



SEAMEC LIMITED

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SEAMEC/NSE/SMO/457/16

8th December, 2016

To,
The Secretary,
National Stock Exchange of India Ltd.,
'EXCHANGE PLAZA,
Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 001.

Sub: Financial Results of the Company for the Quarter ended 30.09.2016 - Regulation 33 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Further to our Letter Ref. No. SEAMEC/NSE/SMO/446/16 dated 29th November, 2016, we wish to inform you that the Board of Directors of the Company in its meeting held on 8th December, 2016 considered and taken on record the Unaudited Financial Results of the Company for the Quarter ended 30th September, 2016, along with the Limited Review Report in terms of Regulation 33 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The text of above results is enclosed herewith.

The Board Meeting commenced at 1400 hrs and ended at 1600 hrs.

Kindly take the above on record.

Thanking you,

Yours faithfully,
For SEAMEC LIMITED

S.N. Mohanty
PRESIDENT
Corporate Affairs, Operations and Company Secretary

SEAMEC LIMITED

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CIN : L63032MH1986PLC154910

Statement of unaudited standalone financial results for the quarter and six months ended September 30, 2016

(₹ in lakhs except as stated)

Sr.No.	Particulars	Quarter ended		Six months ended		
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		Unaudited	Unaudited	Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)
1	(a) Income from Operations	2,423	4,662	2,168	7,085	10,847
	(b) Other Operating Income	0	0	0	0	1
	Total Income from Operations (a)+(b)	2,423	4,662	2,168	7,085	10,848
2	Expenses					
	a. Consumables & Spares consumed	587	1,695	1,117	2,282	2,269
	b. Employee benefit expenses (including offshore staff)	1,450	1,710	1,757	3,160	3,973
	c. Depreciation and amortisation	1,268	1,174	1,169	2,442	2,324
	d. Diving sub contractor cost	455	589	414	1,044	2,726
	e. Other Expenditure	943	891	1,142	1,834	2,257
	Total Expenses	4,703	6,059	5,599	10,762	13,549
3	(Loss) / Profit from Operations before Other Income and Finance cost (1-2)	(2,280)	(1,397)	(3,431)	(3,677)	(2,701)
4	Other Income	387	439	713	826	1,387
5	(Loss) / Profit from ordinary activities before Finance cost (3+4)	(1,893)	(958)	(2,718)	(2,851)	(1,314)
6	Finance Cost	12	55	2	67	12
7	(Loss) / Profit from ordinary activities after finance cost and before tax (5-6)	(1,905)	(1,013)	(2,720)	(2,918)	(1,326)
8	Tax expense	117	103	111	220	284
9	(Loss) / Profit from ordinary activities after tax (7- 8)	(2,022)	(1,116)	(2,831)	(3,138)	(1,610)
10	Other Comprehensive income	(4)	3	14	(1)	13
11	Total Comprehensive income (9+10)	(2,026)	(1,113)	(2,817)	(3,139)	(1,597)
12	Paid up equity share capital (face value : ₹ 10/- each)	2,543	2,543	3,390	2,543	3,390
13	(Loss)/Earning per share (of ₹ 10/- each) (not annualised)					
	(a) Basic (₹)	(7.95)	(4.39)	(8.35)	(12.34)	(4.75)
	(b) Diluted (₹)	(7.95)	(4.39)	(8.35)	(12.34)	(4.75)

- The Company has adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34 'Interim Financial Reporting' prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 1, 2015 and the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.
- The financial results and other financial information for quarter and six months ended September 30, 2015 have not been audited or reviewed by the statutory auditors. However, the Management has exercised necessary due diligence to ensure that the unaudited financial results provide a true and fair view of the Company's affairs.
- Reconciliation of Net profit for the quarter and six months ended September 30, 2015 between Ind AS compliant results as reported above with results reported in previous period as per Indian GAAP are given below :

(₹ in lakhs)

Particulars	Quarter ended	Six months ended
	September 30, 2015 (Refer note 2)	September 30, 2015 (Refer note 2)
Net (Loss) / Profit under previous GAAP (net of Tax)	(2,882)	(1,567)
Adjustment of revenue as per Ind AS 8	-	(104)
Actuarial loss on employee defined benefit plan recognised in Other Comprehensive income	(12)	(13)
Others	20	20
Fair value impact for Financial Instrument	43	54
Net (Loss) / Profit for the period under Ind AS (net of Tax)	(2,831)	(1,610)
Other Comprehensive income	14	13
Total Comprehensive income under Ind AS	(2,817)	(1,597)



