

**MMG™**



**SEAMEC LIMITED**



**ANNUAL REPORT**

**2018-19**

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MEMBER OF THE **MMG**

## THIRTY SECOND ANNUAL REPORT 2018 - 2019

### BOARD OF DIRECTORS

Mr. Sanjeev Agrawal, Chairman  
 Mr. Surinder Singh Kohli  
 Ms. Seema Modi  
 Mr. Deepak Shetty  
 Mr. Subrat Das  
 Mr. Naveen Mohta

### BOARD COMMITTEE

#### Audit Committee

Mr. Deepak Shetty, Chairman  
 Mr. Surinder Singh Kohli  
 Ms. Seema Modi  
 Mr. Subrat Das

#### Stakeholders Relationship Committee

Ms. Seema Modi, Chairperson  
 Mr. Sanjeev Agrawal  
 Mr. Naveen Mohta

#### Nomination & Remuneration Committee

Mr. Surinder Singh Kohli, Chairman  
 Mr. Sanjeev Agrawal  
 Ms. Seema Modi

#### Corporate Social Responsibility Committee

Mr. Sanjeev Agrawal, Chairman  
 Mr. Deepak Shetty  
 Ms. Seema Modi

#### Core Committee

Mr. Anant Agrawal  
 Mr. Naveen Mohta  
 Mr. Subrat Das  
 Mr. S. N. Mohanty  
 Mr. Virendra Kumar Gupta  
 Mr. Rajeev Goel

#### PRESIDENT & CHIEF FINANCIAL OFFICER

Mr. Virendra Kumar Gupta

### Auditors

T.R Chadha & Co LLP  
 Chartered Accountants  
 502, Marathon Icon, Off.  
 Ganpatrao Kadam Marg,  
 Opp Peninsula Corporate Park, Lower Parel,  
 Mumbai – 400 013

### BANKERS

IDBI Bank Limited  
 Punjab National Bank

### REGISTRARS & SHARE TRANSFER AGENTS

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

### REGISTERED & CORPORATE OFFICE

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

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

All Communications, pertaining to shares, should be made  
either to the Company's Registered Office  
at the above address OR to the  
Registrar & Share Transfer Agents (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 Thirty Second Annual General Meeting of SEAMEC LIMITED will be held on Friday, the 9<sup>th</sup> day of August, 2019 at 4.30 P.M. at VITS Hotel, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059 to transact the following business:

### 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, 2019 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, 2019 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Naveen Mohta (DIN: 07027180) who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Subrat Das (DIN: 07105815) who retires by rotation and is eligible for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Surinder Singh Kohli (DIN: 00169907) who was appointed as an Independent Director at the twenty-seventh Annual General Meeting of the Company and who holds office up to 10<sup>th</sup> August, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 11<sup>th</sup> August, 2019.”

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 sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”), 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 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time, Mr. Deepak Shetty (DIN: 07089315), who was appointed by the Board of Directors as an Additional Director to hold the office of an Independent Director of the Company with effect from 15<sup>th</sup> May, 2019, in terms of section 161(1) of the Act and article 87 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of an Independent Director, and who meets the criteria for independence as provided for in section 149(6) of the Act, along with the rules framed thereunder and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 14<sup>th</sup> May, 2024, not being liable to retire by rotation.”



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

**“RESOLVED THAT** the shareholders hereby note and endorse the fact that the earlier decision to increase the Authorised Share Capital vide resolutions passed in Item Nos. 6 and 7 of the Annual General Meeting held on 26<sup>th</sup> September, 2018 by the shareholders of the Company, has not been implemented, since Scheme of Arrangement for the demerger of the EPC & Vessel Division of HAL Offshore Limited ('HAL') with this Company has been withdrawn with the consent of the Hon'ble National Company Law Tribunal, and the necessity to allot shares pursuant to the scheme no more exists.

**FURTHER RESOLVED THAT** the decision to increase the Authorised Share Capital vide resolutions passed in Item Nos. 6 and 7 in the Annual General Meeting held on 26<sup>th</sup> September, 2018, be and are hereby revoked and withdrawn.”

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

Dated: 15<sup>th</sup> May, 2019

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 Standards-2, the proxy holder shall prove his identity at the time of attending meeting. Proxy holders should carry a valid Photo-Id card to the venue of the Annual General Meeting.**

**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 person or members. Proxies submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate resolution / authority, as applicable.**

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the special business under Item Nos. 4 to 6 of the Notice, is annexed hereto. In pursuance of Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings, the relevant details of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (AGM) are given in the annexure to the notice of the Annual General Meeting.
3. Members seeking any information with regard to the accounts and operations of the Company, are requested to write to the Company at an early date, so as to enable the Company to keep the information ready at the AGM.
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the Registrars and Share Transfer Agents (RTA): C B Management Services (P) Ltd., P-22, Bondel Road, 5<sup>th</sup> Floor, Kolkata – 700 019 in case the shares are held in physical form.
5. 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 respective holdings should be verified.
6. 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 their PAN to the depository participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company and/or Registrar and Share Transfer Agent of the Company.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agents, for assistance in this regard.
8. The ISIN number allotted is INE497B01018. In view of the numerous advantages offered by the depository system and the directives given under Regulation 40 of SEBI Listing Regulations, Members are requested to avail of the facility of dematerialization of the Company's shares held by them in physical form.
9. 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.
10. Members are requested to bring their copies of the Annual Report and Accounts to the AGM.
11. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
12. Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company / Company's Registrars and Share Transfer Agents.
13. Members may note that the Notice of the 32<sup>nd</sup> Annual General Meeting and Annual Report for FY 2018-19 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>.





14. Electronic copy of the Annual Report for FY 2018-19 containing Notice of AGM is uploaded on the Company's website [www.seamec.in](http://www.seamec.in) and is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For members, who have not yet registered their email address, physical copies of the Annual Report for FY 2018-19 along with Notice of AGM is being sent in the prescribed mode.
15. To support "Green Initiatives", members who have not yet registered their email addresses are requested to register the same with the Registrar/Depositories.
16. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 available on the website of the Company at [www.seamec.in](http://www.seamec.in) under the heading "Investor Information" and "Download Forms".
17. **Corporate Representation:** A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 113 of the Companies Act, 2013 i.e. only if the Corporate Member sends a certified true copy of the resolution passed by the Board of Directors of the Company or a Power of Attorney authorizing the Representative to attend and vote at the meeting on behalf of the Corporate Member.
18. **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 from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on all resolutions proposed to be considered at the 32<sup>nd</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 also be made available at the AGM and the members attending the AGM who have not already cast their vote by remote e-voting, may exercise their right at the AGM 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. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
  - V. The remote e-voting period commences on Tuesday, 6<sup>th</sup> August, 2019 (9:00 a.m.) and ends on Thursday, 8<sup>th</sup> August, 2019 (05:00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 2<sup>nd</sup> August, 2019 are entitled to vote and may cast their vote by remote e-voting. 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.
  - VI. The process and manner for remote e-voting is as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

#### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.



2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.smishra@gmail.com](mailto:cs.smishra@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VII. Additionally, any query or grievance related with remote e-voting may be addressed to Ms. Sneha Valeja, Assistant Company Secretary, Tel.: 022 6694 1800, E mail - [contact@seamec.in](mailto:contact@seamec.in).
- VIII. Member(s) already registered with NSDL for e-voting can use existing user ID and Password/PIN for casting vote.
- IX. 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).
- X. The voting rights of the members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 2<sup>nd</sup> August, 2019.
- XI. 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. Friday, 2<sup>nd</sup> August, 2019, 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).
- XII. 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 shall only be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- XIII. The Board of Directors of the Company have appointed Satyajit Mishra & Co., Company Secretaries, (Membership No. FCS-5759, COP No.-4997), as the Scrutinizer to scrutinize remote e-voting process and voting at the AGM in a fair and transparent manner.
- XIV. 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.
- XV. 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.

XVI. In case a Member receives physical copy of the Notice (for Members whose email addresses are not registered with the Company/Depositories) :

- i. Initial password is provided in the Form: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xvi) above, in case you like to cast your vote through Remote e-Voting.

XVII. VOTING AT VENUE OF ANNUAL GENERAL MEETING ("AGM") : Members holding shares either in physical form or in dematerialized form 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 i.e. Friday, 2<sup>nd</sup> August, 2019 and who have not already cast their votes electronically through remote e-Voting, will be entitled to vote on all the business and resolutions set forth in this Notice at the venue of the Annual General Meeting ("AGM"). Voting at the AGM venue will commence after the Chairman explains the procedure for voting to be followed and formally announces the commencement of voting at the AGM venue. Members will be informed of the procedure for voting at the venue and will be assisted by representatives of the Registrars and Share Transfer Agents and supervised by the scrutiniser. For voting purposes, ballot papers will be provided separately at the AGM venue only to the members and where there are joint holders, only to the first named joint holder. Proxies will not be allowed to speak at the AGM. A proxy can vote only if the Member himself is not present at the meeting. Members who have cast their vote by remote e-voting prior to the Annual General Meeting may attend the meeting but shall not be entitled to cast their vote again.

XVIII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at <https://www.evoting.nsdl.com>. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

PLEASE NOTE THAT

- Login to NSDL's e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot User Details/Password' option available on the website to reset the same.
- Your existing user ID and password with NSDL can be used by you exclusively for e-Voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

#### 19. Other Information:

- a) Only those who are Members of the Company as on the cut-off date will be entitled to vote through remote e-voting or voting at the venue of the meeting. A person who is not a Member of the Company as on the cut-off date but has received a copy of the Notice should treat this Notice for information only.
- b) The result declared along with the Scrutinizer's Report will be available on the Company's website at [www.seamec.in](http://www.seamec.in) and on the website of NSDL <https://www.evoting.nsdl.com> on the same day and shall also be simultaneously forwarded to the Stock Exchanges where the Company's shares are listed i.e., BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and will also be displayed on the notice board of the Registered Office of the Company.
- c) The resolutions, if passed by a requisite majority, shall be deemed to be passed on the date of the Annual General Meeting.
- d) The landmark and route map to the venue of the Annual General Meeting is attached and forms a part of this Notice.
- e) Entry to the venue of the Annual General Meeting ("AGM") will be regulated by Attendance Slips. Members who have received Attendance Slips by electronic mode are requested to print the Attendance Slip. To attend the AGM, duly filled and signed Attendance Slips should be submitted at the registration counters at the AGM venue.
- f) Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.

**Members are requested to bring their copies of the Annual Report and Attendance Slip to the Meeting. Please note that duplicate Attendance Slips will not be issued.**



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**ITEM NO. 4**

At the Annual General Meeting held on 11<sup>th</sup> August, 2014, Mr. Surinder Singh Kohli was appointed as Independent Director of the Company pursuant to provisions of Section 149 of the Companies Act, 2013 ("Act") for a period of five consecutive years from 11<sup>th</sup> August, 2014 to 10<sup>th</sup> August, 2019, not liable to retire by rotation. His first and present term of office as an Independent Director will cease on 10<sup>th</sup> August, 2019.

The Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, considered that re-appointment of Mr. Surinder Singh Kohli as an Independent Director of the Company for a second term of five consecutive years commencing from 11<sup>th</sup> August, 2019 shall be in the best interest of the Company. During this term of office as an Independent Director, Mr. Surinder Singh Kohli shall not be liable to retire by rotation.

A notice in writing pursuant to the provisions of Section 160 (1) of the Companies Act, 2013 has been received from a member proposing re-appointment of Mr. Surinder Singh Kohli as an Independent Director of the Company.

Mr. Kohli, by qualification B.Sc. (Mechanical Engineer), Diploma in Industrial Finance, CAIIB He has vast experience in banking sectors. His area of specialization is finance. Mr. Kohli, during his illustrious career over 40 years has held coveted posts viz; Chairman & Managing Director of Punjab & Sind Bank, Punjab National Bank and India Infrastructure Finance Company Limited.

Further details and current Directorships of Mr. Surinder Singh Kohli are provided in the Annexure to this Notice.

Mr. Kohli has contributed immensely by guiding Board and Management on various matters of high importance relating to governance, finance & accounts, litigation etc. The Board considers that it is essential for the Company to have on Board, a renown and reputed person of high integrity like Mr. Kohli and with the continuation of directorship of Mr. Kohli, the Company shall be immensely benefitted.

