

Minimum lease payments under operating lease / leave and license for period (₹ '000)

Particulars	Year Ended 31.03.2011	15 months Period Ended 31.03.2010
i. Not later than one year	21,876	22,185
ii. Later than one year but not later than five years	99,542	94,467
iii. Later than five years	62,920	89,872
Lease payments recognized in the Profit and Loss Account	23,152	32,066

Minimum lease receipts under operating lease / leave and license for period (₹ '000)

i. Not later than one year	5,160	—
ii. Later than one year but not later than five years	22,188	—
iii. Later than five years	—	—
Lease payments recognized in the Profit and Loss Account	3,655	—

13. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes on account of principal amount together with the interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises,

has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

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 period figures are for fifteen months as compared to twelve months in the current period and hence the same are not comparable. The previous period figures have been regrouped / reclassified where ever necessary to confirm to current period classification.

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

Place: Mumbai

Date: May 10, 2011

**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

**SEAMEC LIMITED**
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**(a) Registration details**

Registration no:	L63032MH1986PLC154910
State code:	11
Date of balance sheet	March 31, 2011

**(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:	4,470,523
Total assets:	<u>4,470,523</u>

**Sources of funds**

Paid-up capital	339,000
Reserves & surplus	4,131,523
	<u>4,470,523</u>

**Application of funds**

Fixed assets	2,125,753
Intangible assets	379
Investments	12,240
Net current assets	2,332,151
	<u>4,470,523</u>

**(d) Performance of the company**

Turnover (including other income):	1,201,656
Total expenditure:	1,836,130
Profit/(loss) before tax:	(634,474)
Profit/(loss) after tax:	(667,604)
Earnings per share (in ₹):	(19.69)
Dividend rate (%):	0%

**(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



**CONSOLIDATED ACCOUNTS OF SEAMEC LIMITED AND ITS SUBSIDIARY  
AUDITOR'S REPORT**

**The Board of Directors**

**SEAMEC Limited**

1. We have audited the attached consolidated balance sheet of SEAMEC Limited Group ('Seamec Group'), as at March 31, 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Seamec's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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. We did not audit the financial statement of one subsidiary, whose financial statements reflect total assets of ₹ 8,258 Thousand as at March 31, 2011, the total revenue of ₹ Nil and net cash outflow from operating activities amounting to ₹7,322 Thousand for the year then ended. This financial statement and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
4. We report that the consolidated financial statements have been prepared by the Seamec's management in accordance with the requirements of Accounting Standards 21, Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Without qualifying our opinion, we draw attention to Note 7(a) of Schedule 15 to the financial statements. The Group has incurred managerial remuneration of ₹15,311 Thousand during the year which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956 by ₹10,511Thousand. The Group has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration to managerial personnel. Pending the final outcome of the Group's application, no adjustments have been made to the accompanying financial statements in this regard.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in con-formity with the accounting principles generally accepted in India:
  - a. in the case of the consolidated balance sheet, of the state of affairs of the Group's as at March 31, 2011;
  - b. in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
  - c. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**For S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner

Membership No.: 36656

Place: Mumbai

Date: May 10, 2011

**SEAMEC LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011**

₹'000

	Schedule	As at 31.03.2011
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	1	339,000
Reserves & surplus	2	4,127,541
		<b>4,466,541</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross block	3	4,194,525
Less: Accumulated depreciation		2,176,295
Net block		2,018,230
Capital work-in-progress including capital advances		107,523
		<b>2,125,753</b>
<b>Intangible assets</b>	4	379
<b>Current Assets, Loans and Advances</b>		
Inventories	5	191,661
Sundry debtors	6	385,759
Cash and bank balances	7	2,029,960
Loans and advances	8	113,513
		<b>2,720,893</b>
<b>Less: Current liabilities and provisions</b>		
Current liabilities	9	368,247
Provisions	10	12,237
		<b>380,484</b>
<b>Net current assets</b>		<b>2,340,409</b>
		<b>4,466,541</b>
Notes to accounts	15	

