



SEAMEC LIMITED
THE MEMBER OF THE TECHNIP GROUP



ANNUAL REPORT 2011-12

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SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP
TWENTY FIFTH ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

Mr. Shardul Thacker, Chairman
Mr. Carl Holmen
Mr. Georges Michel
Ms. Muriel Hurstel
Mrs. Bhavna Doshi
Captain C.J. Rodricks, Managing Director
Mr. Alain Marion, Alternate to Mr. Carl Holmen
Mr. Emmanuel Fontan, Alternate to Georges Michel
Mr. Vincent Taravella, Alternate to Ms. Muriel Hurstel

BOARD COMMITTEE

Audit Committee

Mrs. Bhavna Doshi, Chairperson
Mr. Shardul Thacker
Ms. Muriel Hurstel

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 & Co.
Chartered Accountants
16th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028

BANKERS

IDBI Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.
P-22, Bondel Road, 2nd Floor, Kolkata 700 019
Tel : (033) 4011 6700 / 6711 / 6723
Fax : (033) 4011 6739
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, Bondel Road, 2nd Floor, Kolkata 700 019

Tel: (033) 4011 6700 / 6711 / 6723 • Fax : (033) 4011 6739

E-mail: rta@cbmsl.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of SEAMEC LIMITED will be held on Tuesday, the 14th August'2012 at 4.30 PM 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'2012 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. Carl Holmen, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mrs. Bhavna Doshi, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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, 30th May'2012

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. The Register of Members and Share Transfer Books of the Company will remain closed from 9th August'2012 to 14th August'2012 (both days inclusive).
3. Members desirous of obtaining any information regarding Accounts and operations of the Company 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.
4. 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.
5. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
6. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.



DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 25TH ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, 9TH AUGUST'2012, PURSUANT TO REQUIREMENT OF CLAUSE 49 (VI) OF LISTING AGREEMENT ON CORPORATE GOVERNANCE

MR. CARL HOLMEN

Mr. Carl Holmen, aged about 55 years is in the Board of your Company since October'2007 as nominee of Coflexip Stena Offshore (Mauritius) Limited (CSOML). Mr. Holmen, by Qualification, is a Mechanical Engineer with over Twenty seven years of experience in Subsea Construction including Executive Management. Mr. Carl Holmen is an employee of TECHNIP NORGE AS, a subsidiary of TECHNIP SA, France. At present Mr. Holmen holds the position of Vice President, in TECHNIP GROUP. Mr. Holmen does not hold any Shares in your Company. He is not a Director in any other Company in India nor is a member of any Committee in India.

MRS. BHAVNA DOSHI

Mrs. Bhavna Doshi, aged about 59 years, is a Chartered Accountant having experience over 27 years in the profession. Accounting and Taxation are her forte. At present, she is Senior Advisor to KMPG. She is an elected Member of the Council of the Institute of Chartered Accountants of India. She is actively associated with various committees of ICAI and Chairs Research Committee. She is President of Indian Merchant's Chambers, a renown Chamber of Commerce Headquartered at Mumbai. She has served on National and International Committees relating to Accounting, Taxation and Compliance. She serves as Independent Director on the Boards and Committees of Board of Companies including Peninsula Land Limited and LIC Pension Fund Limited. She is the Member of Board, Shareholder / Investor Grievance & Transfer Committee, Remuneration Committee and Chair Person of Audit Committee of your Company. Mrs. Doshi does not hold any Shares in your Company.

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report of the Company and the Audited Accounts for the Financial Period ended 31st March, 2012.

1. FINANCIAL HIGHLIGHTS

(Figures in ₹ Million)

	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
Net Sales/Income from Operations	1818	1024
Other Income	180	133
Total Expenditure		
a. Consumables & Spares	290	262
b. Staff Costs (including offshore staff)	621	596
c. Dry Dock expenditure incurred	131	324
d. Other Expenditure	704	388
Earnings before Depreciation & Tax	252	(413)
Depreciation	311	265
Exceptional Items	-	(44)
Profit / (Loss) before Tax	(59)	(634)
Tax Expenses for the year	45	33
Profit /(Loss) after Taxation	(104)	(667)
Add: Balance brought forward from previous year	2243	2910
Surplus available for appropriation	2139	2243
Appropriation:		
Transfer to General Reserve	-	-
Transfer to Tonnage Tax Reserve	-	-
Retained profit carried forward	2139	2243

During the year under review the Company's total revenue was Rs.1998 million as against Rs.1157 million in previous year an increase of about 73%. Income from operations was Rs.1818 million as against Rs.1024 million in the previous year reflecting increase of about 77%.

The Global Economy seemed to be on a very slow recovery path during the year under review. However, employment of vessels and Charter rates were volatile in your Company's line of business. Your Company is in the process of recovery and endeavoured to keep the vessels deployed to the maximum.

The Company fared reasonably well in its endeavour despite some unforeseen circumstances. One of the Vessels secured a Long Term Charter of 3 years for ONGC Job in India scheduled to commence in November'2011. The other Vessels had also moderate deployment record.

