

**MMG™**

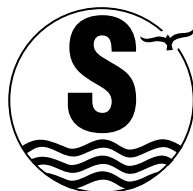


**SEAMEC LIMITED**



**ANNUAL REPORT  
2016-17**

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MEMBER OF THE **MMG**<sup>™</sup>

## THIRTIETH ANNUAL REPORT 2016 - 2017

### BOARD OF DIRECTORS

Mr. Sanjeev Agrawal, Chairman  
Mr. Surinder Singh Kohli  
Mr. Amarjit Singh Soni  
Mr. Mahesh Prasad Mehrotra  
Ms. Seema Modi

### BOARD COMMITTEE

#### Audit Committee

Mr. Mahesh Prasad Mehrotra, Chairman  
Mr. Amarjit Singh Soni  
Mr. Surinder Singh Kohli  
Ms. Seema Modi

#### Stakeholders Relationship Committee

Ms. Seema Modi, Chairperson  
Mr. Sanjeev Agrawal

#### Nomination & Remuneration Committee

Mr. Surinder Singh Kohli, Chairman  
Mr. Amarjit Singh Soni  
Ms. Seema Modi

#### Corporate Social Responsibility Committee

Mr. Sanjeev Agrawal, Chairman  
Ms. Seema Modi

### PRESIDENT & CHIEF FINANCIAL OFFICER

Mr. Virendra Kumar Gupta

### Auditors

S R B C & CO LLP  
Chartered Accountants 14th Floor,  
The Ruby, 29 Senapati Bapat Marg,  
Dadar (W), Mumbai - 400 028

### BANKERS

IDBI Bank Limited  
BNP Paribas

### REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd.  
P-22, Bondel Road, 2nd Floor, Kolkata 700 019  
Tel : (033) 4011 6700 / 6711 / 6723  
Fax : (033) 4011 6739  
Email : [rt@cbmsl.com](mailto:rt@cbmsl.com)

### REGISTERED & CORPORATE OFFICE

A - 901 - 905, 9th Floor,  
215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 093.  
Tel : (022) 6694 1800  
Fax : (022) 6694 1818  
Email : [seamec@bom5.vsnl.net.in](mailto:seamec@bom5.vsnl.net.in) / [contact@seamec.in](mailto:contact@seamec.in)  
Website : [www.seamec.in](http://www.seamec.in)  
CIN : L63032MH1986PLC154910

### PRESIDENT - CORPORATE AFFAIRS, LEGAL & COMPANY SECRETARY

Mr. S. N. Mohanty



## **LISTING ON THE STOCK EXCHANGES**

The Company 's shares are listed on :

1. Bombay Stock Exchange Limited  
1<sup>st</sup> 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 - 400 093.

Tel : (022) 6694 1800

Fax : (022) 6694 1818

Email : [seamec@bom5.vsnl.net.in](mailto:seamec@bom5.vsnl.net.in)/[contact@seamec.in](mailto:contact@seamec.in)

Website : [www.seamec.in](http://www.seamec.in)

All Communication, pertaining to shares, should be made  
either to the Company's Registered Office  
at the above address OR to the  
Registrar & Share Transfer Agents (RTA) :

#### **C B Management Services (P) Ltd.**

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

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

E-mail:[rta@cbmsl.com](mailto:rta@cbmsl.com)

## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the Thirtieth Annual General Meeting of SEAMEC LIMITED will be held on Friday, the 11<sup>th</sup> day of August, 2017 at 4 P.M. at Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai-400057 to transact the following businesses as:

#### ORDINARY BUSINESS

1. To receive consider and adopt the:
  - a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and the Auditors thereon; and
  - b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjeev Agrawal (DIN: 00282059) who retires by rotation and is eligible for re-appointment.
3. To appoint M/s. T R Chadha & Co. LLP – Chartered Accountants (ICAI Registration No. 006711N/9500028) as Statutory Auditors of the Company for a period of five years, fix their remuneration and, in this connection, to pass the following resolution which is proposed as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. T R Chadha & Co. LLP – Chartered Accountants (ICAI Registration No. 006711N/9500028) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting of the Company to be held in the year 2022 on such remuneration as may be decided by the Board of Directors of the Company.”

#### SPECIAL BUSINESS

4. To consider, and if thought fit, to pass the following resolution which is proposed as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Director) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Mahesh Prasad Mehrotra (DIN: 00016768), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 8<sup>th</sup> December, 2016, in terms of Section 161(1) of the Act and Article 119 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 7<sup>th</sup> December, 2021”.
5. To consider, and if thought fit, to pass the following resolution which is proposed as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) read with Rule 15 of Companies (Meetings of Board and its Power) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and subject to such other approvals, consents, permissions and sanctions as may be required from the concerned statutory/regulatory authorities and subject to such terms and conditions as may be imposed by them, if any, consent of the Company be and is hereby accorded to the Board of Directors of the company for entering into Related Party Transactions by way of entering into agreement/arrangement between the Company and M/s. HAL Offshore Limited pertaining to Charter Hire of Vessel, diving related services and other allied services that may be required in course of Company’s line of business directly or indirectly for a period of three years which would exceed the materiality threshold limit prescribed under Act and Regulations on such terms and conditions as may be agreed by the Board of Directors of the company upon recommendation of the Audit Committee and as briefly mentioned in the explanatory statement of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do such acts, deeds and things on behalf of the company, as may be necessary, desirable or expedient to give effect to the above resolution.”



6. To consider, and if thought fit, to pass the following resolution which is proposed as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** with reference to the Special Resolution passed by the shareholders, through postal ballot, to the appointment of and remuneration payable to Captain C. J. Rodricks as Managing Director of the Company for a period of three years effective from 22<sup>nd</sup> January, 2015 as proposed vide item no. 5 of the postal ballot notice dated 6<sup>th</sup> March, 2015 (hereinafter referred to as "the said notice"), the relevant Explanatory Statement to the said item of business as was annexed to the said notice be and is hereby modified and shall be deemed to have always been so modified by, and read as, the text of the Explanatory Statement now annexed to this notice for reasons stated therein.

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

Registered Office :  
A-901-905, 9<sup>th</sup> Floor,  
215 Atrium,  
Andheri Kurla Road,  
Andheri (East)  
Mumbai – 400 093

Dated: July 10, 2017

By order of the Board

**S. N. Mohanty**  
President – Corporate Affairs,  
Legal and Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and the proxy need not be a member of the Company. The proxy form duly completed and signed should be lodged with the Company at its Registered Office at least 48 hours before the time of the meeting. As per Secretarial Standard-2, the proxy should carry a valid Photo-Id card to the AGM venue.  
  
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. In case a Proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights, then such person shall not act as a Proxy for any other Member. Proxies submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 5<sup>th</sup> August, 2017 to 11<sup>th</sup> August, 2017 (both days inclusive).
3. In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant details of the Director retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting are given in the annexure to the notice of the Annual General Meeting.
4. Members desirous of obtaining any information regarding Accounts and operations of the Company requested to write to the Company, so that it reaches the Company at least 7 (Seven) days before the meeting, to enable the Company to keep the information ready at the time of the meeting.
5. Any change of address of the members holding shares in physical mode of the Company to be intimated to the Registered Office of the Company or to the Registrars (RTA): C B Management Services (P) Ltd., P-22, Bondel Road, 5<sup>th</sup> Floor, Kolkata – 700 019. Members holding shares in Demat Mode must inform change of address to their respective Depository Participants.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN to the Company and/or Registrar and Share Transfer Agent of the Company.
8. Members holding shares in physical mode and who have multiple accounts in identical names or joint accounts in the same order are requested to send all their relevant share certificates to the RTA for consolidation to one account to facilitate better service.
9. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
10. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
11. Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.
12. Members may note that the Notice of the 30<sup>th</sup> Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website [www.seamec.in](http://www.seamec.in). The Notice of AGM shall also be available on the website of NSDL viz. <https://evoting.nsdl.com>.
13. Electronic copy of the Annual Report 2016-17 containing Notice of AGM is being sent to all members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members, who have not registered their email address, Physical copies of the Annual Report along with Notice of AGM are being sent in the permitted mode.
14. To support "Green Initiatives", the member who have not registered their email addresses are requested to register the same with the Registrar/Depositories.



## 15. Voting through Electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with, Rule 20 of the Companies (Management and Administration) Rules 2014, as amended, Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 8<sup>th</sup> August, 2017 (9:00 am) and ends on 10<sup>th</sup> August, 2017 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> August, 2017 may cast their vote by remote evoting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/ Depository Participant(s)):
    - i. Member to open email and open pdf file "seamec remote e-voting.pdf" with client ID or Folio No as password. The said pdf file contains member's user ID and Password/PIN for e-voting. This password is an initial password.
    - ii. Member to launch internet browser by typing following URL: <https://www.evoting.nsdl.com/>
    - iii. Members to click on shareholder – login
    - iv. Member to put user ID and Password as initial password/PIN noted in step (i) above – click login.
    - v. Password change menu will appears. Members to change password/PIN with new password of members choice with minimum 8 digits/characters or combination thereof. Note/remember new password. It is strongly recommended not to share password with any other persons and advised to take utmost care to keep password confidential.
    - vi. Home Page of remote e-voting opens. Click on remote e-voting Active voting cycles.
    - vii. Select "E-voting Event Number (EVEN)" of Seamec Limited.
    - viii. Now members are ready for remote e-voting as cast vote page opens.
    - ix. Members may cast vote by selecting appropriate option and click on "submit and also confirm" when prompted.
    - x. Upon confirmation, the message "vote cast successfully" will be displayed.
    - xi. Once vote on the resolution, member(s) will not be allowed to modify his/their vote.
    - xii. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to "seamecscrutinizer@gmail.com" or "evoting@seamec.com" or "evoting@nsdl.co.in"
  - B. In case a member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy).
    - i. Initial password is provided through separate loose sheet communication containing following:  
EVEN (E-Voting Event Number), USER ID, Password /PIN



- ii. Members to follow all steps from SI No (ii) to SI No. (xii) mentioned in (A) above to cast vote.
- VI. In case of any queries, member(s) may refer the Frequently Asked Questions (FAQ) for shareholders and e-voting user manual for shareholders, available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VII. Member(s) already registered with NSDL for e-voting can use existing user ID and Password/PIN for casting vote.
- VIII. Member(s) can also update his/their mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
- IX. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cutoff date of 4<sup>th</sup> August, 2017.
- X. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 4<sup>th</sup> August, 2017, may obtain the login ID and password for e-voting from the Company's Registrars & Transfer Agents, C B Management Services (P) Ltd., P-22 Bondel Road, Kolkata – 700019, (Phone no. 033 40116717 / 18 or NSDL (Toll Free No.: 1800222990).
- XI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. P.V. Subramanian, Company Secretary in Wholetime Practice (Membership No. ACS-4585, C.P. No. 2077), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e- voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The declared results along with the Scrutinizer's Report will be available on the Company's website and on the website of NSDL on the same day and will also be forwarded to the Stock Exchanges where the Company's shares are listed.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO. 4.**

Mr. Mahesh Prasad Mehrotra, aged about 76 years has been appointed by Board of Directors of the Company as a Non-Executive Independent Director of the Company. His appointment is effective from 8<sup>th</sup> December, 2016. Mr. Mehrotra is the Chairman of Audit Committee and member of Risk Management Committee of your Company.

By Qualification, Mr. Mehrotra is a Chartered Accountant and having a degree in Law. He is the founder Partner of Mehrotra & Mehrotra, Chartered Accountants, Kanpur and Delhi, since 1962. Mr. Mehrotra has a long outstanding illustrious career having 54 years of experience. His area of expertise is Finance, Accounts and Taxation.

Mr. Mehrotra holds directorship and membership of the committee of the Board of Directors of the understated other companies in India including:

- GOL Offshore Limited
- Dhampur Sugar Mills Limited
- Delton Cables Limited
- VLS Finance Limited
- South Asian Enterprises Limited

It is now proposed to ratify the appointment of Mr. Mehrotra as an Independent Director of the Company at this Annual General Meeting for a period of 5 consecutive years upto 7<sup>th</sup> December, 2021.

A notice has been received from a member u/s 160(1) of Companies Act, 2013 proposing candidature of Mr. Mehrotra for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Mehrotra fulfills the conditions specified in Companies Act, 2013 and rules made thereunder for his appointment as Independent Director of the Company. The copy of the draft letter of appointment of Mr. Mehrotra as an Independent Director would be available for inspection by the members at the registered office of the Company during normal business hours on any working day.

Mr. Mehrotra doesn't hold by himself or for any person on beneficial basis, any shares in the Company.

Your Directors are of the view that it will be in the best interest of the Company to appoint Mr. Mehrotra as Independent Director for consecutive period of 5 years and therefore recommends adoption of this resolution as proposed in Item No. 4 of the Notice.

Save and except Mr. Mehrotra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out in Item No. 4. This explanatory statement may also be regarded as a disclosure under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

**ITEM NO. 5.**

The company is at present having a Related Party Transaction with HAL Offshore Limited (HAL) by way of letting out on Charter Hire, the Company's vessel SEAMEC II (along with marine crew) and providing work class remotely operated vehicle (ROV) for a period of three years commencing from 28<sup>th</sup> September 2016. The above transactions exceeded the materiality threshold limit prescribed under Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, for which shareholders' approval was sought and obtained.

The present market scenario for Company's line of business does not provide full scope for the long term contract. On the contrary, there may be requirement for vessel charter on a very short notice. In the event of any contract of the said nature as well as provisions of other services for which arrangement is to be made between HAL and the company, the same may not be practically implemented pending the approval of shareholders which would be mandatory under section 188 of the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

Further, there may be a necessity for arrangement of services between HAL and the company in respect of nature of company's business directly or indirectly.

In order to provide commercial and administrative convenience, it is proposed that authority be granted to the Board of Directors of the Company with a liberty to exercise the option for approving the Related Party transactions exceeding the threshold limit

for a period of three years w.e.f. date of passing this resolution subject to prior review of each transaction and recommendation of the same by the Audit Committee to the Board for approval to meet the regulatory provisions under section 188 of the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

Your directors feel that it would be appropriate to pass this resolution in the best interest of the Company.

The Board of Directors recommend passing of the resolution as set out in this notice as Ordinary Resolution.

As per the regulatory requirement, the related parties shall abstain from voting on the proposed transactions.

None of the Directors of Key Managerial Personnel's of the Company and/or their relatives except Mr. Sanjeev Agrawal, being the Nominee Director of HAL is deemed to be concerned or interested in the resolution.

#### ITEM NO. 6.

With the consent of the shareholders accorded by Special Resolution through postal ballot (vide postal ballot notice dated 6<sup>th</sup> March, 2015), Captain C.J. Rodricks was appointed as Managing Director of the Company for a period of three years from 22<sup>nd</sup> January, 2015 on such terms and conditions as contained in the relevant Explanatory Statement appended to the said notice.

However, during the FY 2015-16 the Company did not have adequate profits resulting in payment of remuneration in excess of the prescribed limits to Captain C.J. Rodricks for the FY 2015-16.

An application was, therefore, made by the Company to the Central Government for approval for waiver of excess remuneration paid to Captain C. J. Rodricks during the financial year 2015-16.

The Central Government, while processing the application, has advised the Company to furnish the statement as prescribed under sub clause (iv) of Clause B of Section II of Schedule V of the Companies Act, 2013 in the Explanatory Statement to the notice, duly approved by the shareholders.

In view of the above, the explanatory statement furnished earlier in the notice dated 6<sup>th</sup> March, 2015 needs to be modified by the inclusion of a statement containing information pursuant to sub clause (iv) of Clause B of Section II of Schedule V of Companies Act, 2013. Accordingly, the modified statement has been set out as under:-

#### I. GENERAL INFORMATION

1. Nature of Industry: Shipping
2. Date or expected date of commencement of commercial production: Not Applicable.
3. Financial Performance based on given Indicators:

| Item                     | For 2015-16<br>(₹ In Million) | For 2014-15<br>(₹ In Million) |
|--------------------------|-------------------------------|-------------------------------|
| Revenue                  | 3489                          | 3858                          |
| Profit/ (Los) Before Tax | 92                            | 600                           |
| Profit /(Loss)After Tax  | 39                            | 540                           |
| Net Worth                | 4197                          | 5217                          |
| Effective Capital        | 3118                          | 5192                          |

4. Foreign investments or collaborations, if any : Not applicable

#### II. INFORMATION ABOUT CAPTAIN C. J. RODRICKS

1. Background Details:

Captain C.J. Rodricks joined the Company in the year 2003 as Chief Operating Officer. He was elevated to position of Managing Director in 2005. Captain C.J. Rodricks, by qualification holds a Masters Degree (Foreign Going) and has vast experience of 43 years in Shipping Industry. During his illustrious career, he worked in senior positions in many reputed Indian and Foreign Companies. Offshore Shipping Management is his expertise in specific functional area. His competency and expertise have been highly beneficial to the company. Under his leadership the Company increased its Fleet strength and got recognition abroad through successful operations.



## 2. Past Remuneration:

| Year    | Salary (In ₹) | Perquisites & Allowances (In ₹)           | Commission, bonus and performance linked incentives | Others (Contribution to Provident Fund) | Total (In ₹) | Net profit / (loss) u/s 198 (In ₹) |
|---------|---------------|---|---|---|--------------|------------------------------------|
| 2015-16 | 50,95,500     | 92,37,011                                 | 20,00,000   | -                                       | 1,63,32,511  | 8,67,92,511                        |
| 2014-15 | 40,68,485     | 1,08,02,886 (includes free shares & ESOP) | 46,05,570   | 3,69,540                                | 1,98,46,481  | 62,17,86,481                       |

3. Recognition or awards: Not Applicable

4. Job Profile and his suitability:

Captain. C. J. Rodricks is responsible for the overall management of the Company subject to Supervision, control and direction of the Board of Directors. He has played a pivotal role for the growth and profitability of the company and contributed significantly in bringing the Company's stature to a level of recognition in the industry. He has vast and invaluable experience of 43 years in the Shipping industry.

5. Remuneration proposed:

|       |                         |   |
|-------|-------------------------|---|
| A.    | Salary                  | ₹ 9,01,550/- (Rupees Nine Lacs One Thousand Five Hundred and fifty Only) per month including ₹ 4,30,000/- (Rupees Four Lacs Thirty Thousand Only) as basic pay and ₹ 4,71,550/- (Rupees Four Lacs Seventy One Thousand Five Hundred and Fifty Only) as allowance per month with effect from 22.01.2015. |
| (i)   | Housing                 | House Rent Allowance of ₹ 2,15,000/- (Rupees Two Lacs Fifteen Thousand Only) per month.   |
| (ii)  | Medical Expenses        | Medical expenses ₹ 75,125 per month aggregating to annualized ₹ 9,01,500.   |
| (iii) | Leave Travel Concession | Leave Travel concession for the Managing Director and his family once in year incurred in accordance with rules specified by the Company, not exceeding ₹ 1,00,000/-  |
| (iv)  | Insurance               | All insurances including Group Personal Accident, Group Medical Insurance, Life Insurance as per Company's Policy from time-to-time. Travel Insurance shall be to   |

6. Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person:

By Industry standard the payment of remuneration made to Captain C.J.Rodricks was not extraordinary.

Comparative remuneration of managing Directors of shipping Industry

| Year    | Company                | Name            | Designation                     | Amount (₹ in Million) |
|---------|------------------------|-----------------|---------------------------------|-----------------------|
| 2014-15 | Great Eastern Shipping | Mr. Bharat Seth | Dy Chairman & Managing Director | 80.23                 |
| 2015-16 | Great Eastern Shipping | Mr. Bharat Seth | Dy Chairman & Managing Director | 96.33                 |

7. Pecuniary relationship directly or indirectly with the company or relationship with Managerial personnel, if any:

Remuneration in the capacity of Managing Director and 4450 number of Shares held by him in the Company which is 0.01% in the Share Capital of the Company.

## III. OTHER INFORMATION:

1. Reason of loss or inadequate profits.:

For the FY 2014-15, the Company earned Profit After Tax (PAT) of ₹ 540 million. However, in the subsequent year, viz 2015-16, the profit was declined to ₹ 39 million. The primary reasons attributed to the decline in profit are under employment of sizeable section of Company's fleet during monsoons in India, the absence of opportunities in middle east and one of the Company's vessel was in dry dock while the another one under modification.

2. Steps taken or proposed to be taken for improvement.
  1. Better and increased utilisation of vessels is planned in a strategic manner.
  2. Cost control.
  3. Expansion and diversification in the related field.

3. Expected increase in productivity and profit measures taken.

The measures stated above would increase business and profitability. Planned activity will help us in availing opportunity in the improving business scenario.

**IV. DISCLOSURES: The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:**

1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors:  
Provided in Directors Report
2. Details of fixed component and performance linked incentives along with the performance criteria:  
Provided in Directors Report
3. Service contracts, notice period, severance fees:  
3 months as per the terms of agreement.

The Board of Directors recommend your approval for passing the resolution as set out in the notice as Special Resolution.

None of the Directors and the Key Managerial Personnel of the Company, or their relatives, is concerned or interested, financially or otherwise, in the special resolution set out in item No.6

Registered Office :  
A-901-905, 9<sup>th</sup> Floor,  
215 Atrium,  
Andheri Kurla Road,  
Andheri (East)  
Mumbai – 400 093

Dated: July 10, 2017

By order of the Board

**S. N. Mohanty**  
President – Corporate Affairs,  
Legal and Company Secretary

**Annexure to Notice**

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

| <b>Name of the Director</b>  | <b>Mr. Sanjeev Agrawal</b>   | <b>Mr. Mahesh Prasad Mehrotra</b>  |
|--|--|--|
| DIN  | 00282059   | 00016768   |
| Date of Birth / Age  | 5 <sup>th</sup> December, 1963 / 54 yrs.   | 20 <sup>th</sup> September, 1940 / 76 yrs  |
| Date of First Appointment on the Board                                 | 03.06.2014   | 08.12.2016   |
| Qualifications   | Master Degree in Commerce & MBA from Coca Cola University of Atlanta.  | Chartered Accountant and Degree in Law   |
| Brief profile and nature of his expertise in specific functional areas | Mr. Sanjeev Agrawal is an eminent and successful Entrepreneur. Mr. Agrawal has vast experience of over 22 years in the field of Oil & Gas Sector, Soft Drinks, Education, Hospitality and Real Estate. | Mr. Mahesh Prasad Mehrotra has a long outstanding illustrious career having 54 years of experience. His area of expertise is Finance, Accounts and Taxation. |
| Relationship between Directors inter-se                                | None.  | None.  |
| Other Directorships in Listed Entities                                 | - Fortune Industrial Resources Limited   | - South Asian Enterprises Limited<br>- V L S Finance Limited<br>- Delton Cables Limited<br>- Dhampur Sugar Mills Limited<br>- Gol Offshore Limited           |
| Membership of Committees of the Board                                  | CSR Committee – Chairman<br>Stakeholder Relationship Committee - Member  | Audit Committee – Chairman<br>Risk Management Committee - Member   |
| Shareholding in the Company  | NIL  | NIL  |

## DIRECTORS' REPORT

To

### The Members

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017.

#### 1. SIGNIFICANT EVENTS – ACQUISITION OF SHIP

Your Company has acquired a bulk carrier on 29<sup>th</sup> March, 2017 at Panama, USA. The vessel was built in 2011 at Jiangmen Nanyang Ship Engineering Company Ltd., China, having Gross Tonnage of 20,969 MT and Net Tonnage of 11,803 MT. The vessel was flagged with Marshall Island, which was converted to Indian Flag after acquisition and renamed as "SEAMEC GALLANT".

The cost of ship is US \$ 9.25 million. Post acquisition, the vessel has secured a three year Charter commencing on 3<sup>rd</sup> April, 2017.

Functionally, the new acquisition is a diversification from Company's traditional line of business. Considering the slow down in existing line of business, the Management has taken a conscious decision on this diversification which is aimed at mitigating the risk to a great extent. The acquisition has been made from the Company's internal accumulated resources and resulted utilization of Tonnage Tax Reserve created under the regulatory provision to continue under Tonnage Tax Regime.

#### 2. FINANCIAL HIGHLIGHTS

(Figures in ₹ Million)

|   | Current Year<br>ended 31.03.2017 | Previous Year<br>ended 31.03.2016 |
|---|----------------------------------|-----------------------------------|
| Net Sales/Income from Operations                | 2076                             | 3279                              |
| Other Income                                    | 176                              | 230                               |
| Total Expenditure                               |                                  |                                   |
| a. Consumables & Spares                         | 330                              | 575                               |
| b. Staff Costs (including offshore staff)       | 632                              | 799                               |
| c. Other Expenditure                            | 2253                             | 1543                              |
| Earnings before Interest, Depreciation & Tax    | (963)                            | 592                               |
| Interest Expenses                               | 12                               | 3                                 |
| Depreciation                                    | 480                              | 474                               |
| Profit / (Loss) before Tax                      | (1455)                           | 115                               |
| Tax Expenses for the year                       | 41                               | 57                                |
| Profit /(Loss) after Taxation                   | (1496)                           | 58                                |
| Add: Balance brought forward from previous year | 2902                             | 2892                              |
| Surplus available for appropriation             | 1406                             | 2950                              |
| Ind AS Adjustment                               |                                  | (50)                              |
| OCI   |                                  | (1)                               |
| Transfer to Tonnage Tax Reserve                 | -                                | -                                 |
| Retained profit carried forward                 | 1406                             | 2902                              |

The global economic outlook continues to be in a state of uncertainty. The economies of Asia, South East Asia and Middle East are struggling to push the momentum of growth. The changes in political front in Europe and US are expected to rebalance the sectoral economy. Continued low price of crude oil has influenced the decision of the oil majors tightening capex, a ramification in global growth and global finance market.

India's economy witnessed a gained steam during first half of the year. The positive impulse, however, was absent during the second half. This was due to some bold economic measures undertaken by Government, but the effect was expected to be transient. The major policy reforms viz GST, Banking, Insolvency Code, relaxed FDI rate and focus on Speedy Infrastructure in a great way will move forward Indian Economy resulting in a GDP Growth of about 8%. To this extent, the performance of Indian Economy is creditably compared to most developed global market, showing macro economic stability. However, no significant impact on the Company's line of business is expected.



Your Company continues to focus on engagement of your vessels under the stressed business environment.

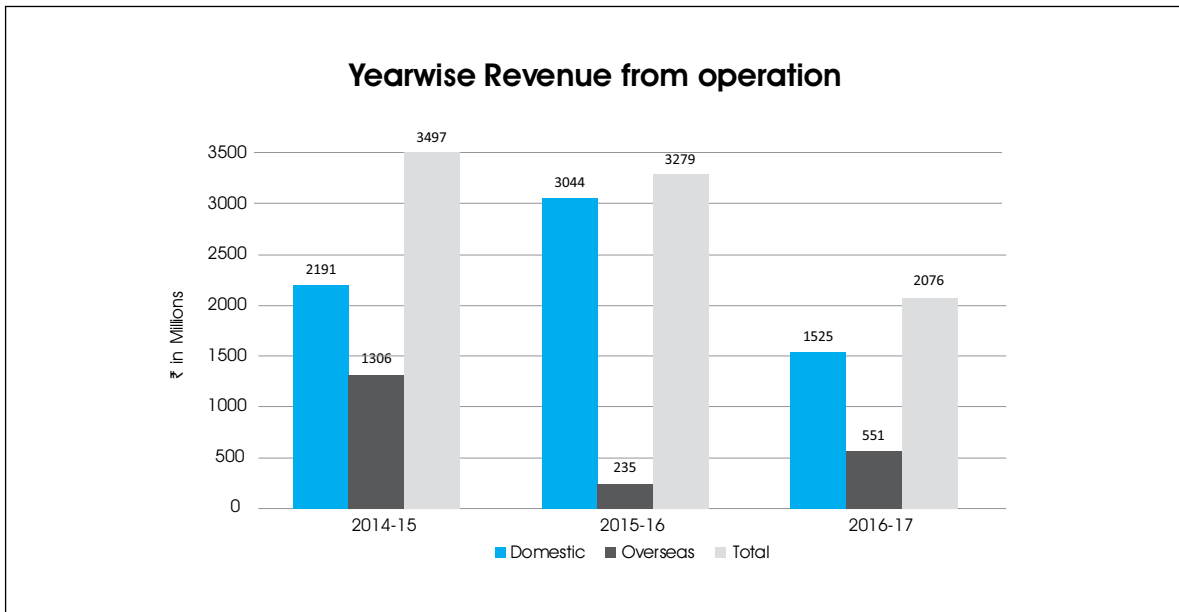
During the year under review, the Company's total revenue was ₹ 2252 million against ₹ 3509 million in last year. The reduction in overall revenue was primarily due to under employment of sizable section of your fleets during monsoon in India which extended to post monsoon period also. Additionally, a sharp fall in Charter rate remained as a crucial factor and at the same time the opportunities in Middle East, South East Asia etc. were conspicuous by their absence. Income from operations was ₹ 2076 million as against ₹ 3279 million in the previous year, showing a significant drop of 37%. In addition, there was a decline in other income from ₹ 230 million to ₹ 176 million, primarily due to reduction in cash surplus, complemented by reduction in interest rate.

Against a profit of ₹ 59 million of previous year, your Company suffered a loss of ₹ 1496 million during year under review. The primary reason attributed to the above loss was provision made for doubtful debts against the receivables from major debtors including Swiber to the extent of ₹ 1385 million.

On a consolidated basis, total revenue was ₹ 2265 million compared to ₹ 3521 million of previous year. The consolidated loss arrived at ₹ 1503 million for the year ended 31<sup>st</sup> March, 2017 compared to profit earned ₹ 97 million of previous year.

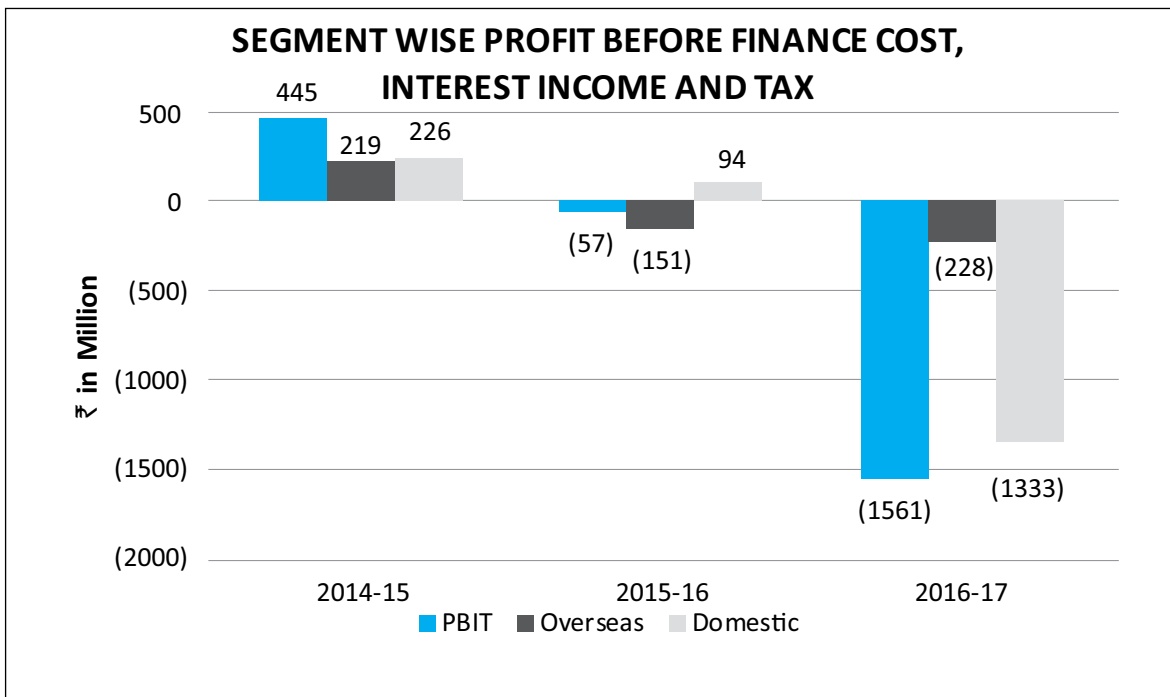
Cash Balance at the beginning of financial year was ₹ 1030 million. The balance at the end of the year was ₹ 404 million, a decrease of 61% over last year. This was due to utilization of funds in purchase of Ship during the year under review.

**YEARWISE REVENUE**





## SEGMENT WISE PROFIT BEFORE FINANCE COST, INTEREST INCOME AND TAX



From the Assessment year 2005-06 (relevant accounting year 2004-05), your Company has come under Tonnage tax regime available for shipping Companies under chapter XII – G of Income Tax Act, 1961. Tonnage Tax scheme available initially upto 31.03.2015 has been extended for a further period of 10 years till AY 2024-25. For the year under review, due to absence of profit no Tonnage Tax Reserve was created u/s 115V of Income Tax Act, 1961.

### 3. OPERATIONS OFFSHORE

Two of Company's vessels are under long term charter with ONGC. The remaining three vessels were under deployed due to non-facilitation of Contracts. Out of the 970 days of deployment, domestic operations registered 770 days and overseas operation was for 200 days only.

### 4. DIVIDEND

In view of absence in profit, the Board of Directors decided not to recommend Dividend.

### 5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Jagdish Persad Suri, Nominee Director, ceased to be Director of the Company with effect from May 18, 2016 upon withdrawal of his nomination by HAL Offshore Limited, the Promoter of the Company.

Captain C.J. Rodricks, resigned as Managing Director of the Company with effect from close of business hours on 31<sup>st</sup> March, 2017.

Your Directors place on record its appreciation of the valuable services rendered by Mr. Jagdish Prasad Suri and Captain C.J. Rodricks during their tenure as Director and Managing Director of the Company respectively.

Mr. Mahesh Prasad Mehrotra, DIN: 00016768 was appointed as Additional Director (Independent) on 8<sup>th</sup> December, 2016.

The Members' approval for appointment of Mr. Mahesh Prasad Mehrotra as Independent Director for a period of 5 years is being sought in the ensuing Annual General Meeting of the Company.

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereunder.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjeev Agrawal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



The brief details of all members of Board are annexed to this report.

The following persons are the Key Managerial Personnel of the Company.

1. Captain C. J. Rodricks\* – Managing Director
2. Virendra Kumar Gupta – President & Chief Financial Officer
3. S. N. Mohanty – President – Corporate Affairs, Legal & Company Secretary

\* Till 31<sup>st</sup> March, 2017

Remuneration and other details of Key Managerial Personnel for the year ended 31<sup>st</sup> March, 2017 are stated in the extract of the Annual Return.

## **6. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as "Annexure A"

## **7. AUDITORS AND AUDIT REPORT**

As per the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s. S R B C & C O LLP, Chartered Accountants, the Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. S R B C & C O LLP, Chartered Accountants as the Statutory Auditors of the Company.

On the recommendation of the Audit Committee, subject to the approval of the members, the Board of Directors have decided to recommend Messers T R Chadha & Co. LLP – Chartered Accountants, to be appointed as the Auditors of the Company for the next five years.

As required under the provisions of Section 139(1) of the Act, the Company has received written consent from M/s T R Chadha & Co. LLP – Chartered Accountants, informing that their appointment, if made would be in accordance with the provisions of the Act, read with Rule 4 (2) of the Companies (Audit and Auditors) Rules, 2014 and that they satisfy the criteria provided in Section 141 of the Act.

Members attention is drawn to a resolution proposing the appointment of M/s T R Chadha & Co. LLP – Chartered Accountants as Statutory Auditors of the Company which is included in item no. 3 of the Notice convening the Annual General Meeting.

The observations in the Auditors' Report by M/s. S R B C & C O LLP, Chartered Accountants have been dealt with in the relevant Notes to Accounts, which are self-explanatory.

## **8. AUDIT COMMITTEE**

The Composition of Audit Committee was changed from time to time.

The present composition of Audit Committee consists of the following members:

Mr. Mahesh Prasad Mehrotra\*

Mr. Amarjit Singh Soni

Mr. Surinder Singh Kohli

Ms. Seema Modi

\*Appointed as Chairman of the Committee in Board Meeting held on 8<sup>th</sup> December, 2016

The above composition of the Audit Committee, interalia, consists of Independent Directors viz., Messers Mahesh Prasad Mehrotra, Amarjit Singh Soni, Surinder Singh Kohli, and Seema Modi who forms the majority.

The Company has established a vigil mechanism to oversee through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

More details of the Audit Committee are stated under Corporate Governance Report.

#### 9. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been re-constituted with the following Directors as its Members:

- a. Ms. Seema Modi
- b. Mr. Sanjeev Agrawal

#### 10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee pursuant to the provisions of the Companies Act, 2013. The Committee framed Corporate Responsibility Policy which was approved by Board on 11<sup>th</sup> August 2014. The Policy is available on Company's Website [www.seamec.in](http://www.seamec.in).

The terms of reference of Committee, number and dates of meetings held, attendance of Directors are given separately in the Corporate Governance Report.

The Company has commenced implementation of Policy and areas of activities have been made pursuant to provisions of Companies Act, 2013. Annual Report of CSR Committee in the prescribed format is attached and forms a part of this report. (Annexure B)

#### 11. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 framed there under, every listed company and prescribed class of companies, shall constitute a Nomination and Remuneration Committee (NRC) of the Board consisting of 3 or more non-executive directors out of which not less than ½ shall be independent director.

The present composition of NRC is in compliance with the above regulations and comprises of the following members:

- Mr. Surinder Singh Kohli  
 Mr. Amarjit Singh Soni  
 Ms. Seema Modi

The above composition of the Nomination and Remuneration Committee, inter alia, consists of independent Directors who forms the majority.

The Nomination and Remuneration Committee have formulated a policy as prescribed under the Act which inter alia includes criteria for determining qualification, positive attributes and independence of a director and recommended to the Board for adoption of the Policy. The Policy also covers recommendation to the Board on the remuneration to the Board of Independent Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is also available on Company's website [www.seamec.in](http://www.seamec.in) (web-link: <http://seamec.in/attachments/Nomination%20and%20Remuneration%20Policy.pdf>) and the said policy is annexed hereto and marked as Annexure I.

#### 12. PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits under the Companies Act, 2013.

#### 13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.



#### **14. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, M/s Satyajit Mishra & Co, Company Secretaries in Whole-time practice (FCS no. 5759, C P No. 4997), was appointed to conduct Secretarial Audit for the year ended 31<sup>st</sup> March, 2017. M/s Satyajit Mishra & Co, Practicing Company Secretaries has submitted Report on the Secretarial Audit which is attached as "Annexure C" and forms a part of this report. There are no Qualifications or observations or remarks made by the Secretarial Auditor in the Report.

#### **15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company has a Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and under the provisions of Listing Regulations.

#### **16. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Securities of Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, which covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### **17. FAMILIARISATION PROGRAMME TO INDEPENDENT DIRECTORS**

The familiarisation programme aims to provide Independent Directors with the business and operating scenario, the socio economic environment in which the Company operates, business model, operational and financial performance of the Company, Market dynamics and changes so as to enable them to take appropriate decision in a timely manner. The familiarization programme also seeks to update the Directors on their roles, responsibilities, rights and duties under the provision of law and other statutes. All the Independent Directors have been familiarised with the programme conducted by the Company. The same is available in Company's Website <http://seamec.in/attachments/FAMILIARISATION-ID.pdf>

#### **18. RELATED PARTY TRANSACTIONS**

Your company has formulated a policy on Related Party Transactions which is available on Company's Website [www.seamec.in](http://www.seamec.in).

All Related Party Transactions are placed before the Audit Committee and Board for approval. The Company has also formulated a policy on "Material Subsidiaries" and the said policy is available in Company's Website [www.seamec.in](http://www.seamec.in) ([weblink:www.seamec.in/attachments/Material%20Subsidiary%20Policy.pdf](http://www.seamec.in/attachments/Material%20Subsidiary%20Policy.pdf)).

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and details of the Related Party Transactions are annexed hereto and marked as [\(Annexure D\)](#).

#### **19. CORPORATE GOVERNANCE**

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

Your Directors re-affirm their commitment to the Corporate Governance standards prescribed by Securities and Exchange Board of India (SEBI) codified as Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Corporate Governance Report as well as the Corporate Governance compliance certificate issued by Secretarial Auditors are set out in separate Annexures to this report marked as [\(Annexure F\)](#). Management Discussion Analysis Report forms a part of Directors Report and marked as [\(Annexure G\)](#).

**20. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 4 Board meetings during the financial year under review. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

**21. INVESTOR SERVICES**

As the members are aware, your company's shares are tradeable compulsorily in electronic form with effect from 24<sup>th</sup> August 2000 and your company has established connectivity with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of de-materialization of Company's shares on either of the Depositories as aforesaid.

**22. WHOLLY OWNED SUBSIDIARY**

SEAMEC INTERNATIONAL FZE, Dubai, UAE is the Wholly Owned Subsidiary (WOS) of your Company, which, at present, is not a material subsidiary. As per the regulatory provision, the consolidated financial statement of your Company and its wholly owned subsidiary for the financial Year ended on 31<sup>st</sup> March 2017 duly audited by Statutory Auditors is attached to the annual report of the Company. The Annual Accounts of the Wholly Owned Subsidiary and the related detailed information shall be made available to the shareholders on request at any point of time. During the year under review your wholly owned subsidiary did not have any operational activities.

**23. HUMAN RESOURCES**

Your Company believes that competence and commitment of the people are the principal driver of competitive advantage that enable the enterprise to create and deliver value.

The working climate of your Company continues to remain harmonious with focus on improving Productivity, Quality and Safety.

Efforts are continuously made to strengthen organizational culture in order to attract and retain best talent in the Industry. The Board appreciates the commitment and support of the employees and look forward to their continued support.

The continuous training courses give employees the opportunity to improve their skill leading to consistent improvements in learning and development and adhering to SEAMEC value. Health and Safety of the employees and our associates we work with remains our paramount importance. Your Company ensures that operations are carried out as per the safety guidelines and procedures in place which are regularly updated. Employees are regularly made aware of hazards/risks associated with their jobs and appropriate training is imparted to them to improve their skills. Periodic safety audit are undertaken to confirm the proper functioning of system and procedures.