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

Signatures to the Balance Sheet and Schedules 1 to 11 and 15

As per our report of even date

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

**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: May 10, 2011

**SEAMEC LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2011**

₹'000

	Schedule	Year Ended As at 31.03.2011
<b>INCOME</b>		
Charter hire income		1,023,667
Service charges		92
Other income	11	133,455
		<b>1,157,214</b>
<b>EXPENDITURE</b>		
Operating expenses	12	1,395,827
Administrative expenses	13	175,809
Interest and Finance expenses	14	3,852
Depreciation / amortisation		264,700
		<b>1,840,188</b>
<b>Profit/(Loss) before tax and exceptional items</b>		<b>(682,974)</b>
<b>Exceptional item</b>		
Insurance claim received (Refer Note 6 of Schedule 15)		44,442
<b>Profit/(Loss) before tax and after exceptional items</b>		<b>(638,532)</b>
Less: Current tax		33,130
<b>Profit/ (Loss) for the period after tax</b>		<b>(671,662)</b>
Balance brought forward		2,910,173
		<b>2,238,511</b>
<b>Profit available for appropriation</b>		<b>2,238,511</b>
<b>Appropriation:</b>		
Dividend distribution tax		(393)
		<b>2,238,904</b>
<b>EARNINGS PER SHARE</b>		
Profit/ (Loss) for the period		(671,662)
No. of outstanding shares (in '000)		33,900
Nominal value of shares (in ₹)		10
Basic and diluted earning per share (in ₹)		(19.81)
Notes to Accounts	15	

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

Signatures to the Profit and Loss Account and Schedules 12 to 15

As per our report of even date

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

**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: May 10, 2011



**SEAMEC LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011**

₹'000

	Year Ended As at 31.03.2011
<b>Cash flows from operating activities</b>	
Profit/(loss) before tax	(638,532)
Adjusted for	
Depreciation	264,700
(Profit) on sale of assets	(641)
Machinery spares consumed	19,919
Liability no longer required	(10,633)
Interest income, net	(95,005)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(3,530)
Operating profit before working capital changes	(463,722)
Adjusted for (increase) / decrease	
Inventories	(14,614)
Sundry debtors	(36,137)
Loans and advances	127,580
Current liabilities	(27,433)
Provisions	(126,422)
<b>Cash (utilised) / generated in / from operations</b>	(540,748)
Direct taxes paid, net of refunds	(16,195)
<b>Net cash flows (used)/generated in / from operating activities</b>	(556,943)
<b>Cash flows from Investing activities</b>	
Purchase of fixed assets and capital work in progress	(194,961)
Proceeds from sale of fixed assets	641
Investment in fixed deposits	42,400
Interest received	92,998
<b>Net cash (used) in investing activities</b>	(58,922)
<b>Cash flows from financing activities</b>	
Finance charges paid	(3,852)
<b>Net cash used in financing activities</b>	(3,852)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	3,530
<b>Net increase / (decrease) in cash and cash equivalents</b>	(616,187)
CASH AND BANK BALANCES, beginning of period	928,547
<b>CASH AND BANK BALANCES, end of period</b>	312,360
<b>Components of Cash and Cash equivalents: (Refer Note 1 below)</b>	<b>As at 31.03.2011</b>
Cash on hand	70
Balances with Scheduled banks	
- current accounts	54,637
- foreign currency accounts	57,653
- fixed deposit accounts	1,917,600
<b>As per balance sheet</b>	2,029,960
Less: Fixed deposit with maturity of more than three months	(1,717,600)
<b>Cash and Cash equivalents as restated</b>	312,360

**Notes:**

1. 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

As per our report of even date  
**For S. R. BATLIBOI & ASSOCIATES**  
Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**  
Partner  
Membership No.: 36656

**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: May 10, 2011

**SEAMEC LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011**

₹'000

	As at 31.03.2011
<b>SCHEDULE 1 : SHARE CAPITAL</b>	
<b>Authorised</b>	
50,000,000 (Previous period 50,000,000 ) equity shares of ₹ 10 each	<b>500,000</b>
<b>Issued, subscribed and paid-up</b>	
33,900,000 (Previous period 33,900,000) equity shares of ₹ 10 each fully paid-up	339,000
	<b>339,000</b>

[Of the above shares, 25,425,000 (Previous period - 25,425,000) 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
Securities premium account	501,753
General reserve	684,305
Tonnage tax reserve u/s 115VT of Income Tax Act, 1961	702,500
Foreign exchange translation reserve	76
Profit and loss account	2,238,904
	<b>4,127,541</b>

