



SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

ANNUAL REPORT 2009-10

Contents

Board of Directors	1
Notice	3
Directors' Report	6
Corporate Governance Report	11
Auditors' Certificate on Corporate Governance Report	20
Management Discussion & Analysis Report	22
Ten Years at a Glance	24
Auditors' Report	25
Balance Sheet	28
Profit & Loss Account	29
Cash Flow Statement	30
Schedules to Accounts	31
Balance Sheet Abstract	46



SEAMEC LIMITED

A MEMBER OF THE TECHNIP GROUP

TWENTY THIRD ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

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

Management Committee

Capt. 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. Battliboi & Associates
Chartered Accountants
Ground Floor, Jalan Mills Compound,
95, Ganpat Rao Kadam Marg,
Lower Parel, Mumbai - 400 013.

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 Communications, 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 / 2486, 4011 6700 6718 / 66723 • Fax : (033) 22870263

E-mail : rta@cbmsl.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Third Annual General Meeting of SEAMEC LIMITED will be held on Tuesday, 20th July, 2010 at 04.00 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 fifteen months period ended on 31st March, 2010 and the Balance Sheet as on that date together with Reports of the Directors and Auditors thereon.
2. To declare a Dividend for the Financial Year ended 31st March, 2010.
3. To appoint a Director in place of Mrs. Bhavana Doshi, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Shardul Thacker, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

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

“RESOLVED THAT subject to such approvals as may be necessary, the Directors of the Company other than the Managing Director and Non-Independent Directors be paid annually, for a period not exceeding five years, for each of the financial years of the Company commencing from 1st January, 2009, commission not exceeding one per cent of the net profits of the Company, as provided under Section 309(4) of the Companies Act, 1956 ('the Act'), and computed in the manner referred to in Section 198(1) of the Act, or any amendment or modification thereof, in addition to the fee for attending the meetings of the Board of Directors of the Company ('Board') or any Committee thereof, to be divided amongst the Directors aforesaid in such manner as the Board may from time to time determine.”

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, 11th May, 2010

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 10.07.2010 to 20.07.2010 (both days inclusive). Share Transfers received in order at the Registered Office of the Company or at the office of the Registrars & Share Transfer Agents of the Company: C B Management Services (P) Ltd., P-22, Bondel Road, 2nd Floor, Kolkata 700019, by 09.07.2010 will be processed for payment of dividend, if declared, to the transferees or to their mandatees.
4. The dividend, if declared, will be paid on or before the 19th August 2010 to those members entitled thereto and whose names shall appear on the Register of Members of the Company on 20th July 2010, or to their mandatees, subject however to the provisions of Section 206A of the Companies Act, 1956, or any amendment or re-enactment thereof. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as on 09th July, 2010 as per details to be furnished by National Securities Depository Limited (NSDL) and Central depository Services (India) Limited (CDSL) for this purpose.



5. The company will be providing National Electronic Clearing Services (NECS) facility to the Shareholders, whereby they will be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the NECS options by the Shareholders, the Company shall send the dividend warrants by post in normal manner.

Shareholders holding shares in physical form are requested to fill in the "NECS Mandate Form" provided along with this Annual Report and send it to Company's Registrars and Share Transfer Agents. Shareholders holding shares in Demat form are required to furnish such details to their respective depository participants, if not furnished earlier.
6. 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.
7. 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.
8. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
9. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
10. 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. 6

SEAMEC Board comprises of six members including the Managing Director. While Mrs. Bhavana Doshi and Mr. Shardul Thacker are the two Independent Non-Executive Directors on the Board, the remaining three members are the Non-Independent Non-Executive Directors, nominated by the Parent company. Independent Directors, until now, are being paid sitting fees only. In order to bring the remuneration of the Independent Non-Executive Directors in line with the current trends and commensurate with the time devoted, responsibility shouldered and the valuable contributions made by them, the Board of Directors of the Company felt appropriate to seek your approval for payment of remuneration by way of commission to the Independent Non-Executive Directors of the Company for a period not exceeding five years from 1st January, 2009, as set out in this Special Resolution.

Only the Non-Executive Independent Directors of your Company may be deemed to be interested or concerned in this Special Resolution.

The Board recommends this Special Resolution for your approval.

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

Dated, 11th May, 2010

By order of the Board

S. N. Mohanty
Chief Legal Officer & Company Secretary

Details of Directors seeking reappointment at the 23rd Annual General Meeting to be held on Tuesday, 20th July, 2010, pursuant to requirement of Clause 49 (IV) of Listing Agreement on Corporate Governance

MRS. BHAVNA DOSHI

Mrs. Bhavna Doshi, aged about 57 years, is a Chartered Accountant having experience of over 25 years in the profession. Accounting and Taxation are her forte. At present, she provides consultancy services to corporates and is Senior Advisor to KPMG, India. She is an elected member of the Council of the Institute of Chartered Accountants of India. She was a member of the Compliance Advisory Panel the International Federation of Accountants, New York. She serves as Independent Director on Board of several companies including Peninsula Land Ltd and LIC Pension Fund Ltd. She is elected as Vice President of the Indian Merchants' Chamber for the year 2010-11. She is the member of Board and shareholder/investor Grievance & Transfer Committee and Chairperson of Audit Committee of your Company. Mrs. Bhavna Doshi does not hold any shares in your Company.

MR. SHARDUL THACKER

Mr. Shardul Thacker is an eminent legal professional having vast experience in the field of law, more specifically in Banking Corporate law, Cross-border transactions, project and Ship Finance. He is the partner of Mulla and Mulla & Craigie Blunt & Caroe, Advocates, Solicitors and Notaries. He is solicitor, Law Society Mumbai and is admitted as solicitor of Supreme Court of England and Supreme Court of Hong Kong. Mr. Thacker is a Director on the Board of Formento Resorts & Hotels Ltd., Ruby Mills Ltd., RPG Enterprises Ltd and CGU Logistics Ltd.

Mr. Thacker is the Chairman of Board of Directors and of the Shareholder /Investors Grievance & Transfer Committee of your Company besides being a member of its Audit Committee. Mr. Thacker does not hold any shares in your company.

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty-third Annual Report of the Company and the Audited Accounts for the Financial Period ended 31st March, 2010.

Your Directors have decided to present the accounts this year for a period of fifteen months from 1st January, 2009 to 31st March, 2010. Accordingly, the current financial period is for 15 months whereas the previous financial year was for 12 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 fifteen months period ended 31st March, 2010

(Figures in Rs. million)

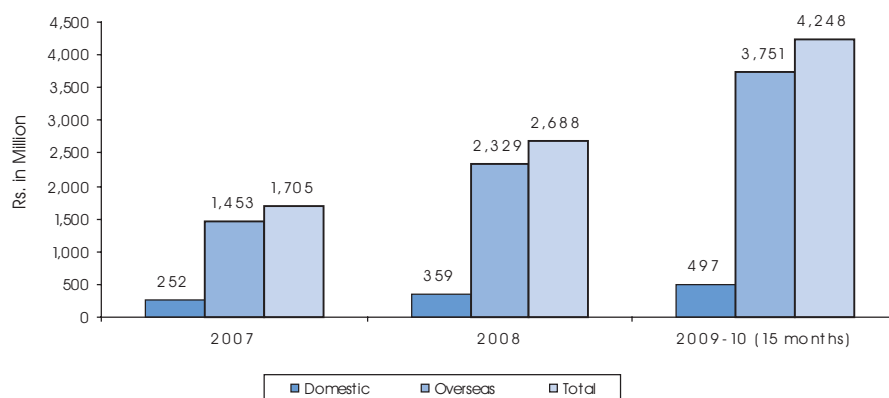
	Current Year Period ended 31.03.2010 (15 months)	Previous Period ended 31.12.2008 (12 months)
Net Sales/Income from Operations	4248	2686
Other Income	161	41
Total Expenditure		
a. Consumables & Spares	212	260
b. Staff Costs (including offshore staff)	943	681
c. Dry Dock Expenditure incurred	88	334
d. Other Expenditure	773	667
Earnings before Depreciation & Tax	2393	785
Depreciation	322	254
Exceptional Items	(7)	47
Profit before Tax	2078	484
Tax Expenses for the year	39	13
Profit after Taxation	2039	471
Add: Balance brought forward from previous year	1619	1285
Surplus available for appropriation	3658	1756
Appropriation:		
Proposed Dividend for the financial year at the rate of Rs.3.00 per equity of Rs.10/- each (previous year – nil)	102	-
Corporate Dividend Tax	17	-
Transfer to General Reserve	204	-
Transfer to Tonnage Tax Reserve	425	137
Retained profit carried forward	2910	1619