Mr. Surinder Singh Kohli does not hold any shares in the Company nor is he related to any of the Director or Key Managerial Personnel of the Company.

In the opinion of the Board, Mr. Kohli fulfills the conditions specified in the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 149, read with Schedule IV of the Companies Act, 2013 and Regulation 16, 17 of SEBI Listing Regulations and other applicable Regulations, the Board of Directors of the Company recommend the Special Resolution relating to re-appointment of Mr. Surinder Singh Kohli as an Independent Director of the Company for a second term of five years commencing from 11<sup>th</sup> August, 2019.

Save and except Mr. Surinder Singh Kohli, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out in Item no. 4 of this Notice. The resolution and explanatory statement set out in Item No. 4 of this Notice is also proposed as Special Resolution to meet with the requirements of Regulation 17(1a) of SEBI Listing Regulations.

**ITEM NO. 5**

Pursuant to the provisions of sections 149, 152, 161(1) and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), read with the applicable rules framed thereunder, the Board of Directors of the Company has, on the recommendation of the Nomination and Remuneration Committee (NRC) of the company, appointed Mr. Deepak Shetty as an Additional Director of the Company w.e.f. 15<sup>th</sup> May, 2019 to hold office as an Independent Director of the Company for a period of five consecutive years, subject to the approval of the members at the ensuing Annual General Meeting. As an Additional Director, Mr. Shetty holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director of the Company. A notice in writing, pursuant to the provisions of section 160 (1) of the Companies Act, 2013, has been received from a member proposing the appointment of Mr. Deepak Shetty as an Independent Director of the Company.

Mr. Deepak Shetty, I.R.S. (Retd.) and aged about 62 years, is a direct recruit member of the 1980 batch of the Indian Revenue Service (Customs & Central Excise). He rose to the highest echelons of the civil service in the country to the rank of Secretary to

the Government of India. While being on deputation, as such, he was elevated to the rank of Principal Chief Commissioner of Customs, Central Excise and Service Tax in his parent department.

His illustrious civil service career, spanning over 36 years, has straddled various fields viz., Indirect Tax (Customs, Central Excise and Service Tax), Maritime, Civil Aviation and Textile administrations, international affairs, economic & maritime diplomacy, administrative reforms, e-governance & business process re-engineering, personal & finance management and human resource development / capacity building.

He had also held the coveted post of Director General of Shipping and Secretary to the Government of India at Mumbai. He has retired on superannuation, on 30<sup>th</sup> of November 2016, from the civil service.

In course of his civil service career, Mr. Deepak Shetty has had an exposure to and experience in dealing with the United Nations (UN), World Trade Organization (WTO), World Customs Organization (WCO), International Maritime Organization (IMO), International Labor Organization (ILO) and other allied global entities of the UN system like the United Nations Office of Drugs & Crime (UNODC), International Criminal Police Organization (INTERPOL) etc. In addition, during his civil service career he had extensively dealt with various trade bodies at the International, regional and national levels such as the International Chamber of Shipping (ICS), Baltic International Maritime Council (BIMCO), International Group of Protection & Indemnity (P&I) Clubs, Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chamber of Commerce and Industry (ASSOCHAM), Confederation of Indian Industry (CII), Indian National Ship-owners Association (INSA) etc.

Further details and current Directorships of Mr. Deepak Shetty are provided for in the Annexure to this Notice.

In the opinion of the Board, Mr. Shetty meets the criteria of independence as provided for in section 149(6) of the Act, read with the rules framed thereunder and regulations 16(1)(b) & 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of the appointment shall be open for an inspection by the members at the registered office of the Company during business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM and till the conclusion of the AGM.

Your Directors are of the view that it will be in the best interest of the Company to appoint Mr. Deepak Shetty as an Independent Director of the Company for a term of five consecutive years commencing 15<sup>th</sup> May, 2019, not being liable to retire by rotation. In compliance with the provisions of section 149, read with Schedule IV of the Companies Act, 2013 and regulations 16, 17 of the SEBI (Listing Regulations) and other applicable regulations, the Board of the Company hereby recommends the Ordinary Resolution as proposed in item no. 5 of this Notice for an approval of the members.

Save and except Mr. Deepak Shetty, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out in item no. 5 of this Notice.

#### **ITEM NO. 6**

Members may recall that at the 31<sup>st</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2018, resolutions were passed giving consent to increase the Authorised Share Capital of the company. The increase in the Authorised Share Capital became necessary to facilitate allotment of shares to the shareholders of HAL Offshore Limited ('HAL') pursuant to the Scheme of Arrangement for the merger of the EPC & Vessel Division of HAL. However, subsequently the Scheme of merger has been withdrawn with the permission of the National Company Law Tribunal. In view of the same, there does not exist any necessity to allot shares of the Company pursuant to the Scheme.

Since the original purpose of increasing the authorised share capital does not exist anymore, the Board has decided not to go ahead with increase in authorised capital and incurring additional expenditure by way of the registration fees.

The proposed Resolution in item No. 6 seeks to endorse the decision of the Board and revoke the earlier decision to increase the Authorised Share Capital.

The Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 6 of this Notice for the approval of the members

None of the Directors of the Company is interested in the proposed resolution, except as the shareholders of the Company.

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

Dated: 15<sup>th</sup> May, 2019

By order of the Board

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



**Annexure to Notice**

Details of Directors seeking appointment / re-appointment at the Annual General Meeting  
[Pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. Naveen Mohta	Mr. Subrat Das	Mr. Surinder Singh Kohli	Mr. Deepak Shetty
DIN	07027180	07105815	00169907	07089315
Date of Birth	13th July, 1973	18th May, 1963	10th April, 1945	2nd November, 1956
Age	45 years	55 years	73 years	62 years
Date of First Appointment on the Board	14th November, 2017	14th November, 2017	11th August, 2014	15th May, 2019
Qualifications	Chartered Accountant and CWA	Chartered Accountant	B.Sc (Mech. Engineer), Diploma in Industrial Finance, CAIIB.	Bachelor of Arts (Economics), Post Graduate Diploma in Cyber Law, Certificate Program in Capital Markets, Diploma in Cyber Forensics, Advanced Management Program from the Indian Institute of Management, Ahmedabad, Executive Development Program from the John F. Kennedy School of Government, Harvard University, Boston-Cambridge, USA
Brief profile and nature of his expertise in specific functional areas	Mr. Naveen Mohta has a long illustrious career spanning 20 years of experience. His area of expertise is in Operations.	Mr. Subrat Das has a long illustrious career spanning 29 years of experience. His area of expertise is Finance, Accounts and Legal matters.	Mr. Kohli has an illustrious career and experience over 40 years in the banking sectors. His area of specialization is finance.	Mr. Shetty's illustrious career of over 36 years has distinction of wide experience in various fields viz; Civil Aviation and Textile Industry, Customs, Central Excise and Service Tax, Indirect Tax administrations, Administrative Reform, Personal and Finance Management and Merchant Shipping
Directorships held in other companies (excluding foreign companies and Section 8 companies)	HAL Offshore Limited	None	<ul style="list-style-type: none"> <li>• Asian Hotels (West) Limited</li> <li>• IDFC Limited</li> <li>• Reliance Infrastructure Limited</li> <li>• BSES Yamuna Power Limited</li> <li>• ACB (India) Limited</li> <li>• Bussan Auto Finance India Private Limited</li> <li>• BSES Rajdhani Power Limited</li> <li>• S V Creditline Private Limited</li> <li>• BLS International Services Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Shreyas Shipping and Logistics Limited</li> <li>• Flemingo Travel Retail Limited</li> <li>• Container Corporation of India Limited</li> </ul>



Memberships/ Chairmanships of Committees of Committees of other public companies	<b><u>Audit Committee</u></b> <ul style="list-style-type: none"> <li>Hal Offshore Limited (Member)</li> </ul>	None	<b><u>Audit Committee</u></b> <ul style="list-style-type: none"> <li>ACB (India) Limited (Chairman)</li> <li>Reliance Infrastructure Limited (Chairman)</li> <li>BSES Yamuna Power Limited (Member)</li> <li>Asian Hotels (West) Limited (Member)</li> <li>Bussan Auto Finance India Private Limited (Member)</li> <li>BSES Rajdhani Power Limited (Member)</li> </ul> <b><u>Nomination and Remuneration Committee</u></b> <ul style="list-style-type: none"> <li>Reliance Infrastructure Limited (Member)</li> <li>IDFC Limited (Member)</li> <li>BSES Yamuna Power Limited (Member)</li> <li>BSES Rajdhani Power Limited (Member)</li> </ul> <b><u>CSR Committee</u></b> <ul style="list-style-type: none"> <li>Reliance Infrastructure Limited (Member)</li> <li>IDFC Limited (Member)</li> <li>BSES Yamuna Power Limited (Member)</li> <li>BSES Rajdhani Power Limited (Member)</li> </ul> <b><u>Risk Management Committee</u></b> <ul style="list-style-type: none"> <li>Reliance Infrastructure Limited (Chairman)</li> </ul> <b><u>IT Strategy Committee</u></b> <ul style="list-style-type: none"> <li>IDFC Limited (Chairman)</li> </ul> <b><u>Investment Committee</u></b> <ul style="list-style-type: none"> <li>IDFC Limited (Member)</li> <li>BSES Yamuna Power Limited (Member)</li> <li>BSES Rajdhani Power Limited (Member)</li> </ul>	<b><u>Audit Committee</u></b> <ul style="list-style-type: none"> <li>Container Corporation of India Limited (Chairman)</li> <li>Shreyas Shipping and Logistics Limited (Member)</li> <li>Flemingo Travel Retail Limited (Member)</li> </ul> <b><u>Nomination and Remuneration Committee</u></b> <ul style="list-style-type: none"> <li>Flemingo Travel Retail Limited (Chairman)</li> </ul> <b><u>CSR Committee</u></b> <ul style="list-style-type: none"> <li>Flemingo Travel Retail Limited (Member)</li> </ul> <b><u>Stakeholders Relationship Committee</u></b> <ul style="list-style-type: none"> <li>Flemingo Travel Retail Limited (Member)</li> </ul> <b><u>Risk Management Committee</u></b> <ul style="list-style-type: none"> <li>Shreyas Shipping and Logistics Limited (Chairman)</li> <li>Flemingo Travel Retail Limited (Chairman)</li> <li>Container Corporation of India Limited (Member)</li> </ul>
Inter-se relationship with other Directors and Key Managerial Personnel	None.	None.	None.	None.
Number of shares held in the Company	NIL	NIL	NIL	NIL

For other details such as number of meetings of the Board attended during FY 2018-19 and remuneration drawn by the above Directors, please refer to the Corporate Governance Report which is a part of this Annual Report.



**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the Thirty Second Annual Report of the Company and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2019.

**1. FINANCIAL HIGHLIGHTS**

(Figures in ₹ Million)

	<b>Current Year Period ended 31.03.2019</b>	Previous Year Period ended 31.03.2018
Net Sales/Income from Operations	<b>3038</b>	1936
Other Income	<b>266</b>	188
Total Expenditure		
a. Employee Benefit Expenses	<b>642</b>	608
b. Operating Expenses	<b>1093</b>	828
c. Other Expenditure	<b>276</b>	168
Earnings before Interest, Depreciation & Tax	<b>1293</b>	518
Interest Expenses	<b>6</b>	8
Depreciation	<b>482</b>	489
Profit / (Loss) before Tax	<b>805</b>	23
Tax Expenses for the year	<b>38</b>	20
Profit / (Loss) after Taxation	<b>767</b>	3
Add: Balance brought forward from previous year	<b>1409</b>	1406
Surplus available for appropriation	<b>2047.14</b>	1409
Transfer to Tonnage Tax Reserve	<b>128</b>	---
Other Comprehensive Income	<b>1</b>	---
Retained profit carried forward	<b>2047</b>	1409

Despite setbacks faced earlier, there is a positive room for expectations in 2019. Going by the hypothesis of presumption, the industry is expected to come back to its former glory.

With the demand for oil and gas, there is a need to explore and produce from new oil and gas reservoirs as the existing reservoirs have started to mature or have depleted.

The increasing demand for oil and natural gases will drive the growth of E&P activities in deeper water and ultra deeper locations as well as shallow waters. This will drive the global offshore drilling market which will ultimately result in utilization of resources and assets of offshore industry.