**24. INTERNAL FINANCIAL CONTROLS**

The Company has an internal controls system commensurate with size, scale and complexity of its operations. In order to enhance controls and governance standards, the Company has adopted Standard Operating Procedures which ensures that robust internal financial controls, exist in relation to operations, financial reporting and compliance.

In addition, the internal audit functions, monitors and evaluates the efficiency and adequacy of the internal Control System in the Company, its compliance with operating systems, accounting procedures and policies. Periodical reports on the same are also presented to the Audit Committee.

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. Compliance is in place as regards to statutory and regulatory requirements.

The internal controls system of the Company are monitored and evaluated by Auditors and reviewed by Management and Audit Committee of the Board of Directors. Auditor's observations in confirmation to policy in force has also been received.

**25. MARITIME LABOUR CONVENTION (MLC) 2006**

Maritime Labour Convention (MLC) 2006 adopted by International Labour Organization, establishing minimum requirements for almost all aspects of working and living conditions on board ships has come into force from 20 August, 2013.



Government of India issued compliance of specific requirements in early February, 2013 related to conditions of employment, hours of work and rest, accommodation, recreation facilities, food and catering, health, medical care, welfare and social security.

Your Company has implemented the requirement as per MLC 2006 and has received certification from the flag administration for its vessels.

#### **26. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

Pursuant to the provisions of Sexual Harassment of women at work place (Prosecution, Prohibition and Redressal) Act, 2013 and rules made there under, your Company has adopted a policy which has come into force with effect from 13<sup>th</sup> February, 2015.

No complaints of Sexual Harassment of women at work place has been received during the financial year under report.

#### **27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

The information pertaining to conservation of energy, technology absorption, Foreign Exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure E" and is attached to this report.

#### **28. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Pursuant to the requirement of Regulation 21 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risk as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management Policy and Framework in line with Local legal requirements and SEBI guidelines
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per pre-defined cycles.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risk.

Risk identification assessment and mitigation measures are reported to Board periodically.

#### **29. PARTICULARS OF EMPLOYEES**

The particulars required under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also furnished in the [Annexure H](#).

#### **30. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 your Directors state that:

- a. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure.
- b. 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 and Loss of the Company for that period.
- c. Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. Directors had prepared the annual accounts on a going concern basis.
- e. Directors to have proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

**31. OTHER POLICIES UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

In accordance with the provisions of Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has formed policy for determination of materiality for disclosures of events or information. The same has been hosted on the website of the Company at [www.seamec.in](http://www.seamec.in)

Further the Company has also formed (i) Policy for preservation of Documents (ii) Archival policy for disclosures hosted in the website.

**32. APPRECIATION**

Your Company has been able to operate efficiently because of the professionalism, creativity, integrity and continuous improvement in all functions and areas as well as efficient utilization of Company's resources for sustainable and profitable growth.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee with whole hearted efforts for making satisfactory performance possible.

Your Directors thank the valued shareholders, customers, suppliers, Banks, Registrar and Share Transfer Agent for their continuous support to the company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 30, 2017

**Sanjeev Agrawal**  
Chairman

**Form No.MGT-9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L63032MH1986PLC154910
- ii) Registration Date: 29/12/1986
- iii) Name of the Company: SEAMEC LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares/Indian Non-Government Company
- v) Address of the registered office and contact details:  
9<sup>th</sup> Floor, A 901 - 905, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai-400093
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent:  
C B Management Services Private Limited  
P-22, Bondel Road, 2<sup>nd</sup> Floor, Kolkata-700 019  
Tel: (033) 4011 6700/6711/6723  
Fax: (033) 4011 6739  
Email: rta@cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the | % to total turnover of the company |
|---------|--|-----------------|------------------------------------|
| 1       | SHIPPING   | 09101           | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN                   | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1       | HAL Offshore Limited            | U24298DL1996PLC083879 | Holding                        | 72.87            | 2 (87)             |
| 2       | Seamec International FZE        | Foreign Company       | Subsidiary                     | 100              | 2 (87)             |



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) CATEGORY WISE SHAREHOLDING

| Category of Shareholder   | Number of shares held at the beginning of the year |               |                 |                   | Number of shares held at the end of the year |               |                 |                   | % change during the year |
|---|--|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
|   | Demat  | Physical      | Total           | % of total shares | Demat  | Physical      | Total           | % of total shares |                          |
| <b>A. Promoters</b>   |  |               |                 |                   |  |               |                 |                   |                          |
| <b>(1) Indian</b>   |  |               |                 |                   |  |               |                 |                   |                          |
| (a) Individual/ HUF   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (b) Central Government  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (c) State Government(s)   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (d) Bodies Corporate  | 18527475   | 0             | 18527475        | 72.8711           | 18527475                                     | 0             | 18527475        | 72.8711           | 0.0000                   |
| (e) Banks/Fl  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (f) Any Other   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
|   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| <b>Sub Total(A)(1)</b>  | <b>18527475</b>                                    | <b>0</b>      | <b>18527475</b> | <b>72.8711</b>    | <b>18527475</b>                              | <b>0</b>      | <b>18527475</b> | <b>72.8711</b>    | <b>0.0000</b>            |
| <b>(2) Foreign</b>  |  |               |                 |                   |  |               |                 |                   |                          |
| (a) NRIs-Individuals  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (b) Other - Individuals   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (c) Bodies Corporate  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (d) Banks/Fl  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (e) Any Other   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| <b>Sub Total(A)(2)</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>        | <b>0.0000</b>     | <b>0</b>                                     | <b>0</b>      | <b>0</b>        | <b>0.0000</b>     | <b>0.0000</b>            |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                          | <b>18527475</b>                                    | <b>0</b>      | <b>18527475</b> | <b>72.8711</b>    | <b>18527475</b>                              | <b>0</b>      | <b>18527475</b> | <b>72.8711</b>    | <b>0.0000</b>            |
| <b>B. Public shareholding</b>   |  |               |                 |                   |  |               |                 |                   |                          |
| <b>1. Institutions</b>  |  |               |                 |                   |  |               |                 |                   |                          |
| (a) Mutual Funds  | 64176  | 7400          | 71576           | 0.2815            | 0  | 7400          | 7400            | 0.0291            | (0.2524)                 |
| (b) Banks/Fl  | 113732   | 200           | 113932          | 0.4481            | 134257                                       | 200           | 134457          | 0.5288            | 0.0807                   |
| (c) Central Government  | 5601   | 0             | 5601            | 0.0220            | 5601   | 0             | 5601            | 0.0220            | 0.0000                   |
| (d) State Government(s)   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (e) Venture Capital Funds   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (f) Insurance Companies   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (g) FIs   | 0  | 900           | 900             | 0.0035            | 0  | 900           | 900             | 0.0035            | 0.0000                   |
| (h) Foreign Venture Capital Funds   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (i) Other (specify)   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| <b>Sub-Total (B)(1)</b>   | <b>183509</b>                                      | <b>8500</b>   | <b>192009</b>   | <b>0.7552</b>     | <b>139858</b>                                | <b>8500</b>   | <b>148358</b>   | <b>0.5835</b>     | <b>(0.1717)</b>          |
| <b>2. Non-institutions</b>  |  |               |                 |                   |  |               |                 |                   |                          |
| (a) Bodies Corporate  |  |               |                 |                   |  |               |                 |                   |                          |
| (i) Indian  | 1749884  | 14600         | 1764484         | 6.9400            | 1315006                                      | 14600         | 1329606         | 5.2295            | (1.7104)                 |
| (ii) Overseas   | 0  | 300           | 300             | 0.0012            | 0  | 300           | 300             | 0.0012            | 0.0000                   |
| (b) Individuals   | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (i) Individual shareholders holding nominal share capital up to ₹ 1 lakh          | 3085293  | 590779        | 3676072         | 14.4585           | 3534822                                      | 583621        | 4118443         | 16.1984           | 1.7399                   |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh. | 1066775  | 0             | 1066775         | 4.1958            | 661324                                       | 0             | 661324          | 2.6011            | (1.5947)                 |
| (c) Others (specify)  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (c-i) Foreign National  | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| (c-ii) Non-Resident Individuals   | 68855  | 14200         | 83055           | 0.3267            | 220995                                       | 14200         | 235195          | 0.9251            | 0.5984                   |
| (c-iii) Director  | 5437   | 0             | 5437            | 0.0214            | 4450   | 0             | 4450            | 0.0175            | (0.0039)                 |
| (c-iv) Clearing Members   | 109393   | 0             | 109393          | 0.4303            | 399849                                       | 0             | 399849          | 1.5727            | 1.1424                   |
| <b>Sub-Total (B)(2)</b>   | <b>6085637</b>                                     | <b>619879</b> | <b>6705516</b>  | <b>26.3737</b>    | <b>6136446</b>                               | <b>612721</b> | <b>6749167</b>  | <b>26.5454</b>    | <b>0.1717</b>            |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                               | <b>6269146</b>                                     | <b>628379</b> | <b>6897525</b>  | <b>27.1289</b>    | <b>6276304</b>                               | <b>621221</b> | <b>6897525</b>  | <b>27.1289</b>    | <b>0.0000</b>            |
| <b>C. Shares held by Custodians for GDRs &amp; ADRs</b>                           | 0  | 0             | 0               | 0.0000            | 0  | 0             | 0               | 0.0000            | 0.0000                   |
| <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>24796621</b>                                    | <b>628379</b> | <b>25425000</b> | <b>100.0000</b>   | <b>24803779</b>                              | <b>621221</b> | <b>25425000</b> | <b>100.0000</b>   | <b>0.0000</b>            |



(ii) Change in Promoter's Shareholding (please specify if there is no change)

| Sr. No.                         | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|---------------------------------|---|----------------------------------|---|----------------------------------|
|                                 | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>1. HAL Offshore Limited</b>  |   |                                  |   |                                  |
| a) At the beginning of the year | 1,85,27,475                               | 72.87                            | 1,85,27,475                             | 72.87                            |
| b) Changes during the year      | -   | -                                | -                                       | -                                |
| c) At the end of the year       | 1,85,27,475                               | 72.87                            | 1,85,27,475                             | 72.87                            |

(iii) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No.   | For each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|-----------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|           |                                     | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>1.</b> | <b>MY MONEY SECURITIES LIMITED</b>  |   |                                  |   |                                  |
| a)        | At the beginning of the year        | 2,64,551                                  | 1.04                             | 2,64,551                                | 1.04                             |
| b)        | Changes during the year             |   |                                  |   |                                  |
|           | 24/06/2016                          | (100)                                     | (0)                              | 2,64,451                                | 0                                |
|           | 17/02/2017                          | (50,000)                                  | (0.2)                            | 2,14,451                                | 0.84                             |
|           | 10/03/2017                          | (30,000)                                  | (0.12)                           | 1,84,451                                | 0.73                             |
| c)        | At the end of the year              |   |                                  | 1,84,451                                | 0.73                             |
| <b>2.</b> | <b>GLOBE CAPITAL MARKETS LTD</b>    |   |                                  |   |                                  |
| a)        | At the beginning of the year        | 2,64,551                                  | 1.04                             | 2,64,551                                | 1.04                             |
| b)        | Changes during the year             |   |                                  |   |                                  |
|           | 01/04/2016                          | (200)                                     | (0)                              | 264301                                  | 1.04                             |
|           | 08/04/2016                          | 1033                                      | 0                                | 265334                                  | 1.04                             |
|           | 15/04/2016                          | 325                                       | 0                                | 265659                                  | 1.04                             |
|           | 22/04/2016                          | (31809)                                   | (0.13)                           | 233850                                  | 0.92                             |
|           | 29/04/2016                          | (20090)                                   | (0.08)                           | 213760                                  | 0.84                             |
|           | 06/05/2016                          | (10210)                                   | (0.04)                           | 203550                                  | 0.8                              |
|           | 13/05/2016                          | (1291)                                    | (0.01)                           | 202259                                  | 0.8                              |
|           | 20/05/2016                          | 268                                       | 0                                | 202527                                  | 0.8                              |
|           | 27/05/2016                          | (2178)                                    | (0.01)                           | 200349                                  | 0.79                             |
|           | 03/06/2016                          | (351)                                     | (0)                              | 199998                                  | 0.79                             |
|           | 10/06/2016                          | 166                                       | 0                                | 200164                                  | 0.79                             |
|           | 17/06/2016                          | (5125)                                    | (0.02)                           | 195039                                  | 0.77                             |
|           | 24/06/2016                          | 110                                       | 0                                | 195149                                  | 0.77                             |
|           | 30/06/2016                          | (500)                                     | (0)                              | 194649                                  | 0.77                             |
|           | 01/07/2016                          | (25)                                      | (0)                              | 194624                                  | 0.77                             |
|           | 08/07/2016                          | (205)                                     | (0)                              | 194419                                  | 0.76                             |
|           | 15/07/2016                          | (28052)                                   | (0.11)                           | 166367                                  | 0.65                             |
|           | 22/07/2016                          | (29601)                                   | (0.12)                           | 136766                                  | 0.54                             |
|           | 29/07/2016                          | (752)                                     | (0)                              | 136014                                  | 0.53                             |

| Sr. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|---------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                     | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
|         | 05/08/2016                          | 575                                       | 0                                | 136589                                  | 0.54                             |
|         | 12/08/2016                          | 160                                       | 0                                | 136749                                  | 0.54                             |
|         | 19/08/2016                          | (4750)                                    | (0.02)                           | 131999                                  | 0.52                             |
|         | 26/08/2016                          | 217                                       | 0                                | 132216                                  | 0.52                             |
|         | 01/09/2016                          | 751                                       | 0                                | 132967                                  | 0.52                             |
|         | 09/09/2016                          | 25  | 0                                | 132992                                  | 0.52                             |
|         | 16/09/2016                          | (5100)                                    | (0.02)                           | 127892                                  | 0.5                              |
|         | 23/09/2016                          | 949                                       | 0                                | 128841                                  | 0.51                             |
|         | 30/09/2016                          | (3225)                                    | (0.01)                           | 125616                                  | 0.49                             |
|         | 07/10/2016                          | (1073)                                    | (0)                              | 124543                                  | 0.49                             |
|         | 14/10/2016                          | (937)                                     | (0)                              | 123606                                  | 0.49                             |
|         | 21/10/2016                          | (32680)                                   | (0.13)                           | 90926                                   | 0.36                             |
|         | 28/10/2016                          | 507                                       | 0                                | 91433                                   | 0.36                             |
|         | 04/11/2016                          | (339)                                     | (0)                              | 91094                                   | 0.36                             |
|         | 11/11/2016                          | 211                                       | 0                                | 91305                                   | 0.36                             |
|         | 18/11/2016                          | (23545)                                   | (0.09)                           | 67760                                   | 0.27                             |
|         | 25/11/2016                          | (6383)                                    | (0.03)                           | 61377                                   | 0.24                             |
|         | 02/12/2016                          | (700)                                     | (0)                              | 60677                                   | 0.24                             |
|         | 09/12/2016                          | (9375)                                    | (0.04)                           | 51302                                   | 0.2                              |
|         | 16/12/2016                          | (200)                                     | (0)                              | 51102                                   | 0.2                              |
|         | 23/12/2016                          | (29512)                                   | (0.12)                           | 21590                                   | 0.08                             |
|         | 30/12/2016                          | (179)                                     | (0)                              | 21411                                   | 0.08                             |
|         | 06/01/2017                          | 1   | 0                                | 21412                                   | 0.08                             |
|         | 13/01/2017                          | 1250                                      | 0                                | 22662                                   | 0.09                             |
|         | 20/01/2017                          | 550                                       | 0                                | 23212                                   | 0.09                             |
|         | 27/01/2017                          | 1956                                      | 0.01                             | 25168                                   | 0.1                              |
|         | 03/02/2017                          | (1392)                                    | (0.01)                           | 23776                                   | 0.09                             |
|         | 10/02/2017                          | (773)                                     | (0)                              | 23003                                   | 0.09                             |
|         | 17/02/2017                          | 2469                                      | 0.01                             | 25472                                   | 0.1                              |
|         | 24/02/2017                          | (3161)                                    | (0.01)                           | 22311                                   | 0.09                             |
|         | 03/03/2017                          | 3608                                      | 0.01                             | 25919                                   | 0.1                              |
|         | 10/03/2017                          | (928)                                     | (0)                              | 24991                                   | 0.1                              |
|         | 17/03/2017                          | (4113)                                    | (0.02)                           | 20878                                   | 0.08                             |
|         | 24/03/2017                          | (623)                                     | (0)                              | 20255                                   | 0.08                             |
|         | 31/03/2017                          | (838)                                     | (0)                              | 19417                                   | 0.08                             |
|         | c) At the end of the year           |   |                                  | 19417                                   | 0.08                             |



| Sr. No.   | For each of the Top 10 Shareholders          | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|-----------|--|---|----------------------------------|---|----------------------------------|
|           |  | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>3.</b> | <b>BHADRA JAYANTILAL SHAH</b>                |   |                                  |   |                                  |
|           | a) At the beginning of the year              | 182067                                    | 0.72                             | 182067                                  | 0.72                             |
|           | b) Changes during the year                   |   |                                  |   |                                  |
|           | 01/04/2016                                   | (32067)                                   | (0.13)                           | 150000                                  | 0.59                             |
|           | 01/09/2016                                   | (50000)                                   | (0.2)                            | 100000                                  | 0.39                             |
|           | 16/09/2016                                   | (20000)                                   | (0.08)                           | 80000                                   | 0.31                             |
|           | 18/11/2016                                   | (10000)                                   | (0.04)                           | 70000                                   | 0.28                             |
|           | 02/12/2016                                   | (20000)                                   | (0.08)                           | 50000                                   | 0.2                              |
|           | 10/03/2017                                   | 49932                                     | 0.2                              | 99932                                   | 0.39                             |
|           | 17/03/2017                                   | 2   | 0                                | 99934                                   | 0.39                             |
|           | 24/03/2017                                   | 2   | 0                                | 99936                                   | 0.39                             |
|           | c) At the end of the year                    |   |                                  | 99936                                   | 0.39                             |
| <b>4.</b> | <b>IL AND FS SECURITIES SERVICES LIMITED</b> |   |                                  |   |                                  |
|           | a) At the beginning of the year              | 158569                                    | 0.62                             | 158569                                  | 0.62                             |
|           | b) Changes during the year                   |   |                                  |   |                                  |
|           | 08/04/2016                                   | (550)                                     | (0)                              | 158019                                  | 0.62                             |
|           | 06/05/2016                                   | (500)                                     | (0)                              | 157519                                  | 0.62                             |
|           | 13/05/2016                                   | (50)                                      | (0)                              | 157469                                  | 0.62                             |
|           | 27/05/2016                                   | (1000)                                    | (0)                              | 156469                                  | 0.62                             |
|           | 03/06/2016                                   | 1000                                      | 0                                | 157469                                  | 0.62                             |
|           | 24/06/2016                                   | (2813)                                    | (0.01)                           | 154656                                  | 0.61                             |
|           | 08/07/2016                                   | (4000)                                    | (0.02)                           | 150656                                  | 0.59                             |
|           | 15/07/2016                                   | 500                                       | 0                                | 151156                                  | 0.59                             |
|           | 16/09/2016                                   | (2727)                                    | (0.01)                           | 148429                                  | 0.58                             |
|           | 23/09/2016                                   | (147429)                                  | (0.58)                           | 1000                                    | 0                                |
|           | 07/10/2016                                   | 140849                                    | 0.55                             | 141849                                  | 0.56                             |
|           | 14/10/2016                                   | (1000)                                    | (0)                              | 140849                                  | 0.55                             |
|           | 21/10/2016                                   | (7300)                                    | (0.03)                           | 133549                                  | 0.53                             |
|           | 28/10/2016                                   | 3843                                      | 0.02                             | 137392                                  | 0.54                             |
|           | 11/11/2016                                   | (3211)                                    | (0.01)                           | 134181                                  | 0.53                             |
|           | 18/11/2016                                   | (90)                                      | (0)                              | 134091                                  | 0.53                             |
|           | 25/11/2016                                   | 5000                                      | 0.02                             | 139091                                  | 0.55                             |
|           | 09/12/2016                                   | (332)                                     | (0)                              | 138759                                  | 0.55                             |
|           | 23/12/2016                                   | (10697)                                   | (0.04)                           | 128062                                  | 0.5                              |
|           | 30/12/2016                                   | (4101)                                    | (0.02)                           | 123961                                  | 0.49                             |
|           | 06/01/2017                                   | (1629)                                    | (0.01)                           | 122332                                  | 0.48                             |
|           | 13/01/2017                                   | (40)                                      | (0)                              | 122292                                  | 0.48                             |
|           | 27/01/2017                                   | 5900                                      | 0.02                             | 128192                                  | 0.5                              |
|           | 03/02/2017                                   | 641                                       | 0                                | 128833                                  | 0.51                             |
|           | 10/02/2017                                   | 709                                       | 0                                | 129542                                  | 0.51                             |
|           | 17/02/2017                                   | (6000)                                    | (0.02)                           | 123542                                  | 0.49                             |
|           | 24/02/2017                                   | 700                                       | 0                                | 124242                                  | 0.49                             |
|           | 03/03/2017                                   | (200)                                     | (0)                              | 124042                                  | 0.49                             |
|           | 10/03/2017                                   | (160)                                     | (0)                              | 123882                                  | 0.49                             |
|           | 17/03/2017                                   | (100)                                     | (0)                              | 123782                                  | 0.49                             |
|           | 24/03/2017                                   | (101386)                                  | (0.4)                            | 22396                                   | 0.09                             |
|           | 31/03/2017                                   | (6385)                                    | (0.03)                           | 16011                                   | 0.06                             |
|           | c) At the end of the year                    |   |                                  | 16011                                   | 0.06                             |

| Sr. No.   | For each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|-----------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|           |                                     | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>5.</b> | <b>CENTRAL BANK OF INDIA</b>        |   |                                  |   |                                  |
|           | a) At the beginning of the year     | 109995                                    | 0.43                             | 109995                                  | 0.43                             |
|           | b) At the end of the year           |   |                                  | 109995                                  | 0.43                             |
| <b>6.</b> | <b>CHETAN JAYANTILAL SHAH</b>       |   |                                  |   |                                  |
|           | a) At the beginning of the year     | 100000                                    | 0.39                             | 100000                                  | 0.39                             |
|           | b) At the end of the year           |   |                                  | 100000                                  | 0.39                             |
| <b>7.</b> | <b>PERPETUAL ENTERPRISES LLP</b>    |   |                                  |   |                                  |
|           | a) At the beginning of the year     | 100000                                    | 0.39                             | 100000                                  | 0.39                             |
|           | b) Changes during the year          |   |                                  |   |                                  |
|           | 30/06/2016                          | (50000)                                   | (0.2)                            | 50000                                   | 0.2                              |
|           | 08/07/2016                          | (22500)                                   | (0.09)                           | 27500                                   | 0.11                             |
|           | c) At the end of the year           |   |                                  | 27500                                   | 0.11                             |
| <b>8.</b> | <b>NAVEEN GUPTA</b>                 |   |                                  |   |                                  |
|           | a) At the beginning of the year     | 95524                                     | 0.38                             | 95524                                   | 0.38                             |
|           | b) Changes during the year          |   |                                  |   |                                  |
|           | 01/04/2016                          | 29000                                     | 0.11                             | 124524                                  | 0.49                             |
|           | 29/04/2016                          | (1211)                                    | (0)                              | 123313                                  | 0.49                             |
|           | 06/05/2016                          | 1173                                      | 0                                | 124486                                  | 0.49                             |
|           | 13/05/2016                          | 38  | 0                                | 124524                                  | 0.49                             |
|           | 08/07/2016                          | (71400)                                   | (0.28)                           | 53124                                   | 0.21                             |
|           | 05/08/2016                          | (22996)                                   | (0.09)                           | 30128                                   | 0.12                             |
|           | 12/08/2016                          | 2996                                      | 0.01                             | 33124                                   | 0.13                             |
|           | 25/11/2016                          | 19135                                     | 0.08                             | 52259                                   | 0.21                             |
|           | 02/12/2016                          | (10000)                                   | (0.04)                           | 42259                                   | 0.17                             |
|           | 23/12/2016                          | 5584                                      | 0.02                             | 47843                                   | 0.19                             |
|           | 30/12/2016                          | 8095                                      | 0.03                             | 55938                                   | 0.22                             |
|           | 06/01/2017                          | (2814)                                    | (0.01)                           | 53124                                   | 0.21                             |
|           | 10/02/2017                          | (7382)                                    | (0.03)                           | 45742                                   | 0.18                             |
|           | 24/03/2017                          | (42500)                                   | (0.17)                           | 3242                                    | 0.01                             |
|           | c) At the end of the year           |   |                                  | 3242                                    | 0.01                             |
| <b>9.</b> | <b>V SATYA NARAYANA</b>             |   |                                  |   |                                  |
|           | a) At the beginning of the year     | 72599                                     | 0.29                             | 72599                                   | 0.29                             |
|           | b) Changes during the year          |   |                                  |   |                                  |
|           | 16/09/2016                          | (5000)                                    | (0.02)                           | 67599                                   | 0.27                             |
|           | 07/10/2016                          | (12999)                                   | (0.05)                           | 54600                                   | 0.21                             |
|           | 03/03/2017                          | (14570)                                   | (0.06)                           | 40030                                   | 0.16                             |
|           | 10/03/2017                          | (17030)                                   | (0.07)                           | 23000                                   | 0.09                             |
|           | c) At the end of the year           |   |                                  | 23000                                   | 0.09                             |



| Sr. No.    | For each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|------------|--|---|----------------------------------|---|----------------------------------|
|            |  | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>10.</b> | <b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT THEMATIC FUNDS PSU OPPORTUNITIES</b> |   |                                  |   |                                  |
|            | a) At the beginning of the year  | 64176                                     | 0.25                             | 64176                                   | 0.25                             |
|            | b) Changes during the year   |   |                                  |   |                                  |
|            | 17/06/2016   | (10676)                                   | (0.04)                           | 53500                                   | 0.21                             |
|            | 30/06/2016   | (13500)                                   | (0.05)                           | 40000                                   | 0.16                             |
|            | 08/07/2016   | (25000)                                   | (0.1)                            | 15000                                   | 0.06                             |
|            | 15/07/2016   | (13000)                                   | (0.05)                           | 2000                                    | 0.01                             |
|            | 15/07/2016   | (2000)                                    | (0.01)                           | 0                                       | 0                                |
|            | c) At the end of the year  |   |                                  | 0                                       | 0                                |

(iv) Shareholding of Directors and Key Managerial Personnel:

| Sr. No.   | For each of the Directors and KMP            | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|-----------|--|---|----------------------------------|---|----------------------------------|
|           |  | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| <b>1.</b> | <b>Capt. C J Rodricks (MD) *</b>             |   |                                  |   |                                  |
|           | a) At the beginning of the year              | 4,450                                     | 0.02                             | 4,450                                   | 0.02                             |
|           | b) Changes during the year                   | NO CHANGE DURING THE YEAR                 |                                  |   |                                  |
|           | c) At the end of the year                    |   |                                  | 4,450                                   | 0.02                             |
| <b>2.</b> | <b>Mr. Jagdish Persad Suri (Director) **</b> |   |                                  |   |                                  |
|           | a) At the beginning of the year              | 987                                       | 0                                | 987                                     | 0                                |
|           | b) Changes during the year                   |   |                                  |   |                                  |
|           | 10/06/2016                                   | (500)                                     | 0                                | 487                                     | 0                                |
|           | 24/06/2016                                   | 25  | 0                                | 512                                     | 0                                |
|           | 30/06/2016                                   | (112)                                     | 0                                | 400                                     | 0                                |
|           | 15/07/2016                                   | (375)                                     | 0                                | 25                                      | 0                                |
|           | 29/07/2016                                   | 35  | 0                                | 60                                      | 0                                |
|           | 05/08/2016                                   | 265                                       | 0                                | 325                                     | 0                                |
|           | 19/08/2016                                   | 100                                       | 0                                | 425                                     | 0                                |
|           | 26/08/2016                                   | (75)                                      | 0                                | 350                                     | 0                                |
|           | 01/09/2016                                   | 100                                       | 0                                | 450                                     | 0                                |
|           | 09/09/2016                                   | (275)                                     | 0                                | 175                                     | 0                                |
|           | 16/09/2016                                   | (75)                                      | 0                                | 100                                     | 0                                |
|           | 30/09/2016                                   | 20  | 0                                | 120                                     | 0                                |
|           | 07/10/2016                                   | (50)                                      | 0                                | 70                                      | 0                                |
|           | 14/10/2016                                   | 20  | 0                                | 90                                      | 0                                |
|           | 21/10/2016                                   | (40)                                      | 0                                | 50                                      | 0                                |

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|---------|-----------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                   | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
|         | 11/11/2016                        | 25  | 0                                | 75                                      | 0                                |
|         | 9/12/2016                         | 50  | 0                                | 125                                     | 0                                |
|         | 06/01/2017                        | (100)                                     | 0                                | 25                                      | 0                                |
|         | 13/01/2017                        | 25  | 0                                | 50                                      | 0                                |
|         | 13/01/2017                        | (50)                                      | 0                                | 0                                       | 0                                |
|         | c) At the end of the year         |   |                                  | 0                                       | 0                                |

\* Ceased to be Managing director from 31<sup>st</sup> March, 2017

\*\* Ceased to be director from 18<sup>th</sup> May, 2016.

#### (V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

|  | Secured Loans excluding Deposits | Unsecured Loans | Deposits   | Total Indebtedness  |
|--|----------------------------------|-----------------|------------|---------------------|
| <b>Indebtedness at the beginning of the Financial Year i.e. 01.04.2016</b> |                                  |                 |            |                     |
| i) Principal Amount  | ₹ 281.08 ML                      | NIL             | NIL        | ₹ 282.25 ML         |
| ii) Interest due but not paid  | NIL                              | NIL             | NIL        | NIL                 |
| iii) Interest accrued but not due  | ₹ 1.16 ML                        | NIL             | NIL        | ₹ 1.16 ML           |
| <b>Total (i+ii+iii)</b>  | <b>₹ 282.25 ML</b>               | <b>NIL</b>      | <b>NIL</b> | <b>₹ 282.25 ML</b>  |
| <b>Change in Indebtedness during the Financial Year</b>                    |                                  |                 |            |                     |
| i) Addition  |                                  |                 |            |                     |
| ii) Reduction  | ₹(101.11)ML                      |                 |            | ₹(101.11)ML         |
| <b>Net Change</b>  | <b>₹(101.11) ML</b>              |                 |            | <b>₹(101.11) ML</b> |
| <b>Indebtedness at the end of the Financial Year i.e. as on 31.03.2017</b> |                                  |                 |            |                     |
| i) Principal Amount  | ₹179.09 ML                       |                 |            | ₹179.09 ML          |
| ii) Interest due but not paid  |                                  |                 |            |                     |
| iii) Interest accrued but not due  | ₹ 2.05 ML                        |                 |            | ₹ 2.05 ML           |
| <b>Total (i+ii+iii)</b>  | <b>₹181.14 ML</b>                |                 |            | <b>₹181.14 ML</b>   |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sr. No. | Particulars of Remuneration   | Name of Managing Director<br>Captain Christopher<br>J Rodricks | Total Amount (₹)            |
|---------|---|--|-----------------------------|
| 1.      | Gross Salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 16,023,277<br>39,600<br>Nil                                    | 16,023,277<br>39,600<br>Nil |
| 2.      | Stock Option  | Nil  | Nil                         |
| 3.      | Sweat Equity  | Nil  | Nil                         |
| 4.      | Commission<br>- as % of profit<br>- others, specify   | Nil<br>Nil   | Nil<br>Nil                  |
| 5.      | Others, please specify  | Nil  | Nil                         |
|         | <b>Total (A)</b>  | <b>16,062,877</b>  | <b>16,062,877</b>           |
|         | <b>Ceiling as per the Act</b>   |  |                             |

B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration                  | Name of Directors |                 |                      |                        |                    |               | Total Amount (₹) |
|---------|--|-------------------|-----------------|----------------------|------------------------|--------------------|---------------|------------------|
|         |  | Jagdish Suri*     | Sanjeev Agrawal | Surinder Singh Kohli | Mahesh Prasad Mehrotra | Amarjit Singh Soni | Seema Modi    |                  |
| 1.      | <b>Independent Directors</b>                 |                   |                 |                      |                        |                    |               |                  |
|         | · Fee for attending Board Committee meetings | Nil               | Nil             | 405000               | 70000                  | 405000             | 555000        | 1030405          |
|         | · Commission                                 | Nil               | Nil             | Nil                  | Nil                    | Nil                | Nil           | Nil              |
|         | · Others, please specify                     | Nil               | Nil             | Nil                  | Nil                    | Nil                | Nil           | Nil              |
|         | <b>Total (1)</b>                             | <b>Nil</b>        | <b>Nil</b>      | <b>405000</b>        | <b>70000</b>           | <b>405000</b>      | <b>555000</b> | <b>1030405</b>   |
| 2.      | <b>Other Non-Executive Directors</b>         |                   |                 |                      |                        |                    |               |                  |
|         | · Fee for attending board committee meetings | Nil               | Nil             | Nil                  | Nil                    | Nil                | Nil           | Nil              |
|         | · Commission                                 | Nil               | Nil             | Nil                  | Nil                    | Nil                | Nil           | Nil              |
|         | · Others, please specify                     | Nil               | Nil             | Nil                  | Nil                    | Nil                | Nil           | Nil              |
|         | <b>Total (2)</b>                             | <b>NIL</b>        | <b>NIL</b>      | <b>NIL</b>           | <b>NIL</b>             | <b>NIL</b>         | <b>NIL</b>    | <b>NIL</b>       |
|         | <b>Total (B)=(1+2)</b>                       | <b>NIL</b>        | <b>NIL</b>      | <b>405000</b>        | <b>70000</b>           | <b>405000</b>      | <b>555000</b> | <b>1030405</b>   |

\*Ceased to be a member of the Board of Directors w.e.f. 18<sup>th</sup> May, 2016



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel           |  |                   |
|---------|---|------------------------------------|--|-------------------|
|         |   | President and CFO<br>Mr. V K Gupta | President- Corporate Affairs, Legal & Company Secretary<br>Mr. S N Mohanty | Total             |
| 1.      | Gross salary  |                                    |  |                   |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7,085,004                          | 6,010,400  | 13,095,404        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil                                | 39,600   | 39,600            |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | Nil                                | Nil  | Nil               |
| 2.      | Stock Option  | Nil                                | Nil  | Nil               |
| 3.      | Sweat Equity  | Nil                                | Nil  | Nil               |
| 4.      | Commission  |                                    |  |                   |
|         | - as% of profit   | Nil                                | Nil  | Nil               |
|         | - others, specify...  | Nil                                | Nil  | Nil               |
| 5.      | Others, please specify  | Nil                                | Nil  | Nil               |
|         | <b>Total</b>  | <b>7,085,004</b>                   | <b>6,050,000</b>   | <b>13,135,004</b> |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

| Type                               | Sections of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding Fees imposed | Authority (RD/ NCLT COURT) | Appeal Made If any (give detail) |
|------------------------------------|-------------------------------|-------------------|--|----------------------------|----------------------------------|
| <b>A) COMPANY – NOT APPLICABLE</b> |                               |                   |  |                            |                                  |
| Penalty                            | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Punishment                         | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Compounding                        | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| <b>B) DIRECTORS</b>                |                               |                   |  |                            |                                  |
| Penalty                            | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Punishment                         | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Compounding                        | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| <b>C) OTHER OFFICERS DEFAULT</b>   |                               |                   |  |                            |                                  |
| Penalty                            | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Punishment                         | Nil                           | Nil               | Nil  | Nil                        | Nil                              |
| Compounding                        | Nil                           | Nil               | Nil  | Nil                        | Nil                              |

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy was approved by the Board of Directors at its Meeting held on 11<sup>th</sup> August, 2014 and has been uploaded on the Company's website. A gist of the programs that the Company can undertake under the CSR Policy is mentioned below:

CSR Policy is stated herein below:

Web link: <http://www.seamec.in/attachments/CSR%20Policy.pdf>

The Company has proposed to undertake activities relating to Child welfare, health and education for the financial year 2016-17.

2. The Composition of the CSR Committee:

- a) Sanjeev Agrawal Chairman  
 b) Seema Modi Member  
 c) Captain C.J. Rodricks\* Member

\*Ceased to be member w.e.f. 31<sup>st</sup> March, 2017

3. Average net profit of the company for last three financial years: ₹ 255 million  
 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 5.09 million  
 5. Details of CSR spent during the financial year.  
 (a) Total amount to be spent for the financial year: 5.09 million  
 (b) Amount unspent, if any; NIL  
 (c) Manner in which the amount spent during the financial year is detailed below:

Amount in ₹

| (1)     | (2)                                | (3)                                    | (4)  | (5)  | (6)  | (7)   | (8)  |
|---------|------------------------------------|--|--|--|--|---|--|
| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Projects or programmes<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs were undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs Sub-heads:<br>(1) Direct Expenditure on projects or programs.<br>(2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent:<br>Direct or through implementing agency |
| 1       | Maharogi Sewa Samiti               | Health                                 | Warora   | 1,25,000                                       | 1,25,000   | 1,25,000  | Direct   |
| 2       | Jaganath Cancer Aid Foundation     | Cancer Centre                          | Mumbai   | 1,50,000                                       | 1,50,000   | 2,75,000  | Direct   |
| 3       | TOUCH                              | Children Education                     | Mumbai   | 1,25,000                                       | 1,25,000   | 4,00,000  | Direct   |
| 4       | Mangalam Edu Gate                  | Children Education                     | Delhi  | 46,90,000                                      | 46,90,000  | 50,90,000   | Direct   |
|         | <b>TOTAL</b>                       |  |  | <b>50,90,000</b>                               |  | <b>50,90,000</b>                                    |  |

6. The Company was required to spend an amount of ₹ 5.09 million. Actual spending was ₹ 5.09 million.

The Committee confirms that the implementation and monitoring of CSR policy is in accordance with the CSR objectives and policy of the Company.

**Sanjeev Agrawal**  
(Chairman - CSR Committee)  
DIN: 00282059



## CONTENTS OF CSR POLICY

(approved by the Board of Directors on 11<sup>th</sup> August, 2014)

SEAMEC CSR initiatives focus on holistic development of host of communities and to create social, environmental and economic value to the society.

The Corporate principles of the Company is committed towards sustainable development and inclusive growth. The Company constantly strives to ensure a strong corporate culture to pursue initiatives related to Quality management, environment preservation and social awareness.

To pursue its CSR objectives, the Company outlined its scope as under:

- Pursue CSR programs primarily in the areas that fall within the economic vicinity of the Company's presence to ensure close supervision and maximum development impact.
- Pursue health care in several areas with focus on mother, child, old age persons providing basic nutrition and healthcare, awareness on HIV/AIDS, conduct of periodical health camp, eyes, dental, free cataract surgery and provision of lens, supply of equipment and aid for orphanages and physically challenged children, participation in polio immunization programme for the eradication of Polio.
- Provision of Clean drinking water – installation of hand pumps / bore well / Tube Well / Construction of Water tanks, water purifier in school and community Centre.
- Promote education for underprivileged children with learning opportunities through supply of educational materials, teaching aids, recreational tools, scaling up school infrastructure, provision of science laboratories.
- Sponsorship of education of children who come from poor financial background, underprivileged and orphanage.
- Provision of vocational training institutes, skilled based training in electrical, fabrication, welding, and housekeeping to enhance employability and generate livelihoods for persons from disadvantaged section of society.
- Contribution to the Prime Ministers National Relief Fund or any other fund setup by Central Government or State Government for socio economic development and relief and funds for welfare of scheduled castes, schedule Tribes, minorities and Women.

## Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration) Rules, 2014]

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

To,

The Members,  
SEAMEC LIMITED  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s SEAMEC LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on Company's books, papers, minute books, forms and returns filed and other records maintained by the company as given in **Annexure I** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares during the year under review.
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - e. The Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations 2008 - Not Applicable as the Company has not issued any debt securities which was listed during the year under review;
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not issued any shares/options to Directors/employees under the said guidelines/Regulations during the year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the year under review;



- h. The Securities And Exchange Board Of India (Buy Back Of Securities) Regulations, 1998 - Not Applicable as the Company has not bought back any shares during the year under review;
- (vi) Other laws as applicable specifically to the company as identified by the management, that is to say:
  - a. Maritime Labour Convention 2006
  - b. Customs Act, 1962
  - c. Merchant Shipping Act, 1958
  - d. Employees' Provident Fund & Miscellaneous Provisions Act, 1952
  - e. Payment of Gratuity Act 1972 & Rules

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. The Company's application to the Central Government for waiver of excess remuneration paid to Capt. C J Rodricks, Managing Director for the Financial Year 2011-12 and 2013-14 have been approved by the Central Government.
- b. The Company has made an application for the waiver of excess remuneration paid to Capt. C J Rodricks, Managing Director for the Financial Year 2015-16.
- c. The Company has filed return with respect to change of 2% in the number of shares held by promoters and top ten shareholders in e-form MGT-10 pursuant to Section 93 of the Act, 2013.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Capt. C J Rodricks, Managing Director of the Company has resigned during the year under review and his tenure ended at the close of business hours of 31<sup>st</sup> March 2017. the Company has time till 30<sup>th</sup> September 2017 to appoint Managing Director.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has following events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Members approval for Related Party Transaction
- b. Resignation of Managing Director

**For Satyajit Mishra & Co.**  
Company Secretary

Place : Mumbai  
Date : May 30, 2017

Satyajit Mishra  
C.P. No.: 4997

## ANNEXURE TO SECRETARIAL AUDIT REPORT

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee and Independent Directors along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings and resolutions passed through Postal Ballot held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel.
  - Register of Directors' Shareholding.
  - Register of Investment.
  - Register of Charge.
  - Register of Contracts.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. Intimations received from Directors and Senior management under the prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Regulations, 2015 during the financial year under report.
11. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.

