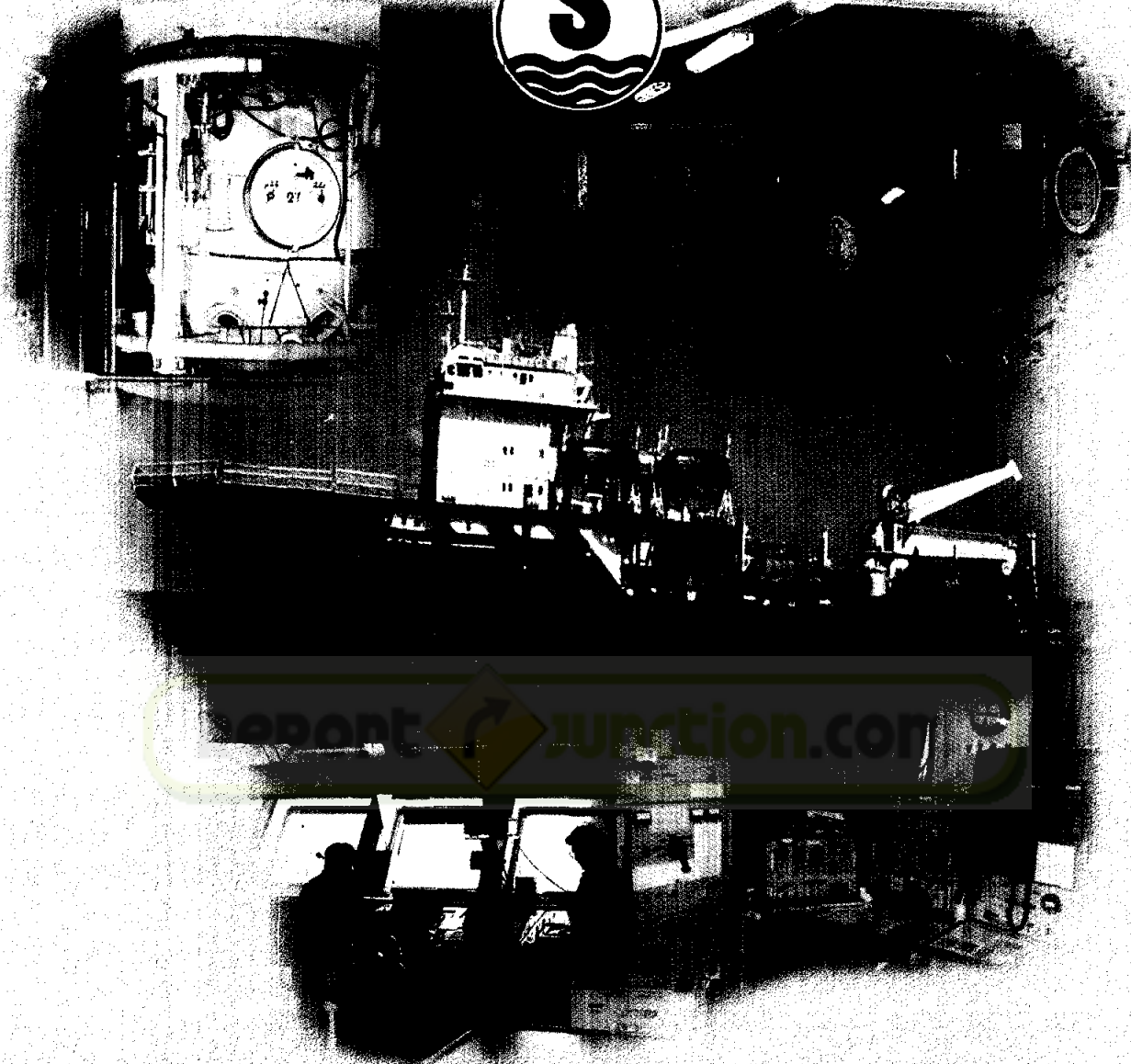


# ANNUAL REPORT 2001



**South East Asia Marine Engineering & Construction Ltd.**  
**A MEMBER OF TECHNIP-COFLEXIP**

**SOUTH EAST ASIA MARINE ENGINEERING & CONSTRUCTION LIMITED**  
**TEN YEAR HIGHLIGHTS**

Rs. in Millions

	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-2000	2000 (9 months)	2001
<b>BALANCE SHEET</b>											
<b>SOURCES OF FUNDS</b>											
SHARE CAPITAL	40.00	40.00	249.00	338.95	339.00	339.00	339.00	339.00	339.00	339.00	339.00
RESERVE & SURPLUS	4.13	8.83	18.64	630.45	723.40	727.43	754.55	806.30	734.74	771.47	644.91
<b>NET WORTH</b>	<b>34.37</b>	<b>17.87</b>	<b>256.77</b>	<b>949.84</b>	<b>945.31</b>	<b>948.16</b>	<b>953.33</b>	<b>982.91</b>	<b>951.18</b>	<b>946.88</b>	<b>1106.39</b>
<b>LOAN FUND</b>	<b>472.65</b>	<b>734.05</b>	<b>1032.89</b>	<b>1237.56</b>	<b>877.85</b>	<b>721.70</b>	<b>715.06</b>	<b>628.02</b>	<b>486.80</b>	<b>493.77</b>	<b>426.00</b>
<b>SOURCES OF FUNDS</b>	<b>507.01</b>	<b>751.92</b>	<b>1289.65</b>	<b>2187.41</b>	<b>1823.17</b>	<b>1669.86</b>	<b>1668.39</b>	<b>1610.93</b>	<b>1437.97</b>	<b>1440.66</b>	<b>1532.38</b>
<b>APPLICATION OF FUNDS</b>											
<b>NET FIXED ASSETS</b>	<b>364.39</b>	<b>548.18</b>	<b>1055.27</b>	<b>1484.67</b>	<b>1524.07</b>	<b>1419.51</b>	<b>1350.21</b>	<b>1263.15</b>	<b>1183.46</b>	<b>1121.01</b>	<b>1025.12</b>
<b>INVESTMENTS</b>	<b>0.05</b>	<b>0.17</b>	<b>0.17</b>	<b>1.17</b>	<b>1.17</b>	<b>0.00</b>	<b>0.00</b>	<b>0.46</b>	<b>0.46</b>	<b>0.00</b>	<b>0.00</b>
DEBTORS (NET)	172.81	208.91	213.61	324.59	337.51	250.64	225.89	216.90	242.17	316.46	185.36
TOTAL CURRENT ASSETS	211.92	274.57	287.11	912.14	498.24	553.58	491.07	481.41	396.94	502.11	628.03