In India, ONGC has remained as a major player with a robust plan in exploration, production activity and development of existing fields to meet energy security. Thus, opportunities cropped up for service providers like your Company's line of business with great assurance for deployment of vessels. But there were competitions resulting reduction in value of project contract which ultimately impacted reduction in Charter rate.

Your Company continues to focus on engagement of your vessels under the available business opportunities.

During the year under review, on standalone basis the Company's total revenue was ₹ 3304 million against ₹ 2124 million in last year. The increase of revenue is attributed due to increase in overall deployment days of some of Company's vessel in comparison to previous year and revenue earned from the Barge Contract. This has been achieved despite one of the Company's vessels went for statutory drydock and the vessel underwent modifications which resulted in decrease in revenue and deployment days. In addition, the bulk carrier had breakdown for an approx. period of 59 days due to technical snag, total unutilised being 65 days.

Income from operations was 3038 million as against ₹ 1936 million in the previous year, showing an increase of 57%. Similarly, there is an increase in other income from ₹ 188 million to ₹ 266 million, primarily due to cash surplus, complemented by reduction in interest rate and provisions written back due to recovery of outstanding from one of the debtors.

Against a profit of ₹ 3 million of previous year, your Company earned a profit of ₹ 767 million during year under review.

On a consolidated basis, total revenue was ₹ 3434 million compared to ₹ 2134 million of previous year. Your Company earned a profit after tax of ₹ 819 million against a profit of ₹ 10 million in the previous year. During the year under review, Companies' cash profit was ₹ 1311 million.

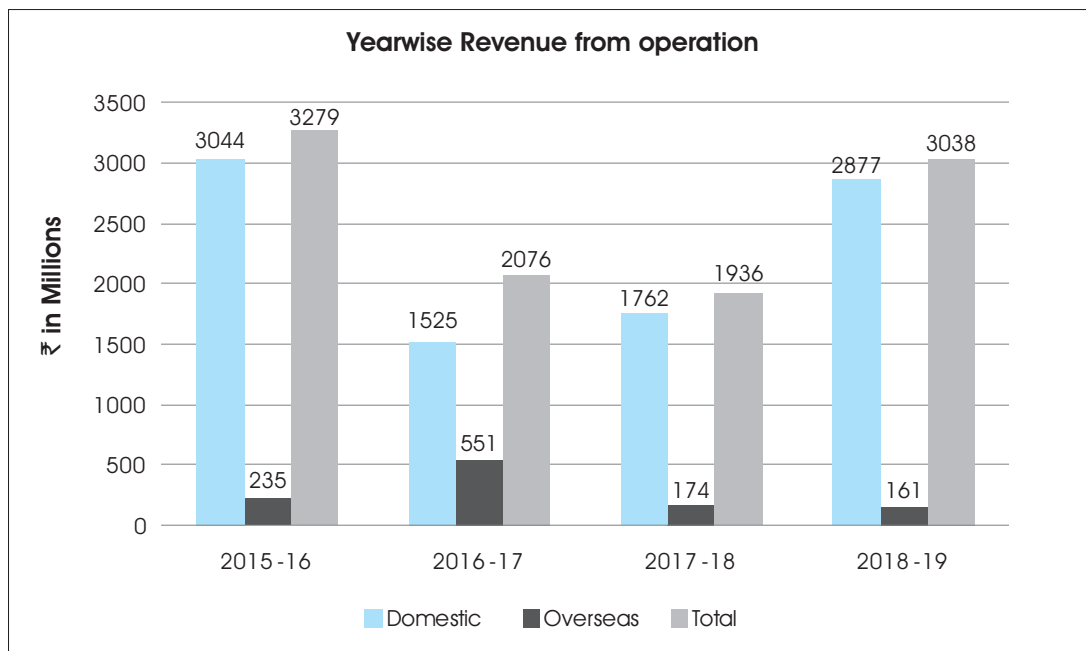
Cash & Bank Balance at the beginning of financial year was ₹ 422 million. The balance at the end of the year was ₹ 487 million, an increase of about 15% over last year.

The Company's struggle for recovery of outstanding for about ₹ 1135 million from SWIBER in the ONGC project continues.

The utility vessel "REVELATION" owned by the Company was scrapped during the year under review.

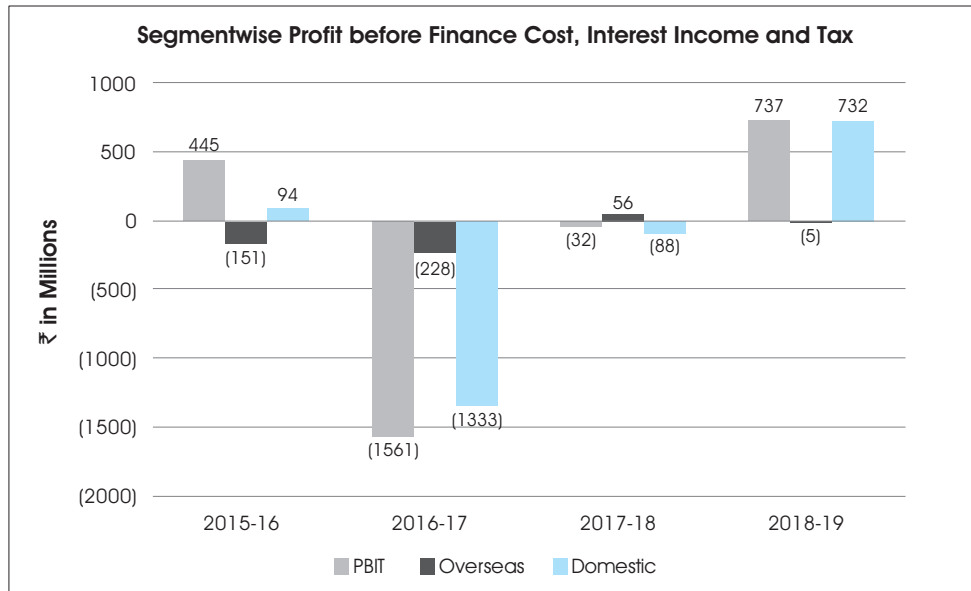
The Company has bagged ONGC tender for deployment of Barge for two working seasons which is being executed in consortium with KREUZ SUBSEA PTE LTS effective from November 03, 2018.

#### 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, the Company has transferred an amount of ₹ 128 million to Tonnage Tax Reserve created u/s 115V of Income Tax Act, 1961.

**2. OPERATIONS**

Two of Company’s vessels are under long term charter with ONGC during the year under review. One of them was in statutory drydock for about 89 days. One of the Company’s vessels secured one year contract with ONGC for the IMR job. After completion of required modifications to meet contractual requirements, she was deployed with ONGC in December 2018. The bulk carrier “SEAMEC GALLANT” had experienced an unfortunate technical snag in mid sea in Mexico in end of August, 2018, resulting off-hire for about 59 days. Out of 1520 days of deployment including Barge, domestic operations registered 1220 days and overseas operations of 300 days.

**3. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Messers Mahesh Prasad Mehrotra and Amarjit Singh Soni, Independent Directors resigned from the Board of Directors of the Company with effect from March 12, 2019 and March 31, 2019 respectively.

Your Directors place on record its appreciation of the valuable services rendered by Messers Mahesh Prasad Mehrotra and Amarjit Singh Soni during their tenure as Directors of the Company.

Mr. Surinder Singh Kohli was appointed as Independent Director of the Company for a period of 5 consecutive years from 11<sup>th</sup> August, 2014 and his term of office as Independent Director will cease on 10<sup>th</sup> August, 2019. Mr. Kohli by Qualification BSc (Mechanical Engineer), Diploma in Industrial Finance, CAIIB He was former Chairman and Managing Director of Punjab & Sind Bank, Punjab National Bank and Indian Infrastructure Finance Company Limited. Mr. Kohli has a credential of highly successful professional. The Board of Directors on the recommendation of Nomination & Remuneration Committee have recommended the re-appointment of Mr. Kohli as an Independent Director for a further period of 5 consecutive years from 11<sup>th</sup> August, 2019 as the Board felt that Mr. Kohli’s further continuation would be of great benefit to the Company.

Mr. Kohli fulfills all criteria specified in Companies Act, 2013 and rules thereon and also all requirements of SEBI Listing Regulations making him eligible to be appointed as Independent Director of the Company. Mr. Kohli does not hold any shares in your Company. Additional information about Mr. Kohli, his directorship and Committee membership in other Companies has been stated in the explanatory statement to the special resolution seeking his re-appointment in the Notice of the ensuing Annual General Meeting.

Mr. Deepak Shetty, IRS (Retd.) (DIN: 07089315) has been inducted into the Board of Directors of the Company on 15<sup>th</sup> May, 2019 as an Additional Director to hold the office of Independent Director.

Mr. Deepak Shetty, aged about 62 years is a 1980 batch of Officer of Indian Revenue Service (Customs & Central Excise) Cadre. Mr. Shetty rose to the highest echelons of in the Cadre to the rank of Secretary to the Government of India.

Mr. Shetty's illustrious career over 36 years has been in various fields viz; Civil Aviation and Textile Industry, Customs, Central Excise and Service Tax, Indirect Tax administrations, Administrative reform, personal and finance Management and Merchant Shipping.

Mr. Shetty also held coveted post as Director General of Shipping and Secretary to Government of India, Mumbai.

In course of his civil service career he had exposure and experience relating to United Nations (UN), World Trade Organisations (WTO), World Customs Organisation (WCO), International Maritime Organisation (IMO), International Labour Organisation (ILO) and other allied Global entities of the UN System. In addition, Mr. Shetty, during his civil service career had extensively dealt with various trade bodies at the International, Regional, National levels such as International Chamber of Shipping, BIMCO, International Group of P&I Clubs, FICCI, ASSOCHAM, CII, INSA.

Presently Mr. Shetty is on the Board of following Companies:

1. Shreyas Shipping and Logistics Limited
2. Flemingo Travel Retail Limited
3. Container Corporation of India Limited

The consent from Mr. Shetty along with other relevant disclosures and declarations required under Companies Act 2013 and rules thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to act as an Independent Director of the Company has been received.

The Company is expected to be immensely benefited on the induction of Mr. Shetty on the Board of Directors of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors recommend to shareholders for approval in the ensuing Annual General Meeting, the appointment of Messers Surinder Singh Kohli and Deepak Shetty as Independent Directors of the Company for a period of 5 consecutive years.

The terms and conditions of appointment of Messers Surinder Singh Kohli and Deepak Shetty has been posted on the company's website at [www.seamec.in](http://www.seamec.in).

The Independent Directors have confirmed and declared 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. Board is also of the opinion that the Independent Directors fulfill all the conditions specified in Companies Act, 2013 making them eligible to act as Independent Directors.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Messers Naveen Mohta, Whole Time Director and Subrat Das, Director of the Company, retires by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Independent Directors of the Company had a separate meeting on 27<sup>th</sup> March, 2019 to conduct an evaluation on the performance of individual directors, the Board and its committees and assess the quality, quantity and timeliness of flow of information from the Company Management to the Directors.

Board also conducted a similar exercise and evaluation for Independent Directors.

The results were satisfying. The knowledge, experience and advice shared by Independent Directors from time to time have ensured governance and good conduct, risk mitigation and strategic business decision for the growth of the Company.

The Board evaluation concluded that the Board continues to operate effectively, encourage healthy and open debate and is well supported by timely information flow.

