SEAMEC INTERNATIONAL FZE

Dubai, United Arab Emirates

Financial Statements

(Year Ended March 31, 2017)

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Auditing • Accounting • Management Consulting

INDEX TO THE FINANCIAL STATEMENTS

ESTABLISHMENT INFORMATION

Shareholder
Seamec Limited, Mumbai, India

Directors
Sanjeev Agrawal
S N Mohanty
Rajeev Goel
Capt. Chris Rodricks

Manager
Mr Rone Anand Manapuzha

Principal activities
The principal activities of the Establishment is "Providing oilfield services in offshore oilfield through multi support vessels".

License
1884

Business address
Unit no-3W 410
Dubai Airport Free Zone
Dubai, United Arab Emirates
Tel : +971- 04- 2989699

Bankers
Bank of Baroda
Sharjah, United Arab Emirates

Auditors
TRC PAMCO Middle East Auditing & Accounting
P O Box 94570, Dubai
Tel : +971- 04- 2298777
Fax: +971- 04- 2999225
Email : info@trcpamco.com
Web: www.trcpamco.com

DIRECTORS REPORT

The management is pleased to present their report together with audited financial statements of the Establishment for the year ended March 31, 2017.

Principal activities

The principal activities of the Establishment is "Providing oilfield services in offshore oilfield through multi support vessels".

Performance review

The Establishment has a net profit USD 0.10 million for the year as compared to the previous year loss of USD 0.06 million.

Events subsequent to the balance sheet date

There were no major events, which occurred since the year end that materially affect the financial position of the Establishment.

Auditors

The Establishment's auditors, TRC PAMCO Middle East Auditing & Accounting, now retire and being eligible, offer themselves for re-appointment.

Acknowledgement

Directors take this opportunity to place on record their gratitude to the various government departments, bank, professionals and business associates for their continued assistance and support extended to the Establishment. The management also wish to express their appreciation to the employees at all levels for their hard work, dedication and commitment.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director
Dubai
May 20, 2017

Rajeev Goel
Director

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Seamec International FZE
United Arab Emirates

Report on the audit of the financial statement of Seamec International FZE for the year ended March 31, 2017

Opinion

We have audited the accompanying financial statements of Seamec International FZE, Dubai, UAE ("the Establishment"), which comprises the statement of financial position as at March 31, 2017, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of the management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and their preparation in compliance with the implementing regulations of Dubai Airport Free Zone, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the management is responsible for assessing the Establishment's ability to continue as a going concern, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

Auditors responsibilities for the audit of the financial statements

Objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism through out the audit. We also:

T R C PAMCO MIDDLE EAST AUDITING & ACCOUNTING
PO Box 94570
Dubai U.A.E.

E-09, Al Owais Build., Rigga Road, P O Box 94570, Dubai. Tel: 04 229 8777, Fax: 04 299 9225, Email: info@trcpamco.com

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other legal and regulatory requirements

We also confirm that, in our opinion, proper books of account have been kept by the Establishment in accordance with the provisions of the Implementing Regulations issued pursuant to Law No. (25) of 2009 concerning the formation of legal establishments in the Dubai Airport Free Zone. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Implementing Regulations have occurred during the year ended March 31, 2017 which would have had a material effect on the business of the Company or on its financial position.

For TRC PAMCO Middle East Auditing & Accounting

T R C PAMCO MIDDLE EAST AUDITING & ACCOUNTING
PO Box 94570
Dubai U.A.E.

Yousif Mohamed Ali Mohamed Al Rasheed
Reg. No: 423
Dubai
May 20, 2017

E-09, Al Owais Build., Rigga Road, P O Box 94570, Dubai. Tel: 04 229 8777, Fax: 04 299 9225, Email: info@trcpamco.com

Statement of financial position as on March 31, 2017

(Figures in USD)

	Notes	As on Mar 31, 2017	As on Mar 31, 2016
ASSETS EMPLOYED			
Non current assets			
Property, plant and equipment (Net)	4	**1,231**	3,422
Current assets			
Deposits, prepayments and other receivable	5	**74,094**	302,114
Cash and bank balances	6	**11,388,467**	11,041,927
		11,462,561	11,344,041
TOTAL ASSETS		**11,463,792**	11,347,463
FUNDS EMPLOYED			
Shareholder's funds			
Capital account		**544,960**	544,960
Retained earnings		**10,888,082**	10,786,295
		11,433,042	11,331,255
Non current liabilities			
Employee terminal benefits	7	**10,023**	7,819
		10,023	7,819
Current liabilities			
Accounts payable and accruals	8	**20,727**	8,390
		20,727	8,390
TOTAL LIABILITIES		**11,463,792**	11,347,463

Annexed notes form an integral part of these financial statements. These financial statements are approved by Board of Directors on May 20, 2017.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director