During the fifteen months period under review the total revenue from vessel operations was Rs. 4248 mil and profit after tax was Rs. 2039 mil, representing 46% of the revenue. For the year 2008, the revenue from operations was Rs.2686 mil and profit after tax was Rs.471 mil representing about 17% of the turnover. For the current financials under review 88% of revenue comes from overseas operation, while 12% of revenue represents earning from Indian operations. For the year 2008 revenue from overseas and domestic operations were 86% and 14% respectively. This signifies Company's conspicuous presence overseas.

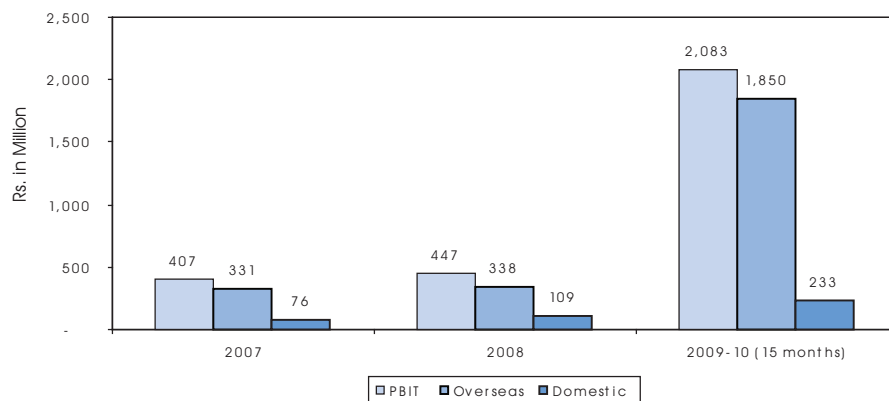
The enhanced performance of the current financial year was attributed to the consolidation of three derivative factors viz: maximum no of days of deployment of vessels, securing attractive charter rates and effective cost control measures.

The market till end of 2009 was good in regards to Company's line of operation. Subsequently, there was an adverse market scenario and accordingly your company experienced a declining trend both in terms of deployment of vessels and charter rate in first quarter of 2010.

Yearwise Revenue



SEGMENT WISE PROFIT BEFORE INTEREST AND TAX

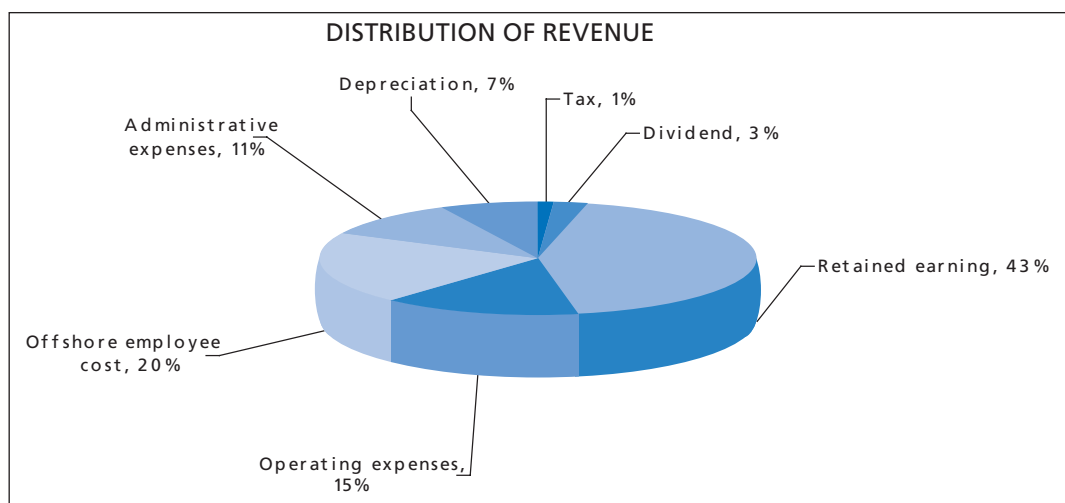


Your Company continues to retain its debt free status and increased its surplus annual cash flow. Cash Balance at the beginning of Financial period was Rs. 635 mil. The balance at the end of the period was Rs. 2551mil, an increase of 302 % over last year.

From the Assessment Year 2005-06 (relevant accounting year 2004-05) your Company has come under Tonnage regime available for shipping companies under Chapter XII-G of Income Tax Act, 1961. Your Directors have, therefore recommended transfer of Rs. 425,000 thousand from current period surplus to Tonnage Tax Reserve u/s 115 V of Income Tax Act, 1961. The primary out go of tax obligation was on account of interest earned from the deposits made on surplus cash balance with the Banks.

2. DIVIDEND

In view of the sustained working results during the year, the Board of Directors are pleased to recommend a dividend of Rs. 3.00 per share (i.e. 30%) on 33,900,000 equity shares, aggregating to Rs. 118,983,915 including Corporate Dividend Tax of Rs. 17,283,915, subject to approval of the members of the Company.



3. OPERATIONS OFFSHORE

The Company owns and operate four dynamically positioned multi support vessels.

Despite volatility in the Oil and Gas industry due to melt down in global economy, your company's operation showed a distinguished growth. During the fifteen months period ended on 31st March 2010, all the four vessels were under charter for most of the days doing the jobs in Oil field services. Out of four vessels, one remain althrough in India whilst other three were deployed overseas in Mexico, West Africa and UAE etc.

One of the company's vessel working overseas was withdrawn from the charter hire due to commercial dispute. The Company is pursuing the matter through all amicable means.

4. ACKNOWLEDGEMENT

During the voyage from West Africa to Middle East, one of the vessels passed through Gulf of Aden safely with able assistance of Indian Navy. Your Board of Directors wishes to place on record its appreciation and sincere gratitude to INDIAN NAVY for the valuable assistance provided by them.

5. DIRECTORS AND MANAGEMENT

Your Company is a subsidiary of Coflexip Stena Offshore (Mauritius) Ltd. (CSOML), which ultimately is owned by Technip S. A. France.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mrs. Bhavna Doshi and Mr. Shradul Thacker, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

6. 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 and they are eligible for re-appointment.

7. AUDITORS' REPORT

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

8. 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).

9. CORPORATE GOVERNANCE

The Company believes that Corporate Governance is a way of business life rather than any 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.

10. 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.

11. SETTING UP WHOLLY OWNED SUBSIDIARY

In order to pursue the future expansion plans, 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, UAE on 14th March 2010 for carrying out operations in the related fields in the area. The initial investment so far made is AED 1 Million equivalent to Rs. 12.48 mil. The Directors' Report and Accounts of the subsidiary are not attached as the company is yet to make out their accounts.

12. HUMAN RESOURCES

Your company believes that the inherent strength of the Companies lies in its people. The performance of the Company could be made possible only with the collective contribution and excellent performance of both On shore and Off shore staff. All employees are committed to their work and proactively participate in their area of operations. The value of training is well recognized and periodical training programme are carried out. Health and Safety of all employees and associates your company works with remains as paramount importance.

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

- 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 profit 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.

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
Date : May 11, 2010

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, 2010.

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. 3888 million and foreign exchange outgo was equivalent to Rs. 971 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, 2010.