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. Mr. Naveen Mohta – Whole Time Director
2. Mr. Virendra Kumar Gupta – President & Chief Financial Officer
3. Mr. S. N. Mohanty – President – Corporate Affairs, Legal & Company Secretary

Remuneration and other details of Key Managerial Personnel for the year ended 31<sup>st</sup> March, 2019 are stated in the extract of the Annual Return. Placed on the website of the Company at [www.seamec.in](http://www.seamec.in)

#### 4. RECONSTITUTION OF COMMITTEES:

With the change in composition of the Board, various committees of your Board have been reconstituted. The reconstituted Committees are as under:

##### **AUDIT COMMITTEE**

Mr. Deepak Shetty	Chairman
Mr. Surinder Singh Kohli	Member
Ms. Seema Modi	Member
Mr. Subrat Das	Member

##### **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Surinder Singh Kohli	Chairman
Mr. Sanjeev Agarwal	Member
Ms. Seema Modi	Member

##### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mr. Sanjeev Agrawal	Chairman
Ms. Seema Modi	Member
Mr. Deepak Shetty	Member

##### **RISK MANAGEMENT COMMITTEE**

Ms. Seema Modi	Chairperson
Mr. Sanjeev Agrawal	Member
Mr. Surinder Singh Kohli	Member
Mr. Deepak Shetty	Member
Mr. Naveen Mohta	Member
Mr. Virendra Kumar Gupta	Member
Mr. S. N. Mohanty	Member

#### 5. EXTRACT OF ANNUAL RETURN

The extract of annual return for the financial year 2018-19 will be hosted on the website of the Company at [www.seamec.in](http://www.seamec.in)

#### 6. AUDITORS AND AUDIT REPORT

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rule, 2014, the members of the Company in its 30<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August, 2017, approved the appointment of M/s. T. R. Chadha & Co. LLP, Chartered Accountants (ICAI Registration No. 006711N/9500028) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 30<sup>th</sup> Annual General Meeting till the conclusion of 35<sup>th</sup> Annual General Meeting of the Company.

As per amendment of Companies Act, 2013, read with Notification no. G.S.R. 432(E) dated 7<sup>th</sup> May, 2018 of Ministry of Corporate Affairs, the ratification of appointment of Auditors in every Annual General meeting during term of five years have been dispensed with.

M/s. T. R. Chadha & Co. LLP, Chartered Accountants have submitted their Independent Auditors' Report on the financial statements of the Company for the year ended on 31<sup>st</sup> March, 2019 and they have made no qualification or adverse remark or disclaimer in their report. Auditors' have confirmed that they comply with all requirements and criteria to continue to act as Auditors of the Company. No fraud has been reported by Auditors under Section 143 (12) of the Companies Act, 2013.

In accordance with Section 148 of the Companies Act, 2013, the provisions relating to maintenance of Cost Records and Cost Audit are not applicable to the Company during the year under review.

#### 7. AUDIT COMMITTEE

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

The composition of the Audit Committee, interalia, comprised of Independent Directors viz., Messers Mahesh Prasad Mehrotra, Amarjit Singh Soni, Surinder Singh Kohli and Ms. Seema Modi. Consequent upon resignation of Messers Mahesh Prasad Mehrotra and Amarjit Singh Soni from the Board of Directors of the Company, the Audit Committee has been reconstituted on induction of Mr. Deepak Shetty, meeting the regulatory requirements.

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. The details of establishment of vigil mechanism are hosted on the website of the Company at [www.seamec.in](http://www.seamec.in).

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

#### 8. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee to consider and resolve the grievances of security holders of the company.

The Committee comprises of the following Directors as its Members:

- |                        |             |
|------------------------|-------------|
| a. Ms. Seema Modi      | Chairperson |
| b. Mr. Sanjeev Agrawal | Member      |
| c. Mr. Naveen Mohta    | Member      |

#### 9. 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 Social Responsibility Policy which was approved by Board on 11<sup>th</sup> August 2014. The Policy is available on Company's Website at [www.seamec.in](http://www.seamec.in).

The Company has commenced implementation of Policy and areas of activities have been pursued pursuant to provisions of the Companies Act, 2013. Annual Report on CSR activities in the prescribed format and salient features of the policy is attached and forms part of this report. **(Annexure A)**.

#### 10. NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee (NRC) is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and comprises of Independent Directors meeting the regulatory requirements.

The Nomination and Remuneration Committee have formulated a policy as prescribed under the Act which interalia 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, commission to the Board of Directors, Key Managerial Personnel and senior management personnel. 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>)



#### **11. PUBLIC DEPOSITS**

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

#### **12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

#### **13. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, read with Regulation 24(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2019. M/s Satyajit Mishra & Co, Practicing Company Secretaries has submitted Report on the Secretarial Audit along with Secretarial Compliance Report attached as **"Annexure B"** and **"Annexure C"** respectively and forms part of Director's Report. Your Directors state that the applicable secretarial standards pursuant to section 118 of the Companies Act, 2013 as prescribed by the Institute of Company Secretaries of India have been complied for the financial year 2018-19.

#### **14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS**

The Company's appeal against Commissioner of Customs order dated 28<sup>th</sup> March, 2013 imposing fine, penalty, confiscation of vessels amounting to ₹ 115 Crore plus interest was disposed off by Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT) vide order dated 6<sup>th</sup> December, 2017. The order allowed appeal in part. Being aggrieved, the Company had filed an application for Rectification of Mistake (ROM) before the designated Bench of CESTAT. CESTAT vide order dated 27<sup>th</sup> February, 2018 has allowed the rectification, remanded the matter and set aside the duty, penalties and confiscation of vessels. The customs authorities preferred an appeal before Hon'ble High Court of Mumbai. The appeal has been admitted to be heard on merit without granting stay.

#### **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. All such policies have been hosted on the Company's website at [www.seamec.in](http://www.seamec.in) for the information of the stakeholders.

#### **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) Regulation 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 other Committees of the Board, 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, responsibilities, obligations and governance.

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

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

The familiarization 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 familiarized with the programme conducted by the Company. The same is available on Company's Website at [www.seamec.in](http://www.seamec.in) (<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 particulars as required under the Companies Act, 2013 has been provided in **Annexure D** (Form No. AOC-2) to this Report.

#### 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) Regulation, 2015. Corporate Governance Report as well as the Corporate Governance compliance certificate issued by the Secretarial Auditors and Management Discussion and Analysis Report form part of Directors Report and are annexed separately.

#### 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. DEMERGER OF EPC & VESSEL DIVISION OF HAL OFFSHORE LIMITED WITH SEAMEC LIMITED

The Company after compliance of regulatory formalities filed an application before the Hon'ble National Company Law Tribunal (NCLT) for approval of scheme of demerger of EPC and vessel division of HAL Offshore Limited with your Company. However, the Board of Directors of the Company subsequently reviewed the status of aforesaid demerger and felt that the intended synergies on which demerger was planned has been diluted significantly and in this context it would not be prudent to process the demerger in the interest of Seamec and its minority shareholders.

Accordingly, an application was made to Hon'ble NCLT, which vide order dated 7<sup>th</sup> February, 2019 considered Company's application for withdrawal. The scheme of demerger as proposed earlier now stands cancelled and withdrawn.

#### 23. WHOLLY OWNED SUBSIDIARY

SEAMEC INTERNATIONAL FZE, Dubai, UAE is a Wholly Owned Subsidiary (WOS) of your Company. As per the regulatory provision, the consolidated financial statement of your Company for the financial year ended on 31<sup>st</sup> March 2019 duly audited by Statutory Auditors is attached and forms part of the financial statement. 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 purchased a bulk carrier named "GOOD HOPE" which was partially financed by Bank of Baroda, Sharjah amounting to USD 7.2 million. Your Company has provided Corporate Guarantee to Bank of Baroda, Sharjah as security for the loan. The vessel on acquisition was secured under Bareboat Charter for a period of 7 years.

A statement containing salient features of the subsidiary in the prescribed format of (Form AOC-1) is annexed and marked as **"Annexure E"**.

#### 24. HUMAN RESOURCES

Your Company continues to be assured by competence and commitment of the people.

The working climate of your Company continues to remain harmonious with focus on improving Productivity, Quality and Safety. Health and Safety of the employees and our associates we work with remains as our paramount importance. Your Company ensures that operations are carried out as per the safety guidelines and procedures in place which are regularly updated. The Company has 44 employees as on March 31, 2019.

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.



## 25. 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 control systems of the Company are monitored and evaluated by Auditors and reviewed by Management and Audit Committee of the Board of Directors.

## 26. 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 had ratified and adopted provisions of MLC in 18<sup>th</sup> October, 2015.

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

## 27. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Pursuant to the provisions of Sexual Harassment of Women at Work place (Prevention, 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 reported or received during the year under review.

## 28. 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 F**" and is attached to this report.

## 29. 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 and also identify business opportunities.

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

- 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 a 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.

**30. MATERIAL CHANGES AND COMMITMENTS**

There has been no material change and commitment, affecting the financial performance of the company which occurred between the end of the financial year of the company to which the financial statements relate and the date of this Report.

**31. 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 G**.

**32. 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, for the financial year ended 31<sup>st</sup> March, 2019. The applicable accounting standards have been followed along with proper explanations relating to material departure.
- b. They 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. They have 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. They have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 on a going concern basis.
- e. They have laid down proper internal financial controls to be followed by the Company and that such financial controls were adequate and were operating effectively.
- f. They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

**33. 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 the [www.seamec.in](http://www.seamec.in)

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

**34. 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 effort for making satisfactory performance possible.

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

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May, 2019

**Sanjeev Agrawal**  
Chairman

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19**

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>

2. The Composition of the CSR Committee:

- a) Sanjeev Agrawal Chairman  
b) Seema Modi Member  
c) Deepak Shetty\* Member

\* Appointed as member of the Committee w.e.f May 15, 2019

3. Average net profit of the company for last three financial years: ₹ (931.17) million  
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ (18.62) million  
5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: not applicable

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount in Rupees)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (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: (1) Direct Expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency.
NIL							

6. Since the average net profit of preceding three financial years is in negative, hence the Company's CSR Contribution eligibility for the FY 2018-19 was NIL.

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

Place : New Delhi  
Date : 15<sup>th</sup> May, 2019

**Sanjeev Agrawal**  
(Chairman - CSR Committee)

## 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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

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 **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 31st March, 2019, 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 31st March, 2019 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'):

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the year under review, the Company has filed its quarterly, half yearly and yearly returns as required under Regulation 7, 13, 27, 30, 31, 33, 34, 40, 55A, 44 and other applicable regulation with BSE and NSE in time. The Company has disclosed the relevant material facts and events to both the Exchanges in time.

- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

During the year under review, the Company has not issued any security.

- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

During the year under review, the Company has not received any communication for Substantial Acquisition of Shares and Takeovers of the company.

- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the year under review, the Company has not brought back any of its Securities.

- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
During the year under review, the Company has not issued any shares/ securities to its employee.
  - f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
During the year under review, the Company has not issued any debt securities.
  - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;  
During the year under review, the Company has not issued any Non-Convertible and Redeemable Preference Shares.
  - h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
During the year under review, the Company has received declaration from the Promoters, Directors and Senior Managerial Personnel as required under the regulation regarding the holding of Company securities and there was no trading in the securities of the Company by the Promoters, Directors and Senior Managerial Personnel.
- (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.

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 has compounded the offence committed under section 203 of the Companies Act, 2013 in respect of 75 days delay in appointment of Key Managerial Personnel (KMP).
- b. The Company has given corporate guarantee to Bank of Baroda for the credit facilities availed by its Wholly Owned Subsidiary, SEAMEC International FZE of 7.20 Million US Dollar.

The Company has complied with all regulatory provisions including intimation to the Stock Exchanges except filing of prescribed form with Registrar of Companies. The Company is in process of seeking condonation of delay from Central Government in this respect.

- c. The Company has accorded the approval of members for
  - i. the Scheme of Arrangement for demerger of EPC and vessel division of its holding company HAL Offshore Limited in to SEAMEC Ltd.  
The Board of Directors in its meeting held on 06<sup>th</sup> February, 2019 has taken a decision to withdraw the application for demerger of EPC and vessel division of its holding company HAL Offshore Limited in to SEAMEC Ltd. Accordingly, application was filed before the Hon'ble NCLT. The Hon'ble NCLT has vide order dated 7<sup>th</sup> February, 2019 allowed company's application and accordingly the proposed demerger was withdrawn/ dismissed.
  - ii. Increase of Authorized share capital.

The Company has not filed e-form SH-7 with Registrar of Companies (RoC) as required under section 61 of the Companies Act, 2013. The company is proposing to obtain member's approval for withdrawal of increase of authorized capital in ensuing Annual General Meeting of the company.





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.

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. N.A.

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

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

Proprietor  
C.P. No.: 4997

## ANNEXURE – I 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, 2018.
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 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 Agreement during the financial year under report.
11. Filings of made with
12. Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.