Rajeev Goel
Director

PO Box 94570 Dubai U.A.E.
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Statement of comprehensive income for the year ended March 31, 2017

(Figures in USD)

	Notes	Year ended Mar 31, 2017	Year ended Mar 31, 2016
INCOME			
Service income		-	-
Less : Direct costs		-	-
Gross profit		-	-
Other income	9	**191,102**	202,429
Administrative and general expenses	10	**(89,315)**	(258,188)
Income/(loss) for the year		**101,787**	(55,759)
Other comprehensive income		-	-
Net comprehensive income/(loss) for the year		**101,787**	(55,759)

Annexed notes form an integral part of these financial statements. These financial statements are approved by Board of Directors on May 20, 2017.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director

Rajeev Goel
Director

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PO Box 94570
Dubai U.A.E.

Cash flow statement for the year ended March 31, 2017

(Figures in USD)

	Year Ended Mar 31, 2017	Year Ended Mar 31, 2016
I. FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year	**101,787**	(55,759)
Adjustments:		
Depreciation	**2,191**	10,273
End of service benefits	**2,204**	5,210
Loss/(profit) on sale of vessel	-	3,076
Operating cash flow before working capital changes	**106,182**	(37,200)
Working capital changes		
Advances and prepayments	**228,020**	(161,428)
Due from related party	-	40,783
Due to related party	-	(18,909)
Accounts payable and accruals	**12,337**	(5,409)
Employees end of service benefits paid	-	(3,433)
Net cash flow generated from/(used in) operating activities (A)	**346,540**	(185,596)
II. FROM INVESTING ACTIVITIES		
Sale of assets	-	790
Investment in fixed deposits	**(382,990)**	-
Net cash flows (used in)/ generated from investing activities (B)	**(382,990)**	790
III. Net cash (used in)/generated from financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(36,450)**	(184,806)
Cash and cash equivalents, beginning of the year	**41,927**	226,733
Cash and cash equivalents, end of the year	**5,477**	41,927

Annexed notes form an integral part of these financial statements. These financial statements are approved by Board of Directors on May 20, 2017.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director

Rajeev Goel
Director

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Statement of changes in equity for the year ended March 31, 2017

(Figures in USD)

Particulars	Share Capital	Retained Earnings	Total
As on April 01, 2015	544,960	10,842,054	11,387,014
Comprehensive loss for the year	-	(55,759)	(55,759)
As on March 31, 2016	544,960	10,786,295	11,331,255
Comprehensive income for the year	-	101,787	101,787
As on March 31, 2017	**544,960**	**10,888,082**	**11,433,042**

Annexed notes form an integral part of these financial statements. These financial statements are approved by Board of Directors on May 20, 2017.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director

Rajeev Goel
Director

PO Box 94878
Dubai U.A.E.

Significant accounting polices to the financial statements for the year ended March 31, 2017

1 LEGAL STATUS AND ACTIVITIES

Seamec International FZE was registered on 14 March 2010 as a Free Zone Establishment with limited liability under license No. 1884 issued by Dubai Airport Free Zone Authority, Government of Dubai. The registered office of the Establishment is located in the Emirate of Dubai. The Establishment is a wholly owned subsidiary of Seamac Limited (the "Parent Company") registered in Mumbai, India. The ultimate parent company is Hal Offshore Limited (the Ultimate Parent Company), registered in New Delhi, India.

The principal activities of the Establishment is "Providing oilfield services in offshore oilfield through multi support vessels".

As per the Memorandum of Association: the issued, subscribed and paid up capital of the Establishment as on March 31, 2017 is AED 2,000,000 (AED Two Millions Only) (Equivalent USD 544,960) divided into 2 shares of AED 1,000,000 each held by Seamac Limited, India.

2 FUNDAMENTAL ACCOUNTING CONCEPT

The Establishment has generated a profit of USD 102,060 (2016 : Loss of USD 55,759) during the year ended March, 31 2017. As on the year end, the Establishment has sufficient current assets to meet its current liabilities as and when they fall due.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the provisions of Implementing regulations Law No. (25) of 2009 issued by Dubai Airport Free Zone Department.

The financial statements are prepared under the historical cost convention.

The financial statements have been presented in US Dollars (USD), being the functional currency of the Establishment.

3.2 Adoption of new and revised international financial reporting standards (IFRS)

(a) New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have been adopted in this financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

i IFRS 14 Regulatory Deferral Accounts

ii Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative

iii Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations

iv Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization

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Significant accounting polices to the financial statements for the year ended March 31, 2017

v Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

vi Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities

vii Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

(b) **New and revised IFRSs in issue but not yet effective**

New standards and significant amendments to standards applicable to the Company	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017.
Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
Amendments to IAS 40 Investment Property: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.	January 1, 2018
Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 *Financial Instruments:* Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 9 *Financial Instruments (2009)* issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 *Financial Instruments* (2010) revised in 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.	January 1, 2018
IFRS 16 *Leases*	January 1, 2018

Significant accounting polices to the financial statements for the year ended March 31, 2017

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 month or less or the underlying assets has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
IFRS 15 *Revenue from Contracts with Customers* In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue* , IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.	January 1, 2018
The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:	

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments is not expected to have any material impact on the financial statements of the company in the period of their initial application.