**SEAMEC LIMITED**
**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011**

₹'000

	As at 01.04.2010	Additions	Deletions	As at 31.03.2011
<b>SCHEDULE 3 : FIXED ASSETS</b>				
<b>GROSS BLOCK</b>				
Fleet and fleet equipment	3,890,639	209,502	(9,741)	4,090,400
Machinery spares	77,065	27,384	(30,072)	74,377
Furniture, fittings and office equipment	29,245	257	(4,350)	25,152
Vehicles	4,127	2,595	(2,126)	4,596
	<u>4,001,076</u>	<u>239,738</u>	<u>(46,289)</u>	<u>4,194,525</u>
<b>ACCUMULATED DEPRECIATION</b>				
	As at 01.04.2010	For the period	Adjustments	As at 31.03.2011
Fleet and fleet equipment	1,881,979	247,234	(3,697)	2,125,516
Machinery spares	33,312	12,608	(10,154)	35,766
Furniture, fittings and office equipment	14,103	3,785	(4,350)	13,538
Vehicles	2,751	850	(2,126)	1,475
	<u>1,932,145</u>	<u>264,477</u>	<u>(20,327)</u>	<u>2,176,295</u>
<b>NET BLOCK</b>				
Fleet and fleet equipment	2,008,660			1,964,884
Machinery spares	43,753			38,611
Furniture, fittings and office equipment	15,142			11,614
Vehicles	1,376			3,121
	<u>2,068,931</u>			<u>2,018,230</u>
Capital work in progress, including Capital advances	153,428			107,523
	<u>2,222,359</u>			<u>2,125,753</u>
<b>SCHEDULE 4 : INTANGIBLE ASSETS</b>				
<b>GROSS BLOCK</b>				
	As at 01.04.2010	Additions	Deletions	As at 31.03.2011
Software	<u>1,113</u>	<u>-</u>	<u>-</u>	<u>1,113</u>
<b>ACCUMULATED AMORTISATION</b>				
	As at 01.04.2010	For the period	Adjustments	As at 31.03.2011
Software	<u>511</u>	<u>223</u>	<u>-</u>	<u>734</u>
<b>NET BLOCK</b>				
Software	<u>602</u>			<u>379</u>

SEAMEC LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	As at 31.03.2011
<b>SCHEDULE 5 : INVESTMENTS</b>	
(at lower of cost and net realisable value)	
Stores and consumables	183,025
Goods in transit - Stores and consumables	8,636
	<u>191,661</u>
<b>SCHEDULE 6 : SUNDRY DEBTORS (Unsecured)</b>	
Outstanding for more than six months	
- considered good (Refer Note 5 of Schedule 15)	38,779
- considered doubtful	247,775
	<u>286,554</u>
Other debts - considered good	346,980
- considered doubtful	-
	<u>633,534</u>
Less: Provision for doubtful debts	247,775
	<u><b>385,759</b></u>
<b>SCHEDULE 7 : CASH AND BANK BALANCES</b>	
Cash on hand	70
Balances with scheduled banks	
- current accounts*	49,606
- foreign currency accounts	62,684
- fixed deposit accounts	1,917,600
	<u>2,029,960</u>
*Includes ₹ 982 (Previous period NIL) in Unclaimed Dividend A/c	
<b>SCHEDULE 8 : LOANS AND ADVANCES</b>	
(Unsecured, considered good unless otherwise stated)	
Loans to employees	146
Advance income tax (net of provision for tax ₹ 85,750)	23,928
Security deposits	16,724
Advances recoverable in cash or in kind or for value to be received	72,715
	<u>113,513</u>
Dues from companies under the same management	
- Technip U K Limited (maximum outstanding during the period ₹ 146,388 )	-
- SEAMEC International FZE (maximum outstanding during the period ₹ 4,007)	-