Name	Age (Yrs)	Designation	Remuneration	Qualifications	Experience (Yrs)	Date of Commencement	Previous Employment
Employed for the Period							
Capt. Christopher J. Rodricks	57	Managing Director	Rs. Lakhs 140.09	Master – Foreign going vessel	37	28.02.03	Seabulk Offshore, Dubai
S. N. Mohanty	53	Chief Legal Officer & Company Secretary	Rs. Lakhs 39.98	M.Com, LLB, FCS, AICWA	26	03.10.00	SWIL Limited, Kolkata
S. S. Biswas	53	Chief Financial Officer	Rs. Lakhs 39.62	B-Com	26	09.03.93	Peerless General Finance and Investment Ltd, Kolkata
R.R. Roy	57	General Manager (Operations)	Rs. Lakhs 31.82	Marine Engineer (Class I)	35	29.01.96	Anglo Eastern Ship Management, Mumbai
Employed for part of the Period							
H.R. Mitra	58	General Manager (Diving)	Rs. Lakhs 27.91	Diploma in Mechanical Engineer	41	15.06.07	SEAMEC LIMITED Super Annuated on 31.12.2009

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.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for the fifteen months period ended March 31, 2010. (Period) 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
Capt. 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 discuss with Internal Auditors, Statutory Auditors scope of audit findings of audit, audit qualifications, if any, related party transactions and appraise 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	5	5
Mr. Shardul Thacker	Member	5	5
Mr. Christophe Armengol	Member	5	2

3. REMUNERATION TO DIRECTORS

Director	Designation	Remuneration paid during the period (All figures in Rupees)		
		Sitting fees	Salary & perks	Total
Mr. Shardul Thacker	Chairman	300,000		300,000
Capt. C. J. Rodricks	Managing Director		14,009,003	14,009,003
Mr. Carl Holmen	Director			
Mr. Christophe Armengol	Director			
Mr. Georges Michel	Director			
Mrs. Bhavna Doshi	Director	300,000		300,000

4. 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	Position	Meetings Held	Meetings Attended
Mr. Shardul Thacker	Chairman	5	5
Capt C J Rodricks	Member	5	5
Mrs. Bhavna Doshi	Member	5	5

M/s. C. B. Management Services (P) Ltd., the Company's Registrar and Share Transfer Agent, among others, expedites 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.

5. NUMBER OF BOARD MEETINGS AND BOARD PROCEDURES

Your Company's Board met 5 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
24th February 2009	Mumbai
21st April, 2009	Mumbai
30th July 2009	Mumbai
27th October, 2009	Paris
28th January ,2010	Mumbai

Director	No. of meetings		Attended last A.G.M
	Held	Attended	
Mr. Shardul Thacker	5	5	Yes
Capt. C. J. Rodricks	5	5	Yes
Mr. Christophe Armengol	5	3	Yes
Mr. Georges Michel	5	4	Yes
Mrs. Bhavna Doshi	5	5	Yes
Mr. Carl Holmen	5	4	Yes

6. 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.

7. 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	No. of Committees	
	Member	Chairman
Mr. Carl Holmen	-	-
Capt. C. J. Rodricks	1	-
Mr. Christophe Armengol	1	-
Mr. Georges Michel	-	-
Mrs. Bhavna Doshi	4	1
Mr. Shardul Thacker	4	1

8. DISCLOSURE REGARDING DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

The personal information about the Directors being appointed / reappointed 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.

9. 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.

10. 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.

**11. 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.

12. 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.

13. 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.

14. 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.

15. OTHER DISCLOSURES**1. DETAILS OF ANNUAL GENERAL MEETINGS**

1.1 Location and time, where last three AGMs held

Year	Location	Date	Time
2006	Mumbai	18-04-2007	4.00 P.M.
2007	Mumbai	29-04-2008	4.00 P.M.
2008	Mumbai	21-04-2009	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) Nav Shakti (Marathi)
- Any website, where displayed : www.technip.com/en/entities/seamec-ltd
- Whether it also displays official news release : N. A.
- Whether MD&A is a part of Annual Report : Yes
- Whether Shareholder Information section forms part of the Annual Report : Yes

3. SHAREHOLDER INFORMATION

1. Annual General Meeting
 - Date and Time : 20th July 2010 at 4 p.m.
 - Venue : Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (E), Mumbai – 400 057
2. Financial Calendar

For the Financial Year ended 31.03.2011

 - Financial reporting for the first quarter ending 30th June 2010 : 20th July, 2010
 - Financial reporting for the half year ending 30th September, 2010 : * November, 2010
 - Financial reporting for the third quarter ending 31st December, 2010 : * February, 2011
 - Financial reporting for the year ending 31st March, 2011 : * May, 2011
 - Annual General Meeting for the year ending 31st March, 2011 : * July, 2011

* Tentative
3. Date of Book Closure : 10.07.2010 – 20.07.2010
4. Dividend Payment Date : Dividend if approved at the AGM will be paid on or before 19th August 2010.
5. 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@born5.vsnl.net.in
6. 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 2010-2011 to all the Stock Exchanges.

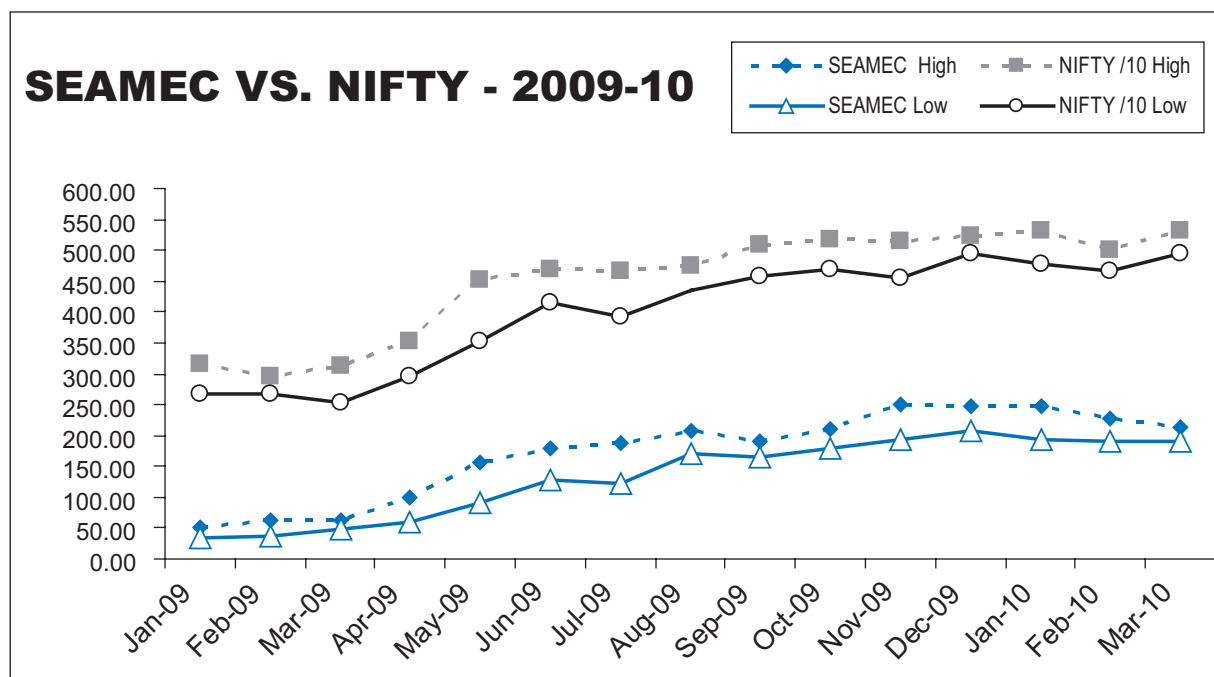
7.	Stock Code :	Scrip ID	Scrip Code
	Bombay Stock Exchange	SEAMECLTD	526807
	National Stock Exchange	SEAMECLTD	-
	ISIN Code	INE497B01018	