3.3 Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in Note 17.

3.4 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Establishment 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 duty.

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Significant accounting polices to the financial statements for the year ended March 31, 2017

The Establishment assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Establishment has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services
Revenue from providing oilfield services in offshore oilfield through multi support vessels is recognized upon the completion of services and are stated net of discounts.

Interest income
Interest income is recognized as the interest accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

3.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Vessel - over 2 to 7 years
Motor vehicles - over 4 years
Furniture and fixtures - over 4 years
Computer and office equipment - over 4 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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PO Box 94370
Dubai U.A.E.

Significant accounting polices to the financial statements for the year ended March 31, 2017

3.6 Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

3.7 Other receivable

Other receivable are initially recognised at fair value and subsequently measured at amortised cost less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

3.8 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less.

3.9 Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3.10 Provisions

Provisions are recognized when the Establishment has a present obligation (legal or constructive) as a result of a past event, 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. Where the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.11 Employees' end of service benefits

The Establishment provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

3.12 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

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Significant accounting polices to the financial statements for the year ended March 31, 2017

3.13 Foreign currencies

Transactions in foreign currencies are initially recorded by the Establishment at the currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

3.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.15 Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Establishment becomes a party to the contractual provisions of the financial instrument. The Establishment determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Establishment that are not designated as hedging instruments in hedge relationships as defined by IFRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Establishment has not designated any financial assets upon initial recognition at fair value through profit or loss.

Significant accounting polices to the financial statements for the year ended March 31, 2017

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Establishment commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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Significant accounting polices to the financial statements for the year ended March 31, 2017

3.16 Impairment of financial assets

The Establishment assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Establishment first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Establishment determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Establishment considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Significant accounting polices to the financial statements for the year ended March 31, 2017

3.17 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Establishment becomes a party to the contractual provisions of the financial instrument. The Establishment determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Establishment that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Establishment has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.18 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

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Significant accounting polices to the financial statements for the year ended March 31, 2017

3.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Establishment; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Establishment.

Contingent liabilities and assets are not recognised on the balance sheet of the Establishment, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

The preparation of the Establishment's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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Notes to the financial statements for the year ended March 31, 2017

4. PROPERTY, PLANT AND EQUIPMENT

(Figures in USD)

Particulars	Vehicle	Furniture & Fixtures	Computers & Office Equipment	Total
Cost				
As at April 01, 2016	13,624	22,922	14,636	51,182
Additions	-	-	-	-
Sales/transfer	-	-	-	-
As at March 31, 2017	**13,624**	**22,922**	**14,636**	**51,182**
Depreciation				
As at April 01, 2016	13,624	22,922	11,214	47,760
Charge for the year	-	-	2,191	2,191
Relating to disposals	-	-	-	-
As at March 31, 2017	**13,624**	**22,922**	**13,405**	**49,951**
Net carrying amount				
As at March 31, 2017	**-**	**-**	**1,231**	**1,231**
Cost				
As at April 01, 2015	13,624	28,301	36,602	78,527
Additions	-	-	-	-
Sales/transfer	-	(5,379)	(21,966)	(27,345)
As at March 31, 2016	**13,624**	**22,922**	**14,636**	**51,182**
Depreciation				
As at April 01, 2015	10,509	20,352	30,104	60,965
Charge for the year	3,115	4,082	3,076	10,273
Relating to disposals	-	(1,512)	(21,966)	(23,478)
As at March 31, 2016	**13,624**	**22,922**	**11,214**	**47,760**
Net carrying amount				
As at March 31, 2016	**-**	**-**	**3,422**	**3,422**

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2016 (USD)	2015 (USD)
Administrative and general expenses	**2,191**	10,273
	2,191	10,273

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Notes to the financial statements for the year ended March 31, 2017

(Figures in USD)

	As on Mar 31, 2017	As on Mar 31, 2016
5. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE		
Deposits	**14,986**	19,019
Prepayments	**817**	31,298
Accrued Interest	**58,290**	251,797
	74,094	302,114
6. CASH AND BANK BALANCES		
Cash in hand	**61**	59
Cash at bank	**5,416**	41,868
Term deposits (term deposits over 3 months)	**11,382,990**	11,000,000
	11,388,467	11,041,927
Less : Term deposits (maturity over 3 months)	**(11,382,990)**	(11,000,000)
Cash and cash equivalents	**5,477**	41,927