- 4 Trade receivables and unbilled revenue as at September 30, 2016 includes ₹ 10,900 lakhs and ₹ 450 lakhs i.e. in aggregate, a sum of ₹ 11,350 lakhs receivable from Swiber Offshore Construction Pte. Ltd., Singapore ('SOC') and Swiber Offshore India Pvt. Ltd. (SOIPL) and further, a sum of ₹ 1175 lakhs receivable through the Company's co-contractor, in respect of contracts executed by the Company which were awarded to these entities by ONGC. During the quarter, The Swiber group was under Judicial Management in Singapore. The Management understands that Judicial Managers (JM) appointed by the Singapore High Court have submitted their report/various options before the Hon'ble Singapore High Court. In the interim, the Company served notice for winding up of SOIPL and initiated legal proceedings seeking interim relief under Section 9 of Arbitration and Conciliation Act, 1996 before Hon'ble Mumbai High Court. ONGCL, being end-client, is also reviewing the situation as balance work of the contracts awarded to SOC and SOIPL needs to be completed in time bound manner and the company has notified ONGC regarding amount receivable by the Company from SOC and SOIPL.

Subsequent to quarter-end, SOC and SOIPL proposed a settlement with their creditors (including the Company), which could not be concluded. Considering the evolving nature of this dispute, management is taking necessary steps to enforce recovery of the amounts due to the Company. Pending the resolution of these matters, management believes no material adjustments to the financial position are necessary at this stage. The statutory auditors have qualified their review conclusion in this regard.

- 5 In the past, the Company had entered into a Charter Party Agreement with a Charterer for chartering a vessel and provision of services, for which an amount of ₹ 2,253 lakhs was receivable by the Company. The Charterer was in turn having a contract with its Contractor which was ultimately responsible to its Principal Contractor. While on charter, there was an incident that allegedly resulted in damage to subsea pipeline of the Principal Contractor, and such damage was sought to be attributed to the Company. As on September 30, 2016, the Charterer has withheld payment of ₹ 1730 lakhs due to the Company (net provision of doubtful debts of ₹ 523 lakhs) until settlement of matter relating to the damaged subsea pipeline. During the previous year, the Company initiated legal proceedings against the Charterer in the Abu Dhabi Court without any positive outcome. The Company is also in discussions with the Charterer and other parties involved to reach a settlement and enable the Charterer to initiate necessary legal recourse against its Contractor. As a significant development discussion has been made with all concerned including principal contractor. On the basis of the information available with the Company, the Management is of the view that it will be able to recover the outstanding trade receivables. The Statutory Auditors have qualified their review conclusion in this regard and had also qualified their audit opinion for the year ended March 31, 2016.
- 6 There has been no development on the ongoing litigation pertaining to appeal pending before the Hon'ble CESTAT (Tribunal) on customs duties including penalties, interest etc. to the tune of ₹ 11,970 lakhs. Similarly, the appeal pending before Hon'ble Mumbai High Court pertaining to alleged Foreign Exchange violation amounting to ₹ 1,000 lakhs, remains to be heard.
- 7 In an earlier year, the Company had made an application to the Central Government for waiver from recovery of excess managerial remuneration of ₹ 94.20 lakhs for the year 2013-14. Subsequently, on basis of Notification No. 46/2011 dated July 14, 2011 permitting listed companies to pay remuneration in excess of applicable limits subject to certain conditions being met, the Company obtained opinion of a legal expert, and submitted necessary confirmations to the Ministry of Corporate Affairs in this regard, basis which it expects a closure of this matter.

For the year ended March 31, 2016, due to inadequacy of profits, remuneration to the Managing Director exceeded the limit prescribed under Section 197 of the Companies Act, 2013 by ₹ 36.73 lakhs. Consequent to a notification dated September 12, 2016 increasing the minimum remuneration payable under the Companies Act, 2013 without obtaining Central Government approval, management believes that specific approval of Central Government is no longer necessary, subject to complying with the conditions specified in the said notification. Accordingly, a recovery of these amounts is not necessary. The Statutory Auditors in their Review Report on the Financial Results for the quarter and six months ended September 30, 2016 have included an Emphasis of Matter in this regard, with a similar reporting for the year ended March 31, 2016.