8. Stock Price Data :

Month	National Stock Exchange			
	High	Low	Close	Av. Volume
Jan-09	51.90	34.20	40.75	19124
Feb-09	63.75	37.05	59.85	118060
Mar-09	62.00	47.00	58.95	110354
Apr-09	98.35	58.65	93.45	75608
May-09	155.15	91.75	155.15	56943
Jun-09	179.80	127.70	137.35	40403
Jul-09	187.90	123.00	187.90	77439
Aug-09	207.20	170.00	183.30	74380
Sep-09	191.00	166.20	183.20	17459
Oct-09	210.00	179.15	203.35	32361
Nov-09	248.85	192.05	238.60	55729
Dec-09	247.90	207.00	217.60	43103
Jan-10	246.00	194.00	203.15	81665
Feb-10	228.00	191.75	198.05	39381
Mar-10	212.00	190.05	191.50	33678

9. Stock Performance (Indexed) :

STOCK PERFORMANCE OF SEAMEC VS. NSE INDEX (NIFTY)

10. Registrar & 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
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

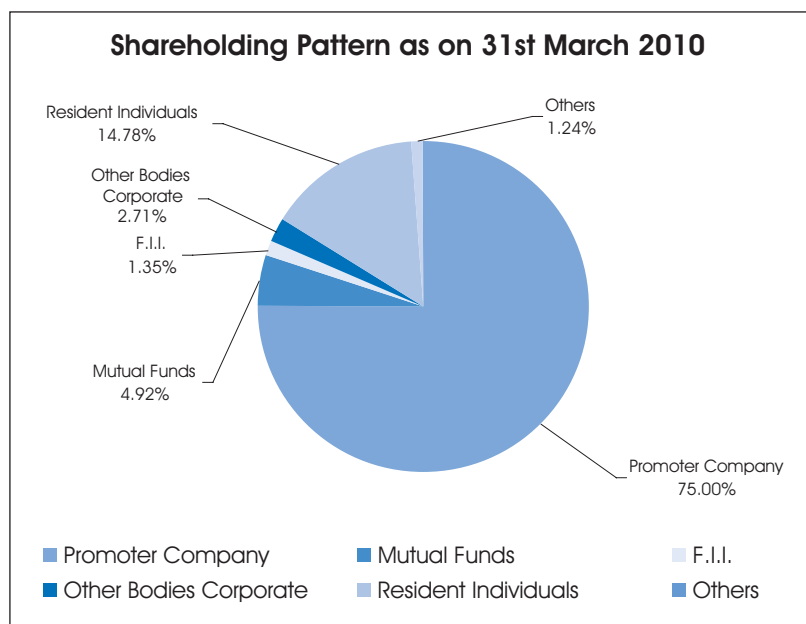
Nature of complaints	2009-10		2008	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of address, Demat	18	18	19	19
– Remat and others	1	1	Nil	Nil
Received from SEBI, Stock Exchanges and other statutory authorities				
TOTAL	19	19	19	19

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

As on 31.12.08, 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	31.03.2010				31.12.2008			
	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	19140	92.21	2343653	6.91	17141	92.97	2118508	6.25
501-1000	877	4.22	717931	2.12	696	3.77	569345	1.68
1001-2000	373	1.80	575837	1.70	297	1.61	448679	1.32
2001-3000	130	0.63	338075	1.00	108	0.59	276472	0.82
3001-4000	43	0.21	152033	0.45	50	0.27	178586	0.53
4001-5000	50	0.24	234747	0.69	38	0.21	179103	0.53
5001-10000	76	0.36	543287	1.60	51	0.28	371116	1.09
10001& above	69	0.33	28994437	85.53	56	0.30	29758191	87.78
TOTAL	20758	100	33900000	100	18437	100	339,00,000	100



14. Categories of Shareholding as on:

	Category	31.03.2010			31.12.2008		
		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	25425000	75.00	1	25425000	75.00
02	Directors	1	4450	0.01	1	4450	0.01
03	Directors Relatives	--	--	--	--	--	--
04	Mutual Funds	7	1667300	4.92	9	2596712	7.66
05	F. I. I.	14	456731	1.35	13	550660	1.63
06	Financial Institutions	--	--	--	--	--	--
07	Central Government / State Government	1	5601	0.02	1	5601	0.02
08	N.R.I.	255	155137	0.46	181	164105	0.48
09	Other Bodies Corporate	610	919025	2.71	599	889918	2.63
10	Banks	4	97707	0.29	5	4900	0.01
11	Resident Individuals	19740	5011735	14.78	17563	4181921	12.34
12	Clearing Members	118	150314	0.44	60	75919	0.22
13	Overseas Body Corporate	2	300	0.00	2	514	0.00
14	Trust	5	6700	0.02	2	514	0.00
	TOTAL	20758	339,00,000	100.00	18437	339,00,000	100.00

15. Dematerialisation of Shares & Liquidity : Over 39.67% of equity shares have been dematerialized as on 31.03.2010.

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, 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

18. Per Share Data

	2009-10	2008
EPS (Rs.)	60.15	13.90
EPS Growth (%)	332.73	27.29
CPS (Rs.)	69.64	21.32
Book Value per share (Rs.)	151.56	94.92

Share price as on 31 March 2010 per 31 December 2008	NSE	191.50	38.25
	BSE	191.85	37.75

19. Related Party Transactions : Disclosures on materially significant related party transactions appear at the appropriate place in Schedule 16 of Notes to Accounts.



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 15 months period ended on March 31, 2010, 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 11, 2010

**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, 2010.

Capt. C.J. Rodricks

Managing Director

Place : Mumbai

Date : May 11, 2010

MANAGEMENT DISCUSSION & ANALYSIS REPORT

01. OVERVIEW

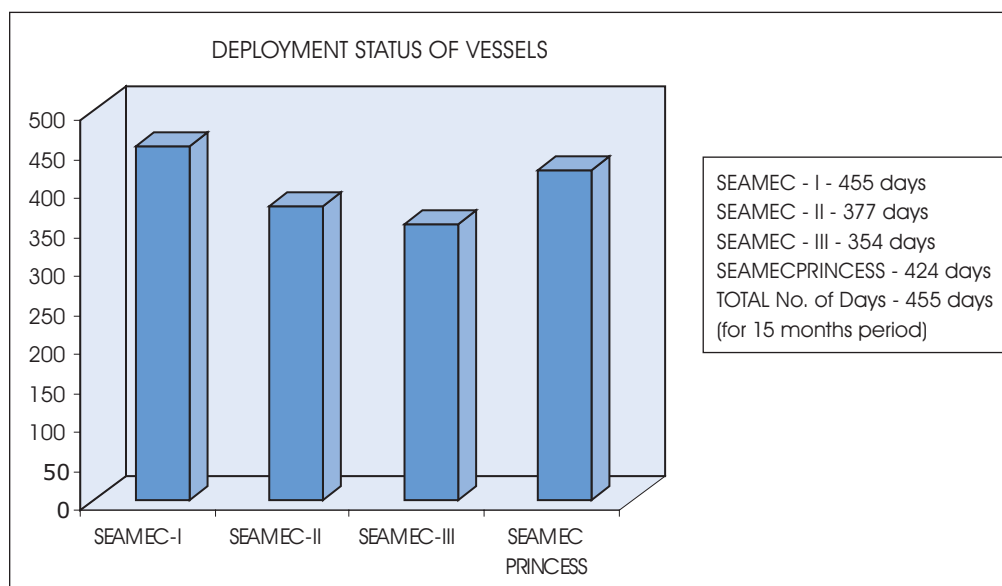
The period over the last 18 months has been very volatile and uncertain. Major economic setbacks in the USA and Europe had an adverse impact on all businesses and shipping was no exception. Trade had reduced substantially, most economies were in dire straits and the general mood was of despair.

Oil and gas prices were fluctuating and major Oil companies were not sure of direction of pricing for the future.

This led to a wait and watch attitude by all the Oil majors, no new projects were being sanctioned and projects under bidding were delayed or stopped completely, resulting a sharp fall in demand for offshore support vessels in all oilfields.