For Satyajit Mishra & Co.  
Company Secretaries

Place : Mumbai  
Date : 15<sup>th</sup> May 2019

Proprietor  
C.P. No.: 4997



Secretarial compliance report of SEAMEC Ltd. for the year ended 31<sup>st</sup> March, 2019 issued under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined:

- (a) all the documents and records made available to us and explanation provided by SEAMEC Ltd.,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31<sup>st</sup> March, 2019 in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;  
During the year under review, the Company has filed its quarterly, half yearly and yearly returns as required under Regulation 7, 13, 27, 30, 31, 33, 34, 40, 55A, 44 and other applicable regulation with BSE and NSE in time. The Company has disclosed the relevant material facts and events to both the Exchanges in time.
- j. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;  
During the year under review, the Company has not issued any security.
- k. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
During the year under review, the Company has not received any communication for Substantial Acquisition of Shares and Takeovers of the company.
- l. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;  
During the year under review, the Company has not brought back any of its Securities.
- m. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
During the year under review, the Company has not issued any shares/ securities to its employee.
- n. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
During the year under review, the Company has not issued any debt securities.
- o. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;  
During the year under review, the Company has not issued any Non-Convertible and Redeemable Preference Shares.
- p. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
During the year under review, the Company has received declaration from the Promoters, Directors and Senior Managerial Personnel as required under the regulation regarding the holding of Company securities and there was no trading in the securities of the Company by the Promoters, Directors and Senior Managerial Personnel.  
and circulars/ guidelines issued thereunder;

Based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
		No deviation	

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity / its promoters/ directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: N.A.

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any.
		Not Applicable		

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31/03/2019 (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
		Not Applicable		

For Satyajit Mishra & Co.  
Company Secretaries

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

Proprietor  
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 contracts or arrangements or transactions not at arm's length basis during the financial year ended March 31, 2019 – None
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of Relationship	Salient terms and Nature of Contracts / Arrangements / Transaction	Duration of Contracts/ Arrangements / Transaction	Date of approval by the Board of Directors	Amount paid as advances, if any
HAL Offshore Limited	Holding Company	Charter Hire of vessel along with Work Class ROV Seamec II for the ONGC Contract	3 years commencing from 28th September, 2016	04.07.2016	---
HAL Offshore Limited	Holding Company	Secondment of Mr. Naveen Mohta as the Whole Time Director of the Company	5 years commencing from 14th November, 2017	14.11.2017	---
HAL Offshore Limited	Holding Company	Mr. Ram Pravesh Chand has been recruited as the Senior Officer, IT on secondment for administrative convenience	Not Applicable	13.11.2018	---
Sanjeev Agrawal	Non-Executive Director of the Company	Lease of office premises from Mrs. Deepti Agrawal, spouse of Mr. Sanjeev Agrawal, Non-Executive Director of the Company	9 years	14.11.2014	---

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May, 2019

Sanjeev Agrawal  
Chairman

## ANNEXURE E

## FORM No. AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies (Accounts) Rules, 2014)

## Statement containing salient features of the Financial Statements of Subsidiaries/Associate Companies/Joint Ventures

## Part 'A' : Subsidiaries

(₹ In million)\*

Sr. No	Name of the Subsidiary	SEAMEC INTERNATIONAL FZE
1.	Date since when subsidiary was acquired	14.03.2010
2.	Reporting period	01.04.2018-31.03.2019
3.	Reporting Currency	USD
4.	Share capital (at cost)	25.68
5.	Reserves and Surplus	811.63
6.	Total Liabilities excluding share capital and reserves	780.33
7.	Total Assets	1629.66
8.	Investments	221.85
9.	Turnover / Total Income	101.66
10.	Profit Before Taxation	51.39
11.	Provisions for Taxation	---
12.	Profit after Taxation	51.39
13.	Proposed Dividend	---
14.	% of Share Holding	100

\* Exchange Rate of USD 1 = ₹69.17 for Balance Sheet items and ₹69.89 for Profit &amp; Loss items for FY 2018-19.

- Names of the Subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated and sold during the year: None

## Part 'B': Associate and Joint Ventures:

- Names of the Associates / Joint Ventures which are yet to commence operations: None
- Names of Associates / Joint Ventures which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May, 2019

**Sanjeev Agrawal**  
Chairman



## ANNEXURE F

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, 2019.

### 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 ₹ 2732.83 million and foreign exchange expenditures was equivalent to ₹ 864.99 million. (This is on accrual basis.)

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May, 2019

**Sanjeev Agrawal**  
Chairman



## ANNEXURE G

## 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;	: <b>Directors:</b> Mr. Sanjeev Agrawal – Nil Mr. Surinder Singh Kohli – Nil Mr. Amarjit Singh Soni – Nil Ms. Seema Modi – Nil Mr. Mahesh Prasad Mehrotra – Nil Mr. Naveen Mohta – Nil Mr. Subrat Das – Nil
(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;	: <b>Directors:</b> Mr. Sanjeev Agrawal – Nil Mr. Surinder Singh Kohli – Nil Mr. Amarjit Singh Soni – Nil Mr. Seema Modi – Nil Mr. Mahesh Prasad Mehrotra – Nil Mr. Naveen Mohta – Nil Mr. Subrat Das – Nil <b>Key Managerial Personnel:</b> Mr. V. K. Gupta – President & Chief Financial Officer – Nil Mr. S. N. Mohanty – President – Corporate Affairs, Legal & Company Secretary – Nil
(iii)	the percentage increase/(decrease) in the median remuneration of employees in the financial year;	: (5.39%)
(iv)	the number of permanent employees on the rolls of the company;	: 44 employees as on 31.03.2019
(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;	: The Average percentile increase is 8.61% and there is no change in the Managerial Remuneration for the FY 2018-19
(vi)	affirmation that the remuneration is as per the remuneration policy of the company.	: It is affirmed that Remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.



Particulars of Employees, pursuant to Section 197(12) 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
Employed for the Period							
				NIL			

The particulars of employees as required under section 197(12) of the Act read with Rule 5(12) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not provided as none of the employees draw salary in excess of the limits prescribed under the Act.

In terms of section 136 of the Act, the details of top ten employees shall be open for inspection of the Registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to President-Corporate Affairs, Legal and Company Secretary.

**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.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May, 2019

**Sanjeev Agrawal**  
Chairman

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

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

Mr. Sanjeev Agrawal is an eminent and successful Entrepreneur. Mr. Agrawal has vast experience over 23 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.

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

Mr. Surinder Singh Kohli is a B.SC Mechanical Engineer, holding a Diploma in Industrial Finance, CAIIB. Mr. Kohli has a phenomenal successful career over 42 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: ACB (India) Ltd, BSES Yamuna Power Ltd, Asian Hotels (West) Ltd, BSES Rajdhani Power Limited, Reliance Infrastructure Limited and IDFC Ltd. Mr. Kohli does not hold any shares in your company.

**3. 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 27 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.

**4. Mr. Deepak Shetty (DIN: 07089315)**

Mr. Deepak Shetty, aged about 62 years, is a 1980 batch officer of the Indian Revenue Service (Customs & Central Excise). He rose to the highest echelons in the civil service of the country to the rank of Secretary to the Government of India. While being on deputation, as such, he was elevated to the rank of Principal Chief Commissioner of Customs, Central Excise and Service Tax in his parent department.

His illustrious civil service career, spanning over 36 years, has straddled various fields viz., Indirect Tax (Customs, Central Excise and Service Tax), Maritime, Civil Aviation and Textile administrations, international affairs, economic & maritime diplomacy, administrative reforms, e-governance & business process re-engineering, personal & finance management and human resource development / capacity building.

He had also held the coveted post of Director General of Shipping and Secretary to the Government of India at Mumbai.

In course of his civil service career, Mr. Deepak Shetty has had an exposure to and experience in dealing with the United Nations (UN), World Trade Organization (WTO), World Customs Organization (WCO), International Maritime Organization (IMO), International Labor Organization (ILO) and other allied global entities of the UN system like the United Nations Office of Drugs & Crime (UNODC), International Criminal Police Organization (INTERPOL) etc. In addition, during his civil service career he had extensively dealt with various trade bodies at the International, regional and national levels such as the International Chamber of Shipping (ICS), Baltic International Maritime Council (BIMCO), International Group of Protection & Indemnity (P&I) Clubs, Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry (ASSOCHAM), Confederation of Indian Industry (CII), Indian National Ship-owners Association (INSA) etc.

**5. Mr. Subrat Das (DIN: 07105815)**

Mr. Subrat Das, aged about 54 years is by qualification is a Chartered Accountant. Mr. Das has 27 years of experience in field of Finance, Accounts and Taxation and Legal Matters. Mr. Das has worked with Shiv-Vani Oil & Gas Exploration Services Ltd, Great Eastern Energy Corporation Limited, Ortel Communications Ltd, UNDP/GEF Project (Steel), New Delhi, Modi Korea Telecommunications Ltd, Usha Ispat Ltd, Rathii Alloys & Steel Ltd. His area of expertise is Finance and Accounts. Mr. Das does not hold any shares in your company.

**6. Mr. Naveen Mohta (DIN: 07027180)**

Mr. Naveen Mohta, aged about 44 years is by qualification is a Chartered Accountant and Cost and Works Professional. Mr. Mohta has 17 years of experience which includes 15 years with HAL Offshore Limited, the Promoter Company of SEAMEC Limited. Mr. Mohta has worked with India Gypsum Limited, a joint venture between Birla Group and BPB Plc UK and has also interacted with various Government Bodies such as SIPCOT, TNGST department, Excise, Pollution Control Boards etc. for getting various approvals and registrations for the green field project in Chennai, besides looking after accounts and finance function. His area of expertise is Commercial and Operations. Mr. Mohta does not hold any shares in your company.



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 01. INDUSTRY STRUCTURE AND OUTLOOK

The global scenario in Oil and Gas Industry shows promise and expectation. A recovery in Oil prices was seen in 2018, but remained at 10 percent below the ten year average of US\$ 79/ bbl. It is forecasted that worldwide crude oil prices will be average US\$ 63 a barrel in 2019 and US\$ 62 barrel in 2020.

Recovery from the oil price crash of 2015, which led to widespread decommissioning and lay off, presented an opportunity for the Industry. For operators, priorities were shifted and innovation was pushed to the forefront as a necessary means of under pinning commercial success. The way has been paved for new trends, strategies and business models, painting an ever clearer picture of optimism and growth in coming years.

The year under review ended with the news of growth and stability from oil and gas giants. The positive news bolstered by a Report from KPMG which revealed that confidence level stands very high with 85% of the corporate leaders expressing trust in the rise of more commercial opportunities over next year. Furthermore, Moody's recent outlook sounds as a tone of optimism speculating 12-18 months period of stability and growth in the sector.

Despite the upbeat, some market adversity prevails. Examples are USA's rise in production of shale oil and alternative fuels such as ethanol, massive oilwells in Gulf of Mexico producing large quantities of Oil and Gas regardless of low prices, OPEC not willing to cut output enough to put a floor under prices, as members do not want to lose market share to US companies and the trade war between US and China attributing to China's slow growth.

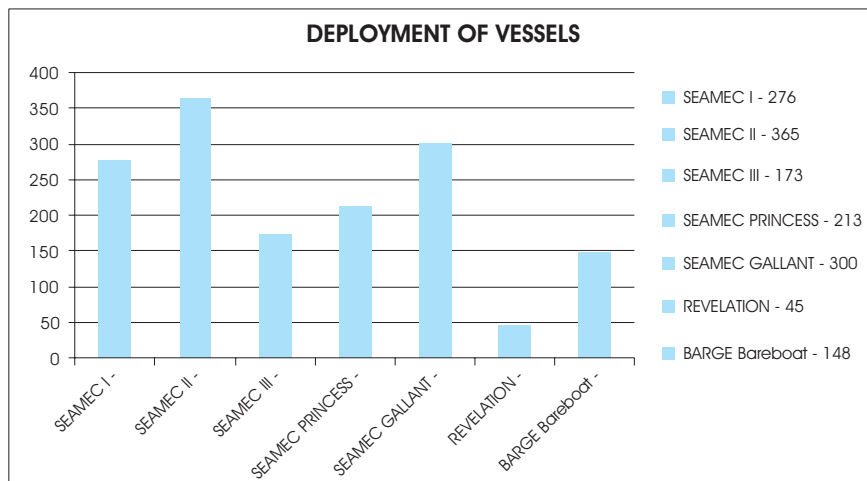
Major oil companies are investing in renewable energy, natural gas production. Consumers are increasing their focus on mitigating CO2 emissions. Some players are stepping up efforts to reduce the environmental and carbon foot prints in the energy and Industrial sections. Distribution of energy tends to be focus of decision making throughout energy value chain.

