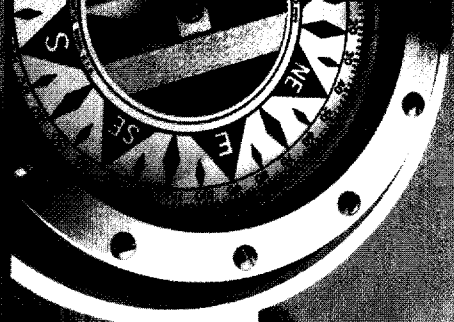


ANNUAL REPORT 2004



Report Junction



South East Asia Marine Engineering & Construction Ltd.

A member of the Technip Group

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

DETAILS	95-96	96-97	97-98	98-99	99-2000	2000 (9 months)	2001	2002	2003	2004
BALANCE SHEET										
SOURCES OF FUNDS										
SHARE CAPITAL	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00	339.00
RESERVE & SURPLUS	723.40	727.43	754.55	806.30	734.74	771.47	644.91	745.07	837.23	1258.28
NET WORTH	945.31	948.16	953.33	982.91	951.18	946.88	1106.39	1059.22	1,213.59	1538.70
LOAN FUND	877.85	721.70	715.06	628.02	486.80	493.77	426.00	339.75	198.06	86.25
SOURCES OF FUNDS	1823.16	1669.86	1668.39	1610.93	1437.98	1440.65	1532.39	1398.97	1,411.65	1624.95
APPLICATION OF FUNDS										
NET FIXED ASSETS	1524.07	1419.51	1350.21	1253.15	1183.46	1121.01	1025.12	959.27	886.28	785.29
INVESTMENTS	1.17	-	-	0.46	0.46	-	-	-	-	-
DEBTORS (NET)	337.51	250.64	225.89	216.90	242.17	316.46	185.36	158.56	227.43	148.57
TOTAL CURRENT ASSETS	498.24	553.58	491.07	481.41	396.94	502.11	628.03	571.46	629.36	1033.03
CURRENT LIABILITIES & PROVISION	200.31	303.23	172.89	124.09	142.89	182.46	120.77	131.76	103.99	196.74
NET CURRENT ASSETS	297.93	250.35	318.18	357.32	254.06	319.65	507.26	439.70	525.37	836.29
APPLICATION OF FUNDS	1823.17	1669.86	1668.39	1610.93	1437.97	1440.66	1532.38	1398.97	1,411.65	1624.95
PROFIT & LOSS ACCOUNT										
REVENUE	786.81	927.67	902.99	990.86	860.64	766.44	891.05	1027.29	918.34	1007.97
EBITDA	300.69	274.37	242.05	286.48	110.03	172.18	263.69	283.15	349.35	358.76
INTEREST EXPENSES	80.22	104.01	103.79	118.99	71.94	47.91	63.01	57.33	39.73	24.21
PROFIT BEFORE TAX	143.65	68.97	30.32	57.88	(71.57)	40.04	80.70	94.43	174.63	208.52



South East Asia Marine Engineering & Construction Ltd.

A MEMBER OF THE TECHNIP GROUP

Registered Office :

114B/14C, Prince Anwar Shah Road, (2nd Floor), Kolkata 700 068

EIGHTEENTH ANNUAL REPORT 2004

BOARD OF DIRECTORS

Cmde. P. C. B. Nair, Indian Navy (Retd.)

Capt. C. J. Rodricks

Mr. Knut Boe

Mr. Ivan Coyard

Mr. Georges Michel

Mr. D. J. Balaji Rao

Mr. Shardul Thacker

Chairman

Managing Director

Director

Director

Director

Director

Director

CHIEF FINANCIAL OFFICER

Mr. S. Sinha Biswas

COMPANY SECRETARY

Mr. S. N. Mohanty

AUDITORS

M/s. S. R. Batliboi & Co.