The business scenario got a serious setback with the detention of two vessels by Customs in Mumbai on arrival in India in November'2011 for want of Bill of Entry of original import. The Company had purchased these Vessels in India as Indian Flag Vessels. The Vessels were finally released in January'2012 after order of Hon'ble High Court, Bombay.

Directorate of Revenue Intelligence (DRI) made a search in the offices of the Company and provisionally assessed duty of Rs.126 million towards duty on repairs / modifications carried out outside India. The Company paid the amount "Under Protest" subject to adjudication. Final Assessment is under process.

Your Company suffered a loss of Rs.105 million during the year under review. The loss suffered during the previous year was Rs.667 million. Though your Company incurred expenses towards Customs charges (DRI), dry-docking, the major factor attributed to incurring of loss was inability on the part of Company to execute firm Charters of two Vessels as these Vessels



were detained by Customs. Detention forced the Company to bear the loss of revenue, operation cost and in addition made the Payment of Liquidated Damage for delay in delivery of Vessel for ONGC Job. Absence of these unforeseen circumstances would have brought back your Company to profitability.

Your Company continued to monitor the cost control measures to minimize adverse burden. Your Company continues to retain its debt free status. Cash Balance at the beginning of financial period was Rs. 2025 million. The balance at the end of the period was Rs.416 million a decrease of 79% over last year.

Due to shipping loss, no Reserve was transferred to Tonnage Tax Reserve u/s 115V of Income Tax Act 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 operates an additional vessel under Bareboat Charter from SEAMEC INTERNATIONAL FZE, your Company's Wholly Owned Subsidiary, effective from January'2012.

The Company succeeded in overcoming the volatility of decline in business of last year. Overall deployment has increased significantly to 65% against 49% of last year.

The Company's Vessels during the year in general operated in India and South East Asia. One of the Vessels had undergone modification / upgradation for deployment on a Long Term Contract of 3 years with ONGC. The Charter commenced from end of January'2012 after release of Vessel by Customs. With this two of your Company's Vessels are placed on Long Term Charter. Out of the balance, one had assured significant employment whilst the other had to struggle for employment. The Vessel owned by SEAMEC INTERNATIONAL FZE, was taken under Bareboat Charter, deployed in West Africa for a project with TECHNIP effective from January'2012.

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.

During the year under review CSOML, nominated Mrs. Muriel Hurstel as a Director on the Board of Directors of the Company in place of Mr. Christophe Armengol.

CSOML also nominated Mr. Gregoire Abele as an Alternate Director. Subsequently Mr. Vincent Taravella was nominated as an Alternate Director in place of Mr. Gregoire Abele on 30th May, 2012.

Mr. Vincent Taravella by Qualification is Master of Business and Economics, Corporate Finance and Law. Mr. Taravella works as Finance Manager of your Parent Company TECHNIP in Paris. Mr. Taravella does not hold any shares in your Company. Your Directors placed on record its appreciation of the valuable services rendered by Messers Christophe Armengol and Gregoire Abele during their tenure as Directors of the Company.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Carl Holmen and Ms. Bhavna Doshi, 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 & Co. Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment.

6. AUDITORS' REPORT

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

7. RELATED PARTY TRANSACTIONS

A statement of related party transaction pursuant to accounting standard 18 is given in Note 31 (Notes to Accounts).

8. CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of business life rather 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. INVESTOR 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-materialization of Company's shares on either of the Depositories as aforesaid.

Coflexip Stena Offshore (Mauritius) Limited, the promoter of the Company pursuant to Securities Exchange Board of India, guidelines had dematerialized its entire physical holdings during the year under review.

10. WHOLLY OWNED SUBSIDIARY

SEAMEC INTERNATIONAL FZE, the Wholly Owned Subsidiary has acquired a vessel during the year under review. The said vessel was taken under Bareboat Charter by your Company. As per the regulatory provision, the consolidated financial statement of your Company and its wholly owned subsidiary for the financial Year ended on 31st March 2012 duly audited by Statutory Auditors is attached to the annual report of the Company. The Annual Accounts of the Wholly Owned Subsidiary and the related detailed information shall be made available to the shareholders on request at any point of time.

11. HUMAN RESOURCES

Your Company considers 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.

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

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

13. PARTICULARS OF EMPLOYEES

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any.
- 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.
- 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.
- Directors had prepared the annual accounts on a going concern basis.

15. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2012

Shardul Thacker
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ending 31st March, 2012.

A. TECHNOLOGY ABSORPTION

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

B. FOREIGN EXCHANGE EARNINGS & EXPENDITURE

During the period under review, the Company's foreign exchange earnings were equivalent to Rs. 1461 million and foreign exchange outgo was equivalent to Rs. 456.05 million.

Statement of particulars of Employees, pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the fifteen months period ended 31st March, 2012 .

Name	Age (Yrs)	Designation	Remuneration	Qualifications	Experience (Yrs)	Date of Commencement	Previous Employment
Employed for the Period							
Capt. Christopher J. Rodricks	59	Managing Director	₹ Million 21.72	Master – Foreign going vessel	38	28.02.03	Seabulk Offshore, Dubai

NOTES:

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