For Satyajit Mishra & Co.  
Company Secretary

Place : Mumbai  
Date : May 30, 2017

Satyajit Mishra  
C.P. No.: 4997



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

Deepti Agrawal, Spouse of Mr. Sanjeev Agrawal

(b) Nature of contracts/arrangements/transactions:

Surrender of Lease of Premises at A-906 – 907, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri (E), Mumbai –400093

(c) Duration of the contracts / arrangements/transactions: NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Surrender of Lease Agreement for office premises admeasuring aggregate area of 3,573 sq ft at A-906 -907 w.e.f. 01.01.2017. since the surrender will be under the lock-in period, Mrs. Agrawal would be paid lease rental for the residual period under lock-in period which comes to about ₹ 2.23 Crore (Two Crore and twenty-three lacs). The company is also to be refunded security deposit of ₹ 49,18,413 (Forty-nine lacs eighteen thousand four hundred and thirteen).

(e) Date(s) of approval by the Board, if any: 8<sup>th</sup> December, 2016

(f) Amount paid as advances, if any: NA

Sanjeev Agrawal  
Chairman



**ANNEXURE E**

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the period ending 31<sup>st</sup> March, 2017.

**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 ₹ 1848.36 million and foreign exchange outgo was equivalent to ₹ 808.01 million. (This is on accrual basis.)

**REPORT ON CORPORATE GOVERNANCE****ANNEXURE – F**

The report on Corporate Governance for the year ended March 31, 2017 is as under:-

**CORPORATE GOVERNANCE – PHILOSOPHY**

The Company philosophy on Corporate Governance aims at upholding core values 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 composition of the Board of Directors of the Company is in accordance with the relevant provisions of Companies Act, 2013 and Rules framed thereunder as amended, from time to time (hereinafter referred to as "the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The present strength of the Board is Five Directors comprising Five Non-Executive Directors including the 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 of more than 5 Committees as specified in the Listing Regulations, across all the Companies in which he/she is a Director. Committees shall include Audit Committee and Stakeholders Relationship Committee. All Directors have confirmed that they are not disqualified to continue to act as a Director or to be appointed / re-appointed as Director, as the case may be, pursuant to provisions of the Act. 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 as under:-

| Director                       | Executive/Non- Executive/ Independent | Other Directorships held * |
|--------------------------------|---------------------------------------|----------------------------|
| Mr. Sanjeev Agrawal            | Non –Executive Chairman               | 3                          |
| Capt. C. J. Rodricks **        | Managing Director                     | --                         |
| Mr. Surinder Singh Kohli       | Non-Executive & Independent           | 9                          |
| Mr. Amarjit Singh Soni         | Non-Executive & Independent           | --                         |
| Mr. Jagdish Persad Suri *      | Non-Executive                         | --                         |
| Mr. Mahesh Prasad Mehrotra *** | Non-Executive & Independent           | 6                          |
| Ms. Seema Modi                 | Non-Executive & Independent           | --                         |

• Excludes directorship in Indian Private Limited Companies, foreign companies and membership of management committees of various chambers/bodies and alternate directorship and holding in Seamec.

\* Resigned w.e.f. May 18, 2016

\*\* Resigned as Managing Director w.e.f. close of business hours on March 31, 2017.

\*\*\* Appointed as Additional Director to hold office of Independent Director w.e.f. December 8, 2016.

**2. AUDIT COMMITTEE**

The Audit Committee of the Company at the Board level, inter alia, 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 discusses with Internal Auditors, Statutory Auditors scope of findings of audit, audit qualifications, if any, related party transactions and appraises Board on the above.

The terms of reference of the Audit Committee cover all areas specified, thereby meeting the requirements of the Section 177 of the Companies Act, 2013 and also in line with the provisions as specified in the Listing Regulations and other terms as may be referred by Board of Directors.

The Audit Committee comprises of four members, all members including the Chairman of the Committee are Non-Executive and two-third members are independent. The Members of the Audit Committee are financially literate. The Statutory Auditor,

Internal Auditor and President and Chief Financial Officer of the Company are the permanent Invitees to all Audit Committee Meetings. The President Corporate Affairs, Legal & 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 |
|--------------------------------|----------|---------------|-------------------|
| Mr. Jagdish Persad Suri *      | Member   | 4             | -                 |
| Mr. Surinder Singh Kohli       | Member   | 4             | 4                 |
| Ms. Seema Modi                 | Member   | 4             | 4                 |
| Mr. Amarjit Singh Soni**       | Member   | 4             | 4                 |
| Mr. Mahesh Prasad Mehrotra *** | Chairman | 4             | 1                 |

\* Ceased to be member w.e.f. May 18, 2016.

\*\* Mr. Amarjit Singh Soni was the Chairman till meeting held on 8<sup>th</sup> December, 2016

\*\*\* Appointed as Chairman of the Committee w.e.f February 2, 2017.

### 3. NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee and details of Meetings as mentioned hereunder:

| Director                  | Position | Meetings held | Meetings Attended |
|---------------------------|----------|---------------|-------------------|
| Mr. Surinder Singh Kohli  | Chairman | 3             | 3                 |
| Mr. Amarjit Singh Soni    | Member   | 3             | 3                 |
| Ms. Seema Modi            | Member   | 3             | 3                 |
| Mr. Jagdish Persad Suri * | Member   | 3             | -                 |

\* Ceased to be member w.e.f. May 18, 2016.

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Committee has formulated a Policy on the appointment of a person as Director and evaluation of Directors & Senior Management Personnel (SMP).

The Nomination and Remuneration Policy as prescribed under the law has been adopted by the Board. The Board has formulated criteria for evaluation of Independent Director which includes qualification, positive attributes and independence of Directors, this forms a part of the Remuneration Policy. The same is hosted on the Website of the Company at [www.seamec.in](http://www.seamec.in).

### 4. REMUNERATION TO DIRECTORS

| Director                       | Designation          | Remuneration paid during the period (All figures in Rupees) |                |            |                 |
|--------------------------------|----------------------|---|----------------|------------|-----------------|
|                                |                      | Salary & Allowances   | Sitting Fees   | Commission | Total           |
| Mr. Sanjeev Agrawal            | Chairman             | --  | NIL            | --         | NIL             |
| Capt. C. J. Rodricks **        | Managing Director    | 16062877  | --             | --         | 16062877        |
| Mr. Surinder Singh Kohli       | Independent Director | --  | 405000         | --         | 405000          |
| Mr. Jagdish Persad Suri *      | Director             | --  | NIL            | --         | NIL             |
| Mr. Mahesh Prasad Mehrotra *** | Additional Director  | --  | 70000          | --         | 70000           |
| Mr. Amarjit Singh Soni         | Independent Director | --  | 405000         | --         | 405000          |
| Ms. Seema Modi                 | Independent Director | --  | 555000         | --         | 555000          |
| <b>Total</b>                   |                      | <b>16062877</b>   | <b>1435000</b> | <b>--</b>  | <b>17497877</b> |

The Company has no pecuniary relationship or transactions with its Non-Executive Directors, other than payment of sitting fees for attending meetings of the Board or Committee thereof.



Captain C.J. Rodricks holds 4450 shares in the Share Capital of your Company.

\* Resigned w.e.f. May 18, 2016 on account of withdrawal of nomination by HAL Offshore Limited, the Promoter of the Company.

\*\* Resigned and tenure ended w.e.f. closing business hours of March 31, 2017.

\*\*\* Appointed as Additional Director in the category of Independent Director w.e.f. December 8, 2016.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has "STAKEHOLDERS RELATIONSHIP COMMITTEE" (Since renamed) under the chairmanship of a Non-Executive Director to specifically look into shareholders' issues including but not limited to share transfer, transmission, and issue of duplicate certificates and redressing of shareholder complaints like non receipt of Annual Report, etc.

Details of the composition of Stakeholders Relationship Committee are as follows:

| Director                  | Position    | Meetings Held | Meetings Attended |
|---------------------------|-------------|---------------|-------------------|
| Ms. Seema Modi            | Chairperson | 4             | 4                 |
| Capt C. J. Rodricks **    | Member      | 4             | 4                 |
| Mr. Jagdish Persad Suri * | Member      | 4             | -                 |
| Mr. Sanjeev Agrawal ***   | Member      | -             | -                 |

\* Resigned w.e.f. May 18, 2016.

\*\* Resigned and tenure ended w.e.f. closing business hours of March 31, 2017

\*\*\* Appointed as member w.e.f 17<sup>th</sup> April, 2017.

M/s. C. B. Management Services (P) Ltd., the Company's Registrar and Share Transfer Agent, among others, expedite the process of transfer of shares under supervision of President Corporate Affairs, Legal & Company Secretary. Thereafter, the proposals are placed before the designated Committee.

The President Corporate Affairs, Legal & Company Secretary is the Secretary to the Committee and is also the Compliance Officer of the Company.

## 6. NUMBER OF BOARD MEETINGS AND BOARD PROCEDURES

During the year under review, the Board of Directors of the Company met 4 (Four) times and the gap between two consecutive Board Meetings did not exceed one hundred and twenty days. The details of meetings held and attendance of directors are given in the following table. 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 mandated under Listing Regulations.

| Date of Board Meeting | City      |
|-----------------------|-----------|
| May 19, 2016          | Mumbai    |
| September 8, 2016     | Mumbai    |
| December 8, 2016      | New Delhi |
| February 2, 2017      | New Delhi |

| Director                       | No. of meetings |          | Attended last A.G.M |
|--------------------------------|-----------------|----------|---------------------|
|                                | Held            | Attended |                     |
| Mr. Sanjeev Agrawal            | 4               | 4        | Yes                 |
| Capt. C. J. Rodricks **        | 4               | 4        | Yes                 |
| Mr. Surinder Singh Kohli       | 4               | 4        | No                  |
| Mr. Amarjit Singh Soni         | 4               | 4        | Yes                 |
| Mr. Jagdish Persad Suri *      | 4               | -        | No                  |
| Mr. Mahesh Prasad Mehrotra *** | 4               | 1        | No                  |
| Ms. Seema Modi                 | 4               | 4        | Yes                 |

- \* Resigned w.e.f. May 18, 2016 on account of withdrawal of nomination by HAL Offshore Limited, the Promoter of the Company.
- \*\* Resigned and tenure ended w.e.f. closing business hours of March 31, 2017.
- \*\*\* Appointed as Additional Director in the category of Independent Director w.e.f. December 8, 2016.

#### 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 |
| Capt. C. J. Rodricks *        | 1                 | 0        |
| Mr. Surinder Singh Kohli      | 3                 | 4        |
| Mr. Amarjit Singh Soni        | 0                 | 0        |
| Mr. Mahesh Prasad Mehrotra ** | 3                 | 3        |
| Ms. Seema Modi                | 2                 | 0        |
| Mr. Sanjeev Agrawal           | 1                 | 0        |

- \* Resigned and tenure ended w.e.f. closing business hours of March 31, 2017.
- \*\* Appointed as Additional Director in the category of Independent Director w.e.f. December 8, 2016.

#### 8. DISCLOSURE REGARDING DIRECTORS' APPOINTMENT AND RE-APPOINTMENT

The personal information about the Directors being appointed / reappointed is already stated in the Directors' Report and in the notice of the meeting convening Annual General Meeting.

#### 9. MATERIAL CONTRACTS/TRANSACTIONS CONCERNING DIRECTOR'S INTEREST

There has been no transaction of material in nature that may have a potential conflict with interest of your Company, during the period under review, save and except Charter Hire of Vessel Seamec II, Surrender of part of lease premises to Mrs. Deepti Agrawal, spouse of Mr. Sanjeev Agrawal, Chairman of the Company and secondment of Senior Personnel from Holding Company.

#### 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

Pursuant to 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, 2015, as amended from time to time, your Company has adopted a Code of Internal Procedure and Conduct for regulating, monitoring and reporting of trading by insiders and Code of Fair Disclosure of Unpublished Price Sensitive Information to ensure prevention of Insider Trading in the Organization.

**14. CEO AND CFO CERTIFICATION**

In accordance with the requirement of Corporate Governance, as specified in Regulation 17(8) of the Listing Regulations, 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      |
|-----------|----------|------------|-----------|
| 2013-2014 | Mumbai   | 11.08.2014 | 4:30 p.m. |
| 2014-2015 | Mumbai   | 12.08.2015 | 4:30 p.m. |
| 2015-2016 | Mumbai   | 08.09.2016 | 4:30 p.m. |

1.2 Whether any special resolutions passed in the previous 3 AGMs? NO

1.3 Whether any special resolution passed last year through postal ballot? NO

1.4 Whether any special resolution is proposed to be conducted through postal ballot for the year 2017-18?

The Company does not propose to pass any Special Resolution through Postal Ballot as on the date of this Report.

**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 Financial Express (English) and Nav Shakti (Marathi)
- Any website, where displayed www.seamec.in
- 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 : 11<sup>th</sup> August, 2017, 4.00 pm
- Venue : Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shradhdhanad Road, Vile Parle (East), Mumbai- 400057

**2. Financial Calendar**

For the Financial Year ended 31.03.2018

- Financial reporting for the first quarter ending June 30, 2017 : On or before August 15, 2017
- Financial reporting for the half year ending September 30, 2017 : On or before November 15, 2017
- Financial reporting for the third quarter ending December 31, 2017 : On or before February 15, 2018
- Financial reporting for the year ending March 31, 2018 : On or before May 31, 2018
- Annual General Meeting for the year ending 31<sup>st</sup> March, 2018 : On or before September 30, 2018

**3. Date of Book Closure**

05.08.2017 to 11.08.2017(both days inclusive)

**4. Dividend Payment Date**

: The Final Dividend, if declared by shareholders at the AGM, shall be paid on or before 10.09.2017, i.e. within 30 days of declaration

5. Registered Office : A 901 – 905, 9<sup>th</sup> Floor  
215 Atrium,  
Andheri Kurla Road,  
Andheri East, Mumbai - 400 093.  
Tel: (022) 66941800  
Fax: (022) 66941818  
email: contact@seamec.in
6. Listing Details (Equity Shares) : **Bombay Stock Exchange Limited**  
1<sup>st</sup> 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

7. The Company has paid the Listing Fees for the year 2016-2017 to all the Stock Exchanges.

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

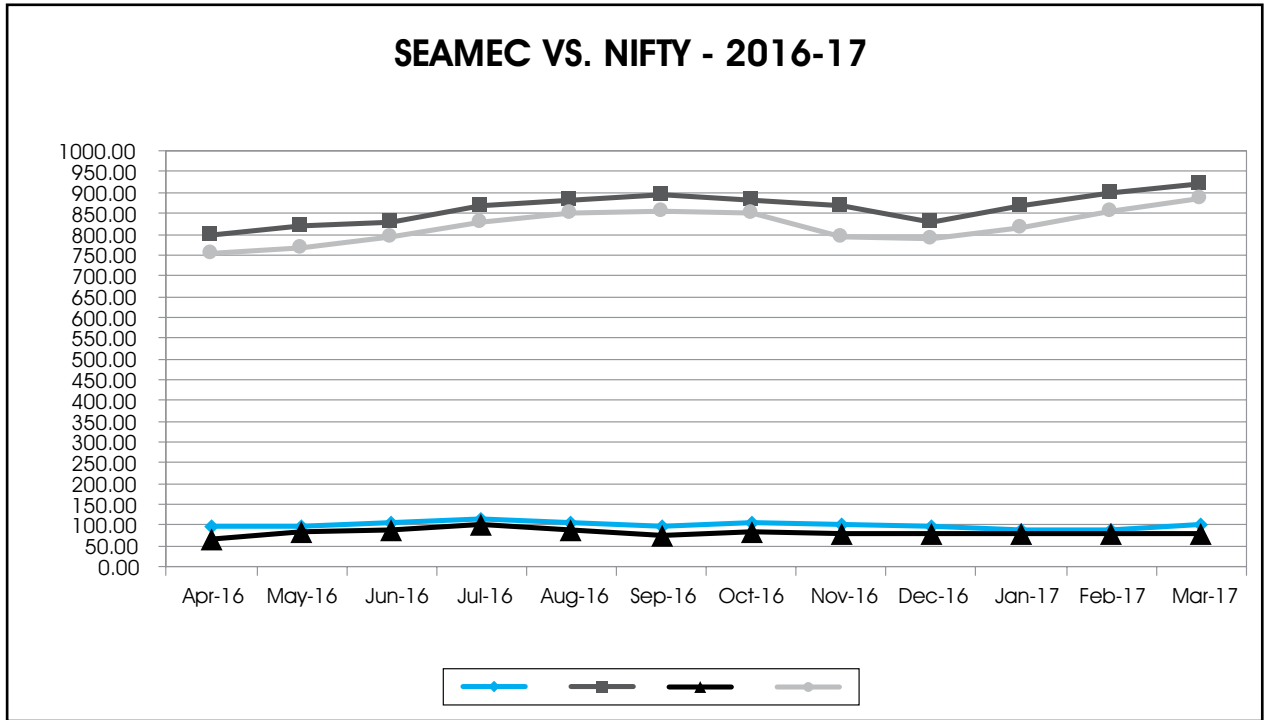
8. Stock Price Data :

| National Stock Exchange |        |        |        |            |
|-------------------------|--------|--------|--------|------------|
| Month                   | High   | Low    | Close  | Av. Volume |
| Apr – 16                | 97.80  | 65.70  | 88.60  | 25061      |
| May – 16                | 95.60  | 82.70  | 91.10  | 15611      |
| Jun – 16                | 107.00 | 86.25  | 99.05  | 37782      |
| July – 16               | 114.80 | 100.25 | 102.95 | 130948     |
| Aug – 16                | 104.85 | 88.00  | 90.05  | 22113      |
| Sept – 16               | 95.00  | 76.40  | 85.15  | 48013      |
| Oct – 16                | 106.90 | 84.25  | 95.30  | 87985      |
| Nov – 16                | 102.90 | 78.70  | 82.45  | 29825      |
| Dec – 16                | 96.50  | 77.20  | 80.70  | 21357      |
| Jan – 17                | 88.50  | 79.85  | 84.20  | 16339      |
| Feb – 17                | 90.00  | 78.20  | 82.70  | 102117     |
| Mar – 17                | 103.55 | 80.55  | 84.30  | 247323     |



9. Stock Performance (Indexed) :

STOCK PERFORMANCE OF SEAMEC VS. NSE INDEX (NIFTY)



10. Registrar & Transfer Agents

: C B Management Services (P) Ltd.  
 2<sup>nd</sup> Floor P-22, Bondel Road,  
 Kolkata – 700 019  
 Tel No. (033) 40116700, 22806692/93/94  
 Fax no. 033-22870263  
 E-mail: rta@cbmsl.com  
 Website: www.cbmsl.com

11. Share Transfer System

: A Committee of Directors (Stakeholders Relationship 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  | 2016-2017 |          | 2015 – 2016 |          |
|---|-----------|----------|-------------|----------|
|   | Received  | Cleared  | Received    | Cleared  |
| Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of address, Demat – Remat and others | Nil       | Nil      | Nil         | Nil      |
| Received from SEBI, Stock Exchanges and other statutory authorities   | 3         | 3        | 3           | 3        |
| <b>TOTAL</b>  | <b>3</b>  | <b>3</b> | <b>3</b>    | <b>3</b> |



There are seven Civil Suits and four Consumer Forum Cases which are pending in various Courts & Forums.

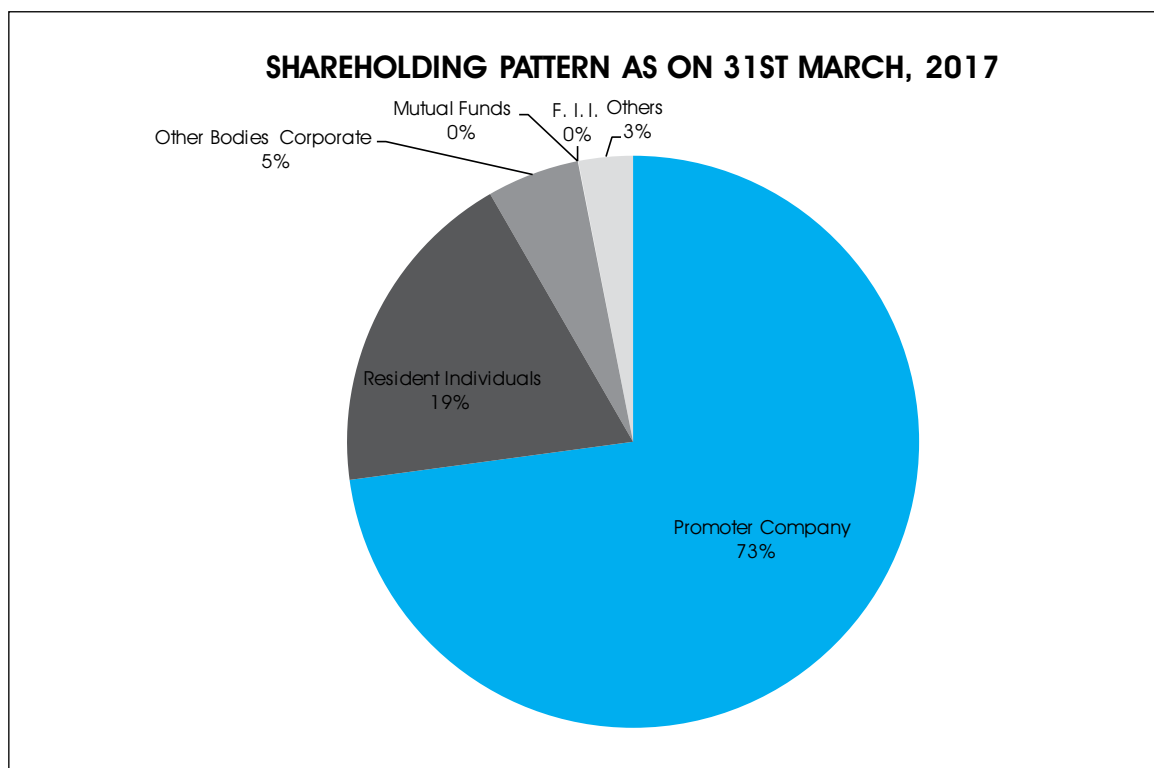
The Company endeavors to settle all shareholder complaints in the minimum possible time.

All the above complaints have been resolved within 30 days from the receipts of the communication.

As on 31.03.2017, there are no pending valid transfer cases. (as per the certificate of RTA)

13. Distribution of Shareholding as on:

| Shares held   | 31.03.2017           |                    |                    |                   | 31.03.2016           |                    |                    |                   |
|---------------|----------------------|--------------------|--------------------|-------------------|----------------------|--------------------|--------------------|-------------------|
|               | No. of share holders | % of share holders | No. of shares held | % of shareholding | No. of share holders | % of share holders | No. of shares held | % of shareholding |
| 1-500         | 15089                | 90.86              | 1913674            | 7.53              | 15332                | 91.52              | 1920478            | 7.56              |
| 501-1000      | 763                  | 4.59               | 628346             | 2.47              | 752                  | 4.49               | 613543             | 2.41              |
| 1001-2000     | 361                  | 2.17               | 556790             | 2.19              | 339                  | 2.02               | 522095             | 2.05              |
| 2001-3000     | 129                  | 0.78               | 324084             | 1.27              | 103                  | 0.61               | 259990             | 1.02              |
| 3001-4000     | 45                   | 0.27               | 160535             | 0.63              | 42                   | 0.25               | 146815             | 0.58              |
| 4001-5000     | 59                   | 0.36               | 276032             | 1.09              | 45                   | 0.27               | 208382             | 0.82              |
| 5001-10000    | 86                   | 0.52               | 655501             | 2.58              | 68                   | 0.41               | 496517             | 1.95              |
| 10001 & above | 74                   | 0.45               | 20910038           | 82.24             | 72                   | 0.43               | 21257180           | 83.61             |
| <b>TOTAL</b>  | <b>16606</b>         | <b>100</b>         | <b>25425000</b>    | <b>100</b>        | <b>16753</b>         | <b>100</b>         | <b>25425000</b>    | <b>100</b>        |





## 14. Categories of Shareholding as on:

|    | Category                              | 31.03.2017           |                    |                    | 31.03.2016           |                    |                    |
|----|---------------------------------------|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
|    |                                       | 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                    | 18527475           | 72.87              | 1                    | 18527475           | 72.87              |
| 02 | Directors                             | 1                    | 4450               | 0.02               | 2                    | 5437               | 0.02               |
| 03 | Directors Relatives                   | --                   | --                 | --                 | --                   | --                 | --                 |
| 04 | Mutual Funds                          | 5                    | 7400               | 0.03               | 6                    | 71576              | 0.28               |
| 05 | F. I. I.                              | 1                    | 900                | 0.00               | 1                    | 900                | 0.00               |
| 06 | Financial Institutions                | --                   | --                 | --                 | --                   | --                 | --                 |
| 07 | Central Government / State Government | 1                    | 5601               | 0.02               | 1                    | 5601               | 0.02               |
| 08 | N.R.I.                                | 140                  | 235195             | 0.93               | 130                  | 83055              | 0.33               |
| 09 | Other Bodies Corporate                | 394                  | 1329606            | 5.23               | 378                  | 1764484            | 6.94               |
| 10 | Banks                                 | 6                    | 134457             | 0.53               | 5                    | 113932             | 0.45               |
| 11 | Resident Individuals                  | 15978                | 4779767            | 18.80              | 16164                | 4742847            | 18.65              |
| 12 | Clearing Members                      | 77                   | 399849             | 1.57               | 63                   | 109393             | 0.43               |
| 13 | Overseas Body Corporate               | 2                    | 300                | 0.00               | 2                    | 300                | 0.00               |
|    | <b>TOTAL</b>                          | <b>16606</b>         | <b>25425000</b>    | <b>100.00</b>      | <b>16753</b>         | <b>25425000</b>    | <b>100.00</b>      |

15. Dematerialization of Shares & Liquidity : Over 97.56% of equity shares have been dematerialized as on 31.03.2017.

Trading in equity shares of your Company in Stock Exchange is permitted only in dematerialized mode w.e.f. 24<sup>th</sup> 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 : Mr. S. N. Mohanty  
Compliance Officer  
Address For correspondence  
Regd. Office :  
A 901 – 905, 9<sup>th</sup> Floor  
215 Atrium,  
Andheri Kurla Road,  
Andheri East, Mumbai - 400 093  
Tel: (022) 66941800  
Fax: (022) 66941818  
Email: seamec@bom5.vsnl.net.in  
OR  
C B Management Services (P) Ltd.  
P-22, Bondel Road, 2<sup>nd</sup> floor,  
Kolkata – 700 019  
Tel No. (033) 40116700/67111/6723  
Fax: (033) 40116700  
E-mail : rta@cbmsl.com  
Website: www. cbmsl.com

Shareholders are advised to register their email address and any changes therein from time to time for sending notice/ documents through email in reference to General circular No. 17/2011 dated 21<sup>st</sup> April, 2011 of Ministry of Corporate Affairs. In addition, registering and corresponding with Registrar and Share Transfer Agents and company through email would speed up response, reduce paper work and also help to redress the complaints on fast track basis. However, for instructions like change of bank mandate, change of address, transfer and transmission of shares etc letters duly signed by the shareholder(s) concerned should be sent otherwise such request cannot be procured by the Registrars.

#### 18. Per Share Data

|   |                   |            |
|---|-------------------|------------|
|   | <b>FY 2016-17</b> | FY 2015-16 |
| EPS (₹)   | <b>(58.84)</b>    | 1.87       |
| EPS Growth (%)  | <b>(3250.62)</b>  | (0.92%)    |
| CPS (₹)   | <b>(38.33)</b>    | 18.19      |
| Book Value per share (₹)                                    | <b>135.70</b>     | 153.91     |
|   | <b>FY 2016-17</b> | FY 2015-16 |
| Closing Share price as on March 31, 2016 and March 31, 2017 |                   |            |
| NSE   | <b>84.30</b>      | 65.60      |
| BSE   | <b>86.00</b>      | 66.95      |

19. **Unclaimed Shares** : Pursuant to Regulation 39(4) of the Listing Regulations, which provides that shares held physically and remained unclaimed by shareholders due to insufficient/ incorrect information or any other reason should be transferred in demat mode to one folio in the name of "Demat Suspense Account" with one of the depository participants. The company has issued notices to the concerned shareholders.

#### 20 Disclosures:

- Disclosures on materially significant related party transactions appear at the appropriate place in Schedule 43 of Notes to Accounts.
- There was no non-compliance, penalties or stricture imposed on company by any Stock Exchanges, SEBI or any other statutory authority or any matters relating to capital market.
- The Company has in place "Vigil Mechanism / Whistle Blower Policy" which is also available on the Company's website [www.seamec.in](http://www.seamec.in). No personnel has been denied access to the Audit Committee to lodge their grievances.

### CERTIFICATE ON CORPORATE GOVERNANCE

To

#### The Members of SEAMEC LIMITED

We have examined the compliance of regulations of Corporate Governance by Seamec Limited for the year ended March 31, 2017, as stipulated Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 regulations of 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 regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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 Satyajit Mishra & Co.  
Company Secretaries

#### Satyajit Mishra

Proprietor  
C P No.: 4997

Place: Mumbai

Date: May 30, 2017



01. OVERVIEW

The oil and gas outlook has changed over the course of last year. The industry, with its history of booms and busts, has been in deepest down turn since 2009. The impact caused plunging price of a barrel of oil significantly. World Trade Index (WTI) oil prices are projected to hover around mid US \$ 50 range until end of 2018, in line with Brent Crude, the international bench mark. The cause and effect of overly high inventories and rebounding U.S. Shale Production would limit WTI from raising above US \$ 60 for now. Opinion, however, vary widely – as opposed to CITI’s projection of US \$ 70 by the end of 2017, BP assumes US \$ 55 to US \$ 60 per barrel for the next five years.

Noteworthy factor is that due to reduction in Capex, the pipeline of new projects might be too small and this could set up potential supply shortage by 2020. Oil, after all, has no significant substitute, so demand is ever growing. Given the fact that the natural oil field declines, investments in new oil production is logically tend to increase continually.

As the Industry limps on a slow path to recovery, the following factors bears importance:

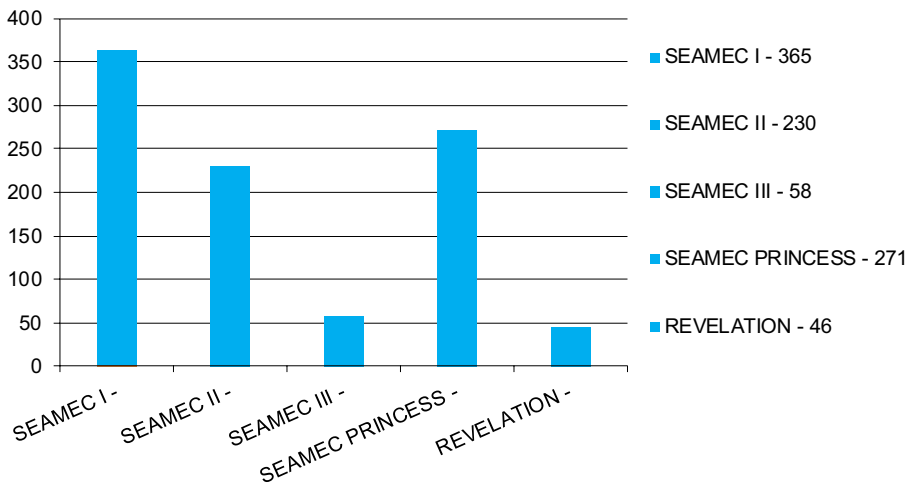
- Tightening of supply and demand imbalances.
- Equilibrium between supply and demand by early 2017.
- Global and US Oil demand continues to show moderate but steady growth.
- Production cut announcement by OPEC.
- Oil Companies strategy to operate in a lower price environment, returning to a healthier focus on capital and operating cost discipline.

On the Indian front, the Oil and Gas Sector is amongst the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. New Exploration Licensing Policy (NELP) was envisaged to fill the ever-increasing gap between India’s gas demand and supply.

India’s economic growth is closely related to energy demand, therefore, the need for Oil and Gas is projected to grow more, thereby making the sector quite conducive for investment. Due to the expected strong growth in demand, there will be increasing demand of oil for production and transportation. Fuel consumption in India increased by about 11% to a 16 year high of 197 million ton in 2016. The country’s gas production is expected to touch 90 billion cubic metres (BCM) in 2040 from 23 BCM in 2016.

India is the World’s 4<sup>th</sup> largest energy consumer, oil and gas accounts for 37% of the total energy consumption. The government allows 100% Foreign Direct Investment (FDI) in upstream and private sector refining projects. In context of circumstantial changes, amidst government’s developmental focus, the prospect of Oil and Gas Industry in India appears to be encouraging.

DEPLOYMENT OF VESSELS



## 02. OPPORTUNITIES AND THREATS

The Oil and Gas Industry is incredibly resilient and has some of the brightest, most innovative human resources are involved in this industry. This has clearly what leads to overall optimism about the industry for 2017 and beyond.

India poised to grow through major policy reforms which in relative perspective appears to be most conducive to oil and gas industry. It is reiterated that the Government of India has adopted several policies to fulfill increasing demand. Notable amongst them is the 100% Foreign Direct Investment in many segments including Natural Gas, Petroleum, upstream and private sector refineries amongst others. Investment in Oil and gas sectors in India is likely to touch over US \$ 35 billion over next few years. It will contribute to raise the share of gas in country's primary energy mix to 15% by 2030.

State owned Oil and Natural Gas Corporation Limited (ONGC) dominates the oil and gas segment and has the plan to increase its activities in exploration and production segments both in East and West Coast India.

SEAMEC continues to remain as a major provider of offshore oilfield services in India.

The component of the SEAMEC fleet includes Diving Support Vessel, Utility Vessel and New entrant in the form of a Bulk Carrier. With the limited market opportunities available, SEAMEC explored successfully in securing the contracts and provided its best performance to the utmost satisfaction of the client. The Company's well trained, qualified and formidable work force, having a proven track record, is the reckoning strength and these force always ready to take on the challenges and opportunities as there may arise.

As a strategic measure, Seamec has now diversified in Commercial Sector of Shipping by acquiring a handy size Bulk Carrier keeping in mind the cyclic behavior of the Oil and Gas Industry. As per Baltic Dry Index (BDI), the segment of Bulk Carrier is expected to rise globally having impact both in terms of utilization as well as the freight.

Experts believe that the industry will see some significant improvements beyond 2017.

ONGC future plan of action which centers around a large investment in offshore region is going to boost domestic production. Revamping of pipelines and EPC contracts will be source of encouragement and opportunity for SEAMEC to utilize its proven resources by participating in the projects and commercial activities as that may emerge.

Aging of Company's fleet continues to remain as an issue. The Vessels of this nature requires sizeable foreseen and unforeseen repairs which would add to operating cost. The availability of spare parts for some of the obsolete equipment remains as a concern.

The marketing of older vessel is a challenge as newer tonnage leads to fierce cut throat competition, resulting in further reduction in the Charter Rate. In addition, Offshore Personnel with availability alternate engagement, remains as a potential threat.

## 03. BUSINESS SEGMENT ANALYSIS

The only business segment for the Company during year was Offshore segment.

## 04. FINANCIAL PERFORMANCE

For meaningful comparison pertinent financial parameters are discussed below: -

|                        | (₹ In million) |         |
|------------------------|----------------|---------|
|                        | 2016-17        | 2015-16 |
| Revenue                | 2252           | 3509    |
| Operating Expenses     | 3215           | 2917    |
| Operating Profit       | (963)          | 592     |
| Interest Expenses      | 12             | 3       |
| Exceptional Items      | -              | -       |
| Depreciation           | 480            | 474     |
| Profit before Tax      | (1455)         | 115     |
| Provision Tax Expenses | 41             | 57      |
| Net Profit             | (1496)         | 58      |
| Debtor/Sales           | 0.66           | 0.44    |
| Creditor/Purchase      | 0.17           | 0.34    |



Comments on Current Year's Performance:

|                         |   |
|-------------------------|---|
| Revenue                 | : The decrease in revenue is primarily due to non-utilization of vessels and comparative reduction of Charter rate.                         |
| Operating Cost          | : The normal operating cost increase attributes primarily to the provisions made towards recoverable of debts.                              |
| Operating Profit (Loss) | : Loss is primarily due to non-utilization of vessels, reduction in Charter rate and provisions made against Debtors.                       |
| Depreciation            | : Variance is due to treatment of Dry Dock Expenses under component accounting.   |
| Current Tax Exp.        | : The Company is being assessed under Tonnage Tax Scheme. Current tax is primarily on the interest income of short term deposits with Bank. |
| Net Profit(Loss)        | : Overall Loss due to reduction of revenue and factors signified under heading of Operating Loss.   |

## ANNEXURE – H

## DISCLOSURES OF RATIO OF REMUNERATION TO EACH DIRECTOR (ONLY LISTED COMPANY)

## PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Requirements of Rule 5(1)   |   | Details   |
|---|---|---|
| (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;   | : | <p>Directors:</p> <p>Mr. Sanjeev Agrawal – Nil</p> <p>Captain Rodricks – 8.40:1 (840%)</p> <p>Mr. Surinder Singh Kohli – Nil</p> <p>Mr. Amarjit Singh Soni – Nil</p> <p>Ms. Seema Modi – Nil</p> <p>Mr. Mahesh Prasad Mehrotra – Nil</p>  |
| (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;   | : | <p><b>Directors:</b></p> <p>Mr. Sanjeev Agrawal – Nil</p> <p>Captain Rodricks – Reduction of 12%</p> <p>Mr. Surinder Singh Kohli – Nil</p> <p>Mr. Amarjit Singh Soni – Nil</p> <p>Mr. Seema Modi – Nil</p> <p>Mr. Mahesh Prasad Mehrotra – Nil</p> <p><b>Key Managerial Personnel:</b></p> <p>Mr. V. K. Gupta - President &amp; Chief Financial Officer – Nil</p> <p>Mr. S. N. Mohanty – President – Corporate Affairs, Legal &amp; Company Secretary – NIL</p> |
| (iii) the percentage increase/(decrease) in the median remuneration of employees in the financial year;   | : | (11%)   |
| (iv) the number of permanent employees on the rolls of the company;   | : | 42 employees as on 31.03.2017   |
| (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | : | Average Salary increase of non-managerial employees is NIL.   |
| (vi) affirmation that the remuneration is as per the remuneration policy of the company.  | : | Remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.  |



Particulars of Employees, pursuant to Section 134 (3) (a) of the Companies Act, 2013 read with Rule 5 (2) & 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

| Name                           | Age (Yrs) | Designation       | Remuneration    | Qualifications           | Experience (Yrs) | Date of Commencement | Previous Employment |
|--------------------------------|-----------|-------------------|-----------------|--------------------------|------------------|----------------------|---------------------|
| <b>Employed for the Period</b> |           |                   |                 |                          |                  |                      |                     |
| Capt. Christopher J. Rodricks  | 65        | Managing Director | ₹ 16.06 Million | Master – (Foreign going) | 45               | 22.01.15             | Seamec Limited      |

NOTES:

1. Nature of employment: Contractual in accordance with terms and conditions as per Companies Rules.
2. Remuneration includes salary, allowances, Leave encashment, company's contribution to retrial funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
3. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2) (iii) of the Captioned Rules is not applicable to any employee.

\* Part of the year

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 30, 2017

Sanjeev Agrawal  
Chairman



## NOMINATION AND REMUNERATION POLICY

### 1. INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

### 2. DEFINITIONS

- **"Board"** means Board of Directors of the Company
- **"Directors"** means Directors of the Company
- **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **"Company"** means SEAMEC Limited.
- **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with provisions of the Listing Agreement.
- **"Key Managerial Personnel (KMP)"** means –
  - (i) Chief Executive Officer or Managing Director or the Manager
  - (ii) Whole-Time Director
  - (iii) Chief Financial Officer
  - (iv) Company Secretary
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **"Senior Management"** means Personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads. Unless the context otherwise requires, words and expressions used in the policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 3. OBJECTIVE AND PURPOSE OF THE POLICY

The objective and purpose of this policy are:

- To formulate the criteria for determining Qualifications, Positive attributes and Independence of a Director and Key Managerial Personnel.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Managerial Personnel.
- To determine remuneration based on Company's size and financial position and trends and practices on remuneration prevailing in Peer Companies, in the Shipping Industry.
- To provide Directors, Key Managerial Personnel and Senior Managers reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.



#### **4. APPLICABILITY**

The Policy is applicable to:

1. Directors (Executive and Non – Executive)
2. Key Managerial Personnel
3. Senior Management Personnel.

This Policy is divided into 3 parts as follows:-

##### **PART-A: ROLE AND RESPONSIBILITY**

The Committee's foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-Executive Director succession. The Committee also review Senior Management succession. Its prime focus is, therefore, on the strength of the Board and the Senior Management Team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements and resignations from the Board and its Committees. It also advises the Board on similar changes to the Senior Management of the Company.

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of enhancing the business.

##### **PART-B: POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

###### **Appointment:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- The Candidate for a position at KMP or Senior Management level is met by assessment of the candidate on his / her functional and leadership capabilities and cultural fitment to the organization. It need to be ensured that the person possess adequate qualification, expertise, proper attitude and experience for the position he / she is considered for appointment.
- The Managing Director assesses the shortlisted candidates for the position of KMP or Senior Management Level.
- The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting. The appointment of KMP necessarily to be approved by Board on the recommendation of Nomination and Remuneration Committee.
- Managing Director will be selected by ascertaining the integrity, qualification, expertise, attitude and experience of persons for the appointment as Managing Director.

###### **Term / Tenure:**

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013.
- The tenure for other KMP and Senior Management Personnel will be governed by Company's HR Policy.

###### **Evaluation:**

The Managing Director performs the evaluation of performance of KMP and Senior Management Personnel at regular intervals. Mostly on the yearly basis based on objectives set.

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, Basis of evaluations is as per the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and potential suggestions given in this regard.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of Director, subject to the provisions and compliance of the said Act, rules and regulations.

For other KMP or Senior Management Personnel the removal will be governed by SEAMEC HR Policy and the subsequent approval of the Managing Director.