Chartered Accountants

PRINCIPAL BANKERS

Calyon Bank

IDBI Bank Ltd.

MUMBAI OFFICE

401-404, 4th Floor, The Eagle's Flight, Suren Road

Off : Andheri Kurla Road

Andheri (East), Mumbai – 400 093

REGISTRAR & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.

P-22, Bondel Road (2nd Floor), Kolkata – 700 019

Phone : 2280-6692/6693/6694 • Fax : (033) 2247-0263

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,
Dalai 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.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of South East Asia Marine Engineering & Construction Ltd. will be held on Tuesday, the 26th April, 2005 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, 2004 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. D.J. Balaji Rao, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Ivan Coyard, 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 resolution as
Ordinary Resolution :

"RESOLVED THAT Capt. C.J. Rodricks, be and is hereby appointed as Director of the Company."

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

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) the consent of the Company be and is hereby accorded to the appointment of Capt. C.J. Rodricks, as the Managing Director of the Company, for a period of three years commencing from 1st January 2005, on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Capt C.J. Rodricks on 5th January 2005, a copy whereof is placed before the meeting, which agreement is hereby specifically sanctioned with liberty to Board of Directors (herein referred to as the 'Board' which term shall be deemed to include any Committee which the Board may



constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Capt. C.J. Rodricks."

"RESOLVED FURTHER THAT where for any financial year the Company has no profits or its profits are inadequate, the Company do pay to Capt. C.J. Rodricks remuneration not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, consent be and is hereby accorded to the payment of Bonus for the year 2003 and encashment of unavailed leave for the years 2003 & 2004 to Cmde. P. C. B. Nair, former Managing Director of the Company, of amounts of Rs. 42,000/- and Rs.4,08,333/- respectively (agreeing to Rs.4,50,333/-)."

Registered Office :

114B/14C, Prince Anwar Shah Road

2nd Floor, Kolkata 700 068.

Dated, 7th February, 2005.

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. 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. An 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 19.04.05 to 26.04.05 (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, 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

Capt. C.J.Rodricks was appointed as an Additional Director of the Company with effect from 1st January 2005 at the Board meeting held on 22nd December 2004 pursuant to Article 119 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Capt. Rodricks holds the office till the date of this Annual General Meeting. Capt. Rodricks has vast experience of 34 years in shipping Industry. He has worked in senior positions with many reputed Indian and foreign Shipping Companies like India Steamship Company Ltd., Essar Oil Ltd., Essar Shipping, Gal Offshore, Great Eastern Shipping Company, Seabulk Offshore etc. He has been working with SEAMEC since February 2003 as Chief Operating Officer.

The Company has received a notice under Section 257(1) of the Companies Act, 1956 from a member signifying his intention to propose Capt. C. J. Rodricks for appointment as a Director of the Company at the ensuing Annual General Meeting.

Your Directors are of the view that it will be in the best interest of your Company to appoint Capt. C.J.Rodricks as a Director and therefore recommends adoption of the resolution proposed under item no.5 of the Notice.



Save and except Capt C.J.Rodricks, no other Director is concerned or interested in the resolution. The above disclosure is pursuant to Clause 49 of Listing Agreement on Corporate Governance.

Item No. 6

Following relinquishment of office as Managing Director of the Company by Comde. P.C.B.Nair, Indian Navy (Retd.), with effect from the close of 31st December 2004, the Board of Directors of the Company at its meeting held on 22nd December, 2004 had appointed Captain C. J. Rodricks as Managing Director of the Company for a period of three years commencing from 1st January 2005.

The remuneration and other terms and conditions pertaining to the said appointment, as appended, are contained in an agreement entered into on 5th January 2005 between the Company and Capt. C. J. Rodricks, pending its approval by the members in the Annual General Meeting.

Salary : Rs.2,50,645/- (Rupees Two Lacs Fifty thousand six hundred and forty five only) per month including Rs.1,40,645/- as Basic Pay and Rs.1,10,000/- as other Allowances with effect from 01 January 2005.