CURRENT LIABILITIES & PROVISION	69.35	71.00	62.90	210.57	200.31	303.23	172.89	124.09	142.89	182.46	120.77
NET CURRENT ASSETS	142.57	203.57	234.21	701.57	297.93	250.35	318.18	357.32	254.06	319.65	507.26
<b>APPLICATION OF FUNDS</b>	<b>507.01</b>	<b>751.92</b>	<b>1289.65</b>	<b>2187.41</b>	<b>1823.17</b>	<b>1669.86</b>	<b>1668.39</b>	<b>1610.93</b>	<b>1437.97</b>	<b>1440.66</b>	<b>1532.38</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>											
<b>REVENUE</b>	<b>166.33</b>	<b>182.54</b>	<b>233.81</b>	<b>651.95</b>	<b>786.81</b>	<b>927.67</b>	<b>902.99</b>	<b>990.86</b>	<b>860.64</b>	<b>766.44</b>	<b>891.05</b>
EBITDA	53.10	46.46	73.06	307.11	300.69	274.37	242.05	286.48	110.03	172.18	263.69
INTEREST EXPENSES	30.29	26.57	32.17	90.15	80.22	104.01	103.79	118.99	71.94	47.91	63.01
PROFIT BEFORE TAX	2.35	4.71	13.86	145.08	143.65	68.97	30.32	57.88	-71.57	40.04	80.70



## South East Asia Marine Engineering & Construction Ltd.

A MEMBER OF TECHNIP-COFLEXIP  
( FORMERLY PEERLESS SHIPPING & OILFIELD SERVICES LTD. )

Registered Office :

6, Waterloo Street, South Block (1st Floor), Kolkata-700 069

### FIFTEENTH ANNUAL REPORT 2001

#### BOARD OF DIRECTORS

Comde. A. C. B. Nair, Indian Navy (Retd.)	<i>Chairman</i>
Mr. Gautam Sen	<i>Managing Director</i>
Mr. K. P. Wood	<i>Director</i>
Mr. S. Rogers	<i>Director</i>
Mrs. C. Giraut	<i>Director</i>
Mr. X. Audlet	<i>(Alternate Director to Mrs. C. Giraut)</i>
Mr. D. J. Bhajji Rao	<i>Director</i>
Mr. S. Thadker	<i>Director</i>

#### CHIEF FINANCIAL OFFICER

Mr. Pinak Chaudhuri

#### COMPANY SECRETARY

Mr. S. N. Mdhantv

#### AUDITORS

M/s. S. R. Baliboi & Co.  
*Chartered Accountants*

#### PRINCIPAL BANKERS

Credit Institutions  
IDBI Bank Ltd.