Even though there was great uncertainty, SEAMEC has fared quite well, mainly due to prudence and foresight on the part of core management. Vessels were kept employed and the rates were sustained due to firm commitments.

It is anticipated that the markets would improve by the third quarter of 2010.



02. OPPORTUNITIES AND THREATS

For SEAMEC, the downturn should be an opportunity to examine its operating principles and to ensure that it can survive and thrive even in bad markets. This could be in the form of its optimizing resources of personnel and equipment, ensuring that it has effective cost management and cash flows. It is also an opportunity to recruit high caliber people who are available due to the paucity of work elsewhere. Additionally, an opportunity to examine fleet additions.

It is important to partner with Clients to ensure SEAMEC is the first choice of vessel suppliers for their projects. This should also be a time when SEAMEC can explore diversification and not be restrained to a one segment scenario.

The present market scenario has depressed charter rates quite substantially. It is very difficult to find work. In addition exists competition from newer vessels offering distress charter rates, just to keep their vessels employed.

Volatility in exchange rates and oil prices have still kept Oil companies from taking up new projects. Only essential work is being attempted. Countries are also trying to ensure National tonnage or nationals are first employed before they will allow outsiders to take up work in some areas. In this recessionary market, impact of this kind of threat is formidable. Shortage of quality manpower remains a challenge. SEAMEC segment requires special experience, which always hard to obtain at short notice. Planning and retaining people has been quite successful within the Company.

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: -

(Rs. In million)

	2009-10 (Fifteen months)	2008 (Twelve Months)
Revenue	4409	2727
Operating Expenses	2011	1938
Operating Profit	2398	789
Interest Expenses	5	4
Exceptional Items	(7)	47
Depreciation	322	254
Profit before Tax	2078	484
Provision Tax Expenses	39	13
Net Profit	2039	471
Debtor/Sales	0.08	0.20
Creditor/Purchase	0.30	0.36

Comments on current year's performance:

- Revenue : Increase in Revenue mainly due to continuous deployment of all four vessels during 2009 and deployment of SEAMEC II at higher rate.
- Operating Cost : Decrease in operating cost is mainly due to absence of Diving. Project Expenses and reduction in Dry Dock expenses however increase in Brokerage expenses has partially neutralized the reduction in expenses.
- Operating Profit : Increase due to higher revenue and lesser operating cost.
- Exceptional Items : Excess receipt of Insurance Claim against damage repair expenses
- Depreciation : No major change.
- Current Tax Exp. : The Company is being assessed under Tonnage Tax scheme. Tax expenses include Tonnage Tax of Rs. 396 thousand for Shipping Business, current year normal tax charges of Rs.39,351 thousand on other income computed as per Income Tax Act, 1961 inclusive of previous yea Tax Credit of Rs. 5517 Thousand and Fringe Benefit Tax of Rs. 768 thousand.
- Net Profit : Net profit for 2009-10 is higher compared to 2008 primarily due to increase in charter hire income, less operating expense.

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 47 employees at its offices and engages through contract around 291 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 internal audits, reviewed by Management and Audit Committee of the Board of Directors.



SEAMEC Limited

Rs. In Millions

TEN YEARS HIGHLIGHTS

	2000 (9 Months)	2001	2002	2003	2004	2005	2006	2007	2008	2009-10 (15 months)
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	771.47	644.91	745.07	837.23	1,258.28	1,451.51	2,037.17	2,407.45	2,878.66	4,798.73
NET WORTH	946.88	1,106.39	1,059.22	1,213.59	1,538.70	1,790.51	2,376.17	2,746.45	3,217.66	5,137.73
LOAN FUND	493.77	426.00	339.75	198.06	86.25	-	-	-	-	-
SOURCES OF FUNDS	1,440.65	1,532.39	1,398.97	1,411.65	1,624.95	1,790.51	2,376.17	2,746.45	3,217.66	5,137.73
APPLICATION OF FUNDS										
GROSS BLOCK OF FIXED ASSET	1,856.10	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
RESERVE FOR DEPRECIATION	735.10	850.79	981.41	1,093.00	979.36	1,088.18	1,232.37	1,409.46	1,631.56	1,932.14
NET BLOCK OF FIXED ASSETS	1,121.00	1,025.13	959.27	886.28	788.66	739.77	1,549.08	2,393.73	2,342.76	2,222.96
INVESTMENTS	-	-	-	-	-	-	-	-	-	12.24
DEBTORS (NET)	316.46	185.36	158.56	227.43	148.57	226.77	293.82	268.62	529.76	349.62
TOTAL CURRENT ASSETS	502.11	628.03	571.46	629.36	1,033.03	1,138.40	1,078.90	1,038.85	1,606.32	3,446.52
CURRENT LIABILITIES & PROVISION	182.46	120.77	131.76	103.99	196.74	87.66	251.81	686.12	731.42	543.99
NET CURRENT ASSETS	319.65	507.26	439.70	525.37	836.29	1,050.74	827.09	352.73	874.90	2,902.53
APPLICATION OF FUNDS	1,440.65	1,532.39	1,398.97	1,411.65	1,624.95	1,790.51	2,376.17	2,746.46	3,217.66	5,137.73
PROFIT & LOSS ACCOUNT										
REVENUE - Charter Hire	753.40	879.92	1,000.73	901.46	964.17	822.81	1,591.33	1,704.47	2,685.86	4,248.41
OTHER INCOME	13.04	11.13	26.56	16.88	43.80	50.15	45.00	88.37	38.90	161.11
EBITDA before extra ordinary items	172.18	263.69	283.15	349.35	243.96	322.46	752.82	604.23	788.78	2,398.51
EXTRA ORDINARY ITEMS	-	-	-	-	114.80	12.07	-	(7.70)	(47.23)	6.41
INTEREST EXPENSES	47.91	63.01	57.33	39.73	24.21	10.41	2.73	4.23	3.76	4.80
DEPRECIATION	84.24	120.00	131.39	135.00	126.03	112.02	149.15	189.50	254.13	321.68
PROFIT BEFORE TAX	40.04	80.70	94.43	174.63	208.52	212.10	600.94	402.80	483.66	2,078.44
TAX	3.30	9.50	(5.73)	82.47	(212.54)	18.87	15.27	32.53	12.45	39.38
PROFIT AFTER TAX	36.74	71.20	100.16	92.16	421.06	193.23	585.67	370.27	471.21	2,039.06

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, 2010 and also the Profit and Loss Account and the cash flow statement for the 15 months period 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 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. 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 (4 A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. 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 written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) Without qualifying our opinion, we draw attention to note No. 7(f) of Schedule 16 of the financial statements regarding provision for commission amounting to Rs. 600 thousand to the Non-Executive Directors, which is subject to shareholders' approval.
 - (vii) 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, 2010;
 - b) In the case of the profit and loss account, of the profit for the 15 months period ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the 15 months period 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 11, 2010



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 period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.
- (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.
- (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.
- (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.
- (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.
- (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, cess 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 period 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, income- tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the period 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 and it has not incurred cash losses in the current period and immediately preceding financial year.
- (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 period.
- (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 period.
- (xx) The company has not raised any money through a public issue during the period.
- (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 11, 2010



SEAMEC LIMITED
BALANCE SHEET AS AT MARCH 31, 2010
 (All amounts in thousand of Indian Rupees)

	Schedule	As at 31.03.2010	As at 31.12.2008
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	339,000	339,000
Reserves & surplus	2	4,798,734	2,878,663
		<u>5,137,734</u>	<u>3,217,663</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	3		
Gross block		4,001,076	3,963,989
Less: Accumulated depreciation		1,932,145	1,631,559
Net block		<u>2,068,931</u>	<u>2,332,430</u>
Capital work-in-progress including capital advances		153,428	9,447
		<u>2,222,359</u>	<u>2,341,877</u>
Intangible assets	4	602	880
Investments	5	12,240	-
Current Assets, Loans and Advances			
Inventories	6	177,047	117,649
Sundry debtors	7	349,622	529,761
Cash and bank balances	8	2,551,446	635,425
Loans and advances	9	368,408	323,486
		<u>3,446,523</u>	<u>1,606,321</u>
Less: Current liabilities and provisions			
Current liabilities	10	524,315	716,249
Provisions	11	19,675	15,166
		<u>543,990</u>	<u>731,415</u>
Net current assets		<u>2,902,533</u>	<u>874,906</u>
		<u>5,137,734</u>	<u>3,217,663</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 11, 2010