8 Segment Report: -

Sr. No	Geographic Segment	(₹ in lakhs)				
		Quarter ended			Six months ended	
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		Unaudited	Unaudited	Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)
1	Segment Revenue (net income from each segment)					
	(a) Domestic	2,393	4662	2168	7,055	10,790
	(b) Overseas	30	-	-	30	58
	Net Income from Operations	2,423	4,662	2,168	7,085	10,848
2	Segment results: (Loss) / Profit before tax and Finance cost from each segment					
	(a) Domestic	(2,139)	(1253)	(2703)	(3392)	(1715)
	(b) Overseas	(96)	-	(524)	(96)	(622)
	Total	(2,235)	(1,253)	(3,227)	(3,488)	(2,337)
	Less: (i) Finance Cost	(12)	(55)	(2)	(67)	(12)
	(ii) Other un-allocable income	342	295	509	637	1,023
	(Loss) / Profit before tax	(1,905)	(1,013)	(2,720)	(2,918)	(1,326)

Capital employed has not been identified with any of the reportable segments, as the assets used in the Company's business and the liabilities contracted are used interchangeably between segments.

- 9 The above unaudited financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at a meeting held on 8th December, 2016.
- 10 Figures for the previous period have been regrouped / reclassified, where necessary, to conform to the current period classification



Statement of Assets and Liabilities (Standalone) as at September 30, 2016 is given below :

(₹ in lakhs)

Particulars	As at September 30, 2016 Unaudited
A - Assets	
1) Non-Current Assets	
(a) Property, Plant and Equipment	16,289
(b) Capital work-in-progress	109
(c) Other Intangible assets	35
(d) Financial assets	
(i) Investment	3,599
(ii) Loans	161
(iii) other financial assets	1,980
(e) Other non-current assets	688
Total Non-Current Assets	22,861
2) Current Assets	
(a) Inventories	1,677
(b) Financial assets	
(i) Trade Receivables	20,499
(ii) Cash and cash equivalents	8,587
(iii) Bank balances other than (ii) above	579
(iv) Other Financial assets	528
(c) Other current assets	893
Total Current Assets	32,763
Total-Assets	55,624
B- Equity & Liabilities	
1) Equity	
(a) Equity share capital	2,543
(b) Other Equity	36,381
Total Equity	38,924
2) Liabilities	
Non-Current Liabilities	
(a) Deferred tax liabilities (net)	118
	118
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	2,025
(ii) Trade payables	11,768
(iii) Other Financial liabilities	2,324
(b) Other current liabilities	354
(c) Provisions	111
	16,582
Total-Equity and Liabilities	55,624

For and on behalf of the Board of Directors

Captain C J Rodricks
 Captain C J Rodricks
 Managing Director
 DIN - 00153176

Place: New Delhi
 Date: December 8, 2016



Limited Review Report

**Review Report to
The Board of Directors
SEAMEC Limited**

1. We have reviewed the accompanying statement of unaudited financial results of SEAMEC Limited ('the Company') for the quarter ended September 30, 2016 and year to date from April 1, 2016 to September 30, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Trade receivables and unbilled revenue as at September 30, 2016 includes Rs. 12,075 lakhs and Rs. 450 lakhs receivable from certain customers. As explained in note 4 to the Financial Results, during the quarter, the parent company of the customers has been placed under a legal process of 'Judicial Management' in Singapore for financial rehabilitation and these dues are the subject of litigation in India, which creates an uncertainty as regards ability of the parties to pay the amounts due to the Company. Consequently, we are unable to comment on the recoverability of these amounts, including any other consequential adjustments, if any, that may arise in this regard, in these results.
5. We further report that trade receivables as at September 30, 2016, include Rs. 1,730 lakhs (net of provision for doubtful debts of Rs 523 lakhs) receivable from a charterer. As explained in note 5 to the Financial Results, this amount is withheld by the charterer until a settlement involving the Company is reached in this regard. Since this amount is subject to settlement and consequential adjustments, if any, we are unable comment on the recoverability of the same, including any other consequential adjustments that may be required to be made to these financial results. Our audit report issued for the year ended March 31, 2016 was similarly modified in respect of this matter.



S R B C & CO LLP

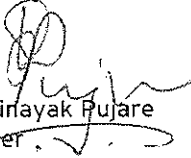
Chartered Accountants

6. Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We have not audited or reviewed the accompanying financial results and other financial information for the quarter and six months ended September 30, 2015, as included in the Statement, which have been prepared solely based on the information compiled by the Management.
8. We draw attention to note 7 to the Financial Results, regarding managerial remuneration for the year ended March 31, 2014 and March 31, 2016 being in excess of the applicable limits under the Companies Act, 2013. Our conclusion for the quarter and six months ended September 30, 2016 is not qualified in respect of this matter.

For S R B C & CO LLP

ICAI Firm registration number: 324982E/E300003

Chartered Accountants


per Vinayak Pujare
Partner
Membership No.: 101143



Place: New Delhi

Date: December 08, 2016