#### MUMBAI OFFICE

401-404, 4th Floor  
The Eagle's Flight  
Suren Road  
Off : Andheri Kurla Road  
Andheri (East), Mumbai 400 093

#### ASSAM OFFICE

Namghar Road, Dullidian  
Dibrugarh, Assam

#### REGISTRAR & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.  
P/22, Bondel Road (2nd Floor), Kolkata - 700 019  
Phone : 280-6692/6693/6694 • Fax : (033) 247-0263  
E-mail : cbmsl1@cal2.vsnl.net.in



## LISTING ON THE STOCK EXCHANGES

The Company's shares are listed on :

- 1) The Calcutta Stock Exchange Association Ltd.  
7, Lyons Range,  
Kolkata-700 001.
- 2) The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.
- 3) National Stock Exchange of India Ltd.  
"Exchange Plaza"  
5th Floor, Plot No. C/1, G-Block,  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051.
- 4) Madras Stock Exchange Ltd.  
"Exchange Building",  
11, Second Line Beach,  
Chennai - 600 001.
- 5) The Stock Exchange, Ahmedabad  
Kamdhenu Complex,  
Opp : Sahajanand College,  
Panjara Pole,  
Ahmedabad - 380 015.

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of **South East Asia Marine Engineering & Construction Ltd.** will be held on Friday, the 19th April, 2002 at 4.00 p.m. at "KALAKUNJ", 48, Shakespeare Sarani, Kolkata-700 017, to transact the following business :

### AS ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account of the Company for the year ended on 31st December, 2001 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. K. P. Wood, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Cmde. P. C. B. Nair, Indian Navy (Retd.), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

### AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolutions:
  - (i) ORDINARY RESOLUTION :  
"RESOLVED THAT Mr. Shardul Thacker be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."
  - (ii) ORDINARY RESOLUTION :  
"RESOLVED THAT Mrs. Claire Giraut be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."

#### Registered Office :

6, Waterloo Street,  
South Block (1st Floor), Kolkata -700 069  
Dated : February 26, 2002.

By Order of the Board  
**S. N. MOHANTY**  
*Company Secretary*

**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.
2. A proxy form, duly completed, must be deposited at the Registered Office of the Company at least fortyeight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.04.2002 to 19.04.2002 (both days inclusive).
4. Members desirous of obtaining any information regarding Accounts and operations of the Company are requested to write to the Company, so that it reaches the Company at least seven days before the meeting, to enable the Company to keep the information ready at the time of the meeting.
5. Any change of address of the members of the Company may be intimated to the Registered Office of the Company or to the Registrars : C B Management Services (P) Ltd., P-22, Bondel Road, 2nd Floor, Kolkata - 700 019.
6. Unclaimed Dividend for the financial years ended on 31st March, 1996 & 31st March, 1997 shall be transferred at the appropriate time to the Fund set up by the Central Government pursuant to the provisions of Section 205C of the Companies Act, 1956.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5(i) & (ii)**

Mr. Shardul Thacker, who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. N. H. Thanawala with effect from 08.03.2000, holds office till the conclusion of this Annual General Meeting.

Mr. Shardul Thacker is an eminent legal professional and is a partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates, Solicitors and Notaries, since 1977. Mr. Thacker was enrolled as Solicitor, Law Society in 1973 and was admitted as Solicitor of Supreme Court of England in 1981 and Supreme Court of Hongkong in 1982. Mr. Thacker is a Director on the Board of following Indian Public Limited Companies viz., Fuji Bank Limited, Fomento Resorts and Hotels Ltd, Nav Bharat Refrigeration and Industries Ltd, Ruby Mills Ltd, RPG Enterprises Ltd. and Victoria Capital Ventures Limited. Mr. Thacker is currently member of Audit Committee and Shareholders/Investors Grievance & Transfer Committee of your Company's Board.

Mrs. Claire Giraut, who was appointed as a Director of the Company with effect from 08.03.2000 in the casual vacancy caused by the resignation of Mr. S. K. Dutta holds office till the conclusion of this Annual General Meeting. Mrs. Giraut has long years of experience in economics and finance. Based in Paris, Mrs. Claire Giraut holds the post of Senior Executive Vice President Offshore branch of your parent Company Technip-Coflexip SA, France. She holds directorship in many of the group companies worldwide and is also a member of the Management Board of Technip-Coflexip SA.

Mrs. Giraut is also a member of Audit Committee of your Company's board.

The Company has received separate notices under Section 257(1) of the Act from the members signifying their intention to propose Mr. Shardul Thacker and Mrs. Claire Giraut for appointment as Directors of the Company at the ensuing Annual General Meeting.

Your Directors are of the view that it will be in the best interest of the Company to appoint Mr. Shardul Thacker and Mrs. Claire Giraut as Directors and recommend the adoption of resolutions proposed under items 5(i) & (ii) of the Notice.

Save and except Mr. Shardul Thacker and Mrs. Claire Giraut, no other Director is concerned or interested in the respective resolutions.

**Registered Office :**

6, Waterloo Street,  
South Block (1st Floor), Kolkata -700 069  
Dated : February 26, 2002.