**Retirement:**

The Director, KMP or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director may recommend to Board to retain KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**PART – C: POLICY RELATING TO THE RENUMERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL****Evaluation Process:**

- The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel the metrics shall be determined by the Managing Director.
- A holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors, behavior factors, and attitude to arrive at the Final Rating.
- The revision in the total remuneration is directly linked to the Final Rating for all employees.
- The remuneration, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review. The final remuneration package of KMP will be reviewed by Committee and noted by Board.
- The ESOP's to KMP and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company read with applicable rules and regulations and recommended to the Committee and the Board for approval in the subsequent Board Meeting.
- The remuneration to the Managing Director shall be subject to the prior / post approval of the Shareholders of the Company and Central Government wherever required and shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- Increments to the existing Remuneration structure of the Managing Director to be evaluated by the Committee and to be recommended to the Board which should be in accordance with the approval of the Shareholders.
- Where any Insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, Company Secretary and any other employee including Senior Managerial Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.
- An Independent Director shall not be entitled to any stock option of the Company.

**5. MODIFICATION**

The Audit Committee or the Board of Directors of the Company can modify this Policy at any time if required. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.



The brief details of Directors are annexed and form a part of this report.

**Mr. Sanjeev Agrawal (DIN : 00282059)**

Mr. Sanjeev Agrawal is an eminent and successful Entrepreneur. Mr. Agrawal has vast experience over 22 years in the field of Oil & Gas Sector, Soft Drinks, Education, Hospitality and Real Estate. He is the Director of various Public Limited Companies viz Fortune Industrial resources Limited, Hindustan Aqua Limited & Metbrass Plassim India Limited. Mr. Agrawal does not hold any shares in your company.

**Mr. Surinder Singh Kohli (DIN : 00169907)**

Mr. Surinder Singh Kohli is a B.SC Mechanical Engineer, holding a Diploma in Industrial Finance, CA IIB. Mr. Kohli has a phenomenal successful career over 41 years in the Banking Industry. Finance is his area of expertise. Mr. Kohli held the coveted post of Chairman and Managing Director of Punjab & Sind Bank, Punjab National Bank and India Infrastructure Finance Company Ltd. Mr. Kohli is on the Board and Committees of various Companies viz: IL & FS Financial Services Ltd, ACB (India) Ltd, BSES Yamuna Power Ltd, BSES Rajdhani Power Ltd, Reliance Infrastructure Ltd, Asian Hotels (West) Ltd, PTC India Financial Services Ltd and IDFC Ltd. Mr. Kohli does not hold any shares in your company.

**Mr. Amarjit Singh Soni (DIN : 03009390)**

Mr. Amarjit Singh Soni, is a Master in Petroleum Engineering from Moscow. Mr. Soni has vast experience of 49 years in Oil & Gas Sector and different other fields. Business Development is his area of expertise. Mr. Soni does not hold any shares in your company.

**Ms. Seema Modi (DIN : 05327073)**

Ms. Seema Modi by qualification is holding Master's degree in Organic Chemistry and MMS in Marketing and having a vast experience over 26 years in Corporate both in India and overseas including working with a MNC. She also was holding the position of Managing Director in Heinz ABC Private Limited, Jakarta Indonesia, Heinz ASEAN and Heinz India Private Limited and later promoted to Regional Director in Strategic projects (RIMEA region – Nigeria and Pakistan). General Management and Marketing are her core area of expertise. Ms. Modi does not hold any shares in your company.

**Mr. Mahesh Prasad Mehrotra (DIN : 00016768)**

Mr. Mahesh Prasad Mehrotra, aged about 76 years is by qualification is a Chartered Accountant and is having a degree in law. He is the founder Partner of Mehrotra & Mehrotra, Chartered Accountants, Kanpur and Delhi, since 1962. Mr. Mehrotra has a long outstanding illustrious career having 54 years of experience. His area of expertise is Finance, Accounts and Taxation.

## SEAMEC Limited

₹ million

|                                    | 2007            | 2008            | 2009-10<br>(15 months) | 2010-11         | 2011-12         | 2012-13         | 2013-14         | 2014-15         | 2015-16         | 2016-17           |
|------------------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| <b>BALANCE SHEET</b>               |                 |                 |                        |                 |                 |                 |                 |                 |                 |                   |
| <b>SOURCES OF FUNDS</b>            |                 |                 |                        |                 |                 |                 |                 |                 |                 |                   |
| SHARE CAPITAL                      | 339             | 339.00          | 339.00                 | 339.00          | 339.00          | 339.00          | 339.00          | 339.00          | 254.25          | <b>254.25</b>     |
| RESERVE & SURPLUS                  | 2,407.45        | 2,878.66        | 4,798.73               | 4,131.52        | 4,027.84        | 4,368.78        | 4,379.27        | 4,878.61        | 3,945.52        | <b>2,449.74</b>   |
| <b>NET WORTH</b>                   | <b>2,746.45</b> | <b>3,217.66</b> | <b>5,137.73</b>        | <b>4,470.52</b> | <b>4,366.84</b> | <b>4,707.78</b> | <b>4,718.27</b> | <b>5,217.61</b> | <b>4,199.77</b> | <b>2,703.99</b>   |
| LOAN FUND                          | -               | -               | -                      | -               | -               | -               | -               | -               | -               | -                 |
| <b>SOURCES OF FUNDS</b>            | <b>2,746.45</b> | <b>3,217.66</b> | <b>5,137.73</b>        | <b>4,470.52</b> | <b>4,366.84</b> | <b>4,707.78</b> | <b>4,718.27</b> | <b>5,217.61</b> | <b>4,199.77</b> | <b>2,703.99</b>   |
| <b>APPLICATION OF FUNDS</b>        |                 |                 |                        |                 |                 |                 |                 |                 |                 |                   |
| GROSS BLOCK OF FIXED ASSET         | 3,803.19        | 3,974.32        | 4,155.10               | 4,302.05        | 4,803.70        | 4,778.09        | 4,947.03        | 5,617.10        | 2,203.90        | <b>2,996.58</b>   |
| RESERVE FOR DEPRECIATION           | 1,409.46        | 1,631.56        | 1,932.14               | 2,176.26        | 2,479.61        | 2,809.74        | 3,180.48        | 3,453.76        | 468.33          | <b>936.13</b>     |
| NET BLOCK OF FIXED ASSETS          | 2,393.73        | 2,342.76        | 2,222.96               | 2,125.79        | 2,324.09        | 1,968.35        | 1,766.55        | 2,163.34        | 1,735.57        | <b>2,060.45</b>   |
| INVESTMENTS                        |                 |                 | 12.24                  | 12.24           | 25.68           | 25.68           | 25.68           | 25.68           | 340.01          | <b>373.20</b>     |
| DEBTORS (NET)                      | 268.62          | 529.76          | 349.62                 | 385.76          | 1,014.24        | 1,310.64        | 1,486.86        | 1,245.53        | 1,865.46        | <b>1,086.15</b>   |
| TOTAL CURRENT ASSETS               | 1,038.85        | 1,606.32        | 3,446.52               | 2,712.64        | 1,406.26        | 2,113.58        | 2,181.22        | 2,675.29        | 1,829.12        | <b>792.13</b>     |
| CURRENT LIABILITIES & PROVISION    | 686.12          | 731.42          | 543.99                 | 380.48          | 403.43          | 710.47          | 742.04          | 892.23          | 1,570.39        | <b>1,607.94</b>   |
| NET CURRENT ASSETS                 | 352.73          | 874.90          | 2,902.53               | 2,332.16        | 1,002.83        | 1,403.11        | 1,439.18        | 1,783.06        | 258.73          | <b>(815.81)</b>   |
| <b>APPLICATION OF FUNDS</b>        | <b>2,746.46</b> | <b>3,217.66</b> | <b>5,137.73</b>        | <b>4,470.19</b> | <b>4,366.84</b> | <b>4,707.78</b> | <b>4,718.27</b> | <b>5,217.61</b> | <b>4,199.77</b> | <b>2,703.99</b>   |
| <b>PROFIT &amp; LOSS ACCOUNT</b>   |                 |                 |                        |                 |                 |                 |                 |                 |                 |                   |
| REVENUE FROM OPERATION             | 1,704.47        | 2,685.86        | 4,248.41               | 1,023.76        | 1,818.27        | 3,373.31        | 4,079.37        | 3,497.25        | 3,279.17        | <b>2,075.74</b>   |
| OTHER INCOME                       | 88.37           | 38.90           | 161.11                 | 133.45          | 179.53          | 241.70          | 154.51          | 360.80          | 229.67          | <b>176.01</b>     |
| EBITDA before extra ordinary items | 604.23          | 788.78          | 2,398.51               | (410.36)        | 252.35          | 769.74          | 431.05          | 969.21          | 591.79          | <b>(963.16)</b>   |
| EXTRA ORDINARY ITEMS               | -7.7            | -47.23          | 6.41                   | 44.44           | -               | -               | -               | -               | -               | -                 |
| INTEREST EXPENSES                  | 4.23            | 3.76            | 4.80                   | 3.85            | 0.12            | 0.30            | 1.33            | 1.16            | 2.72            | <b>11.50</b>      |
| DEPRECIATION                       | 189.5           | 254.13          | 321.68                 | 264.70          | 310.72          | 369.25          | 378.46          | 367.65          | 473.74          | <b>479.94</b>     |
| <b>PROFIT BEFORE TAX</b>           | <b>402.8</b>    | <b>483.66</b>   | <b>2,078.44</b>        | <b>(634.47)</b> | <b>-58.49</b>   | <b>400.19</b>   | <b>51.27</b>    | <b>600.40</b>   | <b>115.33</b>   | <b>(1,454.60)</b> |
| TAX                                | 32.53           | 12.45           | 39.38                  | 33.13           | 45.20           | 59.25           | 40.77           | 60.22           | 57.71           | <b>41.31</b>      |
| <b>PROFIT AFTER TAX</b>            | <b>370.27</b>   | <b>471.21</b>   | <b>2,039.06</b>        | <b>(667.60)</b> | <b>-103.69</b>  | <b>340.94</b>   | <b>10.50</b>    | <b>540.18</b>   | <b>57.62</b>    | <b>(1,495.91)</b> |



## INDEPENDENT AUDITOR'S REPORT

To the Members of SEAMEC Limited

### Report on the Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of SEAMEC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to note 48 to the standalone financial statements, regarding application made by the Company to the Central Government, seeking waiver from recovery of managerial remuneration of ₹ 3.66 million, which was paid in excess of the limits specified under the Companies Act, 2013, for the financial year 2015-16. Pending approval of the Central Government, no adjustments are considered necessary by management in this regard. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated May 30, 2017 in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in note 55 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

Place: Mumbai

Date: May 30, 2017



**Annexure 1 as referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” 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 during the year by the management and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans or guarantees to directors or other persons in which a director is interested, or provided security in connection with a loan taken by them, to which provisions of section 185 and 186 of the Companies Act, 2013 apply and accordingly, we have nothing to report on compliance of section 185 and 186, in this regards. In our opinion and according to the information and explanations given to us, the Company has made investment in securities which is in compliance with the provision of section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. There were significant delays during the year in depositing dues of service tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales-tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The arrears of service tax, that remained outstanding as at the balance sheet date, for a period of more than six months from the date they became payable, is as follows:

(Amount in million)

| <b>Name of the Statute</b> | <b>Nature of the Dues</b>               | <b>Amount</b> | <b>Period to which the amount relates</b> | <b>Due Date</b> | <b>Date of Payment</b> |
|----------------------------|---|---------------|---|-----------------|------------------------|
| Finance Act, 1994          | Service Tax                             | 5.79          | April 2016                                | August 5, 2016  | Not yet paid           |
| Finance Act, 1994          | Interest delayed payment of service tax | 4.22          | January to September 2016                 | Various         | Not yet paid           |

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:



(Amount in million)

| Name of the Statute   | Nature of Dues  | Amount | Period to which the amount relates | Forum where the dispute is pending    |
|-----------------------|---|--------|------------------------------------|---------------------------------------|
| The Customs Act, 1962 | Payment of custom duty towards repairs carried out abroad on its multi-support Vessels (Duty/Penalty/ Interest) | 1,197  | 2002 and 2011                      | Commissioner of Customs (Import)      |
| Finance Act, 1994     | Service Tax (Tax)   | 77.37  | 2010-11 to 2014-15                 | Commissioner of Service tax           |
| Finance Act, 1994     | Service Tax (Tax)   | 14.04  | 2013-14 to 2015-16                 | Assistant Commissioner of Service tax |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans to bank. The Company did not have any loan from financial institution or government and also did not have any debentures during the year.
- (ix) The Company has not raised any money way of further public offer / debt instruments and term loans hence; reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

Place: Mumbai

Date: May 30, 2017



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEAMEC LIMITED**

### **Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

We have audited the internal financial controls over financial reporting of SEAMEC Limited (the Company) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

Place: Mumbai

Date: May 30, 2017



Standalone Balance Sheet as at March 31, 2017

| Particulars                               | Note No. | ₹ million        |                  |                  |
|---|----------|------------------|------------------|------------------|
|   |          | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
| <b>A Assets</b>                           |          |                  |                  |                  |
| <b>1) Non-Current Assets</b>              |          |                  |                  |                  |
| (a) Property, Plant and Equipment         | 4        | 2,057.51         | 1,731.40         | 2,165.23         |
| (b) Capital work-in-progress              | 5        | 14.56            | 3.57             | -                |
| (c) Intangible assets                     | 6        | 2.94             | 4.17             | 5.82             |
| (d) Financial assets                      |          |                  |                  |                  |
| (i) Trade Receivables                     | 7        | -                | -                | -                |
| (ii) Investments                          | 8        | 373.20           | 340.01           | 25.68            |
| (iii) Loans                               | 9        | 11.75            | 15.56            | 13.68            |
| (iv) Bank Balances                        | 10       | 198.00           | 198.00           | 182.50           |
| (e) Non-current tax assets (net)          | 11       | 58.05            | 44.29            | 17.78            |
| (f) Other non-current assets              | 12       | 6.62             | 0.37             | 28.93            |
|   |          | <b>2,722.63</b>  | <b>2,337.37</b>  | <b>2,439.62</b>  |
| <b>2) Current Assets</b>                  |          |                  |                  |                  |
| (a) Inventories                           | 13       | 167.02           | 196.63           | 157.74           |
| (b) Financial assets                      |          |                  |                  |                  |
| (i) Trade Receivables                     | 14       | 1,086.15         | 1,865.46         | 1,245.53         |
| (ii) Cash and cash equivalents            | 15       | 38.06            | 43.60            | 176.69           |
| (iii) Bank balances other than (ii) above | 16       | 206.34           | 832.50           | 1,825.45         |
| (iv) Investments                          | 17       | -                | -                | 70.36            |
| (v) Other Financial assets                | 18       | 36.37            | 451.84           | 135.37           |
| (c) Other current assets                  | 19       | 55.36            | 31.26            | 38.40            |
|   |          | <b>1,589.30</b>  | <b>3,421.29</b>  | <b>3,649.54</b>  |
| Assets classified as held for sale        | 20       | -                | 11.50            | 12.31            |
| <b>Total-Assets</b>                       |          | <b>4,311.93</b>  | <b>5,770.16</b>  | <b>6,101.47</b>  |
| <b>B Equity and Liabilities</b>           |          |                  |                  |                  |
| <b>1) Equity</b>                          |          |                  |                  |                  |
| (a) Equity share capital                  | 21       | 254.25           | 254.25           | 339.00           |
| (b) Other Equity                          | 22       | 2,449.74         | 3,945.52         | 4,911.00         |
|   |          | <b>2,703.99</b>  | <b>4,199.77</b>  | <b>5,250.00</b>  |
| <b>2) Liabilities</b>                     |          |                  |                  |                  |
| <b>Non-Current Liabilities</b>            |          |                  |                  |                  |
| (a) Deferred tax liabilities (Net)        | 23       | 16.45            | 4.96             | 0.07             |
|   |          | <b>16.45</b>     | <b>4.96</b>      | <b>0.07</b>      |
| <b>Current Liabilities</b>                |          |                  |                  |                  |
| (a) Financial Liabilities                 |          |                  |                  |                  |
| (i) Borrowings                            | 24       | 179.09           | 281.08           | 127.31           |
| (ii) Trade payables                       | 25       | 1,224.56         | 1,143.87         | 421.97           |
| (iii) Other Financial liabilities         | 26       | 143.16           | 60.86            | 280.80           |
| (b) Other current liabilities             | 27       | 34.89            | 68.51            | 12.53            |
| (c) Provisions                            | 28       | 9.79             | 11.11            | 8.79             |
|   |          | <b>1,591.49</b>  | <b>1,565.43</b>  | <b>851.40</b>    |
| <b>Total-Equity &amp; Liabilities</b>     |          | <b>4,311.93</b>  | <b>5,770.16</b>  | <b>6,101.47</b>  |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vinayak Pujare

Partner

Membership No: 101143

For and on behalf of the Board of Directors of SEAMEC Limited

Mahesh Prasad Mehrotra

Director

Virendra Kumar Gupta

President & Chief Financial Officer

Seema Modi

Director

S N Mohanty

President Corporate Affairs, Legal & Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017

## Standalone Statement of Profit and Loss for the year ended March 31, 2017

₹ million

| Particulars  | Note No. | Year ended 31.03.2017 | Year ended 31.03.2016 |
|--|----------|-----------------------|-----------------------|
| <b>Income:</b>   |          |                       |                       |
| I. Revenue from operations   | 29       | 2,075.74              | 3,279.17              |
| II. Other Income   | 30       | 176.01                | 229.67                |
| <b>III. Total Income (I + II)</b>  |          | <b>2,251.75</b>       | <b>3,508.84</b>       |
| <b>IV. Expenses:</b>   |          |                       |                       |
| Employee benefit expenses  | 31       | 631.65                | 798.55                |
| Operating Expenses   | 32       | 1,066.90              | 1,994.93              |
| Finance costs  | 33       | 11.50                 | 2.72                  |
| Depreciation and amortisation expense  | 34       | 479.94                | 473.74                |
| Other Expenses   | 35       | 1,516.36              | 123.57                |
| <b>Total Expenses (IV)</b>   |          | <b>3,706.35</b>       | <b>3,393.51</b>       |
| <b>V. Profit / (Loss) before tax (III - IV)</b>  |          | <b>(1,454.60)</b>     | <b>115.33</b>         |
| <b>VI. Income Tax expense:</b>   |          |                       |                       |
| Current tax  |          | 30.01                 | 51.87                 |
| Tax Adjustment for earlier years   |          | (0.19)                | 0.95                  |
| Deferred Tax   | 23       | 11.49                 | 4.89                  |
| <b>VII. Profit / (Loss) for the year (V -VI)</b>   |          | <b>(1,495.91)</b>     | <b>57.62</b>          |
| <b>VIII Other Comprehensive Income</b>   |          |                       |                       |
| <b>Other Comprehensive Income not be reclassified to profit or loss in subsequent years:</b> |          |                       |                       |
| Re-measurement gains on defined benefit plans  | 36       | 0.13                  | 1.32                  |
| <b>Total Comprehensive income for the year (VII+VIII)</b>                                    |          | <b>(1,495.78)</b>     | <b>58.94</b>          |
| <b>IX. Earning per equity share:</b>   |          |                       |                       |
| (1) Basic (Face Value of ₹ 10/- each)  | 50       | (58.84)               | 1.87                  |
| (2) Diluted (Face Value of ₹ 10/- each)  |          | (58.84)               | 1.87                  |

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C &amp; CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vinayak Pujare

Partner

Membership No: 101143

For and on behalf of the Board of Directors of SEAMEC Limited

Mahesh Prasad Mehrotra

Director

Virendra Kumar Gupta

President &amp; Chief Financial Officer

Seema Modi

Director

S N Mohanty

President Corporate Affairs, Legal &amp; Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## Standalone Cash Flow Statement for the year ended March 31, 2017

₹ million

| Particular   | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>  |                          |                          |
| <b>Profit before tax</b>   | <b>(1,454.60)</b>        | 115.33                   |
| Adjustments to reconcile profit before tax to net cash flows                                     |                          |                          |
| Depreciation of property, plant and equipment  | <b>478.71</b>            | 472.09                   |
| Amortisation of Intangible Assets  | <b>1.23</b>              | 1.65                     |
| Fair value gain on financial instrument at fair value through profit or loss                     | <b>(33.19)</b>           | (14.33)                  |
| Provision for Doubtful Debts   | <b>1,385.12</b>          | -                        |
| Impairment of assets held for sale   | -                        | 0.81                     |
| Bad Debts Write off  | <b>1.96</b>              | 23.24                    |
| Provision for doubtful debts written back  | -                        | (23.24)                  |
| Liability Written back   | <b>0.01</b>              | (1.82)                   |
| Interest income  | <b>(86.19)</b>           | (147.44)                 |
| Dividend on Mutual Fund  | -                        | (1.40)                   |
| Short Term Capital Gain on Mutual Fund   |                          | (0.69)                   |
| Finance Charges paid   | <b>11.50</b>             | 2.72                     |
| Unrealised exchange (gain) / losses  | <b>(294.17)</b>          | (1.08)                   |
| Working Capital:adjustments  |                          |                          |
| Decrease / (Increase) in Inventories   | <b>29.61</b>             | (38.89)                  |
| Decrease / (Increase) in Trade and other receivables and prepayments                             | <b>182.28</b>            | (983.55)                 |
| Increase / (Decrease) in Trade and other payable   | <b>109.26</b>            | 760.51                   |
| Increase / (Decrease) in Provision   | <b>(1.32)</b>            | 2.32                     |
| <b>Cash generated from operations</b>  | <b>330.21</b>            | 166.23                   |
| Direct taxes paid, net of refunds  | <b>(187.57)</b>          | (81.44)                  |
| <b>Net cash flow from operating activities (A)</b>   | <b>142.64</b>            | 84.79                    |
| <b>Cash flows from investing activities</b>  |                          |                          |
| Purchase of Property, plant and equipment including CWIP and Capital Creditors                   | <b>(784.68)</b>          | (242.09)                 |
| Proceeds from sale of Property, plant and equipment  | <b>28.93</b>             | 57.86                    |
| Redemption of investment   | -                        | 72.43                    |
| Purchase of Investment   | -                        | (300.00)                 |
| Redemption of / ( Investment in ) in Bank Deposits (having Original maturity more than 3 Months) | <b>626.16</b>            | 977.85                   |
| Interest received  | <b>88.90</b>             | 170.52                   |
| <b>Net cash from/(used in) investing activities (B)</b>  | <b>(40.69)</b>           | 736.57                   |

₹ million

| Particular   | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>Cash flows from financing activities</b>  |                          |                          |
| Finance charges paid   | (11.50)                  | (2.72)                   |
| Dividend Paid  | -                        | (33.45)                  |
| Tax on dividend  | -                        | (6.94)                   |
| Buy Back of shares   | -                        | (1,059.38)               |
| Expenses incurred on buy back of shares  | -                        | (8.95)                   |
| Movement in Short Term Borrowing from bank (net)   | (101.10)                 | 154.93                   |
| <b>Net cash from/(used in) financing activities (C)</b>  | <b>(112.60)</b>          | <b>(956.51)</b>          |
| Effect of exchange rate differences on translation of foreign currency cash and cash equivalents | 5.11                     | 2.06                     |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                            | <b>(10.65)</b>           | <b>(135.15)</b>          |
| Cash and Cash equivalents at the beginning of year   | 43.60                    | 176.69                   |
| Cash and Cash equivalents at the end of the year   | <b>38.06</b>             | <b>43.60</b>             |
| <b>Components of Cash and Cash equivalents</b>   |                          |                          |
| Cash on hand   | 0.12                     | 0.08                     |
| Balances with Scheduled banks  |                          |                          |
| - current accounts   | 0.19                     | 0.24                     |
| - foreign currency accounts  | 5.75                     | 43.28                    |
| Fixed deposit with maturity less than 3 months *   | 32.00                    | -                        |
| <b>Total</b>   | <b>38.06</b>             | <b>43.60</b>             |

\* Fixed deposits included in Cash and Cash equivalents pertains 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.

Summary of Significant accounting Policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

Place: Mumbai

Date: May 30, 2017

**For and on behalf of the Board of Directors of SEAMEC Limited**

**Mahesh Prasad Mehrotra**

Director

**Virendra Kumar Gupta**

President & Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

**Seema Modi**

Director

**S N Mohanty**

President Corporate Affairs, Legal & Company Secretary



Standalone statement of Changes in Equity for the year ended March 31, 2017

(A) Equity Share Capital

₹ million

| Particulars   | Number of Shares  | Amount        |
|---|-------------------|---------------|
| <b>Equity Shares of ₹10 each, issued, subscribed and fully paid</b> |                   |               |
| <b>At April 1, 2015</b>   | <b>33,900,000</b> | <b>339.00</b> |
| Less: Shares Bought back during the Year (refer note 21 (e))        | (8,475,000)       | (84.75)       |
| <b>At March 31, 2016</b>  | <b>25,425,000</b> | <b>254.25</b> |
| Changes in Equity Share Capital during the Year                     | -                 | -             |
| <b>At March 31, 2017</b>  | <b>25,425,000</b> | <b>254.25</b> |

(B) Other Equity

For the year ended March 31, 2016

₹ million

| Particulars   | Reserves & surplus          |                           |                                      |                                      |   | Item of OCI              | Total other Equity |
|---|-----------------------------|---------------------------|--------------------------------------|--------------------------------------|---|--------------------------|--------------------|
|   | Retained Earnings (Note 22) | General Reserve (Note 22) | Capital Redemption Reserve (Note 22) | Securities Premium Reserve (Note 22) | Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 22) | FVTOCI Reserve (Note 22) |                    |
| <b>As at April 1, 2015</b>  | <b>2,892.43</b>             | <b>848.90</b>             | -                                    | <b>501.75</b>                        | <b>667.92</b>   | -                        | <b>4,911.00</b>    |
| Profit for the year   | 57.62                       | -                         | -                                    | -                                    | -   | -                        | 57.62              |
| <b>Other comprehensive Income for the year:</b>                         | -                           | -                         | -                                    | -                                    | -   | -                        | -                  |
| Remeasurement gains on defined benefit plans                            | -                           | -                         | -                                    | -                                    | -   | 1.32                     | 1.32               |
| <b>Total comprehensive Income for the year</b>                          | <b>2,950.05</b>             | <b>848.90</b>             | -                                    | <b>501.75</b>                        | <b>667.92</b>   | <b>1.32</b>              | <b>4,969.94</b>    |
| Final dividend (amount per share ₹ 1 (31.03.2015: NIL))                 | (33.90)                     | -                         | -                                    | -                                    | -   | -                        | (33.90)            |
| Tax on dividend   | (6.94)                      | -                         | -                                    | -                                    | -   | -                        | (6.94)             |
| Adjustments on account of buy back of equity shares (Refer Note 21 (e)) | -                           | (472.88)                  | -                                    | (501.75)                             | -   | -                        | (974.63)           |
| Transfer to capital redemption reserve (Refer Note 21 (e))              | -                           | (84.75)                   | 84.75                                | -                                    | -   | -                        | -                  |
| Transaction cost on Buy back of shares as per Ind AS 32                 | (8.95)                      | -                         | -                                    | -                                    | -   | -                        | (8.95)             |
| <b>As at March 31, 2016</b>   | <b>2,900.26</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                                    | <b>667.92</b>   | <b>1.32</b>              | <b>3,945.52</b>    |



For the year ended March 31, 2017

₹ million

| Particulars                                     | Reserves & surplus          |                           |                                      |                                      |   | Item of OCI              | Total other Equity |
|---|-----------------------------|---------------------------|--------------------------------------|--------------------------------------|---|--------------------------|--------------------|
|   | Retained Earnings (Note 22) | General Reserve (Note 22) | Capital Redemption Reserve (Note 22) | Securities Premium Reserve (Note 22) | Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 22) | FVTOCI Reserve (Note 22) |                    |
| <b>As at April 1, 2016</b>                      | <b>2,900.26</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                                    | <b>667.92</b>   | <b>1.32</b>              | <b>3,945.52</b>    |
| Profit for the year                             | (1,495.91)                  | -                         | -                                    | -                                    | -   | -                        | (1,495.91)         |
| <b>Other comprehensive income for the year:</b> |                             |                           |                                      |                                      |   |                          |                    |
| Remeasurement gains on defined benefit plans    | -                           | -                         | -                                    | -                                    | -   | 0.13                     | 0.13               |
| <b>Total comprehensive Income for the year</b>  | <b>1,404.35</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                                    | <b>667.92</b>   | <b>1.45</b>              | <b>2,449.74</b>    |
| Tonnage reserve utilised                        | -                           | -                         | -                                    | -                                    | (622.90)  | -                        | (622.90)           |
| Transfer from tonnage reserve for the year      | -                           | 622.90                    | -                                    | -                                    | -   | -                        | 622.90             |
| <b>As at March 31, 2017</b>                     | <b>1,404.35</b>             | <b>914.17</b>             | <b>84.75</b>                         | -                                    | <b>45.02</b>  | <b>1.45</b>              | <b>2,449.74</b>    |

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

**For and on behalf of the Board of Directors of SEAMEC Limited****Mahesh Prasad Mehrotra**

Director

**Seema Modi**

Director

**Virendra Kumar Gupta**

President &amp; Chief Financial Officer

**S N Mohanty**

President Corporate Affairs, Legal &amp; Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## **Notes to the Standalone Financial Statements for the year ended March 31, 2017**

### **1 Corporate Information**

SEAMEC Limited is a public Company incorporated in India under the provision of the Companies Act, 1956 having its registered office at A- 901-905, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai- 400 093. Its shares are listed on two recognised stock exchanges in India. The Company operates Multi Support Vessels for providing support services including marine, construction and diving services to offshore oilfields. The Company caters in both domestic as well as International Market.

The Standalone Financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2017.

### **2 Basis of preparation**

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016.

Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended by the Companies (Accounts) Rules, 2015. These financial statements for the year ended March 31, 2017 are the first the company has prepared in accordance with Ind AS. (Refer Note 53) for information on how the company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The Standalone Financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest thousand, except otherwise stated.

### **3 Summary of Significant Accounting Policies**

#### **(a) Use of Judgements, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(b) Classification of Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting year, or
- iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as noncurrent.

A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting year, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non – current assets and liabilities, as applicable.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**(c) Property, plant and equipment.**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment losses, if any. The cost comprises of the purchase price (net of CENVAT and VAT credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development / under Dry Docking as at the balance sheet date.

Subsequent expenditures related to an item of property, plant and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

When a major inspection/ overhaul is performed, its cost is recognized in the carrying amount of the related property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

The Company identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. The Company has identified expenditure incurred on dry-docking as a separate component which is capitalised as the cost of the relevant vessel and is amortized systematically over the interval until the subsequent scheduled dry-docking.

Items such as Machinery spares is recognised in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventories.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as Capital work-in-progress. Advances given towards acquisition of fixed property, plant and equipments outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non Current Assets".



Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the statement of profit and loss when the property, plant and equipment is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (d) Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is provided using the Straight Line Method as per the useful lives of the property, plant and equipment estimated by the management. The Management estimates the useful life for property, plant and equipment as follows.

| Assets                          | Useful life (In Years) |
|---------------------------------|------------------------|
| Fleet (Multi Support Vessels)   | 15 to 20               |
| Fleet (Utility Vessel )         | 5                      |
| Fleet (Bulk Carrier )           | 25                     |
| Fleet Equipments                | 2 to 20                |
| Lease hold improvements         | 5                      |
| Office Equipments and Computers | 3 to 10                |
| Vehicles                        | 4                      |

For these class of property, plant and equipment, based on technical evaluation carried out by the management, the useful lives as given above best represent the period over which the management expects to use these property, plant and equipment. The useful lives for these property, plant and equipment are different from the useful lives as prescribed under Part C of schedule II of the Companies Act 2013. The Management believes that these estimated use full lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Machinery spares which are capitalised, are depreciated over the balance useful life of the respective property, plant or equipment or the balance useful life of mother vessel, whichever is lower.

#### **Residual Value:**

The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### (e) Intangible Assets and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their estimated useful economic life. Computer Software cost is amortized over a period of five years using straight-line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

**(f) Non-current assets held for sale**

The Company classifies non-current assets as held for sale, if their carrying amounts will be recovered principally through a sale. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or to be highly probable when:

- (a) The appropriate level of management is committed to a plan to sell the asset,
- (b) An active programme to locate a buyer and complete the plan has been initiated,
- (c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

**(g) Impairment of Non Financial Assets**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**(h) 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. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

An item of spare part meets the definition of 'property, plant and equipment' and satisfies the recognition criteria as per paragraph 7 of Ind AS 16, such an item of spare is recognised as property, plant and equipment. If that spare part does not meet the definition and recognition criteria as cited in paragraph 7 of Ind AS 16 that spare is recognised as inventory. Spare parts are generally available for use from the date of its purchase. Accordingly, spare parts recognised as property, plant and equipment are depreciated when the same are available for use.

**(i) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.



**(j) Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund are a defined contribution scheme. The Company's contributions paid / payable towards these defined contribution plan is recognized as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Contribution to Superannuation Fund, a defined contribution plan, is made to the Life Insurance Corporation of India, as per the arrangement with them, and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

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 is as determined by LIC. 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment and the date that the company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and Net interest expense or income.

Short term compensated absences are provided for based on estimates. The Company presents these as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**(k) Foreign Currency transactions**

The Company's financial statements are presented in INR, which is also the Company's Functional Currency.

**i) Initial Recognition**

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 fortnightly average rates.

## ii) Conversion

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

## iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference. (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

## (l) Taxes on Income

Tax expense comprises of Current Tax, Deferred Tax and tax adjustments of earlier years. 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.

## Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes at the reporting date. Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities / Assets are not recognised for all taxable temporary differences, except for Non shipping income/ Expenses, since the Company is assessed under section 115VT of the Income Tax Act, 1961.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## (m) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangement since it is the primary obligor in all the revenue arrangement as it has pricing latitude and it has also exposed to credit risk.



i) Charter hire income and related services

It 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 classified as other operating revenue and recognised on rendering of the service, based on day rate charges as per the terms of the agreements.

The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

ii) Interest & Dividend Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Operating Lease (Company as a lessee).**

Leases where the lessor effectively retains substantially all the risks and rewards of the ownership are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

(o) Provisions

A provision is recognized when the Company has a present obligation (Legal or Constructive) as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified based on geographical location of the vessel. The operating segments have been disclosed based on revenues within India and outside India.

(q) Earnings per Share

Basic earnings per share are calculated by dividing the net profit/ loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of diluted potential equity shares, if any.



**(r) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(s) Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(t) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at fair value through other comprehensive income (FVTOCI).
- (ii) Debt instruments at fair value through profit or loss (FVTPL).

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### Derecognition

A financial asset is primarily derecognised when:

The rights to receive cash flows from the asset have expired, or

The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure: Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an company is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the company estimates the following provision matrix at the reporting date:

| Particulars   | Outstanding Less than 180 days | More than 180 days but less than 365 days | More than 365 days |
|---|--------------------------------|---|--------------------|
| Government PSUs   | 0.00%                          | 0.00%                                     | 5.00%              |
| Related Party   | 0.00%                          | 0.00%                                     | 5.00%              |
| Receivable against Payables*                            | 0.00%                          | 0.00%                                     | 0.00%              |
| Customers where the Ultimate customer is Government PSU | 0.00%                          | 0.00%                                     | 5.00%              |
| Others  | 0.00%                          | 12.18%                                    | 17.18%             |

\*It includes receivables where credit risk is NIL as there will be payables against the same parties.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below: Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.



## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (u) Unbilled Revenue and Billing in excess of revenue

Unbilled revenue represents the aggregate of costs chargeable and margin earned under projects in progress as of the balance sheet date. Such amounts become billable according to the contract terms which usually consider the passage of time, achievement of certain milestones or completion of the project.

Contract revenue earned in excess of billing has been reflected under "Other Financial Assets" and billing in excess of contract revenue is reflected under "Other Financial Liabilities" in the balance sheet.

### (v) Fair Value Measurement

The Company measures financial instruments at fair value each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Management comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.


**NOTE 4: PROPERTY, PLANT AND EQUIPMENT**

₹ million

| Particulars              | Fleet and fleet equipment | Machinery spares | Leasehold improvement | Office Equipments | Vehicles    | Total           |
|--------------------------|---------------------------|------------------|-----------------------|-------------------|-------------|-----------------|
| <b>Cost</b>              |                           |                  |                       |                   |             |                 |
| At April 1, 2015         | 2,141.17                  | 22.78            | 0.99                  | 0.28              | 0.01        | 2,165.23        |
| Additions                | 34.77                     | 6.59             | -                     | 0.15              | -           | 41.51           |
| Disposals                | (2.29)                    | (6.33)           | -                     | (0.04)            | -           | (8.66)          |
| At March 31, 2016        | 2,173.65                  | 23.04            | 0.99                  | 0.39              | 0.01        | 2,198.08        |
| Additions                | 804.92                    | 2.72             | -                     | 0.26              | -           | 807.90          |
| Disposals                | (10.83)                   | (4.39)           | -                     | -                 | -           | (15.22)         |
| <b>At March 31, 2017</b> | <b>2,967.74</b>           | <b>21.37</b>     | <b>0.99</b>           | <b>0.65</b>       | <b>0.01</b> | <b>2,990.76</b> |
| <b>Depreciation</b>      |                           |                  |                       |                   |             |                 |
| At April 1, 2015         | -                         | -                | -                     | -                 | -           | -               |
| Charge for the Year      | 461.33                    | 9.41             | 0.99                  | 0.35              | 0.01        | 472.09          |
| Disposals                | (0.79)                    | (4.60)           | -                     | (0.02)            | -           | (5.41)          |
| At March 31, 2016        | 460.54                    | 4.81             | 0.99                  | 0.33              | 0.01        | 466.68          |
| Charge for the Year      | 465.14                    | 13.43            | -                     | 0.14              | -           | 478.71          |
| Disposals                | (9.79)                    | (2.35)           | -                     | -                 | -           | (12.14)         |
| <b>At March 31, 2017</b> | <b>915.89</b>             | <b>15.89</b>     | <b>0.99</b>           | <b>0.47</b>       | <b>0.01</b> | <b>933.25</b>   |
| <b>Net Block</b>         |                           |                  |                       |                   |             |                 |
| <b>At March 31, 2017</b> | <b>2,051.85</b>           | <b>5.48</b>      | <b>-</b>              | <b>0.18</b>       | <b>-</b>    | <b>2,057.51</b> |
| At March 31, 2016        | 1,713.11                  | 18.23            | -                     | 0.06              | -           | 1,731.40        |
| At April 1, 2015         | 2,141.17                  | 22.78            | 0.99                  | 0.28              | 0.01        | 2,165.23        |

**NOTE 5: CAPITAL WORK-IN-PROGRESS**

|                            | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------------|---------------------|---------------------|---------------------|
| Capital work-in-progress * | 14.56               | 3.57                | -                   |
|                            | <u>14.56</u>        | <u>3.57</u>         | <u>-</u>            |

\*Capital Work-in-Progress for the year ended March 31,2017, includes value of ₹ 11.50 million which is ceased to be classified as 'Asset Held for Sale' in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

**NOTE 6: INTANGIBLE ASSETS**

Software

| Particulars              | Software    |
|--------------------------|-------------|
| <b>Cost</b>              |             |
| At April 1, 2015         | 5.82        |
| Additions                | -           |
| Disposals                | -           |
| At March 31, 2016        | 5.82        |
| Additions                | -           |
| Disposals                | -           |
| <b>At March 31, 2017</b> | <b>5.82</b> |

**Amortisation**

|                          |             |
|--------------------------|-------------|
| At April 1, 2015         | -           |
| Charge for the Year      | 1.65        |
| Disposals                | -           |
| At March 31, 2016        | 1.65        |
| Charge for the Year      | 1.23        |
| Disposals                | -           |
| <b>At March 31, 2017</b> | <b>2.88</b> |
| Net Block                |             |
| <b>At March 31, 2017</b> | <b>2.94</b> |
| At March 31, 2016        | 4.17        |
| At April 1, 2015         | 5.82        |

₹ million

**NOTE 7 : NON CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

Trade Receivables (Refer note 39)

Receivable from Related Party (Refer note 43)

**Total Trade Receivable****Break-up for security details of Trade Receivables**

Secured, considered good

Unsecured, considered good

Doubtful

**Impairment Allowance (allowance for bad and doubtful debts)**

Less: Provision for doubtful debts

**Total Trade Receivables**

| <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|-----------------------------|---------------------|---------------------|
| -                           | -                   | -                   |
| -                           | -                   | -                   |
| -                           | -                   | -                   |
| -                           | -                   | -                   |
| -                           | -                   | -                   |
| <b>1,134.75</b>             | -                   | -                   |
| <b>1,134.75</b>             | -                   | -                   |
| <b>1,134.75</b>             | -                   | -                   |
| -                           | -                   | -                   |
| -                           | -                   | -                   |
| -                           | -                   | -                   |

**NOTE 8 : NON CURRENT FINANCIAL ASSETS-INVESTMENTS****Unquoted Investments****Investment in Equity Shares****In subsidiary (at cost)**

2 Nos (31.03.2016 :2 Nos, 01.04.2015 :2 Nos) fully paid up equity share of AED 1,000,000 each of SEAMEC International FZE (representing 100% equity of the Company) [Refer Note 53]

**Investment in Mutual Fund carried at fair value through Profit and Loss**

6,799,175 Units (31.03.2016: 6,799,175, 01.04.2015: NIL) ICICI Prudential Corporate Bond Fund

13,294,690 Units (31.03.2016: 13,294,690, 01.04.2015: NIL) Reliance Corporate Bond Fund

**Total Value of Investments (unquoted)**

|               |        |       |
|---------------|--------|-------|
| <b>25.68</b>  | 25.68  | 25.68 |
| <b>172.48</b> | 156.91 | -     |
| <b>175.04</b> | 157.42 | -     |
| <b>373.20</b> | 340.01 | 25.68 |



|   | ₹ million           |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| <b>NOTE 9: NON CURRENT FINANCIAL ASSETS LOANS</b>   |                     |                     |                     |
| (Unsecured, considered good unless otherwise stated)  |                     |                     |                     |
| Security deposits   | 11.75               | 15.56               | 13.68               |
|   | <u>11.75</u>        | <u>15.56</u>        | <u>13.68</u>        |
| <b>NOTE 10: NON CURRENT BANK BALANCES</b>   |                     |                     |                     |
| Non-Current Bank Balances (Refer note 16 & note 37)   | 198.00              | 198.00              | 182.50              |
|   | <u>198.00</u>       | <u>198.00</u>       | <u>182.50</u>       |
| <b>NOTE 11: NON CURRENT TAX ASSETS (NET)</b>  |                     |                     |                     |
| (Unsecured, considered good unless otherwise stated)  |                     |                     |                     |
| Advance income-tax (net of provisions for taxation ₹.30.02 million<br>(31.03.2016: ₹201.70 (01.04.2015 ₹ 146.47)) | 58.05               | 44.29               | 17.78               |
|   | <u>58.05</u>        | <u>44.29</u>        | <u>17.78</u>        |
| <b>NOTE 12: OTHER NON CURRENT ASSETS</b>  |                     |                     |                     |
| Capital advances  | 3.61                | -                   | -                   |
| Others  | 3.01                | 0.37                | 28.93               |
|   | <u>6.62</u>         | <u>0.37</u>         | <u>28.93</u>        |
| <b>NOTE 13: INVENTORIES</b>   |                     |                     |                     |
| (Valued at lower of cost and net realisable value)  |                     |                     |                     |
| Stores and consumables  | 163.10              | 178.98              | 152.33              |
| Goods in transit - Stores and consumables   | 3.92                | 17.65               | 5.41                |
|   | <u>167.02</u>       | <u>196.63</u>       | <u>157.74</u>       |
| <b>NOTE 14: TRADE RECEIVABLES</b>   |                     |                     |                     |
| Trade Receivables (Refer note 39)   | 812.38              | 1,804.68            | 738.87              |
| Receivable from Related Party (Refer note 43)   | 273.77              | 60.78               | 506.66              |
| Total Trade Receivables   | <u>1,086.15</u>     | <u>1,865.46</u>     | <u>1,245.53</u>     |
| <b>Break-up for security details of Trade Receivables</b>   |                     |                     |                     |
| Secured, considered good  | -                   | -                   | -                   |
| Unsecured, considered good  | 1,086.15            | 1,865.46            | 1,245.53            |
| Doubtful  | 550.42              | 300.04              | 323.28              |
|   | <u>1,636.57</u>     | <u>2,165.50</u>     | <u>1,568.81</u>     |
| <b>Impairment Allowance (allowance for bad and doubtful debts)</b>  |                     |                     |                     |
| Less: Provision for doubtful debts  | 550.42              | 300.04              | 323.28              |
| <b>Total Trade Receivables</b>  | <u>1,086.15</u>     | <u>1,865.46</u>     | <u>1,245.53</u>     |



|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| ₹ million                                 |                     |                     |                     |
| <b>NOTE 15: CASH AND CASH EQUIVALENTS</b> |                     |                     |                     |
| <b>Balances with scheduled banks</b>      |                     |                     |                     |
| - current accounts                        | 0.19                | 0.24                | 19.46               |
| - foreign currency accounts               | 5.75                | 43.28               | 31.72               |
| - fixed deposit accounts                  |                     |                     |                     |
| - original maturity less than 3 months    | 32.00               | -                   | 125.40              |
| <b>Cash on hand</b>                       | <b>0.12</b>         | <b>0.08</b>         | <b>0.11</b>         |
|   | <b>38.06</b>        | <b>43.60</b>        | <b>176.69</b>       |

Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| <b>NOTE 16: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>                  |                     |                     |                     |
| - Unpaid Dividend Account *   | 1.40                | 1.40                | 0.95                |
| - Deposits with original maturity for more than 3 months but less than 12 months ** | 198.00              | 689.10              | 1,660.00            |
| - Deposits with original maturity for more than 12 months **                        | 204.94              | 340.00              | 347.00              |
| Amount Disclosed Under Non Current Asset (refer note 10)                            | (198.00)            | (198.00)            | (182.50)            |
|   | <b>206.34</b>       | <b>832.50</b>       | <b>1,825.45</b>     |

\* The Company can utilise these balances only towards settlement of respective unpaid dividend.