The rise in fuel consumption from developing economies such as China and India and the demand for natural gas is expected to propel.

India is poised to become fastest growing energy market in the world in next four decades. It will increase India's influence on the World Energy Scenario.

Demand for primary energy in India is expected to increase three folds by 2035 to 1516 million tons of oil. Crude oil consumption is expected to grow at a CAGR of 3.60 percent to 500 million tonnes by 2040 from 221.76 million tonnes of last year. Natural Gas consumption is forecasted to increase at a CAGR of 4.31 percent to 143.08 million tonnes by 2040 from 54.20 million tonnes in 2017. Government of India's reformative policy on foreign investment is likely to attract US\$ 25 billion investment in liquid, flexible and global liquification of Liquid Natural Gas (LNG). Upstream capital expenditure is cautiously advancing as Government of India has allowed 100% FDI in upstream and private sector refining projects.

The Bulk Shipping Industry witnessed a moderate accelerated growth. The improvement is expected to accelerate further in anticipation of envisageable growth in demand. However, last quarter, there was a steep fall in the Baltic Index. The Baltic Index is showing renewed upward projection and therefore this segment of Industry is poised to grow in the range of 8 to 10% in coming years.



## 02. OPPORTUNITIES AND THREATS

Oil Industry will hike investment and grow its work force in 2019. Confident oil industry is set to ratchet up spending in 2019.

In India, the oil major ONGC continues to invest in exploration and production activity of Oil and Gas to meet its energy security. This apart, maintenance, replacement of pipelines and rewards IMR jobs, provides project opportunities for SEAMEC. Hence Offshore service providers tend to have assured business.

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

The component of the SEAMEC fleet includes Diving Support Vessel and a Bulk Carrier. SEAMEC has a distinct and unblemished track record as a confident player, was successful to a great extent in securing the contracts and provided its best performance to the utmost satisfaction of the client. The Company's assets of experienced human force, fleet and formidable track record are recognized as force to reckon with.

As per Baltic Dry Index (BDI), the segment of Bulk Carrier is rising globally having impact both in terms of utilization as well as the freight.

ONGC plan of action for revamping of subsea pipelines and EPC contracts will be a source of encouragement and opportunity for SEAMEC to utilize its proven resources by participating in the projects and commercial activities as may emerge.

Aging of Company's fleet along with the complexity of maintaining them continues to remain as an challenge. Your Company is looking at options and opportunities in mitigating these factors in a structured business dynamics.

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 of an alternate engagement, remains as a potential threat.

## 03. BUSINESS SEGMENT ANALYSIS

The business segment for the Company during the year under review was Offshore segment in domestic market and bulk carrier operations in international market.

The performance of the Company and details of segment reporting are available in Annual Accounts.

## 04. FINANCIAL PERFORMANCE

For meaningful comparison pertinent financial parameters are discussed below: -

(₹ In million)

Particulars	2018-19	2017-18
Revenue	3304	2124
Operating Expenses	2011	1604
Operating Profit	1293	520
Operating Profit Margin	0.39	0.24
Interest Expenses	6	8
Depreciation	482	489
Profit / (Loss) before Tax	805	23
Provision Tax Expenses	38	20



(₹ In million)

Particulars	2018-19	2017-18
Net Profit	<b>767</b>	3
Net Profit Margin	<b>0.23</b>	0.001
Debtor/Sales	<b>0.46</b>	0.58
Creditor/Purchase	<b>0.82</b>	1.10
Inventory / Turnover	<b>0.05</b>	0.07
Current Ratio	<b>1.27</b>	1.12
Debt Equity Ratio	<b>0.01</b>	0.03
Networth	<b>3474</b>	2707
Interest Coverage Ratio	<b>135.16</b>	3.98

**Comments on Current Year's Performance:**

Revenue	: The increase in revenue is primarily due to deployment of Company's vessels and also execution of accommodation Barge Contract on bareboat basis in consortium.
Operating Cost	: The normal operating cost increased proportionate to commercial utilization of assets and bareboat contract of Barge.
Operating Profit	: Profit is due to contribution made by Company's all assets under deployment.
Depreciation	: Marginal decrease of depreciation due to sale of vessel – "Revelation".
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 and tax provisions made in the profit earned in Barge Contract which is outside the ambit of tonnage tax.
Net Profit	: Overall profit due to income from all operating vessels and write back of provisions made for one of the debtors realization.

**05. HUMAN RESOURCES AND INTERNAL CONTROL ADEQUACY**

Human Resources and Internal Control Systems and Adequacy thereof has been stated in the Directors Report.

## REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for the year ended March 31, 2019 is as under:-

### CORPORATE GOVERNANCE – PHILOSOPHY

The Company's 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"). As on 31<sup>st</sup> March, 2019, the Board comprised of 5 Directors with One Whole Time Director, Four 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 of 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. The Committees for determining this criteria shall include Audit Committee and Stakeholders Relationship Committee. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management. As of 31<sup>st</sup> March, 2019, none of the Directors of the Company hold shares in the Company. There are no inter-se relationships between the Directors of the Company. The Independent Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. Details of Independent Directors' familiarization program are part of the Directors' Report.

The composition of the Board during the financial year under review and till the date of this Report is as under:-

Director	Executive/Non-Executive/ Independent	Directorships in other Public Companies*	List of Directorship held in other Listed Companies and Category of Directorship
Mr. Sanjeev Agrawal	Non-Executive Chairman	1	Fortune Industrial Resources Limited
Mr. Naveen Mohta	Whole Time Director	1	Hal Offshore Limited
Mr. Surinder Singh Kohli	Non-Executive & Independent	8	Asian Hotels (West) Limited IDFC Limited Reliance Infrastructure Limited BSES Yamuna Power Limited BSES Rajdhani Power Limited ACB (India) Limited S V Creditline Limited BLS International Services Limited
Mr. Amarjit Singh Soni*	Non-Executive & Independent	-	-
Mr. Mahesh Prasad Mehrotra**	Non-Executive & Independent	5	Dhampur Sugar Mills Limited Delton Cables Limited V L S Finance Limited South Asian Enterprises Limited India Securities Limited





Director	Executive/Non-Executive/ Independent	Directorships in other Public Companies*	List of Directorship held in other Listed Companies and Category of Directorship
Mr. Deepak Shetty***	Additional Director	3	Shreyas Shipping and Logistics Limited Flemingo Travel Retail Limited Container Corporation of India Limited
Ms. Seema Modi	Non-Executive & Independent	-	-
Mr. Subrat Das	Non-Executive	-	-

• Excludes directorship in Foreign Companies, Private Companies and Section 8 Companies.

\* Resigned w.e.f. March 31, 2019 due to personal reasons

\*\* Resigned w.e.f. March 12, 2019 due to personal reasons

\*\*\* Mr. Deepak Shetty (IRS) Retd. has been appointed as an Additional Director by the Board of Directors of the Company w.e.f 15<sup>th</sup> May, 2019 to hold the office of Independent Director, subject to approval of members of the Company.

#### Matrix on the core competencies of the Board of Directors of the Company:

Sr. No.	Name of the Director	Skill / Expertise / Competence
1.	Mr. Sanjeev Agrawal	Leadership and overall Corporate and General Management
2.	Mr. Naveen Mohta	Commercial, Operations and Finance
3.	Mr. Surinder Singh Kohli	Banking, Finance, Governance and Legal
4.	Mr. Deepak Shetty*	Indirect Taxation, Finance, Shipping Regulatory management and association with International Bodies
5.	Ms. Seema Modi	Marketing and General Management
6.	Mr. Subrat Das	Finance and Audit

\*Appointed as Additional Director w.e.f. May 15, 2019

#### DISQUALIFICATION OF DIRECTORS:

As required under Schedule-V of SEBI (LODR) (Amendment) Regulations, 2018 and certificate obtained from M/s. Satyajit Mishra & Co., Practicing Company Secretary, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

## 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 reviews 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, Regulation 18 of the SEBI Listing Regulations and other terms as may be referred by Board of Directors.

The Audit Committee comprised of four members. As on 31<sup>st</sup> March, 2019, consequent on relinquishment of office by Mr. Amarjit Singh Soni and Mr. Mahesh Prasad Mehrotra, the Audit Committee has been reconstituted by the Board of Directors with effect from 15<sup>th</sup> May, 2019. The details of the reconstitution are presented in the Directors' Report which forms part of this Annual Report. During the year under review, all members including the Chairman of the Committee are Non-Executive and two-third members were 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 members and noted at the Board Meetings.

The Audit Committee met seven times during the year on 28<sup>th</sup> April, 2018, 5<sup>th</sup> May, 2018, 25<sup>th</sup> May, 2018, 5<sup>th</sup> July, 2018, 13<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018, 6<sup>th</sup> February, 2019. The maximum gap between two Meetings was not more than 120 days. The requisite quorum was present at all the Meetings. The composition of the Audit Committee and the details of meetings held and attended by the members are as follows:-

Director	Position	Meetings held	Meetings Attended
Mr. Surinder Singh Kohli	Member	7	7
Mrs. Seema Modi	Member	7	5
Mr. Amarjit Singh Soni *	Member	7	7
Mr. Mahesh Prasad Mehrotra **	Chairman	7	7

\* Resigned w.e.f. March 31, 2019 due to personal reasons

\*\* Resigned w.e.f. March 12, 2019 due to personal reasons

### 3. NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee and details of Meetings held during the year are mentioned hereunder:

Director	Position	Meetings held	Meetings Attended
Mr. Surinder Singh Kohli	Chairman	1	1
Mr. Amarjit Singh Soni *	Member	1	1
Ms. Seema Modi	Member	1	1

\* Resigned w.e.f. March 31, 2019 due to personal reasons

The President – Corporate Affairs, Legal and Company Secretary acts as the Secretary to the Committee.

The Nomination and Remuneration Committee met once on 25<sup>th</sup> May, 2018. The requisite quorum was present at the Meeting. The terms of reference of the Committee are in line with the provisions of Sections 178 of the Companies Act, 2013, Regulation 19 of the SEBI Listing Regulations and other terms as may be referred by Board of Directors.

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

The Nomination and Remuneration Policy as prescribed under the Companies Act, 2013 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 also hosted on the website of the Company at [www.seamec.in](http://www.seamec.in).

### 4. REMUNERATION TO DIRECTORS

The Board / Nomination and Remuneration Committee is authorized to decide the remuneration of the Directors, subject to the approval of the members, if required.

The details of remuneration paid to the Directors during the financial year ended 31<sup>st</sup> March, 2019 are given below:

Director	Designation	Remuneration paid during the period (All figures in Rupees)			
		Salary & Allowances	Sitting Fees	Commission	Total
Mr. Sanjeev Agrawal	Chairman	--	--	--	--
Mr. Naveen Mohta	Whole Time Director	--	--	--	--
Mr. Surinder Singh Kohli	Independent Director	--	4,20,000.00	--	4,20,000.00
Mr. Amarjit Singh Soni*	Independent Director	--	3,50,000.00	--	3,50,000.00
Mr. Mahesh Prasad Mehrotra**	Independent Director	--	3,80,000.00	--	3,80,000.00
Ms. Seema Modi	Independent Director	--	6,10,000.00	--	6,10,000.00
Mr. Subrat Das	Director	--	--	--	--
<b>Total</b>			<b>17,60,000.00</b>	<b>--</b>	<b>17,60,000.00</b>

\* Resigned w.e.f. March 31, 2019 due to personal reasons

\*\* Resigned w.e.f. March 12, 2019 due to personal reasons



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.

The agreement with the Whole Time Director is for a specified period. Either party to the agreement is entitled to terminate the agreement by giving not less than six months' notice in writing to the other party. No severance pay is payable on termination of contract.

For the year under review, the Company does not have a scheme for grant of stock options nor has it issued any stock options to any of the Directors, senior management personnel or employees of the Company.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted "STAKEHOLDERS RELATIONSHIP COMMITTEE" (Since renamed) under the chairmanship of a Non-Executive and Independent 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	3
Mr. Sanjeev Agrawal	Member	4	4
Mr. Naveen Mohta	Member	4	3

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 this 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 SEBI Listing Regulations.