Perquisites : A) **Housing** : The Managing Director shall be entitled to unfurnished accommodation or Rs.93,500/- per month as House Rent Allowance in lieu thereof.

B) **Medical Expenses and reimbursements** : Medical expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

C) **Leave Travel Concession** : Leave Travel Concession for the Managing Director and his family once in a year incurred in accordance with rules specified by the Company, not exceeding Rs.1,00,000/-.

D) **Fees of Club** : Fees of club, subject to a maximum of two clubs. This will not include admission and life membership fees.

E) **Personal Accident Insurance** : Personal Accident Insurance : Premium not exceeding Rs.1000/- per annum. Travel Insurance

- shall be to Company's cost; so also Group Insurance Scheme.
- F) **Provident Fund** : The Managing Director shall be entitled to contribution by the Company to Provident Fund as per rules of the Company
- G) **Superannuation Fund** : Superannuation Fund contribution as per rules of the Company.
- H) **Gratuity** : Gratuity shall be payable as per rules of the Company.
- I) **Company Car** : Company maintained Car with driver.
- J) **Earned / Privilege leave** : The Managing Director shall be entitled to Earned/ Privilege leave on full pay and allowance, as per rules of the Company, but not more than one month's leave for every completed eleven months service. However, leave accumulated but not availed of will be allowed to be encashed.
- K) **Sitting Fees** : The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ Committees of Directors from the date of appointment.
- L) **Reimbursement of Business Expenses** : The Managing Director shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company.
- M) **Telephone Expenses** : Telephone Expenses including mobile phone and telephone at residence except long distance personal call shall be to Company's account.
- N) **Performance Linked Incentive** : The Managing Director shall be entitled to Performance Linked Incentive on yearly basis.

The Agreement may be terminated by either party by giving 3 months notice in writing or the Company may terminate the contract by payment of the salary applicable to the period of notice.



SOUTH EAST ASIA MARINE ENGINEERING & CONSTRUCTION LTD.

The remuneration and the perquisites, including the monetary value thereof, specified in the agreement, may be enhanced widened, altered or varied in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force from time to time.

The Agreement entered into between the Company and Capt. C. J. Rodricks is available for inspection by the members of the Company at the Registered Office of the Company on any working day excluding Saturdays and holidays, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

Your Directors recommend this resolution for your approval.

No Director other than Capt. C. J. Rodricks is concerned or interested in this resolution.

Item No. 7

As members are aware, Cmde. P.C. B. Nair, Indian Navy (Retd.), was holding office as Managing Director of the Company from 13th March 2003 to 31st December 2004. The remuneration and other terms and conditions pertaining to the said appointment were approved by the members in the Annual General Meetings held on 24th April 2003 & 11th May 2004.

For the year 2003 Cmde. Nair was paid a Bonus of Rs. 42,000/- and following his relinquishment of office as Managing Director with effect from the close of 31st December 2004, he was paid an amount of Rs. 4,08,333/- towards encashment of accumulated privilege leave for the years 2003 & 2004, as per rules of the Company.

Provisions for making the above payments, aggregating Rs. 4,50,333/-, to Cmde. P.C.B. Nair, Indian Navy (Retd.) were absent in the agreements executed between the Company and Cmde. P.C.B. Nair. However, these payments are in conformity with the provisions of Schedule XIII to the Companies Act 1956, subject to the approval of the members in general meeting.

The Board of Directors consider these payments to Cmde. P.C.B. Nair, Indian Navy (Retd.), to be fair and reasonable and recommend the resolution for approval of the members.

None of the Directors, except Cmde. P.C.B. Nair, is concerned or interested in the Resolution.

Registered Office :
114B/14C, Prince Anwar Shah Road
2nd Floor, Kolkata 700 068.
Dated, 7th February, 2005.

By order of the Board

S. N. Mohanty
Company Secretary