\*\* Fixed Deposits worth ₹ 390 million kept as lien with Bank against the various facilities obtained.

|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|---------------------|---------------------|---------------------|
| <b>NOTE 17 : CURRENT INVESTMENTS</b>   |                     |                     |                     |
| <b>Unquoted mutual funds</b>   |                     |                     |                     |
| NIL (31.03.2016: NIL) (01.04.2015 : 989,700.517 Units) HDFC Short Term Opportunities Fund - Growth         | -                   | -                   | 15.08               |
| NIL (31.03.2016: NIL) (01.04.2015 : 870,279.603 Units) Reliance Medium Term Fund - Growth                  | -                   | -                   | 25.11               |
| NIL (31.03.2016: NIL) (01.04.2015 : 20,512.005 Units) Kotak Liquid Scheme - Plan A - Daily Dividend        | -                   | -                   | 20.13               |
| NIL (31.03.2016: NIL) (01.04.2015 : 9,909.993 Units) Kotak Floater - Short Term - Regular - Daily Dividend | -                   | -                   | 10.04               |
| Total Current Investments - unquoted   | -                   | -                   | 70.36               |



₹ million

**NOTE 18: OTHER CURRENT FINANCIAL ASSETS**

(Unsecured, considered good unless otherwise stated)

|                     | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|---------------------|
| Loans to employees  | -                   | 0.06                | 0.07                |
| Interest Receivable | 35.37               | 38.08               | 62.46               |
| Unbilled Revenue    | -                   | 384.00              | -                   |
| Others              | 1.00                | 29.70               | 72.84               |
|                     | <b>36.37</b>        | <b>451.84</b>       | <b>135.37</b>       |

**Break up of Financial Assets carried at amortised cost**

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| Trade Receivables                                       | 1,086.15        | 1,865.46        | 1,245.53        |
| Cash and cash equivalents                               | 38.06           | 43.60           | 176.69          |
| Bank balances other than cash and cash equivalents      | 206.34          | 832.50          | 1,825.45        |
| Security Deposits                                       | 11.75           | 15.56           | 13.68           |
| Loans to employees                                      | -               | 0.06            | 0.07            |
| Interest Receivable                                     | 35.37           | 38.08           | 62.46           |
| Unbilled Revenue  | -               | 384.00          | -               |
| Non-Current Bank Balances                               | 198.00          | 198.00          | 182.50          |
| Others  | 1.00            | 29.70           | 72.84           |
| <b>Total Financial Assets carried at Amortised Cost</b> | <b>1,576.67</b> | <b>3,406.96</b> | <b>3,579.22</b> |

**NOTE 19 : OTHER CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

|                          |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Prepaid expenses         | 12.22        | 23.71        | 22.93        |
| Service tax Input Credit | 29.44        | -            | -            |
| Advance to vendors       | 11.11        | 3.33         | 10.10        |
| Advance Rent             | 2.59         | 4.22         | 5.37         |
|                          | <b>55.36</b> | <b>31.26</b> | <b>38.40</b> |

**NOTE 20: ASSETS CLASSIFIED AS HELD FOR SALE**

|                                   |          |              |              |
|-----------------------------------|----------|--------------|--------------|
| Asset classified as held for sale | -        | 11.50        | 12.31        |
|                                   | <b>-</b> | <b>11.50</b> | <b>12.31</b> |

Based on a plan to utilise the Crane & Helideck held by the Company and bring them in to use, the assets no longer meet the criteria specified in paragraphs 7-9 of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, and therefore, such assets have been ceased to be classified as non-current assets held for sale and ₹ 11.50 million has been added back to the Capital Work-In-Progress during the current year.

₹ million

**NOTE 21 : SHARE CAPITAL****Authorised Shares**

50,000,000 (31.03.2016 : 50,000,000) (01.04.2015 : 50,000,000) equity shares of ₹ 10 each

**Issued, subscribed and fully paid-up**

25,425,000 (31.03.2016 : 25,425,000) (01.04.2015 : 33,900,000) equity shares of ₹ 10 each fully paid-up

| <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|-----------------------------|---------------------|---------------------|
| <b>500.00</b>               | 500.00              | 500.00              |
| <b>254.25</b>               | 254.25              | 339.00              |
| <b>254.25</b>               | 254.25              | 339.00              |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Equity shares   | As at 31.03.2017  |               | As at 31.03.2016 |           | As at 01.04.2015 |           |
|---|-------------------|---------------|------------------|-----------|------------------|-----------|
|   | Nos               | ₹ million     | Nos              | ₹ million | Nos              | ₹ million |
| At the beginning of the Year                                  | <b>25,425,000</b> | <b>254.25</b> | 33,900,000       | 339.00    | 33,900,000       | 339.00    |
| Less:- Shares Bought back during the year (refer note 21 (e)) | -                 | -             | (8,475,000)      | (84.75)   | -                | -         |
| Outstanding at the end of the year                            | <b>25,425,000</b> | <b>254.25</b> | 25,425,000       | 254.25    | 33,900,000       | 339.00    |

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding Company**

Out of equity shares issued by the Company, shares held by its holding Company are as below:

| All in no's          | <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------|-----------------------------|---------------------|---------------------|
| HAL Offshore Limited | <b>18,527,475</b>           | 18,527,475          | 25,425,000          |

**(d) Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder | As at 31.03.2017  |                        | As at 31.03.2016 |                        | As at 01.04.2015 |                        |
|-------------------------|-------------------|------------------------|------------------|------------------------|------------------|------------------------|
|                         | Nos               | % holding in the class | Nos              | % holding in the class | Nos              | % holding in the class |
| HAL Offshore Limited    | <b>18,527,475</b> | <b>72.87%</b>          | 18,527,475       | 72.87%                 | 25,425,000       | 75.00%                 |

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



**(e) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date**

| Particulars                              | Year 2015-16<br>No's<br>(8,475,000) |
|--|-------------------------------------|
| Equity Shares bought back by the Company |                                     |

During the year ended March 31, 2016, the Company had bought back a total of 84,75,000 equity shares of ₹ 10 each at a total consideration of ₹ 1,059.38 million. Accordingly, the face value of shares bought back amounting to ₹ 84.75 million had been adjusted against Share Capital and the balance amount of ₹ 501.75 million and ₹ 472.88 million have been adjusted against the securities premium and general reserve respectively. Further, in accordance with the Section 69 of the Companies Act, 2013, the Company had transferred an amount of ₹ 84.75 million, being a sum equal to nominal value of equity shares bought back, from general reserve to capital redemption reserve.

|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| ₹ million   |                     |                     |                     |
| <b>(f) Distribution made and proposed</b>   |                     |                     |                     |
| Cash Dividend on Equity Shares declared and paid  |                     |                     |                     |
| Final Dividend for the year ended March 31, 2017 ₹ NIL per share (March 31, 2016 ₹ 1) (April 1, 2015 ₹ NIL) | -                   | 33.90               | -                   |
| Dividend Distribution Tax on Final Dividend   | -                   | 6.94                | -                   |
|   | -                   | 40.84               | -                   |

₹40.84 million (including Dividend distribution tax ₹ 6.94 million), was proposed before the financial statements were approved for issue for the year ended March 31, 2015. The same is not recognised as proposed dividend for that year.

**NOTE-22 : OTHER EQUITY**

**Capital redemption reserve**

|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|---------------------|---------------------|---------------------|
| Balance as per the last Financial Statements           | 84.75               | -                   | -                   |
| Add: Transfer from General Reserve (refer note 21 (e)) | -                   | 84.75               | -                   |
| Closing Balance  | 84.75               | 84.75               | -                   |

**Securities premium account**

|  |   |          |        |
|--|---|----------|--------|
| Balance as per the last Financial Statements                                 | - | 501.75   | 501.75 |
| Less: Adjustment on account of Buy Back of Equity shares (refer note 21 (e)) | - | (501.75) | -      |
| Closing Balance  | - | -        | 501.75 |

**General reserve**

|  |        |          |        |
|--|--------|----------|--------|
| Balance as per the last Financial Statements                                 | 291.27 | 848.90   | 684.31 |
| Add: Transfer from Tonnage Reserve for the year                              | 622.90 | -        | 164.59 |
| Less: Adjustment on account of Buy Back of Equity shares (refer note 21 (e)) | -      | (472.88) | -      |
| Less: Transfer to Capital Redemption Reserve (refer note 21 (e))             | -      | (84.75)  | -      |
| Closing Balance  | 914.17 | 291.27   | 848.90 |

|  | ₹ million           |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| <b>Tonnage tax reserve u/s 115VT of Income Tax Act, 1961</b>   |                     |                     |                     |
| Balance as per the last Financial Statements   | 667.92              | 667.92              | 746.50              |
| Add: Transfer from surplus in statement of Profit and Loss for the year                                | -                   | -                   | 86.01               |
|  | <b>667.92</b>       | 667.92              | 832.51              |
| Less: Tonnage Reserve utilised   | <b>(622.90)</b>     | -                   | (164.59)            |
| Closing Balance  | <b>45.02</b>        | 667.92              | 667.92              |
| <b>Retained Earnings</b>   |                     |                     |                     |
| Balance as per the last Financial Statements   | <b>2,901.58</b>     | 2,892.43            | 2,446.71            |
| Other Comprehensive Income   | <b>0.13</b>         | 1.32                | -                   |
| Opening adjustment to Retained earnings.   | -                   | -                   | (8.45)              |
| Profit / (Loss) for the year   | <b>(1,495.91)</b>   | 57.62               | 540.18              |
| Less:- Appropriations  |                     |                     |                     |
| Final Cash Dividend (amount per share ₹ NIL (31.03.2016: ₹1)<br>(01.04.2015 : ₹NIL) refer note 21 (f)) | -                   | (33.90)             | -                   |
| Tax on Final Cash Dividend   | -                   | (6.94)              | -                   |
| Transaction cost on Buy back of Shares as per Ind AS 32  | -                   | (8.95)              | -                   |
| Transfer to Tonnage Reserve account u/s 115VT of Income Tax Act, 1961                                  | -                   | -                   | (86.01)             |
| Closing Balance  | <b>1,405.80</b>     | 2,901.58            | 2,892.43            |
|  | <b>2,449.74</b>     | 3,945.52            | 4,911.00            |

**Nature and Purpose of Reserves:****(1) Capital redemption reserve:**

Capital redemption reserve was created upon buy back of equity shares. The Company may utilise this reserve in compliance with the provisions of the Companies Act 2013.

**(2) Securities premium:**

Securities premium account is created when shares are issued at premium. The reserve is utilised for the specific purposes (including buy back of equity capital) permitted by the Companies Act 2013.

**(3) Tonnage tax reserve u/s 115VT of Income Tax Act, 1961:**

A tonnage tax company shall, subject to and in accordance with the provisions of section 115VT of the Income Tax Act, 1961, on yearly basis credit to tonnage tax reserve account, an amount not less than twenty percent of the book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I of the Income Tax Act, 1961. The Company can utilise this reserve as per provisions of Income Tax Act 1961.



**NOTE-23: INCOME TAXES**

The major components of income tax expense for the year ended March 31, 2017, March 31, 2016 and April 1, 2015 are:

**Current income tax:**

Current Income tax charge

Adjustments in respect of current income tax of previous years

**Deferred Tax:**

Relating to origination and reversal of temporary differences

**Income tax expense reported in the statement of profit or loss**

|  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|  | <b>30.01</b>             | 51.87                    |
|  | <b>(0.19)</b>            | 0.95                     |
|  | <b>11.49</b>             | 4.89                     |
|  | <b>41.31</b>             | 57.71                    |

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for the year ended March 31, 2017 and March 31, 2016:

**Accounting Profit before tax**

Income taxable

Tax at Domestic rate (34.608%)

Tonnage Income as per sec 115V

Tax at Domestic rate (34.608%)

Adjustments in respect of current income tax of previous years

Total Tax

Deferred Tax

**Income tax expense**

|  |                   |        |
|--|-------------------|--------|
|  | <b>(1,454.60)</b> | 115.33 |
|  | <b>85.09</b>      | 148.25 |
|  | <b>29.45</b>      | 51.31  |
|  | <b>1.63</b>       | 1.63   |
|  | <b>0.56</b>       | 0.56   |
|  | <b>(0.19)</b>     | 0.95   |
|  | <b>29.82</b>      | 52.82  |
|  | <b>11.49</b>      | 4.89   |
|  | <b>41.31</b>      | 57.71  |

**Deferred Tax**

Deferred tax relates to the following:

Fair Valuation of Investment

Reversal of Deferred tax liability on account of sale of Investment

**Total Deferred tax**

|  | ₹ million           |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|  | <b>11.49</b>        | 4.96                | 0.07                |
|  | -                   | (0.07)              | -                   |
|  | <b>11.49</b>        | 4.89                | 0.07                |
|  | <b>16.45</b>        | 4.96                | 0.07                |

₹ million

**NOTE-24: FINANCIAL LIABILITIES - BORROWINGS****Secured****Current Borrowings**

Buyers Credit facility (refer note A below)

Bank Overdraft (refer note B below)

| As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|
| 131.27              | 135.33              | 127.31              |
| 47.82               | 145.75              | -                   |
| <b>179.09</b>       | <b>281.08</b>       | <b>127.31</b>       |

A) The Company has availed Buyers Credit Facility from IDBI Bank having rate of Interest at the rate 1 Year Libor+80 bps (31.03.2016 1 Year Libor + 80 BPS) (01.04.2015 6 months Libor+ 125 BPS) and having maturity in September, 2017. The same is secured by hypothecation charge on all of the Company's Current Assets.

B) The 'Bank Overdraft (against FD' facility) is availed from IDBI Bank. The rate of Interest for the said Facility is 1% above the interest rate of Fixed Deposits under lien with IDBI Bank. The same is secured by fixed deposits with margin as 100%. The loan is repayable in next one year.

**NOTE-25: TRADE PAYABLES****Trade payables****Dues to micro enterprises and small enterprises (Refer note 49)****Dues to Others**

Trade payables to others

Trade payables to Related parties (Refer Note No. 43)

| As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|
| 6.50                | 5.91                | -                   |
| 1,176.68            | 1,137.96            | 399.69              |
| 41.38               | -                   | 22.28               |
| <b>1,224.56</b>     | <b>1,143.87</b>     | <b>421.97</b>       |

**NOTE-26: OTHER CURRENT FINANCIAL LIABILITIES**

Interest Accrued but not due on borrowings

Creditors for Capital Expenditure

Employee Dues

Security deposit

Unpaid dividend

|                 |                 |               |
|-----------------|-----------------|---------------|
| 2.05            | 1.16            | -             |
| 26.47           | 6.36            | 208.76        |
| 113.24          | 51.94           | 70.16         |
| -               | -               | 0.93          |
| 1.40            | 1.40            | 0.95          |
| <b>143.16</b>   | <b>60.86</b>    | <b>280.80</b> |
| <b>179.09</b>   | 281.08          | 127.31        |
| <b>1,224.56</b> | 1,143.87        | 421.97        |
| <b>26.47</b>    | 6.36            | 208.76        |
| <b>113.24</b>   | 51.94           | 70.16         |
| <b>3.45</b>     | 2.56            | 1.88          |
| <b>1,546.81</b> | <b>1,485.81</b> | <b>830.08</b> |

**Break up of financial liabilities carried at amortised cost**

(a) Borrowings

(b) Trade payables

(c) Creditors for Capital Expenditure

(d) Employee Dues

(e) Others

**Total Financial Liabilities at amortised cost****Terms and conditions of the Financial liabilities.**

- Trade payables and Other payables are non-interest bearing.
- For terms and conditions with related parties, refer Annexure-A



**NOTE-27: OTHER CURRENT LIABILITIES**

Book Overdraft

**Statutory Dues**

TDS Payable

Service tax payable

Other Dues

|                       | ₹ million           |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|
|                       | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| Book Overdraft        | -                   | 1.88                | -                   |
| <b>Statutory Dues</b> |                     |                     |                     |
| TDS Payable           | <b>30.58</b>        | 43.68               | 6.90                |
| Service tax payable   | -                   | 19.33               | 4.33                |
| Other Dues            | <b>4.31</b>         | 3.62                | 1.30                |
|                       | <b>34.89</b>        | 68.51               | 12.53               |

**NOTE-28: PROVISIONS**

**Provision for Employee Benefits**

Provision for Leave benefits

Provision for Gratuity

|                              |             |       |      |
|------------------------------|-------------|-------|------|
|                              | <b>9.79</b> | 11.11 | 7.77 |
| Provision for Leave benefits | -           | -     | 1.02 |
| Provision for Gratuity       | <b>9.79</b> | 11.11 | 8.79 |

**NOTE 29 : REVENUE FROM OPERATIONS**

Charter hire income & related services

Other operating revenue

|  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Charter hire income & related services | <b>2,070.55</b>          | 3,277.40                 |
| Other operating revenue                | <b>5.19</b>              | 1.77                     |
|  | <b>2,075.74</b>          | 3,279.17                 |

**NOTE 30 : OTHER INCOME**

Interest Income on

Bank Deposits

Others

Dividend from Current Investment

Exchange fluctuation gain (net)

Fair value gain on financial instrument at fair value through profit or loss

Provision for doubtful debts written back

Other non-operating income

|  |               |        |
|--|---------------|--------|
| Interest Income on   |               |        |
| Bank Deposits  | <b>82.30</b>  | 146.14 |
| Others   | <b>3.89</b>   | 6.06   |
| Dividend from Current Investment   | -             | 1.40   |
| Exchange fluctuation gain (net)  | <b>56.57</b>  | 35.97  |
| Fair value gain on financial instrument at fair value through profit or loss | <b>33.19</b>  | 14.33  |
| Provision for doubtful debts written back                                    | -             | 23.24  |
| Other non-operating income   | <b>0.06</b>   | 2.53   |
|  | <b>176.01</b> | 229.67 |

**NOTE 31 : EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus to crew

Salaries, wages and bonus to onshore staff

Contribution to provident and other funds

Gratuity Expenses (refer note 45 (2))

Staff welfare expenses

|  |               |        |
|--|---------------|--------|
| Salaries, wages and bonus to crew          | <b>557.48</b> | 717.43 |
| Salaries, wages and bonus to onshore staff | <b>64.65</b>  | 71.32  |
| Contribution to provident and other funds  | <b>6.57</b>   | 6.87   |
| Gratuity Expenses (refer note 45 (2))      | <b>2.09</b>   | 2.08   |
| Staff welfare expenses                     | <b>0.86</b>   | 0.85   |
|  | <b>631.65</b> | 798.55 |



|  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| <b>NOTE 32 : OPERATING EXPENSES</b>                    |                          |                          |
| Victualling and other benefit to crew                  | 96.08                    | 91.37                    |
| Sub Contractor Cost- Diving Project                    | 469.50                   | 1,074.58                 |
| Stores and spares consumed                             | 131.57                   | 224.50                   |
| Fuel expenses  | 198.55                   | 350.10                   |
| Repairs and maintenance - vessels                      | 21.38                    | 50.32                    |
| Rates & Taxes  | 6.01                     | 11.86                    |
| Customs Duty   | 0.06                     | 12.04                    |
| Crew travelling expenditure                            | 30.24                    | 27.11                    |
| Insurance charges                                      | 20.22                    | 23.88                    |
| Brokerage  | 11.06                    | -                        |
| Security Expenses                                      | -                        | 5.53                     |
| Other Operating Expenses                               | 82.23                    | 123.64                   |
|  | <b>1,066.90</b>          | <b>1,994.93</b>          |
| <b>NOTE 33 : FINANCE COSTS</b>                         |                          |                          |
| Interest Expenses                                      | 11.50                    | 2.72                     |
|  | <b>11.50</b>             | <b>2.72</b>              |
| <b>NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE</b> |                          |                          |
| Depreciation of tangible assets                        | 478.71                   | 472.09                   |
| Amortization of intangible assets                      | 1.23                     | 1.65                     |
|  | <b>479.94</b>            | <b>473.74</b>            |
| <b>NOTE 35 : OTHER EXPENSES</b>                        |                          |                          |
| Directors Sitting Fees                                 | 1.20                     | 2.24                     |
| Travelling and conveyance                              | 7.03                     | 8.76                     |
| Repairs and maintenance -others                        | 2.07                     | 2.70                     |
| Impairment of Assets held for Sale                     | -                        | 0.81                     |
| Rent (refer note 46)                                   | 49.01                    | 31.20                    |
| Payment to auditors (excluding service tax)            |                          |                          |
| As auditor   |                          |                          |
| - Audit fees   | 2.08                     | 1.92                     |
| - Tax audit fees                                       | -                        | 0.44                     |
| - Limited review fees                                  | 0.44                     | 0.44                     |
| - In any other Matter                                  | -                        | 0.21                     |
| - Out of pocket expenses                               | 0.21                     | 0.24                     |



|  | ₹ million                        |                          |
|--|----------------------------------|--------------------------|
|  | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
| Legal & professional fees                | <b>25.41</b>                     | 24.76                    |
| Bad debts                                | <b>1.96</b>                      | 23.24                    |
| Provision for Doubtful Debts             | <b>1,385.12</b>                  | -                        |
| Bank charges                             | <b>4.74</b>                      | 4.66                     |
| Corporate Social Responsibility Expenses | <b>5.09</b>                      | 1.55                     |
| Interest Charges- Others                 | <b>15.11</b>                     | 1.56                     |
| Miscellaneous Expenses                   | <b>16.89</b>                     | 18.84                    |
|  | <b><u>1,516.36</u></b>           | <u>123.57</u>            |

**NOTE 36: COMPONENTS OF OTHER COMPREHENSIVE INCOME**

Re-measurement gains on defined benefit plans as per Ind AS 19

|  | <b>0.13</b>        | 1.32        |
|--|--------------------|-------------|
|  | <b><u>0.13</u></b> | <u>1.32</u> |

**NOTE 37 CONTINGENT LIABILITIES****Claim against the Company not acknowledge as debts**

FERA Matter (refer note a below)

Custom Duty payable as per order from Commissioner of Customs (Import) (refer note b below)

Claim by Vendor (refer note c below)

|  | <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|-----------------------------|---------------------|---------------------|
|  | <b>100</b>                  | 100                 | 100                 |
|  | <b>1,197</b>                | 1,197               | 1,197               |
|  | <b>30</b>                   | 30                  | -                   |

- a The case against the Company alleging violation of Foreign Exchange Regulation Act 1973 (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 ₹ 100 million to the Enforcement Directorate, FERA, towards penalty imposed, as directed by the Hon'ble Mumbai High Court. The bank guarantee is valid till September 30, 2017. 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.
- b During the year 2011, the Directorate of Revenue Intelligence (DRI) had instituted an enquiry in relation to payment of customs duty towards repairs/dry-dock undertaken on Company's vessels SEAMEC-I, SEAMEC-II and SEAMEC-III incurred outside India since 2002. The DRI provisionally assessed customs duty of ₹ 126.60 million, which the Company has paid under protest subject to adjudication in December 2011.

The Company had also furnished a bank Guarantee for ₹ 82.10 million and Bond for ₹ 821 million pursuant to the order dated January 17, 2012 of Hon'ble Mumbai High Court for provisional release of its vessel SEAMEC II arrested by Customs. The above order was subject to adjudication. Hon'ble High Court observed that no duty to be charged on the acquisition cost as the vessel was originally imported prior to 2001 when import duty was not applicable on such vessel.

During July – August 2012, DRI issued show cause notice, separately for each vessel as to why the duty determined of aggregate value of ₹ 285.26 million, interest, penalty etc. will not be levied on the Company.

The Company while preferring adjudication have submitted replies to respective show cause notices, and hearing on adjudication proceeding completed before the Commissioner of Customs (Import) on December 4, 2012.

Subsequent to above, the Company has received 3 corrigendum to the original show cause notices enhancing the claim of custom duty by ₹ 65.14 million against the above claim.

Commissioner of Customs has issued order dated March 28, 2013 received by Company on April 16, 2013 on the adjudication proceedings. Commissioner of Customs, in his order, imposed duty ₹ 350 million, penalty for equivalent amount and interest and appropriation of ₹ 126.60 million paid in December 2011. As per the order of Commissioner of Customs, total claim to Company including duty, penalty, interest and confiscation fine calculated to ₹ 1,197 million after adjustment of provisional duty already paid in December 2011 under protest.

The Company has since obtained stay from CESTAT Appellate Tribunal, customs against the order of commissioner of customs for vessel SEAMEC-III, SEAMEC II & SEAMEC-I. While pending the appeal, Honorable CESTAT allowed the vessels to go out of India upon furnishing the Bank Guarantee aggregating to ₹ 70 million to ensure vessels return to India during the granted period. Upon return of vessels the aggregate Bank Guarantee of ₹ 70 million has been revoked. The Company is of the view that it has a strong case on merit and is contesting the same. Hence no further provision made towards additional Customs Duty, Penalty and Confiscation redemption fine as stated in the order of Commissioner of Customs.

- c During the previous year, the Company had executed marine and diving activities jointly with a diving company, wherein the customer has claimed an amount of ₹ 30 million from the Company on account of alleged defective performance which is subject to final settlement/resolution. The management's view is that the claim in regard to the alleged defective performance pertains to the scope of work performed by the diving Company. Accordingly, the Company does not acknowledge this claim as debt because the company expects a positive outcome.
- d During the year, the Company has received Audit Memo issued by the Assistant Commissioner of Service Tax, pertaining to disallowance of certain CENVAT credit availed during the period of FY 2013-14 to 2015-16 to the extent of ₹ 14.03 million. Based on the opinion taken from an expert, the management believes that they have good case and no adjustment is required in this regards.

Notes:

- (a) The Company does not expect any reimbursement in respect of the above contingent liabilities.
- (b) It is not practicable to estimate the timing of cash flows, if any, in respect of matters at (a) to (d) above, pending resolution of the proceedings.

### 38. Commitments

#### a. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 8.53 million (31.03.2016 : ₹ 20.06) (01.04.2015 ₹ NIL).

#### b. Other Commitment

There are no material non cancellable contractual commitments. For commitments relating to lease arrangement (refer Note-46).

### 39. Trade Receivables as disclosed in Notes 7 & 14, are net of provisions for :

- (a) ₹ 1134.70 million receivable from Swiber Offshore (India) Private Limited "SOI" and Swiber Offshore Constructions Pte Ltd "SOC", Singapore, against which the Company had initiated legal action in India and Singapore. Management believes SOI does not have any significant realizable assets, and SOC is under Judicial Management in Singapore, where the Company is an unsecured creditor. Considering the above status, management had made a provision for doubtful debts of ₹ 1134.70 million in the current year.
- (b) ₹ 176.50 million (net of provision of ₹ 52.30 million recognised in earlier year) receivable from Seahorse General Contracting Establishment, UAE which pertains to the year ended March 31, 2015 and in respect of which legal action was initiated. However, considering the limited progress in the matter, the Management recognized the additional provision of ₹ 176.50 million in the current year.
- (c) ₹ 71.30 million receivable from Synergy Subsea Engineering LLC, UAE ('Synergy') relating to charter hire for a vessel. There has been no substantial progress in recovery despite efforts made. The Company is now contemplating legal action, but no time frame can be reasonably ascertained, and consequently, the amount receivable has been provided for during the current year.



40 (a) Expenditure in foreign currency (on accrual basis)

| Particulars                         | ₹ million                |                          |
|-------------------------------------|--------------------------|--------------------------|
|                                     | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Crew costs                          | -                        | 19.02                    |
| Travelling                          | 8.73                     | 4.10                     |
| Victualling cost                    | 36.70                    | 24.15                    |
| Sub Contractor Cost- Diving Project | 469.50                   | 941.00                   |
| Legal & professional fees           | 14.06                    | 10.13                    |
| Interest on Buyers Credit           | 2.73                     | 1.88                     |
| Repairs & Maintenance               | 1.62                     | 27.68                    |
| Security Expenses                   | -                        | 5.53                     |
| Others                              | 51.42                    | 72.37                    |
|                                     | <b>584.76</b>            | <b>1,105.86</b>          |

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

| Particulars             | ₹ million                |                          |
|-------------------------|--------------------------|--------------------------|
|                         | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Revenue from operations | 1,848.36                 | 1,798.17                 |

41 Segment Information

For management purposes, the company is organised into business units based on its services and has two reportable segments i.e Domestic and Overseas.

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified based on geographical location of the vessel. The operating segments have been disclosed based on revenues within India and outside India.

| Particulars                   | Year ended 31.03.2017 |                 |                   | Year ended 31.03.2016 |          |          |
|-------------------------------|-----------------------|-----------------|-------------------|-----------------------|----------|----------|
|                               | Domestic              | Overseas        | Total             | Domestic              | Overseas | Total    |
| <b>Revenue</b>                |                       |                 |                   |                       |          |          |
| Revenue from Operations       | 1,524.56              | 551.18          | 2,075.74          | 3,044.46              | 234.71   | 3,279.17 |
| <b>Segment (Loss)/Profits</b> | <b>(1,333.16)</b>     | <b>(228.18)</b> | <b>(1,561.34)</b> | 93.59                 | (150.63) | (57.04)  |

\* 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 are made.

Reconciliations to amounts reflected in the financial statements

| Particulars                     | ₹ million                |                          |
|---------------------------------|--------------------------|--------------------------|
|                                 | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| <b>Segment Profit</b>           | <b>(1,561.34)</b>        | (57.04)                  |
| Finance Cost                    | (11.50)                  | (2.72)                   |
| Other Un-allocable income       | 118.24                   | 175.09                   |
| <b>(Loss)/Profit before tax</b> | <b>(1,454.60)</b>        | 115.33                   |

## 42 Corporate Social Responsibility Expenditure as per Section 135 of the Companies Act, 2013

| Particulars  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Gross Amount required to be spent by the Company during the year | 5.09                     | 6.87                     |

**Amount spent during the year ending on March 31, 2017 :**

| Particulars                         | In Cash | Yet to be Paid | Total |
|-------------------------------------|---------|----------------|-------|
| Construction / acquisition of Asset | -       | -              | -     |
| On Purpose other than above         | 5.09    | -              | 5.09  |

**Amount spent during the year ending on March 31, 2016 :**

| Particulars                         | In Cash | Yet to be Paid | Total |
|-------------------------------------|---------|----------------|-------|
| Construction / acquisition of Asset | -       | -              | -     |
| On Purpose other than above         | 1.55    | -              | 1.55  |

## 43 Related Party disclosure

**Names of Related Parties & related party relationship****i Related parties where control exist**

|                 |                          |
|-----------------|--------------------------|
| Holding Company | HAL Offshore Limited     |
| Subsidiary      | Seamec International FZE |

**ii Related Parties with whom transactions have taken place during the year ended March 31, 2017 (refer Annexure A)**

## 44 Un-hedged Foreign Currency Exposure as at Balance Sheet date

| Particulars                                   | Currency     | Year ended 31.03.2017      |                | Year ended 31.03.2016      |               | As at 01.04.2015           |               |
|---|--------------|----------------------------|----------------|----------------------------|---------------|----------------------------|---------------|
|   |              | Amount in Foreign Currency | Amount in INR  | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| Trade Payables                                | EURO         | 0.29                       | 20.35          | 0.30                       | 23.05         | 0.29                       | 19.55         |
|   | GBP          | 0.03                       | 2.83           | 0.01                       | 0.67          | 0.01                       | 1.11          |
|   | NOK          | 0.10                       | 0.73           | 0.22                       | 1.76          | 0.59                       | 4.61          |
|   | SGD          | 0.02                       | 0.94           | 0.06                       | 2.96          | 0.01                       | 0.60          |
|   | AED          | 0.20                       | 3.57           | 0.50                       | 9.17          | 0.33                       | 5.61          |
|   | USD          | 15.63                      | 1,016.03       | 10.71                      | 714.96        | 7.51                       | 471.54        |
|   | CAD          | -                          | -              | -                          | -             | (0.01)                     | (0.11)        |
|   | QAR          | -                          | -              | -                          | -             | 0.10                       | 0.25          |
|   | JPY          | -                          | -              | -                          | -             | 0.06                       | 0.03          |
|   | <b>Total</b> |                            | <b>1044.45</b> | <b>Total</b>               | <b>752.57</b> | <b>Total</b>               | <b>503.19</b> |
| Crew Liability                                | USD          | -                          | -              | -                          | -             | 0.23                       | 14.65         |
| Buyers Credit Facilities (including interest) | USD          | 2.05                       | 133.33         | 2.04                       | 136.49        | 2.03                       | 127.31        |
| Trade Receivables                             | USD          | 23.38                      | 1,509.07       | 15.66                      | 1,030.86      | 17.16                      | 1,064.09      |
| Unbilled Revenue                              | USD          | -                          | -              | 4.17                       | 274.20        | -                          | -             |
| Bank balances                                 | USD          | 0.09                       | 5.76           | 0.66                       | 43.28         | 0.51                       | 31.72         |
| Non Current Investment                        | AED          | 2.00                       | 25.68          | 2.00                       | 25.68         | 2.00                       | 25.68         |

**45 Gratuity and other post-employment benefit plans****1 Defined Contribution Plans :**

Amount of ₹ 1.81 million (31.03.2016 : ₹ 1.99 million) is recognised as an expense and included in Employee Benefit Expense (refer note 31) in statement of profit and Loss.

**2 Defined Benefit Plans :**

The Company has a defined benefit gratuity plan. Every employee (other than crew who have covered under separate scheme) 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 gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review.

The Obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and other comprehensive income the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of Profit and Loss****Net employee benefit expense (recognised in contribution to provident, gratuity fund and other funds) (₹ million)**

| Particulars  | Gratuity                 |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Current service cost   | 0.47                     | 0.43                     |
| Net Interest cost on benefit obligation  | (0.05)                   | 0.03                     |
| Expenses Recognised  | 0.42                     | 0.46                     |
| <b>Net Interest cost for the period</b>  |                          |                          |
| Interest Cost  | 0.57                     | 0.61                     |
| (Interest Income)  | (0.62)                   | (0.58)                   |
| Net Interest cost for period   | (0.05)                   | 0.03                     |
| <b>Remeasurement gains/Losses in Other Comprehensive Income:</b>               |                          |                          |
| Actuarial changes arising from changes in Demographic assumptions              | -                        | -                        |
| Actuarial changes arising from changes in Financials assumptions               | 0.22                     | (0.20)                   |
| Experience Adjustments   | (0.45)                   | (1.14)                   |
| Return on Plan Assets excluding Interest income                                | 0.10                     | -                        |
| Net( Income) / Expense recognised for the period in Other Comprehensive Income | (0.13)                   | (1.34)                   |

**Balance sheet****Details of Provision for gratuity**

| <b>Particulars</b>                   | <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--------------------------------------|-----------------------------|---------------------|---------------------|
| Defined benefit obligation           | <b>6.18</b>                 | 7.25                | 7.64                |
| Fair value of plan assets            | <b>6.64</b>                 | 7.89                | 7.22                |
|                                      | <b>0.46</b>                 | 0.64                | (0.42)              |
| Less: Unrecognised past service cost | -                           | -                   | -                   |
| Plan asset / (liability)             | <b>0.46</b>                 | 0.64                | (0.42)              |

**Changes in the present value of the defined benefit obligation are as follows:**

|  |               |        |        |
|--|---------------|--------|--------|
| Opening defined benefit obligation   | <b>7.25</b>   | 7.64   | 8.62   |
| Interest cost  | <b>0.57</b>   | 0.61   | 0.78   |
| Current service cost   | <b>0.47</b>   | 0.43   | 0.41   |
| Benefits paid  | <b>(1.88)</b> | (0.09) | (2.73) |
| Remeasurement (gains) / losses on obligation-Due to changes in demographic assumptions | -             | -      | (0.07) |
| Remeasurement (gains) / losses on obligation- Due to change in Financial assumptions.  | <b>0.22</b>   | (0.20) | 0.23   |
| Remeasurement (gains) / losses on obligation-Due to experience.                        | <b>(0.45)</b> | (1.14) | 0.39   |
| Closing defined benefit obligation   | <b>6.18</b>   | 7.25   | 7.64   |

**Changes in the fair value of plan assets are as follows:**

|   |               |        |        |
|---|---------------|--------|--------|
| Opening fair value of plan assets               | <b>7.89</b>   | 7.22   | 9.25   |
| Interest Income                                 | <b>0.62</b>   | 0.58   | 0.83   |
| Contributions by employer                       | <b>0.11</b>   | 0.17   | 0.03   |
| Benefits paid                                   | <b>(1.88)</b> | (0.09) | (2.73) |
| Return on Plan Assets excluding Interest income | <b>(0.10)</b> | (0.01) | (0.16) |
| Closing fair value of plan assets               | <b>6.64</b>   | 7.89   | 7.22   |

The Company expects to contribute ₹ Nil (31.03.2017 : 0.1 million) to gratuity in F.Y.2017-18.

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

|                          |             |      |      |
|--------------------------|-------------|------|------|
| Investments with insurer | <b>100%</b> | 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.

**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

|                   |               |        |        |
|-------------------|---------------|--------|--------|
| Discount rate     | <b>6.81%</b>  | 7.84%  | 8.04%  |
| Salary Escalation | <b>6.00%</b>  | 6.00%  | 7.00%  |
| Attrition Rate    | <b>10.00%</b> | 10.00% | 10.00% |

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.



A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is as shown below:

**Sensitivity Analysis**

**Particulars**

₹ million

|   | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
|---|----------------------------------|--------------------------|
| Projected Benefit obligation on Current Assumptions     | <b>6.18</b>                      | 7.26                     |
| Delta Effect of +1% Change in Rate of Discounting       | <b>(0.22)</b>                    | (0.23)                   |
| Delta Effect of -1% Change in Rate of Discounting       | <b>0.24</b>                      | 0.25                     |
| Delta Effect of +1% Change in Rate of Salary Increase   | <b>0.24</b>                      | 0.26                     |
| Delta Effect of -1% Change in Rate of Salary Increase   | <b>(0.22)</b>                    | (0.24)                   |
| Delta Effect of +1% Change in Rate of Employee Turnover | -                                | 0.01                     |
| Delta Effect of -1% Change in Rate of Employee Turnover | -                                | (0.01)                   |

**46 Leases**

**Operating Lease Commitments:**

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. The total lease term is for a period of 108 months out of which there is a lock-in period of initial 60 months.

