Annual Report 2010-11

SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

Contents

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@cbmsl.com

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
Website : 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

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 29th 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 8th 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 31st 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.

EXPLANTORY 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.

By order of the Board

S. N. Mohanty
Chief Legal Officer & Company Secretary

Dated, 10th May, 2011

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	4,470523	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 illustrative 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
	Dolphin Offshore Exploration India Ltd.	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

Dated, 10th May, 2011

Chief Legal Officer & Company Secretary

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 31st 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 31st 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
Add: Balance brought forward from previous year	2,910,173	1,619,007
Surplus available for appropriation	2,242,569	3,658,062
Appropriation:		
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