Date of Board Meeting	City
May 25, 2018	Mumbai
August 13, 2018	New Delhi
November 13, 2018	New Delhi
February 06, 2019	New Delhi

Director	No. of meetings		Attended last A.G.M
	Held	Attended	
Mr. Sanjeev Agrawal	4	4	No
Mr. Naveen Mohta	4	3	Yes
Mr. Surinder Singh Kohli	4	4	No
Mr. Amarjit Singh Soni *	4	4	Yes
Mr. Mahesh Prasad Mehrotra **	4	4	No
Ms. Seema Modi	4	3	Yes
Mr. Subrat Das	4	4	Yes

\* Resigned w.e.f. March 31, 2019

\*\* Resigned w.e.f. March 12, 2019

## 7. DIRECTORS' MEMBERSHIP/CHAIRMANSHIP IN COMMITTEES

In compliance of Regulation 26 of the SEBI Listing Regulations, 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 of Membership / Chairmanship as on 31<sup>st</sup> March, 2019 are as under:

Director	No. of Committees	
	Member	Chairman
Mr. Sanjeev Agrawal	2	0
Mr. Surinder Singh Kohli	5	2
Mr. Amarjit Singh Soni *	0	0
Mr. Mahesh Prasad Mehrotra **	2	2
Ms. Seema Modi	0	0
Mr. Naveen Mohta	1	0
Mr. Subrat Das	0	0

Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies other than Seamec Limited.

\* Resigned w.e.f. March 31, 2019

\*\* Resigned w.e.f. March 12, 2019

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

The brief profile of the Directors being appointed / reappointed has been stated in the Directors' Report and in the notice convening the 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 continuing of Charter Hire of Vessel Seamec II and Lease Rent of premises with Mrs. Deepti Agrawal, spouse of Mr. Sanjeev Agrawal, Chairman of the Company and secondment of Senior Personnel from Holding Company. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. [www.seamec.in](http://www.seamec.in).

## 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 Whole Time Director is appended as a separate Annexure to this 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 Whole Time 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
2015-2016	Mumbai	08.09.2016	4:30 p.m.
2016-2017	Mumbai	11.08.2017	4:00 p.m.
2017-2018	Mumbai	26.09.2018	4:30 p.m.

1.2 Whether any special resolutions passed in the previous 3 AGMs? YES, only in the Financial Year 2016-17

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 2019-20? NO

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

**16. 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) 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  |

**17. SHAREHOLDER INFORMATION**

- |  |   |
|--|---|
| 1. Annual General Meeting  |   |
| - Date and Time  | : 9th August, 2019, 4:30 pm   |
| - Venue  | : VITS Hotel, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400059 |
| 2. Financial Calendar  |   |
| - For the Financial Year ending 31.03.2020                           | :   |
| - Financial reporting for the first quarter ending June 30, 2019     | : On or before August 09, 2019  |
| - Financial reporting for the half year ending September 30, 2019    | : On or before November 15, 2019  |
| - Financial reporting for the third quarter ending December 31, 2019 | : On or before February 14, 2020  |
| - Financial reporting for the year ending March 31, 2020             | : On or before May 30, 2020   |
| - Annual General Meeting for the year ending 31st March, 2020        | : On or before September 30, 2020   |
| 3. Dividend Payment Date   | : NA  |

## 4. Registered Office

: A 901 – 905, 9th Floor  
215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 093.  
Tel: (022) 66941800  
Fax: (022) 66941818  
email: contact@seamec.in

## 5. Listing Details (Equity Shares)

: **BSE Limited**  
1st Floor, Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**National Stock Exchange of India Ltd**

Exchange Plaza, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051.

## 6. The Company has paid the Listing Fees for the year 2018-2019 to all the Stock Exchanges.

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

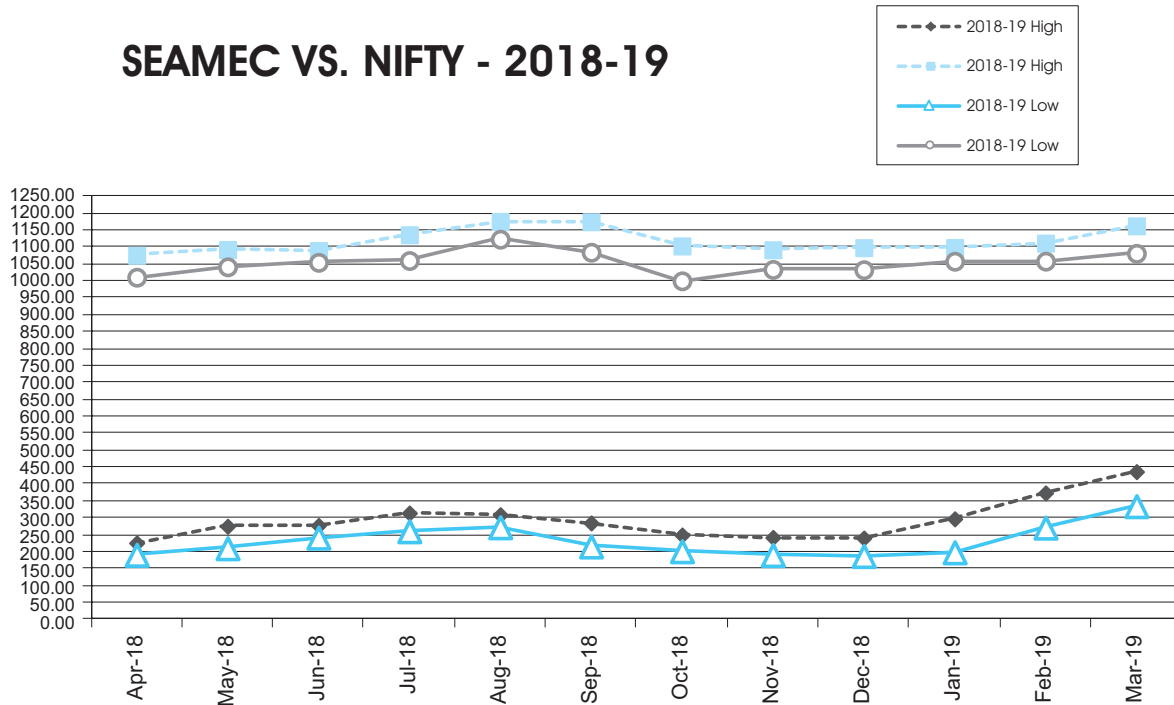
## 7. Share Price Data:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr – 18	225.75	190.60	14748	224.00	195.15	31223
May – 18	275.00	210.00	16729	270.05	212.00	50925
Jun – 18	277.30	241.40	11088	278.00	239.00	35845
July – 18	314.00	260.25	22192	309.00	256.85	44443
Aug – 18	309.00	272.05	7910	306.95	272.25	31101
Sept – 18	284.70	215.30	6931	285.00	213.50	9531
Oct – 18	249.00	201.15	3397	244.25	205.00	8380
Nov – 18	241.90	190.00	15608	247.00	196.15	10401
Dec – 18	240.00	187.10	41675	223.00	190.25	9785
Jan – 19	296.90	198.00	66304	293.90	182.90	90389
Feb – 19	373.45	271.05	47548	375.00	270.00	76807
Mar – 19	436.45	334.45	88642	432.00	337.95	42983



8. Stock Performance (Indexed):

**STOCK PERFORMANCE OF SEAMEC VS. NSE INDEX (NIFTY)**



9. Registrar & Share Transfer Agents : C B Management Services (P) Ltd.

2nd Floor P-22, Bondel Road,  
Kolkata – 700 019  
Tel No. (033) 401 16700, 22806692/93/94  
Fax no. 033-22870263  
E-mail: rta@cbmsl.com  
Website: www.cbmsl.com

10. 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. The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants. In compliance with SEBI the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.



## 11. Investor Services

Complaints received during the period are as tabulated below:

Nature of complaints	2018-2019		2017 - 2018	
	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	2	2	2	2
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

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

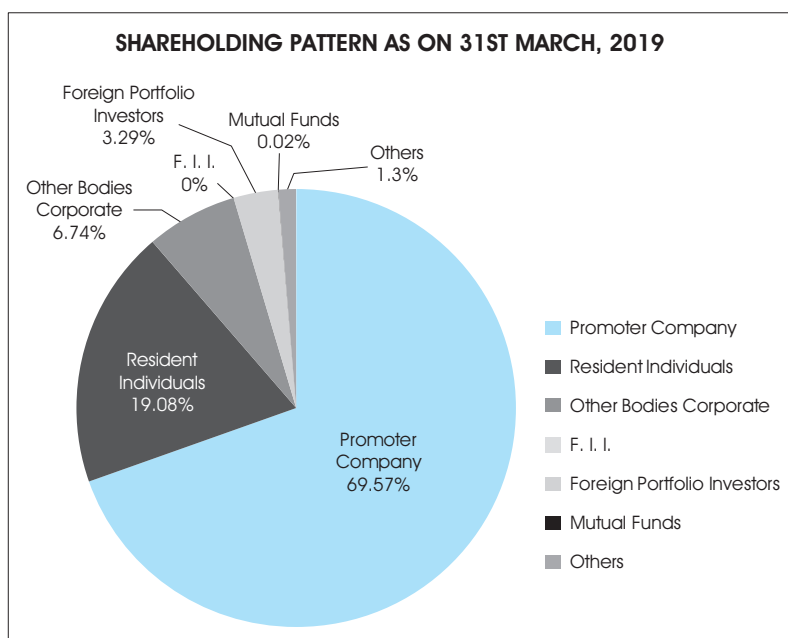
The Company endeavors to settle all shareholder complaints in the minimum possible time.

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

As on 31<sup>st</sup> March, 2019, one transfer deed containing 100 shares was pending for approval by the Committee. (as per the certificate of RTA)

## 12. Distribution of Shareholding of the Company is tabulated below:

Shares held	As on 31.03.2019				As on 31.03.2018			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% of share holding
1-500	9411	92.81	1045691	4.11	10615	92.39	1239554	4.88
501-1000	326	3.22	269981	1.06	427	3.72	351262	1.38
1001-2000	165	1.63	255572	1.01	191	1.66	294124	1.16
2001-3000	39	0.38	102203	0.40	70	0.61	178450	0.70
3001-4000	37	0.36	134206	0.53	24	0.21	87547	0.34
4001-5000	35	0.35	163652	0.64	29	0.25	131194	0.52
5001-10000	56	0.55	408472	1.61	57	0.50	407675	1.60
10001 & above	71	0.70	23045223	90.64	76	0.66	22735194	89.42
<b>TOTAL</b>	<b>10140</b>	<b>100.00</b>	<b>25425000</b>	<b>100.00</b>	<b>11489</b>	<b>100.00</b>	<b>25425000</b>	<b>100.00</b>





13. Categories of Shareholding of the Company:

Category		As on 31.03.2019			As on 31.03.2018		
		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	17687475	69.57	1	17687475	69.57
02	Directors	--	--	--	--	--	--
03	Directors Relatives	--	--	--	--	--	--
04	Mutual Funds	1	4200	0.02	1	4200	0.02
05	F. I. I.	--	--	--	--	--	--
06	Foreign Portfolio Investors	2	837327	3.29	1	837000	3.29
07	Financial Institutions	--	--	--	--	--	--
08	Central Government / State Government	1	5601	0.02	1	5601	0.02
09	N.R.I.	97	54155	0.21	110	72086	0.28
10	Other Bodies Corporate	209	1713953	6.74	237	2188185	8.61
11	Banks	3	34200	0.13	4	160195	0.63
12	Resident Individuals	9776	4850038	19.08	11101	4222791	16.61
13	Clearing Members	49	26943	0.11	32	36359	0.14
14	Investor Education and Protection Fund	1	211108	0.83	1	211108	0.83
<b>TOTAL</b>		<b>10140</b>	<b>25425000</b>	<b>100</b>	11489	25425000	100

14. Dematerialization of Shares & Liquidity : Over 98.50% of equity shares have been dematerialized as on 31st March, 2019.

Trading in equity shares of your Company in Stock Exchange is permitted only in dematerialized mode w.e.f. 24th August, 2000 as per notification issued by SEBI.