Minimum lease payments under non-cancellable operating lease / leave and license are as follow (₹ million):

**Particulars**

|   | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
|---|----------------------------------|--------------------------|
| i. Payable Not later than one year                            | <b>21.05</b>                     | 28.41                    |
| ii. Payable Later than one year but not later than five years | <b>37.68</b>                     | 79.29                    |
| iii. Payable Later than five years                            | -                                | -                        |
| Lease payments recognized in the Statement of Profit and Loss | <b>49.01</b>                     | 31.20                    |

The lease fees shall be increased by 15% over the last monthly lease fee paid after completion of every 36 months from the rent commencement date of the lease deed agreement.

**47 Fair Value**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instrument of the company, other than those with carrying amounts that are reasonable approximations of fair values:

**Particulars**

|                         | <b>Year ended<br/>31.03.2017</b> |                       | Year ended<br>31.03.2016 |            | Period ended<br>01.04.2015 |            |
|-------------------------|----------------------------------|-----------------------|--------------------------|------------|----------------------------|------------|
|                         | <b>Carrying<br/>Value</b>        | <b>Fair<br/>Value</b> | Carrying<br>Value        | Fair Value | Carrying<br>Value          | Fair Value |
| <b>Financial assets</b> |                                  |                       |                          |            |                            |            |
| Security deposit        | <b>11.75</b>                     | <b>13.03</b>          | 15.56                    | 16.33      | 13.68                      | 13.68      |
| <b>Total</b>            | <b>11.75</b>                     | <b>13.03</b>          | 15.56                    | 16.33      | 13.68                      | 13.68      |

The management assessed that the fair value of Trade receivables, cash and cash equivalents, other Bank Balance, Other financial assets, Trade payables, Borrowings and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.



### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the company's assets.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017, March 31, 2016 and April 1, 2015:**

| Particulars                          | Date of Valuation | Fair value measurement using |  |   |   |
|--------------------------------------|-------------------|------------------------------|--|---|---|
|                                      |                   | Total                        | Quoted price in Active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets measured at fair value</b> |                   |                              |  |   |   |
| Investment in Mutual Fund            | 31-Mar-17         | 347.52                       | 347.52                                   | -                                       | -   |
| Investment in Mutual Fund            | 31-Mar-16         | 314.33                       | 314.33                                   | -                                       | -   |
| Investment in Mutual Fund            | 01-Apr-15         | 70.36                        | 70.36                                    | -                                       | -   |

There have been no transfers between Level 1 and Level 2 during the year.

### 48 Managerial Remuneration

For the year ended March 31, 2016, due to inadequacy of profits, remuneration paid to the Managing Director exceeded the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 3.67 million. Subsequently, the Ministry of Corporate Affairs vide notification dated September 12, 2016 amended the Schedule V of Companies Act, 2013 and revised the limit on the remuneration payable to the managerial personnel by a company having no profit or inadequate profit without the Central Government approval. Consequent upon the above, and based on the opinion of a legal expert, management believes that specific approval of Central Government is not required. However, as a matter of abundant caution, the Company has submitted an application to the Central Government seeking waiver from recovery of such excess amount of remuneration. The Central Government's response is awaited. Having regard to the facts and circumstances, in the opinion of the management, no adjustments to the financial statements are warranted at this stage.

### 49 Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006 :

#### Particulars

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year\*

|  |             |      |   |
|--|-------------|------|---|
| - Principal amount due to micro and small enterprises  | <b>6.50</b> | 5.91 | - |
| - Interest due on above  | <b>1.39</b> | -    | - |
| - The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year  | -           | -    | - |
| - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006.   | -           | -    | - |
| - The amount of Interest accrued and remaining unpaid at the end of each accounting period.  | <b>1.39</b> | -    | - |
| - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | -           | -    | - |

| As at<br><b>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------------|---------------------|---------------------|
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |

\* Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**50 Earning Per Share**

The following reflects the profit and share data used in the basic and diluted EPS computations:

| <b>Particulars</b>  | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
|---|----------------------------------|--------------------------|
| Profit / (Loss) after tax   | <b>(1,495.91)</b>                | 57.62                    |
| <b>Net profit / (Loss) for calculation of basic and diluted EPS</b> | <b>(1495.91)</b>                 | 57.62                    |
| Weighted average number of equity shares outstanding (Nos.)         | <b>25.43</b>                     | 30.91                    |
| Basic & Diluted Earnings Per Share (FV ₹10/- each )                 | <b>(58.84)</b>                   | 1.87                     |

**51 Financial Risk Management- Objectives And Policies**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

The below assumption has been made in calculating the sensitivity analysis:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016, and April 01, 2015

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to change in market interest rates. The company is not exposed to any significant interest rate risk as at the respective reporting dates.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency). Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the company's functional currency. The company's foreign currency transactions are mainly in United State Dollars (USD).

The Company manages its foreign currency risk by natural hedging.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and other exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

| <b>Particulars</b> | <b>Change in<br/>Currency rate</b> | <b>Effect on Profit<br/>Before Tax</b> |
|--------------------|------------------------------------|--|
| USD                | 1%                                 | 3.65                                   |
| Other Currency     | 1%                                 | (0.03)                                 |
| USD                | -1%                                | (3.65)                                 |
| Other Currency     | -1%                                | 0.03                                   |

**b Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade Receivables:**

Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

**Financial Instruments and cash deposits**

Credit risk from balances with banks is managed by the company's senior management.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in respective notes.

**c Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

| Particulars                     | On Demand | Not yet Due | Less than 3 Months | 3 to 12 Months | > 1 Year | Total    |
|---------------------------------|-----------|-------------|--------------------|----------------|----------|----------|
| (a) Borrowings                  | -         | -           | -                  | 179.09         | -        | 179.09   |
| (b) Trade payables              | 1,021.33  | 203.23      | -                  | -              | -        | 1,224.56 |
| (c) Other Financial liabilities | 141.11    | -           | -                  | 2.05           | -        | 143.16   |

**52 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes with in net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company's strategy is to maintain a gearing ratio with 10%. The gearing ratios were as follows:

| Particulars          | (₹ million)      |                  |                  |
|----------------------|------------------|------------------|------------------|
|                      | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
| Debt (Note 24)       | 179.09           | 281.08           | 127.31           |
| Equity               | 2703.99          | 4199.77          | 5250.00          |
| <b>Gearing ratio</b> | <b>7%</b>        | 7%               | 2%               |



### 53 Disclosures as Required by Indian Accounting Standard (In AS) 101 First Time Adoption of Indian Accounting Standards.

These financial statements, for the year ended March 31, 2017 are the first, the company has prepared in accordance with Ind AS. For the periods up to and including the period ended March 31, 2016 the company prepared its financial statements in accordance with the accounting standards notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the companies (Accounts) Rules ,2014 (Indian GAAP) and amendmends thereunder.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

#### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS, The company has applied the following exemptions:

- (a) The Company has elected to apply previous GAAP carrying amount of its property, plant and equipment as deemed cost as on the date of transition to Ind AS since there is no change in it's functional currency on the date of transition to Ind AS.
- (b) The Company has elected to apply previous GAAP carrying amount of its investment in Subsidiary as deemed cost as on the date of transition to Ind AS.

#### Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

#### (a) Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with India GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

Impairment of Financial assets based on Expected Credit Loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of March 31, 2016.

#### (b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS.

#### (c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Refer reconciliation of Equity on account of conversion of financials from Indian GAAP to Ind As.

## Reconciliation of Equity as at April 1, 2015

₹ million

| Particulars                               | Foot Notes | I-GAAP         | Adjustments    | As at 01.04.2015 |
|---|------------|----------------|----------------|------------------|
| <b>A Assets</b>                           |            |                |                |                  |
| <b>1) Non-Current Assets</b>              |            |                |                |                  |
| (a) Property, Plant and Equipment         | i          | 2157.52        | 7.71           | <b>2165.23</b>   |
| (b) Capital work-in-progress              |            | -              | -              | -                |
| (c) Other Intangible assets               |            | 5.82           | -              | <b>5.82</b>      |
| (d) Financial assets                      |            |                |                |                  |
| (i) Trade Receivables                     |            | -              | -              | -                |
| (ii) Investments                          |            | 25.68          | -              | <b>25.68</b>     |
| (iii) Loans                               | h          | 19.13          | (5.45)         | <b>13.68</b>     |
| (iv) Bank Balances                        |            | 182.50         | -              | <b>182.50</b>    |
| (e) Non Current Tax-Assets (Net)          |            | 17.78          | -              | <b>17.78</b>     |
| (f) Other non-current assets              |            | 28.93          | -              | <b>28.93</b>     |
|   |            | <b>2437.36</b> | <b>2.26</b>    | <b>2439.62</b>   |
| <b>Current Assets</b>                     |            |                |                |                  |
| (a) Inventories                           | i          | 169.19         | (11.45)        | <b>157.74</b>    |
| (b) Financial assets                      |            |                |                |                  |
| (i) Trade Receivables                     |            | 1245.53        | -              | <b>1245.53</b>   |
| (ii) Cash and cash equivalents            |            | 176.69         | -              | <b>176.69</b>    |
| (iii) Bank balances other than (ii) above |            | 1825.45        | -              | <b>1825.45</b>   |
| (iv) Investments                          | a          | 70.15          | 0.21           | <b>70.36</b>     |
| (v) Other Financial assets                | j          | 140.14         | (4.77)         | <b>135.37</b>    |
| (c) Other current assets                  | h          | 33.02          | 5.38           | <b>38.40</b>     |
|   |            | <b>3660.17</b> | <b>(10.63)</b> | <b>3649.54</b>   |
| (d) Assets classified as held for sale    |            | 12.31          | -              | <b>12.31</b>     |
| <b>Total-Assets</b>                       |            | <b>6109.84</b> | <b>(8.37)</b>  | <b>6101.47</b>   |
| <b>B Equity &amp; Liabilities</b>         |            |                |                |                  |
| <b>1) Equity</b>                          |            |                |                |                  |
| (a) Equity share capital                  |            | 339.00         | -              | <b>339.00</b>    |
| (b) Other Equity                          |            | 4878.61        | 32.39          | <b>4911.00</b>   |
|   |            | <b>5217.61</b> | <b>32.39</b>   | <b>5250.00</b>   |
| <b>2) Liabilities</b>                     |            |                |                |                  |
| <b>Non-Current Liabilities</b>            |            |                |                |                  |
| (a) Deferred tax liabilities (net)        | e          | -              | 0.07           | <b>0.07</b>      |



₹ million

| Particulars                         | Foot Notes | I-GAAP         | Adjustments    | As at 01.04.2015 |
|-------------------------------------|------------|----------------|----------------|------------------|
|                                     |            | -              | 0.07           | 0.07             |
| <b>Current Liabilities</b>          |            |                |                |                  |
| (i) Financial Liabilities           |            |                |                |                  |
| (a) Borrowings                      |            | 127.31         | -              | 127.31           |
| (b) Trade payables                  |            | 421.97         | -              | 421.97           |
| (c) Other Financial liabilities     |            | 280.80         | -              | 280.80           |
| (ii) Other current liabilities      |            | 12.53          | -              | 12.53            |
| (iii) Provisions                    | c          | 49.62          | (40.83)        | 8.79             |
|                                     |            | <b>892.23</b>  | <b>(40.83)</b> | <b>851.40</b>    |
| <b>Total equity and liabilities</b> |            | <b>6109.84</b> | <b>(8.37)</b>  | <b>6101.47</b>   |

**Reconciliation of Equity as at March 31, 2016**

₹ million

| Particulars                               | Foot Notes | I-GAAP         | Adjustments  | As at 31.03.2016 |
|---|------------|----------------|--------------|------------------|
| <b>A Assets</b>                           |            |                |              |                  |
| <b>1) Non-Current Assets</b>              |            |                |              |                  |
| (a) Property, Plant and Equipment         | i          | 1722.34        | 9.06         | 1731.40          |
| (b) Capital work-in-progress              |            | 3.57           | -            | 3.57             |
| (c) Other Intangible assets               |            | 4.17           | -            | 4.17             |
| (d) Financial assets                      |            |                |              |                  |
| (i) Trade Receivables                     |            |                |              |                  |
| (ii) Investments                          | a          | 325.68         | 14.33        | 340.01           |
| (iii) Loans                               | h          | 20.00          | (4.44)       | 15.56            |
| (iv) Bank Balances                        |            | 198.00         | -            | 198.00           |
| (e) Non Current Tax-Assets (Net)          |            | 44.29          | -            | 44.29            |
| (f) Other non-current assets              | d          | 0.18           | 0.19         | 0.37             |
|   |            | <b>2318.23</b> | <b>19.14</b> | <b>2337.37</b>   |
| <b>Current Assets</b>                     |            |                |              |                  |
| (a) Inventories                           | i          | 212.11         | (15.48)      | 196.63           |
| (b) Financial assets                      |            |                |              |                  |
| (i) Trade Receivables                     | b          | 1865.46        | -            | 1865.46          |
| (ii) Cash and cash equivalents            |            | 43.60          | -            | 43.60            |
| (iii) Bank balances other than (ii) above |            | 832.50         | -            | 832.50           |
| (iv) Other Financial assets               |            | 451.84         | -            | 451.84           |

₹ million

| Particulars                            | Foot Notes | I-GAAP         | Adjustments    | As at 31.03.2016 |
|--|------------|----------------|----------------|------------------|
| (c) Other current assets               | h          | 27.04          | 4.22           | 31.26            |
|  |            | <b>3432.55</b> | <b>(11.26)</b> | <b>3421.29</b>   |
| (d) Assets classified as held for Sale |            | 11.50          | -              | 11.50            |
| <b>Total-Assets</b>                    |            | <b>5762.28</b> | <b>7.88</b>    | <b>5770.16</b>   |
| <b>B Equity &amp; Liabilities</b>      |            |                |                |                  |
| <b>1) Equity</b>                       |            |                |                |                  |
| (a) Equity share capital               |            | 254.25         | -              | 254.25           |
| (b) Other Equity                       |            | 3942.60        | 2.92           | 3945.52          |
|  |            | <b>4196.85</b> | <b>2.92</b>    | <b>4199.77</b>   |
| <b>2) Liabilities</b>                  |            |                |                |                  |
| <b>Non-Current Liabilities</b>         |            |                |                |                  |
| (a) Deferred tax liabilities (net)     | e          | -              | 4.96           | 4.96             |
|  |            | -              | 4.96           | 4.96             |
| <b>Current Liabilities</b>             |            |                |                |                  |
| <b>(i) Financial Liabilities</b>       |            |                |                |                  |
| (a) Borrowings                         |            | 281.08         | -              | 281.08           |
| (b) Trade payables                     |            | 1143.87        | -              | 1143.87          |
| (c) Other Financial liabilities        |            | 60.86          | -              | 60.86            |
| <b>(ii) Other current liabilities</b>  |            |                |                |                  |
| (ii) Other current liabilities         |            | 68.51          | -              | 68.51            |
| <b>(iii) Provisions</b>                |            |                |                |                  |
| (iii) Provisions                       |            | 11.11          | -              | 11.11            |
|  |            | <b>1565.43</b> | -              | <b>1565.43</b>   |
| <b>Total equity and liabilities</b>    |            | <b>5762.28</b> | <b>7.88</b>    | <b>5770.16</b>   |

**Reconciliation of Profit or loss for the year ended March 31, 2016**

₹ million

| Particulars                        | Foot Note | Indian GAAP     | Adjustment   | Year ended 31.03.2016 |
|------------------------------------|-----------|-----------------|--------------|-----------------------|
| <b>INCOME</b>                      |           |                 |              |                       |
| I. Revenue from operations         |           | 3,279.17        | -            | 3,279.17              |
| II. Other Income                   | a,h & j   | 209.78          | 19.89        | 229.67                |
| <b>III. Total Revenue (I + II)</b> |           | <b>3,488.95</b> | <b>19.89</b> | <b>3,508.84</b>       |
| Employee benefit expenses          | d & g     | 797.40          | 1.15         | 798.55                |
| Operating Expenses                 |           | 1,996.87        | (1.94)       | 1,994.93              |
| Finance costs                      |           | 2.72            | -            | 2.72                  |



₹ million

| Particulars                               | Foot Note | Indian GAAP     | Adjustment    | Year ended 31.03.2016 |
|---|-----------|-----------------|---------------|-----------------------|
| Depreciation and amortisation expense     | i         | 471.05          | 2.69          | <b>473.74</b>         |
| Other Expenses                            | f & h     | 129.45          | (5.88)        | <b>123.57</b>         |
| <b>Total Expenses (IV)</b>                |           | <b>3,397.49</b> | <b>(3.98)</b> | <b>3,393.51</b>       |
| <b>V. Profit before tax (III -IV)</b>     |           | <b>91.46</b>    | <b>23.87</b>  | <b>115.33</b>         |
| <b>VI. Tax expense:</b>                   |           |                 |               |                       |
| Current tax                               |           | 51.87           | -             | <b>51.87</b>          |
| Tax Adjustment for earlier years          |           | 0.95            | -             | <b>0.95</b>           |
| Deferred Tax                              | e         | -               | 4.89          | <b>4.89</b>           |
| <b>VII. Profit for the period (V -VI)</b> |           | <b>38.64</b>    | <b>18.98</b>  | <b>57.62</b>          |
| Other Comprehensive Income                | d & g     | -               | 1.32          | <b>1.32</b>           |
| <b>Total Comprehensive income</b>         |           | <b>38.64</b>    | <b>20.30</b>  | <b>58.94</b>          |

**Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016**

**(a) Fair Value through profit or loss (FVTPL) financial assets**

Under Indian GAAP, the Company accounted for investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, net of related deferred taxes.

The difference between Fair Value and the Indian GAAP carrying amount has been recognised in retained earnings.

**(b) Statement of Cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**(c) Provisions**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. On April 1, 2015. The proposed dividend for the year ended on March 31, 2015 of ₹ 40.84 Millions (including Dividend Distribution tax of ₹ 6.94 Millions) recognized under Indian GAAP was reduced from Provisions and with a corresponding impact in the retained earnings.

**(d) Defined Benefit Plan**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.



**(e) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period, whereas Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences and Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹ 0.07 Million.

**(f) Transaction Cost**

Under the Indian GAAP the Company recognised transaction costs relating to Buyback of Equity shares in the statement of profit or loss. Ind AS 32 requires such transaction costs to be allocated to the Equity Component of the instrument.

**(g) Other Comprehensive Income**

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(h) Loans- Deposits**

Company has given interest free refundable security deposit towards office rent, which is been brought to Fair value as per Ind AS 109. The difference between the nominal value of Security Deposit and Fair value of Security Deposit is considered as additional rent payable to the lessor. However at the same time the above difference is also recognized as interest income as per amortisation pattern. The additional rent recognized is expensed out on straight line basis over the tenure of agreement.

**(i) Property Plant & Equipment**

The company has capitalised Spares which meets the definition of Property, Plant and Equipment as per Ind AS 16-Property, plant and Equipment. The same has been capitalised as at the transition date which were recognised as inventory as per the Indian Accounting Standard.

**(j) Sale of Saturation Diving System**

Company has entered into sales agreement for sale of Saturation Diving system in the year 2014-15. The agreement had deferred payment term. Payment being spread over a period of 2 years. Hence the difference between the fair value of receivable and actual amount receivable is recognized as interest income.

**54. Standard issued but not effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**55 Details of Specified Bank Notes held and transacted during the period 08.11.2016 to 30.12.2016**

| Particulars                               | SBNs | Other denomination notes | Total |
|---|------|--------------------------|-------|
| Closing cash in hand as on 8-11-2016      | -    | 0.01                     | 0.01  |
| (+) Permitted receipts (refer note below) | -    | 0.39                     | 0.39  |
| (-) Permitted payments                    | -    | 0.37                     | 0.37  |
| (-) Amount deposited in Banks             | -    | -                        | -     |
| Closing cash in hand as on 30-12-2016     | -    | 0.03                     | 0.03  |

Note : Amount shown under permitted receipts represents cash withdrawn by the Company from its own banks accounts.

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

Place: Mumbai

Date: May 30, 2017

**For and on behalf of the Board of Directors of SEAMEC Limited**

**Mahesh Prasad Mehrotra**

Director

**Virendra Kumar Gupta**

President & Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

**Seema Modi**

Director

**S N Mohanty**

President Corporate Affairs, Legal &  
Company Secretary

## Annexure- A

Related Parties with whom transactions have taken place during the year ended March 31, 2017

(₹ million)

| Particulars                        | HAL Offshore Limited Holding Company |                  | Seamec International FZE Subsidiary Company |                  | Relatives of Key management Personnel |                  |                 | Key Management Personnel |                  |                 |
|------------------------------------|--------------------------------------|------------------|---|------------------|---------------------------------------|------------------|-----------------|--------------------------|------------------|-----------------|
|                                    | 2016-17                              | 2015-16          | 2016-17                                     | 2015-16          | 2016-17                               | 2015-16          | 2016-17         | 2015-16                  | 2016-17          | 2015-16         |
| <b>Transaction during the Year</b> |                                      |                  |   |                  |                                       |                  |                 |                          |                  |                 |
| Income from operations             | 371.31                               | 273.10           | -   | -                | -                                     | -                | -               | -                        | -                | -               |
| Reimbursement Received             | 25.33                                | -                | -   | -                | -                                     | -                | -               | -                        | -                | -               |
| Sub Contracting Expenses           | 29.75                                | -                | -   | -                | -                                     | -                | -               | -                        | -                | -               |
| Rent Expenses                      | -                                    | -                | -   | -                | 46.86                                 | 29.17            | -               | -                        | -                | -               |
| Expenses                           | -                                    | 0.97             | 3.29  | 8.81             | -                                     | -                | 0.33            | 0.32                     | -                | -               |
| Security Deposit Given             | -                                    | -                | -   | -                | -                                     | 2.49             | -               | -                        | -                | -               |
| Security Deposit Refund            | -                                    | -                | -   | -                | 4.91                                  | -                | -               | -                        | -                | -               |
| Salaries & Allowances              | -                                    | -                | -   | -                | -                                     | -                | 29.19           | 29.96                    | -                | -               |
| Directors sitting Fees             | -                                    | -                | -   | -                | -                                     | -                | 1.20            | 2.24                     | -                | -               |
|                                    |                                      |                  |   |                  |                                       |                  |                 |                          |                  |                 |
| <b>Year end balance</b>            | <b>31-Mar-17</b>                     | <b>31-Mar-16</b> | <b>1-Apr-15</b>                             | <b>31-Mar-16</b> | <b>1-Apr-15</b>                       | <b>31-Mar-16</b> | <b>1-Apr-15</b> | <b>31-Mar-16</b>         | <b>31-Mar-17</b> | <b>1-Apr-15</b> |
| Security Deposit                   | -                                    | -                | -   | -                | -                                     | 10.72            | 12.16           | 11.14                    | -                | -               |
| Advance Rent                       | -                                    | -                | -   | -                | -                                     | 2.59             | 4.22            | 5.37                     | -                | -               |
| Balance payable                    | 41.38                                | -                | 2.45  | -                | 2.56                                  | -                | -               | -                        | -                | -               |
| Balance receivable                 | 273.77                               | 60.78            | 505.56                                      | -                | 1.17                                  | -                | -               | -                        | -                | -               |

## Associates details

| Particulars        | Technip SA Associate Company |          | Technip Net SA Associate Company |          | Technip USA Associate Company |          |
|--------------------|------------------------------|----------|----------------------------------|----------|-------------------------------|----------|
|                    | 31-Mar-16                    | 1-Apr-15 | 31-Mar-16                        | 1-Apr-15 | 31-Mar-16                     | 1-Apr-15 |
| Balance payable    | 17.72                        | 15.93    | 1.49                             | 1.34     | -                             | -        |
| Balance receivable | -                            | -        | -                                | -        | 1.20                          | 1.13     |

- 1 Key management personnel – Captain C J Rodricks, Managing Director. Mr. V K Gupta, President & CFO & Mr. S.N.Mohanty, President - Corporate Affairs, Legal & Company Secretary.  
Directors – Mr. Sanjeev Agrawal, Mr. Surinder Singh Kohli, Mr. Amarjit Singh Soni, Mr. Mahesh Prasad Mehrotra & Mrs. Seema Jayesh Modi.
- 2 Relative of Key Management Personnel Mrs. Deepthi Agrawal, wife of Mr. Sanjeev Agrawal (Chairman).
- 3 Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.



**Terms and Conditions of transaction with Related parties**

Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Compensation of key management personnel**

| <b>Particulars</b>                      | <b>TOTAL</b> |
|---|--------------|
| Short term employee benefits            | 28.83        |
| Post Employment benefits                | 0.36         |
| Sitting Fees                            | 1.20         |
| <b>Total Compensation paid to KMP's</b> | <b>30.39</b> |

## INDEPENDENT AUDITOR'S REPORT

To the Members of SEAMEC Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of SEAMEC Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statement and on the other financial information of the Subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.



### Emphasis of Matter

We draw attention to note 48 to the consolidated financial statements, regarding application made by the Company to the Central Government, seeking waiver from recovery of managerial remuneration of ₹ 3.66 million, which was paid in excess of the limits specified under the Companies Act, 2013, for the financial year 2015-16. Pending approval of the Central Government, no adjustments are considered necessary by management in this regard. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, since the subsidiary company is not incorporated in India, no separate report on internal financial control over financial reporting of Holding Company being issued; refer Annexure 2 to our report of even date on the standalone financial statements of the Holding Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017.
  - iv. The Holding Company have provided requisite disclosures in Note 40 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Holding Company and as produced to us by the Management of the Holding Company.

**Other Matter**

(a) We did not audit the financial statements and other financial information, of a subsidiary whose financial statements includes total assets of ₹739.80 million and net assets of ₹776.70 million as at March 31, 2017, and total revenues of ₹12.80 million for the year ended on that date and net cash outflow of ₹2.50 million for the year ended on that date. These financial statements, prepared in accordance with accounting principles generally accepted in the subsidiary's country of incorporation, have been audited by another auditor under generally accepted auditing standards applicable in that country. The Company's management has converted these financial statements from accounting principles generally accepted in the country of incorporation of the subsidiary, to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

Place: Mumbai

Date: May 30, 2017



Consolidated Balance Sheet as at March 31, 2017

| Particulars                               | Note No. | ₹ million        |                  |                  |
|---|----------|------------------|------------------|------------------|
|   |          | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
| <b>A Assets</b>                           |          |                  |                  |                  |
| <b>1) Non-Current Assets</b>              |          |                  |                  |                  |
| (a) Property, Plant and Equipment         | 4        | 2,057.57         | 1,731.57         | 2,167.23         |
| (b) Capital work-in-progress              | 5        | 14.56            | 3.57             | -                |
| (c) Intangible assets                     | 6        | 2.93             | 4.17             | 5.82             |
| (d) Financial assets                      |          |                  |                  |                  |
| (i) Trade Receivables                     | 7        | -                | -                | -                |
| (ii) Investments                          | 8        | 347.52           | 314.33           | -                |
| (iii) Loans                               | 9        | 11.75            | 15.56            | 13.68            |
| (iv) Bank Balances                        | 10       | 198.00           | 198.00           | 182.50           |
| (e) Non-current tax assets (net)          | 11       | 58.03            | 44.29            | 17.78            |
| (f) Other non-current assets              | 12       | 6.61             | 0.37             | 28.93            |
|   |          | <b>2,696.97</b>  | 2,311.86         | 2,415.94         |
| <b>2) Current Assets</b>                  |          |                  |                  |                  |
| (a) Inventories                           | 13       | 167.02           | 196.63           | 157.72           |
| (b) Financial assets                      |          |                  |                  |                  |
| (i) Trade Receivables                     | 14       | 1,086.21         | 1,865.46         | 1,244.36         |
| (ii) Cash and cash equivalents            | 15       | 38.41            | 46.35            | 191.68           |
| (iii) Bank balances other than (ii) above | 16       | 941.00           | 1,556.41         | 2,507.45         |
| (iv) Investment                           | 17       | -                | -                | 70.35            |
| (v) Other Financial assets                | 18       | 41.10            | 469.66           | 140.37           |
| (c) Other current assets                  | 19       | 55.36            | 33.30            | 41.40            |
|   |          | <b>2,329.10</b>  | 4,167.81         | 4,353.33         |
| Assets classified as held for sale        | 20       | -                | 11.50            | 12.31            |
| <b>Total-Assets</b>                       |          | <b>5,026.07</b>  | 6,491.17         | 6,781.58         |
| <b>B Equity and Liabilities</b>           |          |                  |                  |                  |
| <b>1) Equity</b>                          |          |                  |                  |                  |
| (a) Equity share capital                  | 21       | 254.25           | 254.25           | 339.00           |
| (b) Other Equity                          | 22       | 3,161.91         | 4,665.09         | 5,592.67         |
|   |          | <b>3,416.16</b>  | 4,919.34         | 5,931.67         |
| <b>2) Liabilities</b>                     |          |                  |                  |                  |
| <b>Non-Current Liabilities</b>            |          |                  |                  |                  |
| (a) Deferred tax liabilities (Net)        | 23       | 16.45            | 4.96             | 0.07             |
|   |          | <b>16.45</b>     | 4.96             | 0.07             |
| <b>Current Liabilities</b>                |          |                  |                  |                  |
| (a) Financial Liabilities                 |          |                  |                  |                  |
| (i) Borrowings                            | 24       | 179.10           | 281.08           | 127.31           |
| (ii) Trade payables                       | 25       | 1,226.52         | 1,145.30         | 420.41           |
| (iii) Other Financial liabilities         | 26       | 143.16           | 60.88            | 280.80           |
| (b) Other current liabilities             | 27       | 34.88            | 68.50            | 12.53            |
| (c) Provisions                            | 28       | 9.80             | 11.11            | 8.79             |
|   |          | <b>1,593.46</b>  | 1,566.87         | 849.84           |
| <b>Total-Equity &amp; Liabilities</b>     |          | <b>5,026.07</b>  | 6,491.17         | 6,781.58         |

Summary of significant accounting policies 3  
 The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vinayak Pujare

Partner

Membership No: 101143

For and on behalf of the Board of Directors of SEAMEC Limited

Mahesh Prasad Mehrotra

Director

Virendra Kumar Gupta

President & Chief Financial Officer

Seema Modi

Director

S N Mohanty

President Corporate Affairs, Legal & Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## Consolidated Statement of Profit and Loss for the year ended March 31, 2017

|   |          |                          |                          | ₹ million |
|---|----------|--------------------------|--------------------------|-----------|
| Particulars   | Note No. | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |           |
| <b>Income:</b>  |          |                          |                          |           |
| I. Revenue from operations  | 29       | 2,075.74                 | 3,279.17                 |           |
| II. Other Income  | 30       | 188.72                   | 242.17                   |           |
| <b>III. Total Income (I + II)</b>   |          | <b>2,264.46</b>          | <b>3,521.34</b>          |           |
| <b>IV. Expenses:</b>  |          |                          |                          |           |
| Employee benefit expenses   | 31       | 635.60                   | 805.65                   |           |
| Operating expenses  | 32       | 1,065.36                 | 1,995.73                 |           |
| Finance costs   | 33       | 11.50                    | 2.72                     |           |
| Depreciation and amortisation expense   | 34       | 480.09                   | 474.41                   |           |
| Other expenses  | 35       | 1,519.24                 | 131.26                   |           |
| <b>Total Expenses (IV)</b>  |          | <b>3,711.79</b>          | <b>3,409.77</b>          |           |
| <b>V. Profit / (Loss) before tax (III -IV)</b>  |          | <b>(1,447.33)</b>        | <b>111.57</b>            |           |
| <b>VI. Income Tax expense:</b>  |          |                          |                          |           |
| Current tax   |          | 30.01                    | 51.87                    |           |
| Tax Adjustment for earlier years  |          | (0.19)                   | 0.95                     |           |
| Deferred Tax  | 23       | 11.49                    | 4.89                     |           |
| <b>VII. Profit / (Loss) for the year (V -VI)</b>  |          | <b>(1,488.64)</b>        | <b>53.86</b>             |           |
| <b>VIII Other Comprehensive Income</b>  |          |                          |                          |           |
| <b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:</b> |          |                          |                          |           |
| Re-measurement gains on defined benefit plans   | 36       | 0.13                     | 1.35                     |           |
| <b>Other Comprehensive Income to be reclassified to profit or loss in subsequent years:</b>     |          |                          |                          |           |
| Foreign Exchange difference on Translation of Foreign operations                                |          | (14.67)                  | 41.63                    |           |
| <b>Total Comprehensive income for the year (VII+VIII)</b>                                       |          | <b>(1,503.18)</b>        | <b>96.84</b>             |           |
| <b>IX. Earning per equity share:</b>  |          |                          |                          |           |
| Basic and Diluted (Face Value of ₹ 10/- each)   | 50       | <b>(58.55)</b>           | 1.74                     |           |
| Summary of significant accounting policies  | 3        |                          |                          |           |

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

**For and on behalf of the Board of Directors of SEAMEC Limited**

**Mahesh Prasad Mehrotra**

Director

**Virendra Kumar Gupta**

President & Chief Financial Officer

**Seema Modi**

Director

**S N Mohanty**

President Corporate Affairs, Legal & Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## Consolidated Cash Flow Statement for the year ended March 31, 2017

₹ million

| Particular   | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>  |                          |                          |
| <b>Profit before tax</b>   | <b>(1,447.33)</b>        | 111.57                   |
| Adjustments to reconcile profit before tax to net cash flows                                     |                          |                          |
| Depreciation of property, plant and equipment  | <b>478.85</b>            | 472.76                   |
| Amortisation of Intangible Assets  | <b>1.24</b>              | 1.65                     |
| Fair value gain on financial instrument at fair value through profit or loss                     | <b>(33.19)</b>           | (14.33)                  |
| Impairment of assets held for sale   | -                        | 0.81                     |
| Bad Debts Write off  | <b>1.96</b>              | 23.24                    |
| Provision for Doubtful Debts   | <b>1,385.12</b>          | -                        |
| Provision for Doubtful Debts Written Back  | -                        | (23.24)                  |
| Liability Written back   | <b>0.01</b>              | (1.82)                   |
| Interest income  | <b>(98.90)</b>           | (158.58)                 |
| Dividend on Mutual Fund  | -                        | (1.40)                   |
| Short Term Capital Gain on Mutual Fund   | -                        | (0.69)                   |
| Finance Charges paid   | <b>11.50</b>             | 2.72                     |
| Effect of exchange differences on translation of foreign currency<br>translation reserve         | <b>(14.67)</b>           | 41.63                    |
| Unrealised exchange (gain) / losses  | <b>(294.17)</b>          | (1.08)                   |
| Working Capital:adjustments  |                          |                          |
| Decrease / (increase) in Inventories   | <b>29.61</b>             | (38.91)                  |
| Decrease / (increase) in Trade and other receivables and prepayments                             | <b>184.54</b>            | (985.55)                 |
| Increase / (Decrease) in Trade and other payable   | <b>109.79</b>            | 764.24                   |
| Increase / (Decrease) in Provision   | <b>(1.31)</b>            | 2.32                     |
| <b>Cash generated from operations</b>  | <b>313.05</b>            | 195.34                   |
| Direct taxes paid, net of refunds  | <b>(187.57)</b>          | (81.44)                  |
| <b>Net cash flow from operating activities (A)</b>   | <b>125.48</b>            | 113.90                   |
| <b>Cash flows from investing activities</b>  |                          |                          |
| Purchase of Property, plant and equipment including CWIP and Capital Creditors                   | <b>(784.70)</b>          | (241.45)                 |
| Proceeds from sale of Property, plant and equipment  | <b>28.93</b>             | 57.86                    |
| Redemption of / ( Investment in ) in Mutual Fund   | -                        | 72.43                    |
| Purchase of Investment   | -                        | (300.00)                 |
| Redemption of / ( Investment in ) in Bank Deposits (having Original maturity more than 3 Months) | <b>615.41</b>            | 935.99                   |
| Interest received  | <b>114.42</b>            | 170.39                   |
| <b>Net cash from/(used in) investing activities (B)</b>  | <b>(25.94)</b>           | 695.22                   |

₹ million

| Particular   | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| <b>Cash flows from financing activities</b>  |                          |                          |
| Finance charges paid   | (11.50)                  | (2.72)                   |
| Dividend Paid  | -                        | (33.45)                  |
| Tax on dividend  | -                        | (6.94)                   |
| Buy Back of Shares   | -                        | (1,059.38)               |
| Expenses incurred on Buy back of Shares  | -                        | (8.95)                   |
| Short Term Borrowing from bank   | (101.09)                 | 154.93                   |
| <b>Net cash (used in) financing activities (C)</b>   | <b>(112.59)</b>          | <b>(956.51)</b>          |
| Effect of exchange rate differences on translation of foreign currency cash and cash equivalents | 5.11                     | 2.06                     |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                            | <b>(13.05)</b>           | <b>(147.39)</b>          |
| Cash and Cash equivalents at the beginning of year   | 46.35                    | 191.68                   |
| Cash and Cash equivalents at the end of the year   | 38.41                    | 46.35                    |
| <b>Components of Cash and Cash equivalents</b>   |                          |                          |
| Cash on hand   | 0.12                     | 0.08                     |
| Balances with Scheduled banks  |                          |                          |
| - current accounts   | 0.19                     | 0.24                     |
| - foreign currency accounts  | 6.10                     | 46.03                    |
| Fixed deposit with maturity less than 3 months *   | 32.00                    | -                        |
| <b>Total</b>   | <b>38.41</b>             | <b>46.35</b>             |

\* Fixed deposits included in Cash and Cash equivalents pertains 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

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

Place: Mumbai

Date: May 30, 2017

**For and on behalf of the Board of Directors of SEAMEC Limited**

**Mahesh Prasad Mehrotra**

Director

**Virendra Kumar Gupta**

President & Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

**Seema Modi**

Director

**S N Mohanty**

President Corporate Affairs, Legal & Company Secretary



Consolidated statement of Changes in Equity for the year ended March 31, 2017

(A) Equity Share Capital

₹ million

| Particulars  | Number of Shares  | Amount        |
|--|-------------------|---------------|
| <b>Equity Shares of ₹ 10 each, issued, subscribed and fully paid</b> |                   |               |
| <b>At April 1, 2015</b>  | <b>33,900,000</b> | <b>339.00</b> |
| Less: Shares Bought back during the Year (refer note 21 (e))         | (8,475,000)       | (84.75 )      |
| <b>At March 31, 2016</b>   | <b>25,425,000</b> | <b>254.25</b> |
| Changes in Equity Share Capital during the year                      | -                 | -             |
| <b>At March 31, 2017</b>   | <b>25,425,000</b> | <b>254.25</b> |

(B) Other Equity

For the year ended March 31, 2016

₹ million

| Particulars   | Reserves & surplus          |                           |                                      |                              |   | Item of OCI              | Total other Equity |
|---|-----------------------------|---------------------------|--------------------------------------|------------------------------|---|--------------------------|--------------------|
|   | Retained Earnings (Note 22) | General Reserve (Note 22) | Capital Redemption Reserve (Note 22) | Securities Premium (Note 22) | Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 22) | FVTOCI Reserve (Note 22) |                    |
| <b>As at April 1, 2015</b>  | <b>3,574.10</b>             | <b>848.90</b>             | -                                    | <b>501.75</b>                | <b>667.92</b>   |                          | <b>5,592.67</b>    |
| Profit for the year   | 53.86                       |                           |                                      |                              |   |                          | 53.86              |
| <b>Other comprehensive Income for the year:</b>                         |                             |                           |                                      |                              |   |                          |                    |
| Remeasurement gains on defined benefit plans                            | -                           | -                         | -                                    | -                            | -   | 1.35                     | 1.35               |
| Foreign exchange difference on translation of foreign operations        | -                           | -                         | -                                    | -                            | -   | 41.63                    | 41.63              |
| <b>Total comprehensive Income for the year</b>                          | <b>3,627.96</b>             | <b>848.90</b>             | -                                    | <b>501.75</b>                | <b>667.92</b>   | <b>42.98</b>             | <b>5,689.51</b>    |
| Final dividend (amount per share ₹ 1 (31.03.2015: NIL))                 | (33.90)                     | -                         | -                                    | -                            | -   | -                        | (33.90)            |
| Tax on dividend   | (6.94)                      | -                         | -                                    | -                            | -   | -                        | (6.94)             |
| Adjustments on account of buy back of equity shares (Refer Note 21 (e)) | -                           | (472.88)                  | -                                    | (501.75)                     | -   | -                        | (974.63)           |
| Transfer to capital redemption reserve (Refer Note 21 (e))              | -                           | (84.75)                   | 84.75                                | -                            | -   | -                        | -                  |
| Transaction cost on Buy back of shares as per Ind AS 32                 | (8.95)                      | -                         | -                                    | -                            | -   | -                        | (8.95)             |
| <b>As at March 31, 2016</b>   | <b>3,578.17</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                            | <b>667.92</b>   | <b>42.98</b>             | <b>4,665.09</b>    |

For the year ended March 31, 2017

₹ million

| Particulars  | Reserves & surplus          |                           |                                      |                              |   | Item of OCI              | Total other Equity |
|--|-----------------------------|---------------------------|--------------------------------------|------------------------------|---|--------------------------|--------------------|
|  | Retained Earnings (Note 22) | General Reserve (Note 22) | Capital Redemption Reserve (Note 22) | Securities Premium (Note 22) | Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 22) | FVTOCI Reserve (Note 22) |                    |
| <b>As at April 1, 2016</b>                                       | <b>3,578.17</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                            | <b>667.92</b>   | <b>42.98</b>             | <b>4,665.09</b>    |
| Profit for the year  | (1,488.64)                  | -                         | -                                    | -                            | -   | -                        | (1,488.64)         |
| <b>Other comprehensive income for the year:</b>                  |                             |                           |                                      |                              |   |                          | -                  |
| Remeasurement gains on defined benefit plans                     | -                           | -                         | -                                    | -                            | -   | 0.13                     | 0.13               |
| Foreign exchange difference on translation of foreign operations | -                           | -                         | -                                    | -                            | -   | (14.67)                  | (14.67)            |
| <b>Total comprehensive Income for the year</b>                   | <b>2,089.53</b>             | <b>291.27</b>             | <b>84.75</b>                         | -                            | <b>667.92</b>   | <b>28.44</b>             | <b>3,161.91</b>    |
| Tonnage reserve utilised   | -                           | -                         | -                                    | -                            | (622.90)  | -                        | (622.90)           |
| Transfer from tonnage reserve for the year                       | -                           | 622.90                    | -                                    | -                            | -   | -                        | 622.90             |
| <b>As at March 31, 2017</b>                                      | <b>2,089.53</b>             | <b>914.17</b>             | <b>84.75</b>                         | -                            | <b>45.02</b>  | <b>28.44</b>             | <b>3,161.91</b>    |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C &amp; CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per Vinayak Pujare

Partner

Membership No: 101143

For and on behalf of the Board of Directors of SEAMEC Limited

Mahesh Prasad Mehrotra

Director

Seema Modi

Director

Virendra Kumar Gupta

President &amp; Chief Financial Officer

S N Mohanty

President Corporate Affairs, Legal &amp; Company Secretary

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## Notes to Consolidated Financial Statements for the year ended March 31, 2017

### 1 Corporate Information

The consolidated financial statements comprise financial statements of SEAMEC Limited (the company) and its subsidiary (collectively, the Group) for the year ended March 31, 2017. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at A-901-905, 9th Floor, 215 Atrium, Andheri-Kurla Road, Andheri (East), Mumbai-400069, India.