## SEAMEC LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	As at 31.03.2011
<b>SCHEDULE 9 : CURRENT LIABILITIES</b>	
Sundry creditors	
- Dues to micro and small enterprises	-
- Dues to creditors other than micro and small enterprises	362,659
Investor Education and Protection Fund shall be credited by following amounts (as and when due) - Unclaimed Dividend	982
Other liabilities	4,606
	<b>368,247</b>
<b>SCHEDULE 10 : PROVISIONS</b>	
Provision for employee benefits	12,237
	<b>12,237</b>
	<b>Year ended 31.03.2011</b>
<b>SCHEDULE 11 : OTHER INCOME</b>	
Interest	
Deposits with banks (TDS ₹ 9,741)	97,414
Others (TDS- ₹ NIL)	1,443
Exchange gain (net of losses)	18,846
Liability no longer required written back	10,633
Rent received	3,655
Profit on sale of fixed asset	641
Sale of Scrap	823
	<b>133,455</b>
<b>SCHEDULE 12 : OPERATING EXPENSES</b>	
Stores and spares consumed	242,251
Machinery spares consumed	19,919
Crew cost	
- Wages, bonus and other expenses	529,477
- Contribution to provident fund	1,510
	<b>530,987</b>
Crew travelling expenditure	45,337
Sub Contractor Cost- Diving Project	14,752
Dry dock expenses	323,780
Victualling and other benefit to crew	49,125
Repairs and maintenance - vessels	24,599
Certification fees	13,235
Insurance charges	33,272
Agency expenses	4,706
Security Expenses	29,789
Service Tax Expenses	26,903
Other operational expenses	37,172
	<b>1,395,827</b>



SEAMEC LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNT AS AT MARCH 31, 2011

₹'000

	Year Ended 31.03.2011
<b>SCHEDULE 13 : ADMINISTRATIVE EXPENSES</b>	
Salaries, wages and bonus	55,306
Contribution to provident, gratuity fund and other funds	9,865
Staff welfare	598
Directors Commission and Fees	480
Travelling and conveyance	16,085
Repairs and maintenance -others	2,196
Rent	26,279
<u>Payment to auditors (excluding service tax)</u>	
As auditor	
- Audit fees	1,576
- Tax audit fees	400
- Limited review fees	424
- Out of pocket expenses	37
As advisors, in respect of	
- Taxation matters	-
- Company law matters	-
- Management services	-
In any other matter	-
Legal & professional fees	5,613
Management fees	22,410
Bad debts written off	13,926
Miscellaneous expenses	20,614
	<b>175,809</b>
<b>SCHEDULE 14 : INTEREST AND FINANCE EXPENSES</b>	
Bank charges	2,738
Interest	
- others	1,114
	<b>3,852</b>

**SEAMEC LIMITED**
**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2011**
**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, (as amended) 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 are consistent with those used in the previous year.

**(b) Principles of Consolidation**

- (i) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements', notified under by the Companies (Accounting Standards) Rules, 2006 (as amended).
- (ii) All inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
- (iii) The company considered in the consolidated financial statements are listed below:

Sr. No.	Name of Company	Proportion of ownership interest either directly or indirectly
	<b>Subsidiaries :</b>	<b>As on March 31, 2011</b>
1	Seamec International FZC	100%

**(c) 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.

**(d) 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.

**(e) Depreciation and amortisation**

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

Assets	Useful life (In Years)
Fleet	15 to 20
Fleet Equipments	3 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 ₹ 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.

**(f) Impairment**

The carrying amounts of all assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**(g) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**(h) Inventories**

Inventories consist of stores and consumables for use in running of fleets. These are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

**(i) Cash and cash equivalents**

Cash and cash equivalents in cash flow statement comprise cash in hand and at bank in current and foreign currency accounts. Term deposits having original maturity of three months or less are considered as cash equivalents.

**(j) 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, and charged to Profit and Loss Account when incurred.
- 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. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

**(k) 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. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of 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 period 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 period.

**(l) Income Tax**

Tax expense comprises of Current Income 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.

**(m) 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 recognized 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.

**(n) Operating lease**

**In case of assets taken on 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.

**In case of assets given on sub-lease**

The Company has leased out part of office premises on operating lease. The total lease term is for a period of 60 months out of which there is a lock-in period of initial 36 months with non-renewable condition after 60 months.

**(o) 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.

**(p) Segment Reporting**

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.

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.

**(q) Earnings per Share**

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

**3. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 141,468 thousand.

**4. Contingent Liabilities**

₹ '000

Particulars	As at 31.03.2011
Claim against the Company not acknowledge as debts	Refer note below

The case against the Company alleging violation of Foreign Exchange Regulation Act (FERA), related to acquisition of Land drilling Rig, is pending before the Hon'ble Mumbai High Court. The Company has furnished a Bank Guarantee of ₹ 100,000 thousand to the Enforcement Directorate, FERA, towards penalty imposed, as directed by the Hon'ble Mumbai

High Court. The bank guarantee is valid till June 30, 2011. No provision is considered necessary in respect of the said penalty as the management believes, based on legal opinion, that there has been no contravention to FERA.