By Order of the Board  
**S. N. MOHANTY**  
*Company Secretary*

**Details of Directors seeking reappointment in the 15th Annual General Meeting to be held on 19th April, 2002****1. MR. KEVIN PAUL WOOD**

Mr. Kevin Paul Wood has been a Director of your Company since 31.03.1995. Mr. Wood has vast experience in operational and commercial management of sub-sea contracting business, specialising in deep water construction, vessel management and fleet development. Mr. Wood is a member of Executive Committee of parent group Technip-Coflexip SA, France. He also holds directorship in many of the group companies world wide. Presently he is based in France as Sr. Executive Vice President offshore branch of Technip-Coflexip SA, France.

**2. CMDE. P. C. B. NAIR, INDIAN NAVY (RETD.)**

Cmde. P.C.B. Nair, Indian Navy (Retd.) has been a Director of your Company since 04.03.1998.

By qualification Cmde. Nair is a post graduate in Defence Science and holds Master (Foreign going) certification. He has held several senior appointments whilst in the Navy and subsequently in the oil and gas industry. He was CEO of marine construction division of Essar Oil and Offshore division of Essar Shipping. He also holds the position of the General Manager of CSO in India with the title of Vice President.

Cmde.P.C.B.Nair, Indian Navy (Retd.) is the Chairman of Board of Directors of the Company, Shareholders/Investors Grievance and Transfer Committee and member of Audit Committee of your Company's Board.





## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have the pleasure in presenting the Fifteenth Annual Report of the Company and the Audited Accounts for the year ended 31st December, 2001.

#### 1. FINANCIAL HIGHLIGHTS

As reported earlier the Company's accounting period has been brought in line with the accounting period followed by the parent group internationally and accordingly financial year of the Company ends on 31st December.

#### Audited Financial Results for the year ended 31st December, 2001

(Figures in Rs. million)

	Year ended 31.12.2001	Year ended 31.12.2000 (9 months)
Net Sales/Income from Operations	880	757
Other Income	11	13
Total Expenditure		
a. Consumables & Spares	106	125
b. Staff Costs (including Offshore Staff)	273	266
c. Deferred Revenue Expenditure	85	78
d. Other Expenditure	163	125
Earnings before Interest Depreciation & Tax	264	176
Interest	63	52
Depreciation	120	84
Profit / (Loss) before Tax	81	40
Provision for Taxation	10	3
Profit / (Loss) after Taxation	71	37
Paid-up Equity Share Capital	339	339
Reserves (as per Balance Sheet)	645	772
	Rs.	Rs.
Basic and diluted EPS for the period	2.10	1.08



During the year under review the Company's total revenue was Rs.891 million registering a net profit of Rs.71 million, after providing for a deferred tax charge of Rs. 3 million in respect of the year, as per new accounting standard, AS-22. This is a significant improvement over the previous year on an annualized basis, despite depressed business conditions, in India and abroad.

The operating profit before depreciation, interest and tax as a percentage of sales has also registered increase as compared to the previous period .

The Company's drive on cost control coupled with retirement of old debts and effective cash management resulted in reaching reasonably comfortable cash position.

Your Directors decided to preserve this surplus for further growth of the Company and therefore decided not to recommend dividend distribution for the year under review. To this end, your Directors recommend transfer of Rs.70 million from current year's surplus, to a "Shipping Reserve Account", created under the provisions of Sec 33 AC of Income Tax Act, 1961, which entitles your Company to tax concessions.

## 2. **OPERATIONS OFFSHORE**

Of the three specialized vessels owned by your Company, two viz. SEAMEC I & SEAMEC II continue on long term charter with the Oil & Natural Gas Corporation Ltd. (ONGC), for oilfields maintenance and support services at Mumbai High Offshore oilfields. While SEAMEC I has completed the 3 year charter term and is now engaged under extension clause, the contract of SEAMEC II is due to run until February 2003. Keeping in view the long-term requirements of ONGC, your Directors are confident that these contracts will be renewed once again on a long-term basis and would continue to provide steady revenue to the Company. The third vessel SEAMEC III was deployed in the spot market. Due to depressed market conditions during the year, though the vessel was underutilized, majority of her engagements were outside India. This gave her valuable experience of working with international clients. One of the jobs executed was a particularly prestigious one and involved recovery of a British Royal Navy helicopter from the seabed off Oman coast. Your Directors take pleasure in informing you that the spot market has since significantly improved and the utilization of the vessel in the current year is expected to be very much higher than in 2001.

## 3. **ONSHORE DRILLING**

As reported earlier the Company's Drilling Rig has been idling since January 2001, on completion of the contract with Oil India Ltd. (OIL). A new tender was subsequently floated by OIL, which however has lapsed in January, 02, and no outcome is expected from this tender