The consolidated Financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2017.

### 2 Basis of preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after April 1, 2016.

Accordingly, the consolidated financial statements of the group have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2016, the group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended by the Companies (Accounts) Rules, 2015. These consolidated financial statements for the year ended March 31, 2017 are the first the company has prepared in accordance with Ind AS (Refer Note 53) for information on how the group adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest thousand, except otherwise stated.

#### 2.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

Exposure, or rights, to variable returns from its involvement with the investee; and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee;

Rights arising from other contractual arrangements;

The Group's voting rights and potential voting rights; and

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary

acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31<sup>st</sup> March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

#### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

Derecognises the assets (including goodwill) and liabilities of the subsidiary

Derecognises the carrying amount of any non-controlling interests

Derecognises the cumulative translation differences recorded in equity

Recognises the fair value of the consideration received

Recognises the fair value of any investment retained

Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### 3 Summary of Significant Accounting Policies

#### (a) Business combination and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward with minimal adjustment (please refer note 53).



Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- (b) Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- (c) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocate to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### (b) Use of Judgements, Estimates and Assumptions

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

##### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (c) Classification of Current and Non-Current

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting year, or
- iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle,
- ii) It is held primarily for the purpose of trading,
- iii) It is due to be settled within twelve months after the reporting year, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, as applicable.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.



**(d) Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment losses, if any. The cost comprises of the purchase price (net of CENVAT and VAT credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development / under Dry Docking as at the balance sheet date.

Subsequent expenditures related to an item of property, plant and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When a major inspection / overhaul is performed, its cost is recognized in the carrying amount of the related property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

The group identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. The group has identified expenditure incurred on dry-docking as a separate component which is capitalised as the cost of the relevant vessel and is amortized systematically over the interval until the subsequent scheduled dry-docking.

Items such as Machinery spares is recognised in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventories.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of fixed property, plant and equipments outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non Current Assets".

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the statement of profit and loss when the property, plant and equipment is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(e) Depreciation on Property, plant and equipment**

Depreciation on property, plant and equipment is provided using the Straight Line Method as per the useful lives of the property, plant and equipment estimated by the management. The Management estimates the useful life for property, plant and equipment as follows:

| Assets                          | Useful life (In Years) |
|---------------------------------|------------------------|
| Fleet (Multi Support Vessels)   | 15 to 20               |
| Fleet (Utility Vessel)          | 5                      |
| Fleet (Bulk Carrier)            | 25                     |
| Fleet Equipments                | 2 to 20                |
| Lease hold improvements         | 5                      |
| Office Equipments and Computers | 3 to 10                |
| Vehicles                        | 4                      |

For these class of property, plant and equipment, based on technical evaluation carried out by the management, the useful lives as given above best represent the period over which the management expects to use these property, plant and equipment. The useful lives for these property, plant and equipment are different from the useful lives as prescribed under Part C of schedule II of the Companies Act 2013. The Management believes that these estimated use full lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Machinery spares which are capitalised, are depreciated over the balance useful life of the respective property, plant or equipment or the balance useful life of mother vessel, whichever is lower.

#### Residual Value:

The useful lives and residual values of the group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### (f) Intangible Assets and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the group and the cost of the asset can be measured reliably.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their estimated useful economic life. Computer Software cost is amortized over a period of five years using straight-line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

#### (g) Non-current assets held for sale

The group classifies non-current assets as held for sale, if their carrying amounts will be recovered principally through a sale. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or to be highly probable when:

- (a) The appropriate level of management is committed to a plan to sell the asset,
- (b) An active programme to locate a buyer and complete the plan has been initiated,
- (c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

#### (h) Impairment of Non Financial Assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.



**(i) 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. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

An item of spare part meets the definition of 'property, plant and equipment' and satisfies the recognition criteria as per paragraph 7 of Ind AS 16, such an item of spare is recognised as property, plant and equipment. If that spare part does not meet the definition and recognition criteria as cited in paragraph 7 of Ind AS 16 that spare is recognised as inventory. Spare parts are generally available for use from the date of its purchase. Accordingly, spare parts recognised as property, plant and equipment are depreciated when the same are available for use.

**(j) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

**(k) Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund are a defined contribution scheme. The group's contributions paid / payable towards these defined contribution plan is recognized as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Contribution to Superannuation Fund, a defined contribution plan, is made to the Life Insurance Corporation of India, as per the arrangement with them, and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

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 is as determined by LIC. 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment and the date that the group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and Net interest expense or income.

Short term compensated absences are provided for based on estimates. The group presents these as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**(l) Foreign Currency transactions**

The Group's financial statements are presented in INR, which is also the parent company's Functional Currency.

**i) Initial Recognition**

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 fortnightly average rates.

**ii) Conversion**

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference. (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively.)

**(m) Taxes on Income****Income Tax**

Tax expense comprises of Current Tax, Deferred Tax and tax adjustments of earlier years. 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.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes at the reporting date.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities / Assets are not recognised for all taxable temporary differences, except for Non shipping income/ Expenses, since the Company is assessed under section 115VT of the Income Tax Act, 1961.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(n) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair



value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The group has concluded that it is the principal in all of its revenue arrangement since it is the primary obligor in all the revenue arrangement as it has pricing latitude and it has also exposed to credit risk.

### i) Charter hire income

It 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 classified as other operating revenue and recognised on rendering of the service, based on day rate charges as per the terms of the agreements.

The group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

### ii) Interest & Dividend Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss. Dividend income is recognised when the group's right to receive dividend is established by the Balance Sheet date.

### (o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Operating Lease (Group as a lessee)

Leases where the lessor effectively retains substantially all the risks and rewards of the ownership are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

### (p) Provisions

A provision is recognized when the group has a present obligation (Legal or Constructive) as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (q) Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The Operating segments have been identified based on geographical location of the vessel. The operating segments have been disclosed based on revenues within India and outside India.

### (r) Earnings per Share

Basic earnings per share are calculated by dividing the net profit/ loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of diluted potential equity shares, if any.

**(s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

**(t) Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(u) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at fair value through other comprehensive income (FVTOCI).
- (ii) Debt instruments at fair value through profit or loss (FVTPL).

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### Derecognition

A financial asset is primarily derecognised when:

The rights to receive cash flows from the asset have expired, or

The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the group has transferred substantially all the risks and rewards of the asset, or
- (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an group is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the group estimates the following provision matrix at the reporting date:



| Particulars   | Outstanding<br>Less than 180<br>days | More than<br>180 days but less<br>than 365 days | More than<br>365 days |
|---|--------------------------------------|---|-----------------------|
| Government PSUs   | 0.00%                                | 0.00%   | 5.00%                 |
| Related Party   | 0.00%                                | 0.00%   | 5.00%                 |
| Receivable against Payables*                            | 0.00%                                | 0.00%   | 0.00%                 |
| Customers where the Ultimate customer is Government PSU | 0.00%                                | 0.00%   | 5.00%                 |
| Others  | 0.00%                                | 12.18%  | 17.18%                |

\*It includes receivables where credit risk is NIL as there will be payables against the same parties.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below: Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which



are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (v) Unbilled Revenue and Billing in excess of revenue

Unbilled revenue represents the aggregate of costs chargeable and margin earned under projects in progress as of the balance sheet date. Such amounts become billable according to the contract terms which usually consider the passage of time, achievement of certain milestones or completion of the project.

Contract revenue earned in excess of billing has been reflected under Other Financial Assets and billing in excess of contract revenue is reflected under Other Financial Liabilities in the balance sheet.

#### (w) Fair Value Measurement

The group measures financial instruments at fair value each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in

discontinued operations. The Management comprises of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.


**NOTE 4: PROPERTY PLANT AND EQUIPMENT**

₹ million

| Particulars              | Fleet and fleet equipment | Machinery spares | Leasehold improvement | Office equipment | Vehicles    | Total           |
|--------------------------|---------------------------|------------------|-----------------------|------------------|-------------|-----------------|
| <b>Cost</b>              |                           |                  |                       |                  |             |                 |
| At April 1, 2015         | 2,143.06                  | 22.77            | 0.98                  | 0.29             | 0.13        | 2,167.23        |
| Additions                | 33.93                     | 6.59             | -                     | 0.13             | -           | 40.65           |
| Disposals                | (1.45)                    | (6.33)           | -                     | (0.39)           | -           | (8.17)          |
| Exchange Difference      | (5.61)                    | -                | -                     | 0.69             | 0.08        | (4.84)          |
| At March 31, 2016        | 2,169.93                  | 23.03            | 0.98                  | 0.72             | 0.21        | 2,194.87        |
| Additions                | 804.92                    | 2.72             | -                     | 0.26             | -           | 807.90          |
| Disposals                | (10.83)                   | (4.38)           | -                     | -                | -           | (15.21)         |
| Exchange Difference      | -                         | -                | -                     | -                | -           | -               |
| <b>At March 31, 2017</b> | <b>2,964.02</b>           | <b>21.37</b>     | <b>0.98</b>           | <b>0.98</b>      | <b>0.21</b> | <b>2,987.56</b> |
| <b>Depreciation</b>      |                           |                  |                       |                  |             |                 |
| At April 1, 2015         | -                         | -                | -                     | -                | -           | -               |
| Charge for the Year      | 461.99                    | 9.41             | 0.98                  | 0.37             | 0.01        | 472.76          |
| Disposals                | (1.45)                    | (4.62)           | -                     | (0.14)           | -           | (6.21)          |
| Exchange Difference      | (3.77)                    | -                | -                     | 0.32             | 0.20        | (3.25)          |
| At March 31, 2016        | 456.77                    | 4.79             | 0.98                  | 0.55             | 0.21        | 463.30          |
| Charge for the Year      | 465.16                    | 13.43            | -                     | 0.26             | -           | 478.85          |
| Disposals                | (9.81)                    | (2.35)           | -                     | -                | -           | (12.16)         |
| Exchange Difference      | -                         | -                | -                     | -                | -           | -               |
| <b>At March 31, 2017</b> | <b>912.12</b>             | <b>15.87</b>     | <b>0.98</b>           | <b>0.81</b>      | <b>0.21</b> | <b>929.99</b>   |
| <b>Net Block</b>         |                           |                  |                       |                  |             |                 |
| <b>At March 31, 2017</b> | <b>2,051.90</b>           | <b>5.50</b>      | <b>-</b>              | <b>0.17</b>      | <b>-</b>    | <b>2,057.57</b> |
| At March 31, 2016        | 1,713.16                  | 18.24            | -                     | 0.17             | -           | 1,731.57        |
| At April 1, 2015         | 2,143.06                  | 22.77            | 0.98                  | 0.29             | 0.13        | 2,167.23        |

**NOTE 5: CAPITAL WORK - IN - PROGRESS**

|                            | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------------|---------------------|---------------------|---------------------|
| Capital work-in-progress * | <b>14.56</b>        | 3.57                | -                   |
|                            | <b>14.56</b>        | 3.57                | -                   |

\* Capital Work in Progress for the year ended March 31, 2017, includes value of ₹ 11.50 million which is ceased to be classified as 'Asset Held for Sale' in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

**NOTE 6: INTANGIBLE ASSETS**

Software

**Cost**

|                          |             |
|--------------------------|-------------|
| At April 1, 2015         | 5.82        |
| Additions                | -           |
| Disposals                | -           |
| Exchange Difference      | -           |
| At March 31, 2016        | 5.82        |
| Additions                | -           |
| Disposals                | -           |
| Exchange Difference      | -           |
| <b>At March 31, 2017</b> | <b>5.82</b> |

**Amortisation**

|                          |             |
|--------------------------|-------------|
| At April 1, 2015         |             |
| Charge for the Year      | 1.65        |
| Disposals                | -           |
| Exchange Difference      | -           |
| At March 31, 2016        | 1.65        |
| Charge for the Year      | 1.24        |
| Disposals                | -           |
| Exchange Difference      | -           |
| <b>At March 31, 2017</b> | <b>2.89</b> |

**Net Block**

|                          |             |
|--------------------------|-------------|
| <b>At March 31, 2017</b> | <b>2.93</b> |
| At March 31, 2016        | 4.17        |
| At April 1, 2015         | 5.82        |

₹ million

**NOTE 7 : NON CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|---------------------|---------------------|---------------------|
| Trade Receivables (Refer note 39)                                  | -                   | -                   | -                   |
| Receivable from Related Party (Refer note 43)                      | -                   | -                   | -                   |
| <b>Total Trade Receivables</b>                                     | -                   | -                   | -                   |
| <b>Break-up for security details of Trade Receivables</b>          |                     |                     |                     |
| Secured, considered good   | -                   | -                   | -                   |
| Unsecured, considered good   | -                   | -                   | -                   |
| Doubtful   | 1,134.75            | -                   | -                   |
|  | <b>1,134.75</b>     | -                   | -                   |
| <b>Impairment Allowance (allowance for bad and doubtful debts)</b> |                     |                     |                     |
| Less: Provision for doubtful debts                                 | 1,134.75            | -                   | -                   |
| <b>Total Trade Receivables</b>                                     | -                   | -                   | -                   |



|  | As at<br>31.03.2017 | As at<br>31.03.2016 | ₹ million<br>As at<br>01.04.2015 |
|--|---------------------|---------------------|----------------------------------|
| <b>NOTE 8 : NON CURRENT FINANCIAL ASSETS - INVESTMENTS</b>   |                     |                     |                                  |
| <b>Unquoted Investments</b>  |                     |                     |                                  |
| <b>Investment in Mutual Fund carried at fair value through Profit and Loss</b>                                 |                     |                     |                                  |
| 6,799,175 Units (31.03.2016: 6,799,175, 01.04.2015: NIL) ICICI Prudential Corporate Bond Fund                  | <b>172.48</b>       | 156.91              | -                                |
| 13,294,690 Units (31.03.2016: 13,294,690, 01.04.2015: NIL) Reliance Corporate Bond Fund                        | <b>175.04</b>       | 157.42              | -                                |
| <b>Total Value of Investments (unquoted)</b>   | <b>347.52</b>       | 314.33              | -                                |
| <b>NOTE 9: NON CURRENT FINANCIAL ASSETS - LOANS</b>  |                     |                     |                                  |
| (Unsecured, considered good unless otherwise stated)   |                     |                     |                                  |
| Security deposits  | <b>11.75</b>        | 15.56               | 13.68                            |
|  | <b>11.75</b>        | 15.56               | 13.68                            |
| <b>NOTE 10: NON CURRENT BANK BALANCES</b>  |                     |                     |                                  |
| Non-Current Bank Balances (Refer note 16 & note 37)  |                     |                     |                                  |
|  | <b>198.00</b>       | 198.00              | 182.50                           |
|  | <b>198.00</b>       | 198.00              | 182.50                           |
| <b>NOTE 11: NON CURRENT TAX ASSETS (NET)</b>   |                     |                     |                                  |
| (Unsecured, considered good unless otherwise stated)   |                     |                     |                                  |
| Advance income-tax (net of provisions for taxation ₹ 30.02 million (31.03.2016: ₹201.70 (01.04.2015 ₹ 146.47)) | <b>58.03</b>        | 44.29               | 17.78                            |
|  | <b>58.03</b>        | 44.29               | 17.78                            |
| <b>NOTE 12: OTHER NON CURRENT ASSETS</b>   |                     |                     |                                  |
| Capital advances   | <b>3.61</b>         | -                   | -                                |
| Others   | <b>3.00</b>         | 0.37                | 28.93                            |
|  | <b>6.61</b>         | 0.37                | 28.93                            |
| <b>NOTE 13: INVENTORIES</b>  |                     |                     |                                  |
| (Valued at lower of cost and net realisable value)   |                     |                     |                                  |
| Stores and consumables   | <b>163.11</b>       | 178.98              | 152.32                           |
| Goods in transit - Stores and consumables  | <b>3.91</b>         | 17.65               | 5.40                             |
|  | <b>167.02</b>       | 196.63              | 157.72                           |

|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|---------------------|---------------------|---------------------|
| ₹ million  |                     |                     |                     |
| <b>NOTE 14: TRADE RECEIVABLES</b>                                  |                     |                     |                     |
| Trade Receivables (Refer note 39)                                  | 812.44              | 1,804.68            | 737.70              |
| Receivable from Related Party (Refer note 43)                      | 273.77              | 60.78               | 506.66              |
| <b>Total Trade Receivables</b>                                     | <b>1,086.21</b>     | <b>1,865.46</b>     | <b>1,244.36</b>     |
| <b>Break-up for security details</b>                               |                     |                     |                     |
| Secured, considered good   | -                   | -                   | -                   |
| Unsecured, considered good   | 1,086.21            | 1,865.46            | 1,244.36            |
| Doubtful   | 5.50.41             | 300.04              | 323.28              |
|  | <b>1,636.62</b>     | <b>2,165.50</b>     | <b>1,567.64</b>     |
| <b>Impairment Allowance (allowance for bad and doubtful debts)</b> |                     |                     |                     |
| Less: Provision for doubtful debts                                 | 550.41              | 300.04              | 323.28              |
| <b>Total Trade Receivable</b>                                      | <b>1,086.21</b>     | <b>1,865.46</b>     | <b>1,244.36</b>     |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Annexure-A.

|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| <b>NOTE 15: CASH AND CASH EQUIVALENTS</b> |                     |                     |                     |
| <b>Balances with scheduled banks</b>      |                     |                     |                     |
| - current accounts                        | 0.19                | 0.24                | 19.45               |
| - foreign currency accounts               | 6.10                | 46.03               | 46.72               |
| - fixed deposit accounts                  | -                   | -                   | -                   |
| - original maturity less than 3 months    | 32.00               | -                   | 125.40              |
| <b>Cash on hand</b>                       | <b>0.12</b>         | <b>0.08</b>         | <b>0.11</b>         |
|   | <b>38.41</b>        | <b>46.35</b>        | <b>191.68</b>       |

Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| <b>NOTE 16: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>                   |                     |                     |                     |
| - Unpaid Dividend Account *   | 1.40                | 1.40                | 0.95                |
| - Deposits with original maturity for more than 3 months but less than 12 months ** | 932.66              | 689.10              | 1,660.00            |
| - Deposits with original maturity for more than 12 months **                        | 204.94              | 1,063.91            | 1,029.00            |
| Amount Disclosed Under Non Current Asset ( refer note 10)                           | <b>(198.00)</b>     | <b>(198.00)</b>     | <b>(182.50)</b>     |
|   | <b>941.00</b>       | <b>1,556.41</b>     | <b>2,507.45</b>     |

\* The Company can utilise these balances only towards settlement of respective unpaid dividend.

\*\* Fixed Deposits worth ₹ 390 million kept as lien with Bank against the various facilities obtained.



₹ million

**NOTE 17 : CURRENT INVESTMENTS**

|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--|---------------------|---------------------|---------------------|
| Unquoted mutual funds  | -                   | -                   |                     |
| NIL ( 31.03.2016: NIL) (01.04.2015 : 989,700.517 Units ) HDFC Short Term Opportunities Fund - Growth         | -                   | -                   | 15.08               |
| NIL ( 31.03.2016: NIL) (01.04.2015 : 870,279.603 Units ) Reliance Medium Term Fund - Growth                  | -                   | -                   | 25.11               |
| NIL ( 31.03.2016: NIL) (01.04.2015 : 20,512.005 Units ) Kotak Liquid Scheme - Plan A - Daily Dividend        | -                   | -                   | 20.13               |
| NIL ( 31.03.2016: NIL) (01.04.2015 : 9,909.993 Units ) Kotak Floater - Short Term - Regular - Daily Dividend | -                   | -                   | 10.03               |
| Total Current Investment - Unquoted  | -                   | -                   | 70.35               |

**NOTE 18: OTHER CURRENT FINANCIAL ASSETS**

(Unsecured, considered good unless otherwise stated)

|                     |              |        |        |
|---------------------|--------------|--------|--------|
| Loans to employees  | -            | 0.06   | 1.07   |
| Unbilled Revenue    | -            | 384.00 | -      |
| Interest Receivable | 39.13        | 54.65  | 66.46  |
| Others              | 1.97         | 30.95  | 72.84  |
|                     | <b>41.10</b> | 469.66 | 140.37 |

**Break up of Financial Assets carried at amortised cost**

|   |                 |          |          |
|---|-----------------|----------|----------|
| Trade Receivables                                       | 1,086.21        | 1,865.46 | 1,244.36 |
| Cash and cash equivalents                               | 38.41           | 46.35    | 191.68   |
| Bank balances other than cash and cash equivalents      | 941.00          | 1,556.41 | 2,507.45 |
| Security Deposits                                       | 11.75           | 15.56    | 13.68    |
| Loans to employees                                      | -               | 0.06     | 1.07     |
| Interest Receivable                                     | 39.13           | 54.65    | 66.46    |
| Unbilled Revenue  | -               | 384.00   | -        |
| Non-Current Bank Balances                               | 198.00          | 198.00   | 182.50   |
| Others  | 1.97            | 30.95    | 72.84    |
| <b>Total Financial Assets carried at Amortised Cost</b> | <b>2,316.47</b> | 4,151.44 | 4,280.04 |

**NOTE 19 : OTHER CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

|                          |              |       |       |
|--------------------------|--------------|-------|-------|
| Prepaid expenses         | 12.22        | 25.77 | 25.93 |
| Service tax Input Credit | 29.44        | -     | -     |
| Advance to vendors       | 11.11        | 3.33  | 10.10 |
| Advance Rent             | 2.59         | 4.20  | 5.37  |
|                          | <b>55.36</b> | 33.30 | 41.40 |



|  | ₹ million           |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| <b>NOTE 20: ASSETS CLASSIFIED AS HELD FOR SALE</b> |                     |                     |                     |
| Asset classified as held for sale                  | -                   | 11.50               | 12.31               |
|  | -                   | 11.50               | 12.31               |

Based on a plan to utilise the Crane & Helideck held by the Company and bring them in to use, the assets no longer meet the criteria specified in paragraphs 7-9 of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, and therefore, such assets have been ceased to be classified as non-current assets held for sale and ₹ 11.50 million has been added back to the Capital Work-In-Progress during the current year.

|   | ₹ million           |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| <b>NOTE 21 : SHARE CAPITAL</b>  |                     |                     |                     |
| <b>Authorised Shares</b>  |                     |                     |                     |
| 50,000,000 (31.03.2016 : 50,000,000) (01.04.2015 : 50,000,000) equity shares of ₹ 10 each               | 500.00              | 500.00              | 500.00              |
| <b>Issued, subscribed and fully paid-up</b>   |                     |                     |                     |
| 25,425,000 (31.03.2016 : 25,425,000) (01.04.2015 : 33,900,000) equity shares of ₹ 10 each fully paid-up | 254.25              | 254.25              | 339.00              |
|   | 254.25              | 254.25              | 339.00              |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Equity shares   | As at 31.03.2017 |           | As at 31.03.2016 |           | As at 01.04.2015 |           |
|---|------------------|-----------|------------------|-----------|------------------|-----------|
|   | Nos              | ₹ million | Nos              | ₹ million | Nos              | ₹ million |
| At the beginning of the Year                                  | 25,425,000       | 254.25    | 33,900,000       | 339.00    | 33,900,000       | 339.00    |
| Less:- Shares Bought back during the year (refer note 21 (e)) | -                | -         | (8,475,000)      | (84.75)   | -                | -         |
| Outstanding at the end of the year                            | 25,425,000       | 254.25    | 25,425,000       | 254.25    | 33,900,000       | 339.00    |

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding Company**

Out of equity shares issued by the Company, shares held by its holding Company are as below:

| All in no's          | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------|---------------------|---------------------|---------------------|
| HAL Offshore Limited | 18,527,475          | 18,527,475          | 25,425,000          |

**(d) Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder | As at 31.03.2017 |                        | As at 31.03.2016 |                        | As at 01.04.2015 |                        |
|-------------------------|------------------|------------------------|------------------|------------------------|------------------|------------------------|
|                         | Nos              | % holding in the class | Nos              | % holding in the class | Nos              | % holding in the class |
| HAL Offshore Limited    | 18,527,475       | 72.87%                 | 18,527,475       | 72.87%                 | 25,425,000       | 75.00%                 |

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(e) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date**

| Particulars                              | ₹ million            |
|--|----------------------|
|  | Year 2015-16<br>No's |
| Equity Shares bought back by the Company | (8,475,000)          |

During the year ended March 31, 2016, the Company had bought back a total of 84,75,000 equity shares of ₹ 10 each at a total consideration of ₹ 1,059.38 million. Accordingly, the face value of shares bought back amounting to ₹ 84.75 million had been adjusted against Share Capital and the balance amount of ₹ 501.75 million and ₹ 472.88 million have been adjusted against the securities premium and general reserve respectively. Further, in accordance with the Section 69 of the Companies Act, 2013, the Company had transferred an amount of ₹ 84.75 million, being a sum equal to nominal value of equity shares bought back, from general reserve to capital redemption reserve.

**(f) Distribution made and proposed**

|   | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---|---------------------|---------------------|---------------------|
| <b>Cash Dividend on Equity Shares declared and paid</b>   |                     |                     |                     |
| Final Dividend for the year ended March 31, 2017 ₹ NIL per share (March 31, 2016 ₹ 1) (April 1, 2015 ₹ NIL) | -                   | 33.90               | -                   |
| Dividend Distribution Tax on Final Dividend   | -                   | 6.94                | -                   |
|   | <u>-</u>            | <u>40.84</u>        | <u>-</u>            |

₹ 40.84 million (including Dividend distribution tax ₹ 6.94 million), was proposed before the financial statements were approved for issue for the year ended March 31, 2015. The same is not recognised as proposed dividend for that year.

|  | ₹ million           |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| <b>NOTE-22 : OTHER EQUITY</b>  |                     |                     |                     |
| <b>Capital redemption reserve</b>  |                     |                     |                     |
| Balance as per the last Financial Statements   | 84.75               | -                   | -                   |
| Add: Transfer from General Reserve (refer note 21 (e))                               | -                   | 84.75               | -                   |
| Closing Balance  | 84.75               | 84.75               | -                   |
| <b>Securities premium account</b>  |                     |                     |                     |
| Balance as per the last Financial Statements   | -                   | 501.75              | 501.75              |
| Less: Adjustment on account of Buy Back of Equity shares (refer note 21 (e))         | -                   | (501.75)            | -                   |
| Closing Balance  | -                   | -                   | 501.75              |
| <b>General reserve</b>   |                     |                     |                     |
| Balance as per the last Financial Statements   | 291.27              | 848.90              | 684.31              |
| Add: Transfer from Tonnage Reserve for the year                                      | 622.90              | -                   | 164.59              |
| Less: Adjustment on account of Buy Back of Equity shares (refer note 21 (e))         | -                   | (472.88)            | -                   |
| Less: Transfer to Capital Redemption Reserve (refer note 21 (e))                     | -                   | (84.75)             | -                   |
| Closing Balance  | 914.17              | 291.27              | 848.90              |
| <b>Tonnage tax reserve u/s 115VT of Income Tax Act, 1961</b>                         |                     |                     |                     |
| Balance as per the last Financial Statements   | 667.92              | 667.92              | 746.50              |
| Add: Transfer from surplus in statement of Profit and Loss for the year              | -                   | -                   | 86.01               |
|  | 667.92              | 667.92              | 832.51              |
| Less: Tonnage Reserve utilised   | (622.90)            | -                   | (164.59)            |
| Closing Balance  | 45.02               | 667.92              | 667.92              |
| <b>Retained Earnings</b>   |                     |                     |                     |
| Balance as per the last Financial Statements   | 3,621.15            | 3,574.10            | 2,445.99            |
| Other Comprehensive Income   | (14.54)             | 42.98               | -                   |
| Opening adjustment to Retained earnings.   | -                   | -                   | (5.96)              |
| Profit for the year  | (1,488.64)          | 53.86               | 1,220.08            |
| Less:- Appropriations  |                     |                     |                     |
| Proposed final Dividend (amount per share ₹ NIL (31.03.2016: ₹1) (01.04.2015 : ₹NIL) | -                   | (33.90)             | -                   |
| Tax on Proposed Dividend   | -                   | (6.94)              | -                   |
| Expenses on account of buy back adjusted here as per Ind AS 32                       | -                   | (8.95)              | -                   |
| Transfer to Tonnage Reserve account u/s 115VT of Income Tax Act, 1961                | -                   | -                   | (86.01)             |
| Closing Balance  | 2,117.97            | 3,621.15            | 3,574.10            |
|  | <b>3,161.91</b>     | <b>4,665.09</b>     | <b>5,592.67</b>     |



**Nature and Purpose of Reserves:**

**(1) Capital redemption reserve:**

Capital redemption reserve was created upon buy back of equity shares. The Company may utilise this reserve in compliance with the provisions of the Companies Act 2013.

**(2) Securities premium:**

Securities premium account is created when shares are issued at premium. The reserve is utilised for the specific purposes (including buy back of equity capital ) permitted by the Companies Act 2013.

**(3) Tonnage tax reserve u/s 115VT of Income Tax Act, 1961:**

A tonnage tax company shall, subject to and in accordance with the provisions of section 115VT of the Income Tax Act, 1961, on yearly basis credit to tonnage tax reserve account, an amount not less than twenty percent of the book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I of the Income Tax Act, 1961. The Company can utilise this reserve as per provisions of Income Tax Act 1961.

**NOTE-23: INCOME TAXES**

The major components of income tax expense for the year ended March 31, 2017 and year ended March 31, 2016 are:

**Current income tax:**

Current Income tax charge

Adjustments in respect of current income tax of previous years

**Deferred Tax:**

Relating to origination and reversal of temporary differences

**Income tax expense reported in the statement of profit or loss**

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for the year ended March 31, 2017 and year ended March 31, 2016:

**Accounting Profit before tax**

Income taxable

Tax at Domestic rate (34.608%)

Tonnage Income as per sec 115V

Tax at Domestic rate (34.608%)

Adjustments in respect of current income tax of previous year

Total Tax

Deferred Tax

**Income tax expense**

|  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|  | <b>30.01</b>             | 51.87                    |
|  | <b>(0.19)</b>            | 0.95                     |
|  | <b>11.49</b>             | 4.89                     |
|  | <b>41.31</b>             | 57.71                    |
|  | <b>(1,447.33)</b>        | 111.57                   |
|  | <b>85.09</b>             | 148.25                   |
|  | <b>29.45</b>             | 51.31                    |
|  | <b>1.63</b>              | 1.63                     |
|  | <b>0.56</b>              | 0.56                     |
|  | <b>(0.19)</b>            | 0.95                     |
|  | <b>29.82</b>             | 52.82                    |
|  | <b>11.49</b>             | 4.89                     |
|  | <b>41.31</b>             | 57.71                    |

**Deferred Tax**

Deferred tax relates to the following:

Fair Valuation of Investment

Reversal of Deferred tax liability on account of sale of Investment

**Total Deferred tax**

|  | ₹ million           |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|  | <b>11.49</b>        | 4.96                | 0.07                |
|  | <b>-</b>            | (0.07)              | -                   |
|  | <b>11.49</b>        | 4.89                | 0.07                |
|  | <b>16.45</b>        | 4.96                | 0.07                |

₹ million

**NOTE-24: FINANCIAL LIABILITIES- BORROWINGS****Secured**

Buyers Credit facility (refer note A below )  
Bank Overdraft (refer note B below)

| As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|
| 131.28              | 135.33              | 127.31              |
| 47.82               | 145.75              | -                   |
| <b>179.10</b>       | <b>281.08</b>       | <b>127.31</b>       |

A) The Company has availed Buyers Credit Facility from IDBI Bank having rate of Interest at the rate 1 Year Libor+ 80 bps (31.03.2016 1 Year Libor + 80 BPS) (01.04.2015 6 months Libor+ 125 BPS) and having maturity in September, 2017. The same is secured by hypothecation charge on all of the Company's Current Assets.

B) The 'Bank Overdraft against FD' facility is availed from IDBI Bank. The rate of Interest for the said Facility is 1% above the interest rate of Fixed Deposits under lien with IDBI Bank. The same is secured by fixed deposits with margin as 100%. The loan is repayable in next one year.

**NOTE-25: TRADE PAYABLES****Trade payables****Dues to micro enterprises and small enterprises (Refer note 49)****Dues to Others**

Trade payables to others

Trade payables to Related parties (Refer Note 43)

| As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|
| 6.50                | 5.91                | -                   |
| -                   | -                   | -                   |
| 1,178.64            | 1,139.39            | 400.69              |
| 41.38               | -                   | 19.72               |
| <b>1,226.52</b>     | <b>1,145.30</b>     | <b>420.41</b>       |

**NOTE-26: OTHER CURRENT FINANCIAL LIABILITIES**

Interest Accrued but not due on borrowings

Creditors for Capital Expenditure

Employee Dues

Security deposit

Unpaid dividend

**Break up of financial liabilities carried at amortised cost**

(a) Borrowings

(b) Trade payables

(c) Creditors for Capital Expenditure

(d) Employee Dues

(e) Others

**Total Financial Liabilities at amortised cost**

|                 |                 |               |
|-----------------|-----------------|---------------|
| 2.05            | 1.16            |               |
| 26.47           | 6.38            | 208.76        |
| 113.24          | 51.94           | 70.16         |
| -               | -               | 0.93          |
| 1.40            | 1.40            | 0.95          |
| <b>143.16</b>   | <b>60.88</b>    | <b>280.80</b> |
| <b>179.10</b>   | <b>281.08</b>   | <b>127.31</b> |
| <b>1,226.52</b> | <b>1,145.30</b> | <b>420.41</b> |
| <b>26.47</b>    | <b>6.38</b>     | <b>208.76</b> |
| <b>113.24</b>   | <b>51.94</b>    | <b>70.16</b>  |
| <b>3.45</b>     | <b>2.56</b>     | <b>1.88</b>   |
| <b>1,548.78</b> | <b>1,487.26</b> | <b>828.52</b> |

**Terms and conditions of the Financial liabilities.**

- (i) Trade payables and Other payables are non-interest bearing.  
(ii) For terms and conditions with related parties, refer Annexure-A



**NOTE-27: OTHER CURRENT LIABILITIES**

Book Overdraft

**Statutory Dues**

TDS Payable

Service tax payable

Other Dues

|                       | ₹ million           |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|
|                       | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
| Book Overdraft        | -                   | 1.88                | -                   |
| <b>Statutory Dues</b> |                     |                     |                     |
| TDS Payable           | <b>30.58</b>        | 43.68               | 6.90                |
| Service tax payable   | -                   | 19.33               | 4.33                |
| Other Dues            | <b>4.30</b>         | 3.61                | 1.30                |
|                       | <b>34.88</b>        | 68.50               | 12.53               |

**NOTE-28: PROVISIONS**

**Provision for Employee Benefits**

Provision for Leave benefits

Provision for Gratuity

|                              | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|------------------------------|---------------------|---------------------|---------------------|
| Provision for Leave benefits | <b>9.80</b>         | 11.11               | 7.77                |
| Provision for Gratuity       | -                   | -                   | 1.02                |
|                              | <b>9.80</b>         | 11.11               | 8.79                |

**NOTE 29 : REVENUE FROM OPERATIONS**

Charter hire income & related services

Other operating revenue

|  | ₹ million                |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Charter hire income & related services | <b>2,070.55</b>          | 3,277.40                 |
| Other operating revenue                | <b>5.19</b>              | 1.77                     |
|  | <b>2,075.74</b>          | 3,279.17                 |

**NOTE 30 : OTHER INCOME**

Interest Income on

Bank Deposits

Others

Dividend from Current Investment

Exchange fluctuation gain (net)

Fair value gain on financial instrument at fair value through profit or loss

Provision for doubtful debts written back

Other non-operating income

|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| Interest Income on Bank Deposits   | <b>95.01</b>             | 158.58                   |
| Interest Income on Others  | <b>3.89</b>              | 6.06                     |
| Dividend from Current Investment   | -                        | 1.40                     |
| Exchange fluctuation gain (net)  | <b>56.57</b>             | 35.87                    |
| Fair value gain on financial instrument at fair value through profit or loss | <b>33.19</b>             | 14.33                    |
| Provision for doubtful debts written back                                    | -                        | 23.24                    |
| Other non-operating income   | <b>0.06</b>              | 2.69                     |
|  | <b>188.72</b>            | 242.17                   |

**NOTE 31: EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus to crew

Salaries, wages and bonus to onshore staff

Contribution to provident and other funds

Gratuity Expenses (refer note 45 (2))

Staff welfare expenses

|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--|--------------------------|--------------------------|
| Salaries, wages and bonus to crew          | <b>557.48</b>            | 717.43                   |
| Salaries, wages and bonus to onshore staff | <b>68.38</b>             | 78.13                    |
| Contribution to provident and other funds  | <b>6.58</b>              | 6.87                     |
| Gratuity Expenses (refer note 45 (2))      | <b>2.24</b>              | 2.36                     |
| Staff welfare expenses                     | <b>0.92</b>              | 0.86                     |
|  | <b>635.60</b>            | 805.65                   |

**NOTE 32 : OPERATING EXPENSES**

|                                       | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|---------------------------------------|--------------------------|--------------------------|
| Victualling and other benefit to crew | 96.08                    | 91.37                    |
| Sub Contractor Cost- Diving Project   | 469.50                   | 1,074.58                 |
| Stores and spares consumed            | 131.57                   | 224.70                   |
| Fuel expenses                         | 198.55                   | 350.10                   |
| Repairs and maintenance - vessels     | 21.38                    | 50.32                    |
| Rates & Taxes                         | 6.01                     | 11.86                    |
| Customs Duty                          | 0.06                     | 12.04                    |
| Crew travelling expenditure           | 30.24                    | 27.11                    |
| Insurance charges                     | 20.52                    | 23.88                    |
| Brokerage                             | 11.06                    | -                        |
| Security Expenses                     | -                        | 5.53                     |
| Other Operating Expenses              | 80.39                    | 124.24                   |
|                                       | <b>1,065.36</b>          | <b>1,995.73</b>          |

**NOTE 33 : FINANCE COSTS**

|                   |              |             |
|-------------------|--------------|-------------|
| Interest Expenses | 11.50        | 2.72        |
|                   | <b>11.50</b> | <b>2.72</b> |

**NOTE 34 : DEPRECIATION AND AMORTISATION EXPENSE**

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Depreciation of tangible assets   | 478.85        | 472.76        |
| Amortization of intangible assets | 1.24          | 1.65          |
|                                   | <b>480.09</b> | <b>474.41</b> |

**NOTE 35 : OTHER EXPENSES**

|  |                 |               |
|--|-----------------|---------------|
| Directors Sitting Fees                   | 1.20            | 2.24          |
| Travelling and conveyance                | 7.03            | 8.92          |
| Repairs and maintenance -others          | 2.07            | 2.93          |
| Impairment of Assets held for Sale       | -               | 0.81          |
| Rent (refer note 46)                     | 51.93           | 37.20         |
| Legal & professional fees                | 28.15           | 28.42         |
| Bad debts                                | 1.96            | 23.24         |
| Provision for Doubtful Debts             | 1,385.12        | -             |
| Bank charges                             | 4.74            | 4.82          |
| Corporate Social Responsibility Expenses | 5.09            | 1.55          |
| Interest Charges- Others                 | 15.11           | 1.56          |
| Miscellaneous Expenses                   | 16.84           | 19.57         |
|  | <b>1,519.24</b> | <b>131.26</b> |



₹ million

**NOTE 36: COMPONENTS OF OTHER COMPREHENSIVE INCOME**

Re-measurement gains on defined benefit plans as per Ind AS 19  
Foreign Exchange difference on Translation of Foreign operations

| Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|--------------------------|--------------------------|
| 0.13                     | 1.35                     |
| (14.67)                  | 41.63                    |
| <b>(14.54)</b>           | <b>42.98</b>             |

**NOTE 37 Contingent liabilities****Claim against the Company not acknowledge as debts**

FERA Matter (refer note a below)

Custom Duty payable as per order from Commissioner of Customs (Import) (refer note b below)

Claim by Vendor (refer note c below)

| As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>01.04.2015 |
|---------------------|---------------------|---------------------|
| 100                 | 100                 | 100                 |
| 1,197               | 1,197               | 1,197               |
| 30                  | 30                  | -                   |

- a The case against the Company alleging violation of Foreign Exchange Regulation Act 1973 (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 ₹ 100 million to the Enforcement Directorate, FERA, towards penalty imposed, as directed by the Hon'ble Mumbai High Court. The bank guarantee is valid till September 30, 2017. 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.
- b During the year 2011, the Directorate of Revenue Intelligence (DRI) had instituted an enquiry in relation to payment of customs duty towards repairs/dry-dock undertaken on Company's vessels SEAMEC-I, SEAMEC-II and SEAMEC-III incurred outside India since 2002. The DRI provisionally assessed customs duty of ₹ 126.60 million, which the Company has paid under protest subject to adjudication in December 2011.