#### 5. Sundry Debtors

In earlier year the Company withdrew one of its vessels from a charter-hire contract due to commercial disputes. The Company has not recognised revenue of ₹ 281,985 thousand in respect of contract for the period January 2010 to March 2010 on account of uncertainty relating to acceptance and realisability of claims. Further, the Company has also made, in earlier year, a provision of ₹ 239,386 thousand towards outstanding receivables from the same client on grounds of prudence. The claim is pending before court in Mexico.

#### 6. Insurance Claim

During the year the Company has received ₹ 44,442 thousand from Insurers, towards claims against damage to vessel SEAMEC-II at Curacao Dry Dock in September 2007. The relevant expenditure was expensed to profit and loss account when incurred.

(₹ '000)

#### 7. (a) Managerial remuneration

Salaries	5,672
House rent allowance	1,913
Contribution to provident and other funds	1,480
Performance incentive	2,025
Other allowances	4,221
	<b>15,311</b>

- Note: (i) 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.
- (ii) In the determination of remuneration, certain perquisites have been valued in accordance with the Income Tax Rules, 1962.
- (iii) Other allowances include ₹ 3,178 thousand accrued towards value of shares awarded to Managing Director by Technip SA, France (the ultimate holding company) under its Employee Stock Option Plan. A total of 4,600 shares of Technip SA have been awarded vesting on fulfilment of conditions which is dependent on the performance of Technip SA at future dates.

#### (b) Computation of Managerial Remuneration

(₹ '000)

Particulars	Year ended 31.03.2011
Profit/(Loss) before tax and after exceptional items	(634,474)
<b>Add:</b>	
Managing and Whole time Directors' Remuneration	15,311
Directors' Fees	480
Depreciation as per Profit and Loss Account	264,700
<b>Less:</b>	
Profit (Net) on sale of fixed assets as per Section 349 of the Companies Act,	(641)
Depreciation as per Section 350 of the Companies Act	(264,700)
<b>Net Profit/(Loss) as per Section 349 of the Companies Act, 1956</b>	<b>(619,324)</b>
Maximum permissible remuneration to Whole time Directors under Section 198 of the Companies Act, 1956 @ 10% of the profits computed above	NIL
Restricted as per Service Agreement	15,311
Maximum permissible managerial remuneration to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1% of the profits computed above	NIL

The remuneration to the Managing Director is approved by the shareholders of the Company. However, in absence of profit during the year, not determinable on the date of such approval, the remuneration paid for the year is in excess of the requirements of the Companies Act, 1956. The Company has made an application to the Central Government on 14.03.2011 for waiver of the excess remuneration of ₹ 10,511 thousands.

## 8. Segment Information

**Secondary segment:** Geographical Segments

(₹ '000)

Particulars	Year Ended 31.03.2011		
	Domestic	Overseas	Total
<b>Revenue</b>			
Gross Receipts	483,809	539,950	1,023,759
<b>Results</b>			
Segment Results	36,789	(671,469)	(634,680)
Interest			3,852
Tax Expenses			33,130
<b>Net Profit</b>			<b>(671,662)</b>

Other Information*	Year Ended 31.03.2011		
	Domestic	Overseas	Total
Assets			4,847,025
Liabilities			380,484
<b>Capital Employed</b>			<b>4,466,541</b>

\*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.

## 9. Related Party disclosure

Related party disclosures, as required by Accounting Standard-18 – "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are given below:

(₹'000)

Particulars	Technip SA	Technipnet SA	Technip UK Limited
Relationship	Ultimate Holding Company	Associate Company	Associate Company
<b>Transaction during the period</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
Management Fees expenses	18,485	3,925	—
ESOP Expenses	3,178	—	—
Management Services income	—	—	3,609
Balance payable	12,413	2,421	—
Balance receivable	—	—	—

Key management personnel – Captain C J Rodricks, Managing Director, (Managerial remuneration paid is disclosed in note no-7(a)). There are no transaction with Coflexip Stena Offshore (Mauritius) Limited, the Holding Company during the current period.

## 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. There are no such transactions as at the Balance Sheet date in the current and the previous period.