SEAMEC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

	Schedule	Period Ended 31.03.2010	Period Ended 31.12.2008
INCOME			
Charter hire income		4,247,765	2,682,973
Service charges		642	2,887
Other income	12	167,515	40,884
		<u>4,415,922</u>	<u>2,726,744</u>
EXPENDITURE			
Operating expenses	13	1,527,488	1,729,545
Administrative expenses	14	483,519	255,650
Interest and Finance expenses	15	4,802	3,758
Depreciation / amortisation		321,681	254,128
		<u>2,337,490</u>	<u>2,243,081</u>
Profit before tax		2,078,432	483,663
Less: Current tax		44,100	10,150
Tax of earlier years		(5,491)	-
Fringe benefit tax		768	2,300
Profit for the period after tax		<u>2,039,055</u>	<u>471,213</u>
Balance brought forward		1,619,007	1,285,294
Profit available for appropriation		<u>3,658,062</u>	<u>1,756,507</u>
Appropriation:			
Proposed dividend		101,700	-
Dividend distribution tax		17,284	-
Transfer to general reserve		203,905	-
Transfer to tonnage tax reserve u/s 115VT of Income Tax Act, 1961		425,000	137,500
Surplus carried to Balance Sheet		<u>2,910,173</u>	<u>1,619,007</u>
EARNINGS PER SHARE			
Profit for the period		2,039,055	471,213
No. of outstanding shares (in '000)		33,900	33,900
Nominal value of shares (in Rs)		10	10
Basic and diluted earning per share (in Rs)		60.15	13.90
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 11, 2010



SEAMEC LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2010
(All amounts in thousand of Indian Rupees)

	Period Ended 31.03.2010	Period Ended 31.12.2008
Cash flows from operating activities		
Profit/(loss) before tax	2,078,432	483,663
Adjusted for		
Depreciation	321,681	254,128
(Profit) on sale of assets	(326)	(8,666)
Assets and Inventory written off / (back)	-	(1,989)
Advances written off	8	2,085
Machinery spares consumed	29,191	39,017
Provision for doubtful debts (Net)	236,545	34,445
Liability no longer required	(8,368)	-
Interest income, net	(119,276)	(23,564)
Unrealised exchange losses	19,045	18,071
Operating profit before working capital changes	2,556,932	797,190
Adjusted for (increase) / decrease		
Inventories	(59,398)	65,822
Sundry debtors	(90,185)	(291,735)
Loans and advances	108,417	(318,667)
Current liabilities	(302,550)	43,531
Provisions	4,509	1,765
Cash generated from operations	2,217,725	297,906
Direct taxes paid, net of refunds	(40,080)	(4,160)
Net cash flows from operating activities	2,177,645	293,746
Cash flows from investing activities		
Purchase of fixed assets and capital work in progress	(231,073)	(244,445)
Proceeds from sale of fixed assets	326	15,316
Investment in fixed deposits	(1,637,500)	(122,500)
Investment in subsidiary	(136,988)	-
Interest received	110,762	27,322
Net cash used in investing activities	(1,894,473)	(324,307)
Cash flows from financing activities		
Finance charges paid	(4,651)	(3,758)
Net cash used in financing activities	(4,651)	(3,758)
Net increase / (decrease) in cash and cash equivalents	278,521	(34,319)
CASH AND BANK BALANCES, beginning of period	512,925	547,244
CASH AND BANK BALANCES, end of period	791,446	512,925
Components of Cash and Cash equivalents: (Refer Note 1 & 2 below)	As at 31.03.2010	As at 31.12.2008
Cash on hand	57	20
Balances with Scheduled banks		
- current accounts	21,391	41,328
- foreign currency accounts	79,998	71,577
- fixed deposit accounts	2,450,000	522,500
As per balance sheet	2,551,446	635,425
Less: Fixed deposit with maturity of more than three months	1,760,000	122,500
Cash and Cash equivalents as restated	791,446	512,925

Notes:

- Cash and cash equivalents for the period ended March 31, 2010 includes unrealised loss of Rs.324 (Previous period unrealised gain of Rs. 685) on account of translation of foreign currency bank balances.
- Fixed deposits included in Cash and Cash equivalents pertain 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 11, 2010

SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

	As at 31.03.2010	As at 31.12.2008
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,000,000 (Previous period 50,000,000) equity shares of Rs 10 each	500,000	500,000
Issued, subscribed and paid-up	339,000	339,000
33,900,000 (Previous period 33,900,000) equity shares of Rs 10 each fully paid-up	339,000	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	70,000	70,000
Add:Transferred from Profit and Loss Account	203,905	-
	273,905	70,000
Tonnage tax reserve u/s 115VT of Income Tax Act, 1961		
As per last Balance Sheet	277,500	140,000
Add:Transferred from Profit and Loss Account	425,000	137,500
	702,500	277,500
Shipping reserve (u/s 33AC) utilised	351,000	351,000
Tonnage tax reserve utilised	59,400	59,400
Profit and loss account	2,910,173	1,619,007
	4,798,734	2,878,663



SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

SCHEDULE 3 : FIXED ASSETS

GROSS BLOCK	As at 01.01.2009	Additions	Deletions	As at 31.03.2010
Fleet and fleet equipment	3,874,353	26,853	(10,567)	3,890,639
Machinery spares	73,200	41,710	(37,845)	77,065
Furniture, fittings and office equipment	12,717	16,528	-	29,245
Vehicles	3,719	2,001	(1,593)	4,127
	3,963,989	87,092	(50,005)	4,001,076
As at 31.12.2008	2,771,849	1,262,966	(70,826)	3,963,989
ACCUMULATED DEPRECIATION				
	As at 01.01.2009	For the period	Adjustments	As at 31.03.2010
Fleet and fleet equipment	1,593,620	298,926	(10,567)	1,881,979
Machinery spares	22,994	18,975	(8,657)	33,312
Furniture, fittings and office equipment	11,517	2,586	-	14,103
Vehicles	3,428	916	(1,593)	2,751
	1,631,559	321,403	(20,817)	1,932,145
As at 31.12.2008	1,409,463	253,904	(31,808)	1,631,559
NET BLOCK				
Fleet and fleet equipment	2,280,733			2,008,660
Machinery spares	50,206			43,753
Furniture, fittings and office equipment	1,200			15,142
Vehicles	291			1,376
	2,332,430			2,068,931
Capital work in progress, including Capital advances	9,447			153,428
	2,341,877			2,222,359

SCHEDULE 4 : INTANGIBLE ASSETS

GROSS BLOCK	As at 01.01.2009	Additions	Deletions	As at 31.03.2010
Software	1,113	-	-	1,113
As at 31.12.2008	1,113	-	-	1,113
ACCUMULATED AMORTISATION				
	As at 01.01.2009	For the period	Adjustments	As at 31.03.2010
Software	233	278	-	511
As at 31.12.2008	9	224	-	233
NET BLOCK				
Software	880			602
As at 31.12.2008	1,104			880

SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

	As at 31.03.2010	As at 31.12.2008
SCHEDULE 5 : INVESTMENTS		
Long term investments (at cost)		
Non-trade (unquoted)		
Investment in subsidiary		
1 (Previous period :NIL) fully paid up equity share of AED 1,000,000 of SEAMEC International FZE	12,240	-
	<u>12,240</u>	<u>-</u>
SCHEDULE 6 : INVENTORIES		
(at lower of cost and net realisable value)		
Stores and consumables	156,087	109,264
Stores and consumables (Dry Dock)	11,362	-
Goods in transit - Stores and consumables	9,598	8,385
	<u>177,047</u>	<u>117,649</u>
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months		
- considered good (Refer Note 5 of Schedule 16)	61,016	65,178
- considered doubtful	8,389	8,389
	<u>69,405</u>	<u>73,567</u>
Other debts - considered good	288,606	464,583
- considered doubtful	239,386	2,841
	<u>597,397</u>	<u>540,991</u>
Less: Provision for doubtful debts	247,775	11,230
	<u>349,622</u>	<u>529,761</u>
Dues from companies under the same management		
- Technip U K Limited	4,036	-
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash on hand	57	20
Balances with scheduled banks		
- current accounts	21,391	41,328
- foreign currency accounts	79,998	71,577
- fixed deposit accounts	2,450,000	522,500
	<u>2,551,446</u>	<u>635,425</u>



SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

	As at 31.03.2010	As at 31.12.2008
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loans to employees	162	386
Advance income tax (net of provision for tax Rs 63,050 (Previous period -Rs 164,002))	26,458	25,754
Security deposits	15,943	15,296
Insurance claim receivable (Refer Note 6 of Schedule 16)	-	258,127
Advances recoverable in cash or in kind or for value to be received	201,097	23,923
Share application money in subsidiary company	124,748	-
	<u>368,408</u>	<u>323,486</u>
Dues from companies under the same management		
- Technip U K Limited (maximum outstanding during the period Rs 145,001 (Previous period NIL))	145,001	-
- SEAMEC International FZE (maximum outstanding during the period Rs 4,007 (Previous period NIL))	4,007	-
SCHEDULE 10 : CURRENT LIABILITIES		
Sundry creditors		
- Dues to micro and small enterprises (Refer note 13 of Schedule 16)	-	-
- Dues to creditors other than micro and small enterprises	400,666	562,105
Advance from customers	-	151,244
Proposed Dividend (including dividend distribution tax)	118,984	-
Other liabilities	4,665	2,900
	<u>524,315</u>	<u>716,249</u>
SCHEDULE 11 : PROVISIONS		
Provision for employee benefits	19,675	15,166
	<u>19,675</u>	<u>15,166</u>
	Period Ended 31.03.2010	Period Ended 31.12.2008
SCHEDULE 12 : OTHER INCOME		
Interest		
Deposits with banks (TDS Rs 8,139; Previous Year. Rs 2,306)	117,725	24,774
Others (TDS- Rs NIL; Previous period. - Rs Nil)	6,353	2,548
Premium / discounts on forward contract (net)	2,235	2,626
Exchange gain (net of losses)	22,483	-
Liability no longer required written back	8,368	-
Debts Written back	2,841	-
Deputation Charges	724	281
Profit on sale of fixed asset	326	8,666
Asset and inventory written back	-	1,989
Sale of Scrap	53	-
Excess Insurance claim received (Refer Note 6 of Schedule 16)	6,407	-
	<u>167,515</u>	<u>40,884</u>

SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

(All amounts in thousand of Indian Rupees)

	Period Ended 31.03.2010	Period Ended 31.12.2008
SCHEDULE 13 : OPERATING EXPENSES		
Stores and spares consumed	183,054	220,668
Machinery spares consumed	29,191	39,017
Crew cost		
- Wages, bonus and other expenses	715,803	
- Contribution to provident fund	1,873	
Crew travelling expenditure	89,240	82,581
Sub Contractor Cost- Diving Project	-	285,691
Dry dock expenses	88,148	334,447
Repairs to damaged vessel	-	47,231
Victualling and other benefit to crew	65,489	41,788
Repairs and maintenance - vessels	54,280	53,765
Certification fees	14,296	12,868
Insurance charges	37,039	23,583
Agency expenses	12,920	16,986
Commission	206,750	35,905
Other operational expenses	29,405	26,588
	<u>1,527,488</u>	<u>1,729,545</u>
SCHEDULE 14 : ADMINISTRATIVE EXPENSES		
Salaries, wages and bonus	62,499	41,701
Contribution to provident, gratuity fund and other funds	7,708	5,959
Staff welfare	553	297
Directors Commission and Fees	1,200	380
Travelling and conveyance	21,697	24,078
Repairs and maintenance -others	2,679	2,151
Rent	31,599	8,135
Payment to auditors (excluding service tax)		
As auditor		
- Audit fees	1,475	1,075
- Tax audit fees	525	606
- Limited review fees	425	963
- Out of pocket expenses	23	35
As advisors, in respect of		
- Taxation matters	-	-
- Company law matters	-	-
- Management services	-	-
In any other matter	26	-
Legal & professional fees	4,735	5,722
Management fees	85,983	26,529
Bad debts written off	-	31,604
Advances written off	8	2,085
Provision for doubtful debt	239,386	2,841
Exchange loss (net off gain)	-	85,261
Miscellaneous expenses	22,998	16,228
	<u>483,519</u>	<u>255,650</u>
SCHEDULE 15 : INTEREST AND FINANCE EXPENSES		
Bank charges	4,770	3,394
Interest		
- others	32	364
	<u>4,802</u>	<u>3,758</u>



SEAMEC LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2010

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, which is higher than at the rates prescribed under schedule XIV of the Companies Act, 1956 .

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 Rs. 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, whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(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. Inventory items individually costing less than Rs 5 thousand are charged to consumption.

(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 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.
- 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. Short term compensated absences are provided for based on estimates.

(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 not covered above or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period 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 and Fringe Benefit 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.

Fringe Benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.

**(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

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.

(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

i. 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.

ii. 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 Rs. 28,543 thousand (Previous Year Rs 208 thousand).

4. Contingent Liabilities

Rs in Thousand

	As at 31.03.2010	As at 31.12.2008
(a) 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 INR 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, 2010. 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

- The outstanding against prematurely terminated, in July 2007, Charter hire contract, for vessel MSV SEAMEC-III, with M/S Offshore Technologies Solutions Limited, Port of Spain, Trinidad, is Rs 59,854 thousand (US\$ 1,334 thousand), payable on or before June 30, 2010 as per terms of settlement agreed to with the charterer. The charterer has since paid quarterly interest @ 8% p.a. on the balance amount, as per terms of the contract. Management considers the outstanding balance from the charterer, as good and recoverable and hence no provision is considered necessary.
- The Company withdrew one of its vessels from a charterhire contract due to commercial disputes. The Company has not recognised revenue of Rs 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 a provision of Rs 239,386 thousand towards outstanding receivables from the same client on grounds of prudence.

6. Insurance Claim Received

During the period, the Company has received Rs 264,190 thousand from the Hull & Machinery Underwriter towards damage repair claim for repair of vessel MSV SEAMEC-II (the vessel), against receivable amounting to Rs 257,783 thousand accrued as at 31st December 2008. The amount received over and above amount accrued, is towards cost of repair to damaged vessel charged out in the previous year. The same has been treated as other income. Any further claim received against such expenditure, will be treated as other income, as and when received.