Term deposits of USD 11,382,990 (2016 : USD 11,000,000) are held with commercial banks in United Arab Emirates. These are denominated in USD with an effective interest rate of 1.72% (2016 : 1.72%)

7. EMPLOYEES' END OF SERVICE BENEFITS		
Provision as at 1 April	**7,819**	6,042
Provided during the year	**2,204**	5,210
Paid during the year	**-**	(3,433)
Balance at the end of the year	**10,023**	7,819
8. ACCOUNTS PAYABLE AND ACCRUALS		
Trade payable	**4,596**	4,711
Expense payable	**16,131**	3,678
	20,727	8,390

(Figures in USD)

	Year Ended Mar 31, 2017	Year Ended Mar 31, 2016
9. OTHER INCOME		
Interest income	**189,483**	190,055
Liability no longer required written back	**-**	5,353
Miscellaneous income	**1,619**	7,020
	191,102	202,429

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Notes to the financial statements for the year ended March 31, 2017

		(Figures in USD)
		(Figures in USD)
	Year Ended Mar 31, 2017	Year Ended Mar 31, 2016
10. ADMINISTRATIVE & GENERAL EXPENSES		
Employee cost	**58,763**	112,756
Bank charges	**1,251**	2,548
Loss on sale of assets	-	3,076
Depreciation (Note 4)	**2,191**	10,273
Rent	**43,543**	91,701
Office administration	**31,859**	33,224
Foreign exchange loss	**17**	1,651
Advance written off	-	2,959
Less : Expenses reimbursed	**(48,309)**	-
	89,315	258,188

During the year, parent company has reimbursed the expenses of the Establishment.

11. FINANCIAL INSTRUMENTS

Financial instruments mean financial assets, financial liabilities and equity Instruments. Financial assets of the Establishment include deposits, prepayments, other receivable, cash and bank balances. Financial liabilities include accounts payable and accruals.

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts at reporting date.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

a. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Establishment's functional currency. The Establishment does not have any significant currency risk as the Establishment's transactions are mainly in United State Dollars (USD) and United Arab Emirates Dirhams (AED) that is pegged to AED.

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Notes to the financial statements for the year ended March 31, 2017

b. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the Establishment to credit risk are as follows:

The Establishment's bank accounts are placed with high credit quality financial institutions. The Establishment manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

The maximum exposure to credit risk at the end of the reporting year was:

(Figures in USD)

	As on Mar 31, 2017	As on Mar 31, 2016
Deposits, prepayments and other receivable	**74,094**	302,114
	74,094	302,114

c. Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to change in market interest rates. The Establishment is not exposed to any significant interest rate risk as the interest rate on term deposit is at a fixed rate of interest.

d. 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 following are the contractual maturities of financial liabilities, including estimated interest payments:

(Figures in USD)

	Less than one year	1 to 5 years	More than 5 years	Total
As on March 31, 2017				
Accounts payable and accruals	20,727	-	-	20,727
	20,727	-	-	**20,727**
As on March 31, 2016				
Accounts payable and accruals	8,390	-	-	8,390
	8,390	-	-	**8,390**

e. Capital management

The primary objective of the Establishment's capital management is to ensure that it is able maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

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Notes to the financial statements for the year ended March 31, 2017

The Establishment manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Establishment may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016 respectively.

12. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING DATE

There are no significant events occurring after the reporting date, which require disclosure in the financial statements.

13. RELATED PARTY TRANSACTIONS

The Establishment in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party contained in the International Accounting Standard. The Establishment believes that the terms of these transactions are not significantly different from those that could have been obtained from third parties.

Transactions with the related parties during the year are as follows

Name of the related party	Nature of relationship	Transactions	2017 (USD)	2016 (USD)
Seamec Limited, Mumbai, India	Parent company	Expenses reimbursed	48,309	-
		Other income	1,598	2,044

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially difference from their carrying values.

15. CONTINGENT LIABILITIES

As represented by the management, except for the ongoing commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the reporting date.

16. GENERAL

16.1 Figures are converted from USD at the conversion factor of 1 USD = 3.67 USD.

16.2 Previous year figures are regrouped and/ (or) reclassified, wherever necessary to conform to current year financials.

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Notes to the financial statements for the year ended March 31, 2017

17. KEY SOURCES OF ESTIMATION UNCERTAINTY

a. Useful lives of property and equipment

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

b. Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Establishment is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

For SEAMEC INTERNATIONAL FZE

S N Mohanty
Director
May 20, 2017

Rajeev Goel
Director
May 20, 2017

PO Box 94570
Dubai U.A.E.
T R C PAMCO MIDDLE EAST AUDITING & ACCOUNTING

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PO Box 94570, E-09, Mezzanine Floor, Al Owais Building, Rigga Road, Dubai
Phone: +971-4-2298777, Fax: +971-4-2999225, Email: info@trcpamco.com