(b) Un-hedged Foreign Currency Exposure

(₹ '000)

Particulars	Currency	Year Ended 31.03.2011	
		Amount in Foreign Currency in '000	'000
Sundry Creditors	EURO	331	21,128
	GBP	136	9,877
	NOK	909	7,372
	SGD	14	492
	AED	581	7,132
	USD	2,915	130,754
	<b>Total</b>		
Sundry Debtors	USD	1,294	57,346
	EURO	5	306
	<b>Total</b>		<b>57,652</b>
Bank balance	USD	1,294	57,346
	EURO	5	306
	<b>Total</b>		<b>57,652</b>

11. The first accounting period of the subsidiary company ended on March 31, 2011. This is the first consolidated accounts, therefore the previous years figures are not required to be stated.

**For S. R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W  
Chartered Accountants

**per Amit Majmudar**

Partner  
Membership No.: 36656

Place: Mumbai  
Date: May 10, 2011

**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



## ATTENTION OF SHAREHOLDER

Dear Shareholder,

**Re: Implementation of circular issued by  
Ministry of Corporate Affairs, Govt. of India  
on Green Initiative in Corporate Governance**

As a part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) has issued Circular No. 17/2011 and 18/2011 dated April 21 and 29, 2011 respectively, stating that the servicing of documents by a Company to its shareholders can be made through electronic mode.

Keeping in view the spirit of the circular issued by MCA, the Company has decided to send documents like Notice convening Annual General Meeting, Annual Report including financial statements, Directors' Report, Auditors' Report etc. for next year onwards in electronic form. These documents, however, will be sent to those shareholders, who have already provided their e-mail address unless they have exercised their option to receive the same in physical form by visiting the webpage of our Registrar <http://www.cbmsl.com/green.php> within 31<sup>st</sup> March, 2012.

The members who are holding shares in demat mode but have not provided e-mail address

and also the members who are desirous of updating their e-mail address to receive the documents for the year ended 31<sup>st</sup> March 2012 and onwards in electronic form, are requested to do so without delay, to their respective Depository Participants immediately but not later than 31<sup>st</sup> March 2012. Thereafter, the e-mail address indicated in your respective DP Accounts will be deemed to be your registered e-mail address for serving the documents as aforesaid.

The members who are holding shares in physical mode and desirous to register their e-mail address to receive the documents in electronic form, are requested to visit the webpage <http://www.cbmsl.com/green.php> and register the same within 31<sup>st</sup> March 2012.

In case you (whether holding in demat mode and/or physical mode) desire to receive the documents mentioned above in physical form, please visit the webpage <http://www.cbmsl.com/green.php> and exercise your option by 31<sup>st</sup> March 2012 to receive the documents in physical mode.

We solicit your valuable co-operation and support to implement this green initiative in Corporate Governance.

Yours faithfully,

For Seamec Limited

s/d

(S.N.Mohanty)  
Chief Legal Officer & Company Secretary

Dated: 10<sup>th</sup> May 2011





# SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

Registered Office : A -901 - 905, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai - 400 069.

## PROXY FORM

Registered Folio Number	Client ID & DP ID	No.of Equity Shares held

I/We \_\_\_\_\_

(In Block Letters)

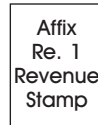
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of **SEAMEC LIMITED**, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ in the district of \_\_\_\_\_

or failing him/her of \_\_\_\_\_

\_\_\_\_\_ as my/our Proxy to attend and Vote for me/us and on my/our behalf at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company held on Tuesday, 26th July, 2011 at 04.30 p.m. at Navinbhai Thakkar Auditorium, Shree Vile Parle Gujrati Mandal. Shraddhanand Road, Vile Parle (East), Mumbai - 400 057 instead of me/us and at any adjourment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.



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 fixed for holding of the meeting.

TEAR HERE



# SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

Registered Office : A -901 - 905, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai - 400 069.

## ATTENDANCE SLIP

Registered Folio Number	Client ID & DP ID	No.of Equity Shares held

I/We hereby record my/our presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 26th July, 2011 at 04.30 p.m. at navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai -400 057.

Name of the 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.







Registered & Corporate Office  
A-901-905, 9th floor, 215 Atrium, Andheri Kurla Road,  
Andheri (East), Mumbai - 400 069. INDIA.  
Tel.: +91 22 6694 1800 Fax : +91 22 6694 1818  
Email:seamec@bom5.vsnl.net.in