The Company had also furnished a bank Guarantee for ₹ 82.10 million and Bond for ₹ 821 million pursuant to the order dated January 17, 2012 of Hon'ble Mumbai High Court for provisional release of its vessel SEAMEC II arrested by Customs. The above order was subject to adjudication. Hon'ble High Court observed that no duty to be charged on the acquisition cost as the vessel was originally imported prior to 2001 when import duty was not applicable on such vessel.

During July–August 2012, DRI issued show cause notice, separately for each vessel as to why the duty determined of aggregate value of ₹ 285.26 million, interest, penalty etc. will not be levied on the Company.

The Company while preferring adjudication have submitted replies to respective show cause notices, and hearing on adjudication proceeding completed before the Commissioner of Customs (Import) on December 4, 2012.

Subsequent to above, the Company has received 3 corrigendum to the original show cause notices enhancing the claim of custom duty by ₹ 65.14 million against the above claim.

Commissioner of Customs has issued order dated March 28, 2013 received by Company on April 16, 2013 on the adjudication proceedings. Commissioner of Customs, in his order, imposed duty ₹ 350 million, penalty for equivalent amount and interest and appropriation of ₹ 126.60 million paid in December 2011. As per the order of Commissioner of Customs, total claim to Company including duty, penalty, interest and confiscation fine calculated to ₹ 1,197 million after adjustment of provisional duty already paid in December 2011 under protest.

The Company has since obtained stay from CESTAT Appellate Tribunal, customs against the order of commissioner of customs for vessel SEAMEC-III, SEAMEC II & SEAMEC-I. While pending the appeal, Honorable CESTAT allowed the vessels to go out of India upon furnishing the Bank Guarantee aggregating to ₹ 70 million to ensure vessels return to India during the granted period. Upon return of vessels the aggregate Bank Guarantee of ₹ 70 million has been revoked.



The Company is of the view that it has a strong case on merit and is contesting the same. Hence no further provision made towards additional Customs Duty, Penalty and Confiscation redemption fine as stated in the order of Commissioner of Customs.

- c During the previous year, the Company had executed marine and diving activities jointly with a diving company, wherein the customer has claimed an amount of ₹ 30 million from the Company on account of alleged defective performance which is subject to final settlement/resolution. The management's view is that the claim in regard to the alleged defective performance pertains to the scope of work performed by the diving Company. Accordingly, the Company does not acknowledge this claim as debt because the company expects a positive outcome.
- d During the year, the Company has received Audit Memo issued by the Assistant Commissioner of Service Tax, pertaining to disallowance of certain CENVAT credit availed during the period of FY 2013-14 to 2015-16 to the extent of ₹ 14.03 million. Based on the opinion taken from an expert, the management believes that they have good case and no adjustment is required in this regards.

**Notes:**

- (a) The company does not expect any reimbursement in respect of the above contingent liabilities.
- (b) It is not practicable to estimate the timing of cash flows, if any, in respect of matters at (a) to (d) above, pending resolution of the proceedings.

**38. Commitments**

**a. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 8.53 million (31.03.2016 : ₹ 20.06) (01.04.2015 ₹ NIL).

**b. Other Commitment**

There are no material non cancellable contractual commitments. For commitments relating to lease arrangement (refer Note-46).

**39. Trade Receivables as disclosed in Notes 7 & 14, are net of provisions for :**

- a ₹ 1134.70 million receivable from Swiber Offshore (India) Private Limited "SOI" and Swiber Offshore Constructions Pte Ltd "SOC", Singapore, against which the Company had initiated legal action in India and Singapore. Management believes SOI does not have any significant realizable assets, and SOC is under Judicial Management in Singapore, where the Company is an unsecured creditor. Considering the above status, management had made a provision for doubtful debts of ₹ 1134.70 million in the current year.
- (b) ₹ 176.50 million (net of provision of ₹ 52.30 million recognised in earlier year) receivable from Seahorse General Contracting Establishment, UAE which pertains to the year ended March 31, 2015 and in respect of which legal action was initiated. However, considering the limited progress in the matter, the Management recognized the additional provision of ₹ 176.50 million in the current year.
- (c) ₹ 71.30 million receivable from Synergy Subsea Engineering LLC, UAE ("Synergy") relating to charter hire for a vessel. There has been no substantial progress in recovery despite efforts made. The Company is now contemplating legal action, but no time frame can be reasonably ascertained, and consequently, the amount receivable has been provided for during the current year.



**40 Details of Specified Bank Notes held and transacted during the period 08.11.2016 to 30.12.2016**

| Particulars                               | SBNs | Other denomination notes | Total |
|---|------|--------------------------|-------|
| Closing cash in hand as on 8-11-2016      | -    | 0.01                     | 0.01  |
| (+) Permitted receipts (refer note below) | -    | 0.39                     | 0.39  |
| (-) Permitted payments                    | -    | 0.37                     | 0.37  |
| (-) Amount deposited in Banks             | -    | -                        | -     |
| Closing cash in hand as on 30-12-2016     | -    | 0.03                     | 0.03  |

Note : Amount shown under permitted receipts represents cash withdrawn by the Parent Company from its own banks accounts.

**41 Segment Information**

For management purposes, the Group is organised into business units based on its services and has two reportable segments i.e Domestic and Overseas.

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified based on geographical location of the vessel. The operating segments have been disclosed based on revenues within India and outside India.

| Particulars             | Year ended 31.03.2017 |                 |                   | Year ended 31.03.2016 |          |          |
|-------------------------|-----------------------|-----------------|-------------------|-----------------------|----------|----------|
|                         | Domestic              | Overseas        | Total             | Domestic              | Overseas | Total    |
| <b>Revenue</b>          |                       |                 |                   |                       |          |          |
| Revenue from Operations | <b>1,524.64</b>       | <b>551.10</b>   | <b>2,075.74</b>   | 3,044.47              | 234.70   | 3,279.17 |
| Segment (Loss)/Profits  | <b>(1,331.78)</b>     | <b>(235.02)</b> | <b>(1,566.80)</b> | 93.58                 | (166.48) | (72.90)  |

₹ million

\* 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 are made.

**Reconciliations to amounts reflected in the financial statements**

₹ million

| Particulars                     | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---------------------------------|-----------------------|-----------------------|
| <b>Segment Profit</b>           | <b>(1,566.80)</b>     | (72.90)               |
| Finance Cost                    | <b>(11.50)</b>        | (2.72)                |
| Other Un-allocable income       | <b>130.97</b>         | 187.19                |
| <b>(Loss)/Profit before tax</b> | <b>(1,447.33)</b>     | 111.57                |

## 42 Corporate Social Responsibility Expenditure as per Section 135 of the Companies Act, 2013

| Particulars  | Year ended | Year ended |
|--|------------|------------|
|  | 31.03.2017 | 31.03.2016 |
| Gross Amount required to be spent by the Company during the year | 5.09       | 6.87       |

## Amount spent during the year ending on March 31, 2017 :

| Particulars                         | In Cash | Yet to be Paid | Total |
|-------------------------------------|---------|----------------|-------|
| Construction / acquisition of Asset | -       | -              | -     |
| On Purpose other than above         | 5.09    | -              | 5.09  |

## Amount spent during the year ending on March 31, 2016 :

| Particulars                         | In Cash | Yet to be Paid | Total |
|-------------------------------------|---------|----------------|-------|
| Construction / acquisition of Asset | -       | -              | -     |
| On Purpose other than above         | 1.55    | -              | 1.55  |

## 43 Related Party disclosure

## Names of Related Parties &amp; related party relationship

## i Related parties where control exist

Holding Company HAL Offshore Limited

## ii Related Parties with whom transactions have taken place during the year ended March 31, 2017: Refer Annexure- A

## 44 Information required for Consolidated financial statement pursuant to Schedule III of the Companies Act 2013

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities |          | Share in profit and loss             |            | Share in other Comprehensive income             |         | Share in total Comprehensive income |            |
|---------------------------------|--|----------|--------------------------------------|------------|---|---------|-------------------------------------|------------|
|                                 | As % of consolidated net assets                        | Amount   | As % of consolidated profit and loss | Amount     | As % of consolidated other comprehensive income | Amount  | As % of total comprehensive income  | Amount     |
| <b>Parent</b>                   |  |          |                                      |            |   |         |                                     |            |
| Seamec Limited                  |  |          |                                      |            |   |         |                                     |            |
| Balance as at 31 March, 2017    | 84.83%   | 2,897.93 | 100.49%                              | (1,495.87) | 100.00%   | (14.54) | 100.48%                             | (1,510.42) |
| Balance as at 31 March, 2016    | 84.83%   | 4,173.08 | 106.92%                              | 57.59      | 100.00%   | 42.98   | 103.86%                             | 100.58     |
| <b>Subsidiaries</b>             |  |          |                                      |            |   |         |                                     |            |
| Seamec International FZE        |  |          |                                      |            |   |         |                                     |            |
| Balance as at 31 March, 2017    | 15.17%   | 518.23   | -0.49%                               | 7.23       | 0.00%   | -       | -0.48%                              | 7.23       |
| Balance as at 31 March, 2016    | 15.17%   | 746.26   | -6.92%                               | (3.73)     | 0.00%   | -       | -3.85%                              | (3.73)     |
| <b>Total</b>                    |  |          |                                      |            |   |         |                                     |            |
| Balance as at 31 March, 2017    | 100%   | 3,416.16 | 100%                                 | (1,488.64) | 100%  | (14.54) | 100%                                | (1,503.18) |
| Balance as at 31 March, 2016    | 100%   | 4,919.34 | 100%                                 | 53.86      | 100%  | 42.98   | 100%                                | 96.84      |

**45 Gratuity and other post-employment benefit plans.****1 Defined Contribution Plans :**

Amount of ₹ 1.81 million (31.03.2016 : ₹ 1.99 million) is recognised as an expense and included in Employee Benefit Expense (refer note 31) in statement of profit and Loss.

**2 Defined Benefit Plans :**

The Group has a defined benefit gratuity plan. Every employee (other than crew who have covered under separate scheme) 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 gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review.

The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and other comprehensive income and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of Profit and Loss****Net employee benefit expense (recognised in contribution to provident, gratuity fund and other funds) (₹ million)**

| Particulars  | Gratuity                 |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Current service cost   | 0.47                     | 0.43                     |
| Net Interest cost on benefit obligation  | (0.05)                   | 0.03                     |
| Expenses Recognised  | 0.42                     | 0.46                     |
| <b>Net Interest cost for the period</b>  |                          |                          |
| Interest Cost  | 0.57                     | 0.61                     |
| (Interest Income)  | (0.62)                   | (0.58)                   |
| Net Interest cost for period   | (0.05)                   | 0.03                     |
| <b>Remeasurement gains/Losses in Other Comprehensive Income:</b>               |                          |                          |
| Actuarial changes arising from changes in Demographic assumptions              | -                        | -                        |
| Actuarial changes arising from changes in Financials assumptions               | 0.22                     | (0.20)                   |
| Experience Adjustments   | (0.45)                   | (1.14)                   |
| Return on Plan Assets excluding Interest income                                | 0.10                     | -                        |
| Net (Income) / Expense recognised for the period in Other Comprehensive Income | (0.13)                   | (1.34)                   |

**Balance sheet****Details of Provision for gratuity**

| <b>Particulars</b>                   | <b>As at<br/>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|--------------------------------------|-----------------------------|---------------------|---------------------|
| Defined benefit obligation           | <b>6.18</b>                 | 7.25                | 7.64                |
| Fair value of plan assets            | <b>6.64</b>                 | 7.89                | 7.22                |
|                                      | <b>0.46</b>                 | 0.64                | (0.42)              |
| Less: Unrecognised past service cost | -                           | -                   | -                   |
| Plan asset / (liability)             | <b>0.46</b>                 | 0.64                | (0.42)              |

**Changes in the present value of the defined benefit obligation are as follows:**

|  |               |        |        |
|--|---------------|--------|--------|
| Opening defined benefit obligation   | <b>7.25</b>   | 7.64   | 8.62   |
| Interest cost  | <b>0.57</b>   | 0.61   | 0.78   |
| Current service cost   | <b>0.47</b>   | 0.43   | 0.41   |
| Benefits paid  | <b>(1.88)</b> | (0.09) | (2.73) |
| Remeasurement (gains) / losses on obligation-Due to changes in demographic assumptions | -             | -      | (0.07) |
| Remeasurement (gains) / losses on obligation- Due to change in Financial assumptions.  | <b>0.22</b>   | (0.20) | 0.23   |
| Remeasurement (gains) / losses on obligation-Due to experience.                        | <b>(0.45)</b> | (1.14) | 0.39   |
| Closing defined benefit obligation   | <b>6.18</b>   | 7.25   | 7.64   |

**Changes in the fair value of plan assets are as follows:**

|   |               |        |        |
|---|---------------|--------|--------|
| Opening fair value of plan assets               | <b>7.89</b>   | 7.22   | 9.25   |
| Interest Income                                 | <b>0.62</b>   | 0.58   | 0.83   |
| Contributions by employer                       | <b>0.11</b>   | 0.17   | 0.03   |
| Benefits paid                                   | <b>(1.88)</b> | (0.09) | (2.73) |
| Return on Plan Assets excluding Interest income | <b>(0.10)</b> | (0.01) | (0.16) |
| Closing fair value of plan assets               | <b>6.64</b>   | 7.89   | 7.22   |

The Company expects to contribute ₹ Nil (31.03.2017 : 0.1 million ) to gratuity in F.Y.2017-18.

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

|                          |             |      |      |
|--------------------------|-------------|------|------|
| Investments with insurer | <b>100%</b> | 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.

**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

|                   |               |        |        |
|-------------------|---------------|--------|--------|
| Discount rate     | <b>6.81%</b>  | 7.84%  | 8.04%  |
| Salary Escalation | <b>6.00%</b>  | 6.00%  | 7.00%  |
| Attrition Rate    | <b>10.00%</b> | 10.00% | 10.00% |

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.



A quantitative sensitivity analysis for significant assumptions as at 31 March 2017 is as shown below:

India gratuity plan:

**Sensitivity Analysis**

₹ million

**Particulars**

|   | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
|---|----------------------------------|--------------------------|
| Projected Benefit obligation on Current Assumptions     | <b>6.18</b>                      | 7.26                     |
| Delta Effect of +1% Change in Rate of Discounting       | <b>(0.22)</b>                    | (0.23)                   |
| Delta Effect of -1% Change in Rate of Discounting       | <b>0.24</b>                      | 0.25                     |
| Delta Effect of +1% Change in Rate of Salary Increase   | <b>0.24</b>                      | 0.26                     |
| Delta Effect of -1% Change in Rate of Salary Increase   | <b>(0.22)</b>                    | (0.24)                   |
| Delta Effect of +1% Change in Rate of Employee Turnover | -                                | 0.01                     |
| Delta Effect of -1% Change in Rate of Employee Turnover | -                                | (0.01)                   |

**46 Leases**

**Operating Lease Commitments:**

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. The total lease term is for a period of 108 months out of which there is a lock-in period of initial 60 months.

Minimum lease payments under non-cancellable operating lease / leave and license are as follows (₹ million):

**Particulars**

|   | <b>Year ended<br/>31.03.2017</b> | Year ended<br>31.03.2016 |
|---|----------------------------------|--------------------------|
| i. Payable Not later than one year                            | <b>21.05</b>                     | 28.41                    |
| ii. Payable Later than one year but not later than five years | <b>37.68</b>                     | 79.29                    |
| iii. Payable Later than five years                            | -                                | -                        |
| Lease payments recognized in the Statement of Profit and Loss | <b>49.01</b>                     | 31.20                    |

The lease fees shall be increased by 15% over the last monthly lease fee paid after completion of every 36 months from the rent commencement date of the lease deed agreement.

**47 Fair Value**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instrument of the group, other than those with carrying amounts that are reasonable approximations of fair values:

| <b>Particulars</b> | <b>Year ended<br/>31.03.2017</b> |                   | Year ended<br>31.03.2016 |            | Period ended<br>01.04.2015 |            |
|--------------------|----------------------------------|-------------------|--------------------------|------------|----------------------------|------------|
|                    | <b>Carrying<br/>Value</b>        | <b>Fair Value</b> | Carrying<br>Value        | Fair Value | Carrying<br>Value          | Fair Value |
| Security deposit   | <b>11.75</b>                     | <b>13.03</b>      | 15.56                    | 16.33      | 13.68                      | 13.68      |
| <b>Total</b>       | <b>11.75</b>                     | <b>13.03</b>      | 15.56                    | 16.33      | 13.68                      | 13.68      |

The management assessed that the fair value of Trade receivable, cash and cash equivalents, other Bank Balance, Other financial assets, Trade payables, Borrowings and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Fair Value Hierarchy**

The following table provides the fair value measurement hierarchy of the group's assets.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017, March 31, 2016 and April 1, 2015:**

| Particulars                          | Date of Valuation | Fair value measurement using |  |   |   |
|--------------------------------------|-------------------|------------------------------|--|---|---|
|                                      |                   | Total                        | Quoted price in Active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets measured at fair value</b> |                   |                              |  |   |   |
| Investment in Mutual Fund            | 31-Mar-17         | 347.52                       | 347.52                                   | -                                       | -   |
| Investment in Mutual Fund            | 31-Mar-16         | 314.33                       | 314.33                                   | -                                       | -   |
| Investment in Mutual Fund            | 01-Apr-15         | 70.35                        | 70.35                                    | -                                       | -   |

There have been no transfers between Level 1 and Level 2 during the year.

**48 Managerial Remuneration**

For the year ended March 31, 2016, due to inadequacy of profits, remuneration paid to the Managing Director exceeded the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 3.67 million. Subsequently, the Ministry of Corporate Affairs vide notification dated September 12, 2016 amended the Schedule V of Companies Act, 2013 and revised the limit on the remuneration payable to the managerial personnel by a company having no profit or inadequate profit without the Central Government approval. Consequent upon the above, and based on the opinion of a legal expert, management believes that specific approval of Central Government is not required. However, as a matter of abundant caution, the Company has submitted an application to the Central Government seeking waiver from recovery of such excess amount of remuneration. The Central Government's response is awaited. Having regard to the facts and circumstances, in the opinion of the management, no adjustments to the financial statements are warranted at this stage.

**49 Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006****Particulars**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year\*

|  |             |      |   |
|--|-------------|------|---|
| - Principal amount due to micro and small enterprises  | <b>6.50</b> | 5.91 | - |
| - Interest due on above  | <b>1.39</b> | -    | - |
| - The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year  | -           | -    | - |
| - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006.   | -           | -    | - |
| - The amount of Interest accrued and remaining unpaid at the end of each accounting period.  | <b>1.39</b> | -    | - |
| - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | -           | -    | - |

| As at<br><b>31.03.2017</b> | As at<br>31.03.2016 | As at<br>01.04.2015 |
|----------------------------|---------------------|---------------------|
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |
|                            |                     |                     |

\* Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**50 Earning Per Share**

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars   | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|---|--------------------------|--------------------------|
| Profit / (Loss) after tax   | (1,488.64)               | 53.86                    |
| <b>Net profit / (Loss) for calculation of basic and diluted EPS</b> | <b>(1,488.64)</b>        | 53.86                    |
| Weighted average number of equity shares outstanding (Nos.)         | <b>25.43</b>             | 30.91                    |
| Basic & Diluted Earnings Per Share (FV ₹10/- each )                 | <b>(58.55)</b>           | 1.74                     |

**51 Financial Risk Management- Objectives And Policies**

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The management assures that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

The below assumption has been made in calculating the sensitivity analysis:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016 and April 01, 2015.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to change in market interest rates. The company is not exposed to any significant interest rate risk as at the respective reporting dates.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency). Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the company's functional currency. The company's foreign currency transactions are mainly in United State Dollars (USD).

The Company manages its foreign currency risk by natural hedging.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and other exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities.



| Particulars    | Change in Currency rate | Effect on Profit Before Tax |
|----------------|-------------------------|-----------------------------|
| USD            | 1%                      | 3.65                        |
| Other Currency | 1%                      | (0.30)                      |
|                |                         |                             |
| USD            | -1%                     | (3.65)                      |
| Other Currency | -1%                     | 0.30                        |

## b Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade Receivables:

Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets

### Financial Instruments and cash deposits

Credit risk from balances with banks is managed by the company's senior management.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in respective notes.

## c Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

| Particulars                     | On Demand | Not yet Due | Less than 3 Months | 3 to 12 Months | > 1 Year | Total    |
|---------------------------------|-----------|-------------|--------------------|----------------|----------|----------|
| (a) Borrowings                  | -         | -           | -                  | 179.10         | -        | 179.10   |
| (b) Trade payables              | 1,023.29  | 203.23      | -                  | -              | -        | 1,226.52 |
| (c) Other Financial liabilities | 141.11    | -           | -                  | 2.05           | -        | 143.16   |

## 52 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes with in net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Group's strategy is to maintain a gearing ratio with 10%. The gearing ratios were as follows:



(₹ million)

| Particulars          | As at 31.03.2017 | As at 31.03.2016 | As at 01.04.2015 |
|----------------------|------------------|------------------|------------------|
| Debt (Note 24)       | 179.10           | 281.08           | 127.31           |
| Equity               | 3416.16          | 4919.34          | 5931.67          |
| <b>Gearing ratio</b> | <b>5%</b>        | 6%               | 2%               |

**53 Disclosures as Required by Indian Accounting Standard (In AS) 101 First Time Adoption of Indian Accounting Standards.**

These consolidated financial statements, for the year ended March 31, 2017 are the first, the group has prepared in accordance with Ind AS. For the periods up to and including the period ended March 31, 2016 the group prepared its financial statements in accordance with the accounting standards notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the companies (Accounts) Rules, 2014 (Indian GAAP) and amendments thereunder.

Accordingly, the group has prepared consolidated financial statements which comply with Ind AS applicable for year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at April 1, 2015, the group's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS, The group has applied the following exemptions:

- The group has elected to apply previous GAAP carrying amount of its property, plant and equipment as deemed cost as on the date of transition to Ind AS since there is no change in its functional currency on the date of transition to Ind AS.
- Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

The group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 1, 2015.

- The Group has not applied Ind AS 21. The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to Ind AS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.

**Exceptions**

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

**(a) Estimates**

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with India GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

Impairment of Financial assets based on Expected Credit Loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of March 31, 2016.

**(b) Derecognition of financial assets and financial liabilities**

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS.

**(c) Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with IND AS 109 on the basis of facts and circumstances that exist at the date of transition to IND AS.

Refer reconciliation of Equity on account of conversion of financials from Indian GAAP to Ind As.

**Reconciliation of Equity as at April 1, 2015**

₹ million

| Particulars                       | Foot Notes | I-GAAP         | Adjustments | As at 01.04.2015 |
|-----------------------------------|------------|----------------|-------------|------------------|
| <b>A Assets</b>                   |            |                |             |                  |
| <b>1) Non-Current Assets</b>      |            |                |             |                  |
| (a) Property, Plant and Equipment | i          | 2159.51        | 7.72        | <b>2,167.23</b>  |
| (b) Capital work-in-progress      |            | -              | -           | -                |
| (c) Other Intangible assets       |            | 5.82           | -           | <b>5.82</b>      |
| (d) Financial assets              |            |                |             |                  |
| (i) Trade Receivables             |            | -              | -           | -                |
| (ii) Investments                  |            | -              | -           | -                |
| (iii) Loans                       | h          | 19.14          | (5.46)      | <b>13.68</b>     |
| (iv) Bank Balances                |            | 182.50         | -           | <b>182.50</b>    |
| (e) Non-current tax assets (net)  |            | 17.78          | -           | <b>17.78</b>     |
| (f) Other non-current assets      |            | 28.93          | -           | <b>28.93</b>     |
|                                   |            | <b>2413.68</b> | <b>2.26</b> | <b>2415.94</b>   |
| <b>Current Assets</b>             |            |                |             |                  |
| (a) Inventories                   | i          | 169.19         | (11.47)     | <b>157.72</b>    |
| (b) Financial assets              |            |                |             |                  |
| (i) Trade Receivables             |            | 1244.36        | -           | <b>1244.36</b>   |



₹ million

| Particulars                               | Foot Notes | I-GAAP         | Adjustments   | As at<br>01.04.2015 |
|---|------------|----------------|---------------|---------------------|
| (ii) Cash and cash equivalents            |            | 191.68         | -             | 191.68              |
| (iii) Bank balances other than (ii) above |            | 2507.45        | -             | 2507.45             |
| (iv) Investments                          | a          | 70.15          | 0.20          | 70.35               |
| (v) Other Financial assets                | j          | 145.14         | (4.77)        | 140.37              |
| (c) Other current assets                  | h          | 36.05          | 5.35          | 41.40               |
|   |            | <b>4364.02</b> | <b>-10.69</b> | <b>4353.33</b>      |
| Assets classified as held for sale        |            | 12.31          | -             | 12.31               |
| <b>Total-Assets</b>                       |            | <b>6790.01</b> | <b>-8.43</b>  | <b>6781.58</b>      |
| <b>B Equity &amp; Liabilities</b>         |            |                |               |                     |
| <b>1) Equity</b>                          |            |                |               |                     |
| (a) Equity share capital                  |            | 339.00         | -             | 339.00              |
| (b) Other Equity                          |            | 5560.34        | 32.33         | 5592.67             |
|   |            | <b>5899.34</b> | <b>32.33</b>  | <b>5931.67</b>      |
| <b>2) Liabilities</b>                     |            |                |               |                     |
| <b>Non-Current Liabilities</b>            |            |                |               |                     |
| (a) Deferred tax liabilities (net)        | e          | -              | 0.07          | 0.07                |
|   |            | -              | <b>0.07</b>   | <b>0.07</b>         |
| <b>Current Liabilities</b>                |            |                |               |                     |
| <b>(i) Financial Liabilities</b>          |            |                |               |                     |
| (a) Borrowings                            |            | 127.31         | -             | 127.31              |
| (b) Trade payables                        |            | 420.41         | -             | 420.41              |
| (c) Other Financial liabilities           |            | 280.80         | -             | 280.80              |
| (d) Other current liabilities             |            | 12.53          | -             | 12.53               |
| (e) Provisions                            | c          | 49.62          | (40.83)       | 8.79                |
|   |            | <b>890.67</b>  | <b>-40.83</b> | <b>849.84</b>       |
| <b>Total equity and liabilities</b>       |            | <b>6790.01</b> | <b>-8.43</b>  | <b>6781.58</b>      |

## Reconciliation of Equity as at March 31, 2016

₹ million

| Particulars                               | Foot Notes | I-GAAP         | Adjustments    | As at 31.03.2016 |
|---|------------|----------------|----------------|------------------|
| <b>A Assets</b>                           |            |                |                |                  |
| <b>1) Non-Current Assets</b>              |            |                |                |                  |
| (a) Property, Plant and Equipment         | i          | 1722.52        | 9.05           | <b>1731.57</b>   |
| (b) Capital work-in-progress              |            | 3.57           | -              | <b>3.57</b>      |
| (c) Other Intangible assets               |            | 4.17           | -              | <b>4.17</b>      |
| (d) Financial assets                      |            |                |                |                  |
| (i) Trade Receivables                     |            |                |                |                  |
| (ii) Investments                          | a          | 300.00         | 14.33          | <b>314.33</b>    |
| (iii) Loans                               | h          | 20.00          | (4.44)         | <b>15.56</b>     |
| (iv) Bank Balances                        |            | 198.00         | -              | <b>198.00</b>    |
| (e) Non-current tax assets (net)          |            | 44.29          | -              | <b>44.29</b>     |
| (f) Other non-current assets              | d          | 0.18           | 0.19           | <b>0.37</b>      |
|   |            | <b>2292.73</b> | <b>19.13</b>   | <b>2311.86</b>   |
| <b>2) Current Assets</b>                  |            |                |                |                  |
| (a) Inventories                           | i          | 212.11         | (15.48)        | <b>196.63</b>    |
| (b) Financial assets                      |            |                |                |                  |
| (i) Trade Receivables                     |            | 1865.46        | -              | <b>1865.46</b>   |
| (ii) Cash and cash equivalents            |            | 46.35          | -              | <b>46.35</b>     |
| (iii) Bank balances other than (ii) above |            | 1556.41        | -              | <b>1556.41</b>   |
| (iv) Investments                          |            | -              | -              | <b>-</b>         |
| (v) Other Financial assets                |            | 469.66         | -              | <b>469.66</b>    |
| (c) Other current assets                  | h          | 29.10          | 4.20           | <b>33.30</b>     |
|   |            | <b>4179.09</b> | <b>(11.28)</b> | <b>4167.81</b>   |
| Assets classified as held for sale        |            | 11.50          | -              | <b>11.50</b>     |
| <b>Total-Assets</b>                       |            | <b>6483.32</b> | <b>7.85</b>    | <b>6491.17</b>   |
| <b>B Equity &amp; Liabilities</b>         |            |                |                |                  |
| <b>1) Equity</b>                          |            |                |                |                  |
| (a) Equity share capital                  |            | 254.25         | -              | <b>254.25</b>    |
| (b) Other Equity                          |            | 4662.56        | 2.53           | <b>4665.09</b>   |
|   |            | <b>4916.81</b> | <b>2.53</b>    | <b>4919.34</b>   |



₹ million

| Particulars                         | Foot Notes | I-GAAP         | Adjustments | As at 31.03.2016 |
|-------------------------------------|------------|----------------|-------------|------------------|
| <b>2) Liabilities</b>               |            |                |             |                  |
| <b>Non-Current Liabilities</b>      |            |                |             |                  |
| (a) Deferred tax liabilities (net)  | e          | -              | 4.96        | <b>4.96</b>      |
|                                     |            | -              | 4.96        | <b>4.96</b>      |
| <b>3) Current Liabilities</b>       |            |                |             |                  |
| (i) Financial Liabilities           |            |                |             |                  |
| (a) Borrowings                      |            | 281.08         | -           | <b>281.08</b>    |
| (b) Trade payables                  |            | 1144.94        | 0.36        | <b>1145.30</b>   |
| (c) Other Financial liabilities     |            | 60.88          | -           | <b>60.88</b>     |
| (ii) Other current liabilities      |            | 68.50          | -           | <b>68.50</b>     |
| (iii) Provisions                    |            | 11.11          | -           | <b>11.11</b>     |
|                                     |            | <b>1566.51</b> | <b>0.36</b> | <b>1566.87</b>   |
| <b>Total equity and liabilities</b> |            | <b>6483.32</b> | <b>7.85</b> | <b>6491.17</b>   |

**Reconciliation of Profit or loss for the year ended March 31, 2016**

₹ million

| Particulars                               | Foot Note | Indian GAAP     | Adjustment    | Year ended 31.03.2016 |
|---|-----------|-----------------|---------------|-----------------------|
| <b>INCOME</b>                             |           |                 |               |                       |
| I. Revenue from operations                | i         | 3,279.17        | -             | <b>3,279.17</b>       |
| II. Other Income                          | a,h & j   | 222.28          | 19.89         | <b>242.17</b>         |
| <b>III. Total Revenue (I +II)</b>         |           | <b>3,501.45</b> | <b>19.89</b>  | <b>3,521.34</b>       |
| Employee benefit expenses                 | d & g     | 804.27          | 1.38          | <b>805.65</b>         |
| Operating Expenses                        | f         | 1,997.26        | (1.53)        | <b>1,995.73</b>       |
| Finance costs                             |           | 2.72            | -             | <b>2.72</b>           |
| Depreciation and amortisation expense     |           | 471.71          | 2.70          | <b>474.41</b>         |
| Other Expenses                            | h         | 137.44          | (6.18)        | <b>131.26</b>         |
| <b>Total Expenses (IV)</b>                |           | <b>3,413.40</b> | <b>(3.63)</b> | <b>3,409.77</b>       |
| <b>V. Profit before tax (III -IV)</b>     |           | <b>88.05</b>    | <b>23.52</b>  | <b>111.57</b>         |
| <b>VI. Tax expense:</b>                   |           |                 |               |                       |
| Current tax                               |           | 51.87           | -             | <b>51.87</b>          |
| Tax Adjustment for earlier years          |           | 0.95            | -             | <b>0.95</b>           |
| Deferred Tax                              | e         | -               | 4.89          | <b>4.89</b>           |
| <b>VII. Profit for the period (V -VI)</b> |           | <b>35.23</b>    | <b>18.63</b>  | <b>53.86</b>          |
| Other Comprehensive Income                | d & g     | -               | 42.98         | <b>42.98</b>          |
| <b>Total Comprehensive income</b>         |           | <b>35.23</b>    | <b>61.61</b>  | <b>96.84</b>          |

**Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016****(a) Fair Value through profit or loss (FVTPL) financial assets**

Under Indian GAAP, the group accounted for investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, the group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, net of related deferred taxes.

The difference between Fair Value and the Indian GAAP carrying amount has been recognised in retained earnings.

**(b) Statement of Cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**(c) Provisions**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid.

On April 1, 2015. The proposed dividend for the year ended on March 31, 2015 of ₹ 40.83 Millions (including Dividend Distribution tax of ₹ 6.94 Millions) recognized under Indian GAAP was reduced from Provisions and with a corresponding impact in the retained earnings.

**(d) Defined Benefit Plan**

Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**(e) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period, whereas Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹ 0.07 Millions.

**(f) Transaction Cost**

Under the Indian GAAP the Group recognised transaction costs relating to Buyback of Equity shares in the statement of profit or loss. Ind AS 32 requires such transaction costs to be allocated to the Equity Component of the instrument.

**(g) Other Comprehensive Income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(h) Loans-Deposits**

The Group has given interest free refundable security deposit towards office rent, which is been brought to Fair value as per Ind AS 109. The difference between the nominal value of Security Deposit and Fair value of Security Deposit is considered as additional rent payable to the lessor. Further the Group has also recognized as interest income as per amortisation pattern. The additional rent recognized is expensed out on straight line basis over the tenure of agreement.



**(i) Property Plant & Equipment**

The Group has capitalised Spares which meets the definition of Property, Plant and Equipment as per Ind AS 16-Property, plant and Equipment. The same has been capitalised as at the transition date which were recognised as inventory as per the Indian Accounting Standard.

**(j) Sale of Saturation Diving System**

Group has entered into sales agreement for sale of Saturation Diving system in the year 2014-15. The agreement had deferred payment term

(Payment being spread over a period of 2 years. Hence the difference between the fair value of receivable and actual amount receivable is recognized as interest income).

**54 Standard issued but not effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'.The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No: 101143

Place: Mumbai

Date: May 30, 2017

**For and on behalf of the Board of Directors of SEAMEC Limited**

**Mahesh Prasad Mehrotra**

Director

**Virendra Kumar Gupta**

President & Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

**Seema Modi**

Director

**S N Mohanty**

President Corporate Affairs, Legal & Company Secretary



**Annexure- A**

Related Parties with whom transactions have taken place during the year ended March 31, 2017

(₹ million)

| Particulars<br>Relationship        | HAL Offshore Limited<br>Holding Company |                  | Relatives of Key Management<br>Personnel |                  |                  | Key Management Personnel |                  |                  |
|------------------------------------|---|------------------|--|------------------|------------------|--------------------------|------------------|------------------|
|                                    | 2016-17                                 | 2015-16          | 2016-17                                  | 2015-16          | 2016-17          | 2015-16                  | 2016-17          | 2015-16          |
| <b>Transaction during the Year</b> |   |                  |  |                  |                  |                          |                  |                  |
| Income from operations             | 371.31                                  | 273.10           | -  | -                | -                | -                        | -                | -                |
| Reimbursement Received             | 25.33                                   | -                | -  | -                | -                | -                        | -                | -                |
| Sub Contracting Expenses           | 29.75                                   | -                | -  | -                | -                | -                        | -                | -                |
| Rent Expenses                      | -                                       | -                | 46.86                                    | 29.17            | -                | -                        | -                | -                |
| Expenses                           | -                                       | 0.97             | -  | -                | 0.33             | 0.32                     | -                | -                |
| Security Deposit Given             | -                                       | -                | -  | 2.49             | -                | -                        | -                | -                |
| Security Deposit Refund            | -                                       | -                | 4.91                                     | -                | -                | -                        | -                | -                |
| Salaries & Allowances              | -                                       | -                | -  | -                | 29.19            | 29.96                    | -                | -                |
| Directors sitting Fees             | -                                       | -                | -  | -                | 1.20             | 2.24                     | -                | -                |
|                                    |   |                  |  |                  |                  |                          |                  |                  |
| <b>Year end balance</b>            | <b>31-Mar-17</b>                        | <b>31-Mar-16</b> | <b>31-Mar-17</b>                         | <b>31-Mar-16</b> | <b>31-Mar-17</b> | <b>31-Mar-16</b>         | <b>31-Mar-17</b> | <b>31-Mar-16</b> |
| Security Deposit                   | -                                       | -                | 10.72                                    | 12.16            | -                | -                        | -                | -                |
| Advance Rent                       | -                                       | -                | 2.59                                     | 4.22             | -                | -                        | -                | -                |
| Balance payable                    | 41.38                                   | -                | -  | -                | -                | -                        | -                | -                |
| Balance receivable                 | 273.77                                  | 60.78            | -  | -                | -                | -                        | -                | -                |

**Associates details**

| Particulars<br>Relationship | Technip SA<br>Associate Company |          | Technip Net SA<br>Associate Company |          | Technip USA<br>Associate Company |          |
|-----------------------------|---------------------------------|----------|-------------------------------------|----------|----------------------------------|----------|
|                             | 31-Mar-16                       | 1-Apr-15 | 31-Mar-16                           | 1-Apr-15 | 31-Mar-16                        | 1-Apr-15 |
| <b>Year end balance</b>     |                                 |          |                                     |          |                                  |          |
| Balance payable             | 17.72                           | 15.93    | 1.49                                | 1.34     | -                                | -        |
| Balance receivable          | -                               | -        | -                                   | -        | 1.20                             | 1.13     |



- 1 Key management personnel – Captain C J Rodricks, Managing Director. Mr. V K Gupta, President & CFO & Mr. S. N. Mohanty, President - Corporate Affairs, Legal & Company Secretary.  
Directors – Mr. Sanjeev Agrawal, Mr. Surinder Singh Kohli, Mr. Amarjit Singh Soni, Mr. Mahesh Prasad Mehrotra & Mrs. Seema Jayesh Modi.
- 2 Relative of Key Management Personnel Mrs. Deepthi Agrawal, wife of Mr. Sanjeev Agrawal (Chairman).
- 3 Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

**Terms and Conditions of transaction with Related parties**

Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Compensation of key management personnel**

| Particulars                             | TOTAL        |
|---|--------------|
| Short term employee benefits            | 28.83        |
| Post Employment benefits                | 0.36         |
| Sitting Fees                            | 1.20         |
| <b>Total Compensation paid to KMP's</b> | <b>30.39</b> |











## SEAMEC LIMITED

(CIN: L63032MH1986PLC154910)

Regd. Office: A 901-905, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri (East), Mumbai – 400 093

Tel +91 22 6694 1800, Fax +91 22 6694 1818 . Website: [www.seamec.in](http://www.seamec.in)

• Email : [seamec@bom5.vsnl.net.in/contact@seamec.in](mailto:seamec@bom5.vsnl.net.in/contact@seamec.in)

### ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

| Registered Folio Number | Client ID & DP ID | No. of Equity Shares held |
|-------------------------|-------------------|---------------------------|
|                         |                   |                           |

I/We hereby record my/our presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Friday, 11th August, 2017 at 4.00 p.m. at Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai – 400057.

|   |       |
|---|-------|
| 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.







# SEAMEC LIMITED

(CIN: L63032MH1986PLC154910)

## PROXY FORM

Regd. Office: A 901-905, 9<sup>th</sup> Floor, 215 Atrium, Andheri Kurla Road, Andheri (East), Mumbai – 400 093

Tel +91 22 6694 1800, Fax +91 22 6694 1818 . Website: www.seamec.in

• Email.: seamec@bom5.vsnl.net.in/contact@seamec.in

Name of the Member (s) :  
Registered Address :  
E-mail Id :  
Folio No / DP ID - Client Id :

I/We, being the holder(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- 1 Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- 2 Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- 3 Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 11<sup>th</sup> August, 2017 at 4.00 p.m at Navinbhai Thakkar Auditorium, Shree Vile Parle Gujarati Mandal, Shraddhanand Road, Vile Parle (East), Mumbai – 400 057 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No.                  | Resolutions  |
|--------------------------|--|
| <b>ORDINARY BUSINESS</b> |  |
| 1                        | Adoption of Financial Statements for the financial year ended March 31, 2017 and the Consolidated Financial Statements of the said financial year.   |
| 2                        | Appointment of Mr. Sanjeev Agrawal as a Director.  |
| 3                        | Appointment of Messers. T R Chadha & Co. LLP, Chartered Accountants as Auditors of the Company and to fix their remuneration.  |
| <b>SPECIAL BUSINESS</b>  |  |
| 4                        | Appointment of Mr. Mahesh Prasad Mehrotra as Independent Director.   |
| 5                        | Entering into Related Party Transactions with HAL Offshore Limited for a period of 3 years which would exceed the materiality threshold limit prescribed under Act and Regulations.        |
| 6                        | Modification of relevant explanatory statement to the Postal Ballot Notice dated 6 <sup>th</sup> March, 2015 pertaining to appointment and remuneration payable to Captain C. J. Rodricks. |

Signed this ..... day of ..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 30<sup>th</sup> Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission

## DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

Address: Navinbhai Thakkar Hall  
Shree Vile Parle Gujarati Mandal, Shraddhanand Road,  
Vile Parle (East), Mumbai – 400 057

Landmark: Near Rajpuria Hall & Shiv Sagar Restaurant

## ROUTE MAP







## SEAMEC LIMITED

**Regd. & Corporate Office:**

A-901-905, 9th Floor, 215 Atrium,  
Andheri - Kurla Road, Andheri (East),  
Mumbai - 400 093, INDIA.

Tel: (91) 22-66941800 / 33041800

Fax: (91) 22-66941818 / 33041818

Email: [seamec@bom5.vsnl.net.in](mailto:seamec@bom5.vsnl.net.in)