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

(a) Value of imported and indigenous stores, spare parts and fuel consumed

(Rs. in thousand)

	Period ended 31.03.2010		Period ended 31.12.2008	
	Value	%	Value	%
Imported	184,655	87	284,784	91
Indigenous	27,590	13	29,975	9
	212,245	100	314,759	100

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

Stores and spares	199,190	144,187
Capital goods	66,030	267,258
	265,220	411,445

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

(Rs. in thousand)

	Period ended 31.03.2010	Period ended 31.12.2008
Dry dock expenses	87,419	307,957
Repairs to damaged vessel	---	479,618
Crew costs	519,050	337,270
Victualling cost	(19,260)	36,340
Repairs & maintenance	41,671	44,752
Commission	206,750	35,905
Management fees	85,983	28,825
Consultancy and service charges	4,675	18,720
Others	43,444	326,370
	969,732	1,615,757

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

Charter hire income	3,750,543	2,326,012
Service charges	485	2,799
Interest on delayed payment	6,344	2,490
Others	----	19,080
	3,757,371	2,350,381

(e) Managerial remuneration

Salaries	5,828	4,093
House rent allowance	2,045	1,436
Contribution to provident and other funds	1,673	1,254
Performance incentive	2,006	907
Other allowances	2,458	773
	14,009	8,463

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 Rs 1,174 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 3,700 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**

(Rs in thousand)

Particulars	Period ended 31.03.2010	Period ended 31.12.2008
Profit before Exceptional Items and Tax as per Profit and Loss Account	2,078,432	483,663
Add:		
Managing Director's Remuneration	14,009	8,463
Commission to Non-Executive Directors (proposed)	600	-
Directors' Fees	600	380
Provision for Doubtful Debts and Advances	239,386	4,926
Wealth Tax	10	1
Less:		
Profit (Net) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(326)	(8,666)
Net Profit as per Section 349 of the Companies Act, 1956	2,332,711	488,767
Maximum permissible remuneration to Whole time Directors under Section 198 of the Companies Act, 1956 @ 5% of the profits computed above	116,636	48,877
Managing Director's remuneration as per Note-7(e) above	14,009	8,463
Maximum permissible managerial remuneration to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1% of the profits computed above	23,327	4,888
Proposed Commission		
(Subject to Shareholders' approval in Annual General Meeting)	600	-

8. Segment Information

Secondary segment: Geographical Segments

(Rs in thousand)

Particulars	Period ended 31.03.2010			Period ended 31.12.2008		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue						
Gross Receipts	497,380	3,751,027	4,248,407	357,048	2,328,812	2,685,860
Results						
Segment Results	233,161	1,850,073	2,083,234	109,795	377,626	487,421
Interest			4,802			3,758
Tax Expenses			38,609			10,150
Fringe Benefit Tax			768			2,300
Net Profit			2,039,055			471,213
Other Information*						
Assets			5,681,724			3,949,078
Liabilities			543,990			731,415
Capital Employed			5,137,734			3,217,663

*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:-

(Rs in thousand)

Particulars	Technip SA		Seamec International FZE		Technip Offshore Contracting BV		Flexi France		Technipnet SA		Technip UK Limited	
Relationship	Ultimate Holding Company		Subsidiary Company		Associate Company		Associate Company		Associate Company		Associate Company	
Transaction during the period	2010	2008	2010	2008	2010	2008	2010	2008	2010	2008	2010	2008
Expenses recovered	----	----	4,007	----	45	180	----	700	----	----	145,001	----
Repair & Maintenance cost	----	----	---	----	----	----	----	----	----	----	---	1,769
Management Fees	75,250	21,760	---	----	----	----	----	----	10,733	4,769	---	----
ESOP Expenses	1,174	----	----	----	----	----	----	----	----	----	----	----
Management Services	----	----	---	----	----	----	----	----	----	----	4,036	----
Investment in Shares	----	----	12,240	----	----	----	----	----	----	----	----	----
Share application money paid	----	----	124,748	----	----	----	----	----	----	----	----	----
Period end balances												
Balance payable at the end of period	36,586	20,538	----	----	----	----	----	----	3,636	5,405	---	----
Balance receivable at the end of period	----	----	4,007	----	----	----	----	----	----	----	149,037	----
Investment in equity shares	----	----	12,240	----	----	----	----	----	----	----	----	----
Share application money	----	----	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.

(b) Un-hedged Foreign Currency Exposure

(Amounts in thousand)

Particulars	Fifteen Months Ended 31.03.2010			Twelve Months Ended 31.12.2008		
	Currency	Amount in Foreign Currency	Rs.	Currency	Amount in Foreign Currency	Rs.
Sundry Creditors	EURO	558	34,077	EURO	245	16,916
	GBP	115	7,926	GBP	87	6,166
	NOK	1,174	8,932	NOK	4,267	29,829
	SGD	23	766	SGD	50	1,730
	AED	1,175	14,582	AED	356	4,985
	USD	4,246	192,618	USD	7,694	375,172
	TTD	40	283	TTD	37	265
	JPY	103	50	JPY	---	---
	QAR	-	-	QAR	52	735
	SAR	364	4,680	SAR	---	---
	DKK	9	74	DKK	---	---
		Total	263,988		Total	435,798
Sundry Debtors	USD	13,963	626,504	USD	9,295	448,685
	GBP	60	4,036	GBP	---	---
		Total	630,540		Total	448,685
Bank balance	USD	1,779	79,823	USD	1,483	71,577
	EURO	3	175	EURO	----	----
		Total	79,998		Total	71,577

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)

(Rs in thousand)

	Gratuity	
	31.03.2010	31.12.2008
Current service cost	851	705
Interest cost on benefit obligation	494	423
Expected return on plan assets	(434)	(370)
Net actuarial(gain) / loss recognised in the year	(1,145)	(517)
Past service cost	0	0
Net benefit expense	(234)	241
Actual return on plan assets	0	623



	Gratuity	
	31.03.2010	31.12.2008
Balance sheet		
Details of Provision for gratuity		
Defined benefit obligation	5,431	5,332
Fair value of plan assets	5,759	5,135
	328	(197)
Less: Unrecognised past service cost	0	0
Plan asset / (liability)	328	(197)

	Gratuity	
	31.03.2010	31.12.2008
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	5,510	4,695
Interest cost	494	423
Current service cost	851	705
Benefits paid	(366)	(226)
Actuarial (gains) / losses on obligation	(1,058)	(264)
Closing defined benefit obligation	5,431	5,332

	Gratuity	
	31.03.2010	31.12.2008
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	5,555	4,719
Expected return	434	370
Contributions by employer	50	20
Benefits paid	(366)	(226)
Actuarial gains / (losses)	86	253
Closing fair value of plan assets	5,759	5,135

The Company expects to contribute Rs NIL to gratuity in 2010-11.

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

	31.03.2010	31.12.2008
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:

	31.03.2010	31.12.2008
Discount rate	8.00 %	7.50 %
Expected rate of return on assets	7.00 %	7.50 %
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:	31.03.2010	31.12.2008
Defined benefit obligation	5,431	5,332
Plan assets	5,759	5,135
Surplus / (deficit)	328	(196)
Experience adjustment on plan liabilities	(958)	(244)
Experience adjustment on plan assets	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. There are no subleases.

(Rs in thousand)

	31.03.2010	31.12.2008
Minimum lease payments under operating lease / leave and license for period		
i. Not later than one year	22,185	13,816
ii. Later than one year but not later than five years	94,467	NIL
iii. Later than five years	89,872	NIL
Lease payments recognized in the Profit and Loss Account	32,066	8,135

13. The Company does not owe any amount to Micro, Small and Medium Enterprises as per MSMED Act 2006.
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 current period figures are for fifteen months as compared to twelve months in the previous 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 11, 2010

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



SEAMEC LIMITED

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

Registration no:	154910
State code:	11
Date of balance sheet	March 31, 2010

(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:	5,137,734
Total assets:	5,137,734

Sources of funds

Paid-up capital	339,000
Reserves & surplus	4,798,734
	5,137,734

Application of funds

Fixed assets	2,222,359
Intangible assets	602
Investments	12,240
Net current assets	2,902,533
	5,137,734

(d) Performance of the company

Turnover (including other income):	4,415,922
Total expenditure:	2,337,490
Profit/(loss) before tax:	2,078,432
Profit/(loss) after tax:	2,039,055
Earnings per share (in Rs):	60.15
Dividend rate (%):	30%

(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

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 falling him/her _____ of
_____ as my/our Proxy to attend and Vote for me/us and on my/our behalf at
the TWENTY THIRD ANNUAL GENERAL MEETING of the Company held on Tuesday, 20th July, 2010 at 04.00 p.m. at Navinbhai
Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai – 400 057 instead of
me/us and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Re. 1
Revenue
Stamp

- 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, 20th July, 2010 at 04.00 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