To facilitate the investors in having easy access to Demat system, the Company has signed agreements with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

15. Details on use of public fund : NIL  
obtained in the last three years

16. Investors' Correspondence : Mr. S.N. Mohanty  
Compliance Officer  
Address For correspondence  
Regd. Office :  
A 901 – 905, 9th Floor  
215 Atrium, Andheri Kurla Road,  
Andheri East, Mumbai - 400 093  
Tel: (022) 66941800; Fax: (022) 66941818  
Email: contact@seamec.in

OR

C B Management Services (P) Ltd.  
P-22, Bondel Road, 2nd floor, Kolkata – 700 019  
Tel No. (033) 40116700/6711/6723; 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 processed by the Registrars.

## 17. Per Share Data

	<b>FY 2018-19</b>	FY 2017-18
EPS (₹)	<b>30.17</b>	0.11
EPS Growth (%)	<b>26172</b>	101.00

Closing Share price of the Company	<b>As on 31.03.2019</b>	As on 31.03.2018
NSE	<b>428.15</b>	193.50
BSE	<b>426.65</b>	188.90

18. 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.

## 19. Disclosures:

- Disclosures on transactions with related parties have also been disclosed in the 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.
- The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations. The Company has also adopted certain discretionary requirements of the Listing Regulations i.e. Non-Executive Director as the Chairman of the Board, providing the Chairman of the Company with the resources required by him to discharge his responsibilities as Chairman of the Company. The Financial Statements of the Company are unqualified. The Internal Auditor periodically provides its reports to the Audit Committee.
- In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Board reviewed the Management's perception of the risks facing the Company and measures taken to minimize the same.

## COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2019.

For Seamec Limited

**Naveen Mohta**

Whole Time Director

15th May, 2019



## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members, Seamec Limited**  
Mumbai

We have examined the compliance of regulations of Corporate Governance by Seamec Limited for the year ended March 31, 2019, 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

Place: Mumbai  
Date: 15th May, 2019

Proprietor  
C.P. No.: 4997

## SEAMEC Limited

₹ million

	2008	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
		(15 months)									
<b>BALANCE SHEET</b>											
<b>SOURCES OF FUNDS</b>											
SHARE CAPITAL	339.00	339.00	339.00	339.00	339.00	339.00	339.00	254.25	254.25	254.25	<b>254.25</b>
RESERVE & SURPLUS	2,878.66	4,798.73	4,131.52	4,027.84	4,368.78	4,379.27	4,878.61	3,945.52	2,449.74	2452.99	<b>3219.51</b>
<b>NET WORTH</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>2707.24</b>	<b>3473.76</b>
LOAN FUND	-	-	-	-	-	-	-	-	-	-	-
<b>SOURCES OF FUNDS</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>2707.24</b>	<b>3473.76</b>
<b>APPLICATION OF FUNDS</b>											
GROSS BLOCK OF FIXED ASSET	3,974.32	4,155.10	4,302.05	4,803.70	4,778.09	4,947.03	5,617.10	2,203.90	2,996.58	2985.66	<b>3349.45</b>
RESERVE FOR DEPRECIATION	1,631.56	1,932.14	2,176.26	2,479.61	2,809.74	3,180.48	3,453.76	468.33	936.13	1300.90	<b>1781.69</b>
NET BLOCK OF FIXED ASSETS	2,342.76	2,222.96	2,125.79	2,324.09	1,968.35	1,766.55	2,163.34	1,735.57	2,060.46	1684.76	<b>1567.76</b>
INVESTMENTS	-	12.24	12.24	25.68	25.68	25.68	25.68	340.01	373.20	445.84	<b>974.93</b>
DEBTORS (NET)	529.76	349.62	385.76	1,014.24	1,310.64	1,486.86	1,245.53	1,865.46	1087.80	1173.61	<b>1635.36</b>
TOTAL CURRENT ASSETS	1,606.32	3,446.52	2,712.64	1,406.26	2,113.58	2,181.22	2,675.29	1,829.13	792.12	794.81	<b>761.12</b>
CURRENT LIABILITIES & PROVISION	731.42	543.99	380.48	403.43	710.47	742.04	892.23	1,570.40	1609.59	1391.78	<b>1465.39</b>
NET CURRENT ASSETS	874.90	2,902.53	2,332.16	1,002.83	1,403.11	1,439.18	1,783.06	258.73	(815.83)	(596.97)	<b>(704.27)</b>
<b>APPLICATION OF FUNDS</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>2707.24</b>	<b>3473.76</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>											
REVENUE FROM OPERATION	2,685.86	4,248.41	1,023.76	1,818.27	3,373.31	4,079.37	3,497.25	3,279.17	2,075.74	1936.01	<b>3038.27</b>
OTHER INCOME	38.90	161.11	133.45	179.53	241.70	154.51	360.80	229.67	176.01	187.66	<b>266.12</b>
EBITDA before extra ordinary items	788.78	2,398.51	(410.36)	252.35	769.74	431.05	969.21	591.79	(963.16)	519.55	<b>1293.48</b>
EXTRA ORDINARY ITEMS	-47.23	6.41	44.44	-	-	-	-	-	-	-	-
INTEREST EXPENSES	3.76	4.80	3.85	0.12	0.30	1.33	1.16	2.72	11.50	7.78	<b>6.17</b>
DEPRECIATION	254.13	321.68	264.70	310.72	369.25	378.46	367.65	473.74	479.94	489.12	<b>481.70</b>
PROFIT BEFORE TAX	483.66	2,078.44	(634.47)	-58.49	400.19	51.27	600.40	115.33	(1,454.60)	22.65	<b>805.61</b>
TAX	12.45	39.38	33.13	45.20	59.25	40.77	60.22	57.71	41.31	19.73	<b>38.48</b>
PROFIT AFTER TAX	471.21	2,039.06	(667.60)	-103.69	340.94	10.50	540.18	57.62	(1,495.91)	2.92	<b>767.13</b>



## INDEPENDENT AUDITOR'S REPORT

To the Members of Seamec Limited

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the accompanying standalone financial statements of **Seamec Limited ("the Company")**, which comprise the standalone Balance Sheet as at 31<sup>st</sup> March 2019, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
A	<p><b>Carrying value, Useful life of the Fleet (Vessel) &amp; Fleet Equipments of the Company, Amortization of Dry Dock Cost and Cost of Modification</b></p> <p>As on 31.03.2019, the Net Book Value of Fleet and Fleet Equipments stands at INR 1559.89 Million, this includes Value of Vessels and Value of Equipments and Dry Dock Cost.</p> <p>The management reviews the estimated useful life and the residual value of property, plant and equipment annually.</p> <p>Refer Note 3 (a), (c), (d) and 4 of Standalone Financial Statements.</p>	<p>Our procedures in relation to the depreciable lives of the property, plant and equipment included:</p> <ul style="list-style-type: none"> <li>• Testing the key controls over the management's judgment in relation to the accounting estimates of the useful life of property, plant and equipment.</li> <li>• Assessing the management's estimates on the useful life of property, plant and equipment with reference to technical evaluation, practice followed by peers and useful life prescribed in relevant schedule of Companies Act.</li> <li>• We have also assessed the Company's process of assessing the impairment requirement, the revenue and cost related to each vessel has been analyzed for the purpose of any sign with regard to impairment.</li> <li>• We have also assessed the recognition of Cost of modification based on recognition criterion given in relevant Ind AS.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
B	<p><b>Expected Credit Loss on Trade Receivable</b></p> <p>As on 31.03.2019, trade receivables stand at INR 1635.36 Million after providing Expected Credit Loss amounting to INR 1622.69 Million.</p> <p>Refer Note 3 (f) and 8 and 14 of Standalone Financial Statements.</p>	<p>Our procedures in relation to the Expected Credit Loss on Trade Receivable included:</p> <ul style="list-style-type: none"> <li>• Testing with regard to trade receivable includes testing controls over billing and collections, ageing analysis, etc.</li> <li>• Test the completeness and accuracy of the data.</li> <li>• Critically assessed and tested the significant judgments used by management based on past experience.</li> <li>• Analyzing the key terms of contract with customers to ascertain provision required for expected credit loss.</li> </ul>

#### 4. Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to state in this regard.

#### 5. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### 6. Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SAs 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 standalone financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- v. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. 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 in **"Annexure B"**.
- vii. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement – Refer Note 38;
  - b. The company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- c. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our informations and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of the Section 197 of the Act.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm Regn. No: 006711N/N500028

**Vikas Kumar**

Partner

Membership No. 075363

Place: Mumbai

Date: 15<sup>th</sup> May 2019

**Annexure A to the Auditor's Report**

The annexure referred to in Independent Auditors' Report to the member of the Seaemc Limited ("the Company") on the standalone financial statement for the year ended 31<sup>st</sup> March 2019, we report that;

**(i) Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Thus, the provision of clause 3(i)(c) of the Order is not applicable to the Company.

**(ii) Inventories**

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) Loans given**

According to the information and explanations given to us, during the year, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the order is not applicable to the Company.

**(iv) Compliance of Sec. 185 & 186**

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 provide security in connection with a loan and as such section 185 of the Companies Act is not applicable. In our opinion and according to the information and explanation given to us, the company has made investments in securities and given guarantee on behalf of its subsidiary, which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

**(v) Public Deposit**

During the year, the company has not accepted any deposits from the public. Accordingly reporting under paragraph 3 (v) of the order is not applicable to the Company.

**(vi) Cost Records**

To the best of our knowledge and according to the information and explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act.

**(vii) Statutory Dues**

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, Income-tax, Goods and Service tax, Custom duty, Cess, etc. There are no undisputed dues payable, outstanding as on 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable except the interest on avilment of wrong credit of service tax as given below:

Name of the statute	Nature of Dues	Amount (INR in Million)	Period to which the amount relates	Due Date	Date of payment
Finance Act, 1994	Interest on wrongly credit of Service Tax	11.21	2016-17	Various	Not yet paid

- b) According to the information and explanations given to us, the following dues of Service Tax has not been deposited by the Company on account of dispute;

Name of the statute	Nature of Dues	Amount (INR in Million)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	77.37	2010-11 to 2014-15	Commissioner of GST and Central Excise
Finance Act, 1994	Service Tax	14.04	2013-14 to 2015-16	Commissioner of GST and Central Excise
Finance Act, 1994	Service Tax	38.50	2015-16	Commissioner of GST and Central Excise

- (viii) According to the information and explanations given to us and based on the records of the company examined by us, the company has not defaulted in repayment of loans to bank. The Company did not have any loan from financial institutions or government and also did not have any debentures outstanding during the year.
- (ix) The Company didn't raise any money by way of initial public offer or further public offer or term loans during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanation given to us, and based on the audit procedure performed by us, we report that no fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information & explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Regn. No: 006711N/N500028

**Vikas Kumar**  
Partner  
Membership No. 075363

Place: Mumbai  
Date: 15<sup>th</sup> May 2019



## **ANNEXURE B**

### **Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls over financial reporting of Seamec Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2019, 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.

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

The Board of Directors of the Company 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 (ICAI)". 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 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.

#### **Auditors' 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") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Place: Mumbai  
Date: 15<sup>th</sup> May 2019

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Regn. No: 006711N/N500028

**Vikas Kumar**  
Partner  
Membership No. 075363



Standalone Balance Sheet as at March 31, 2019

₹ million

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<b>A Assets</b>			
<b>1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,566.42	1,682.33
(b) Capital work-in-progress	5	-	1.72
(c) Intangible assets	6	1.34	2.43
(d) Financial assets			
(i) Investments	7	974.93	445.84
(ii) Trade receivables	8	-	-
(iii) Loans	9	16.51	12.92
(iv) Other Financial Assets	10	470.03	282.30
(e) Non-current tax assets (net)	11	56.00	87.32
(f) Other non-current assets	12	10.12	2.28
		<b>3,095.35</b>	<b>2,517.14</b>
<b>2) Current Assets</b>			
(a) Inventories	13	152.20	143.28
(b) Financial assets			
(i) Trade receivables	14	1,635.36	1,173.61
(ii) Cash and cash equivalents	15	16.81	11.99
(iii) Bank balances other than (ii) above	16	0.46	127.76
(iv) Other Financial assets	17	26.78	60.02
(c) Other current assets	18	12.19	13.75
		<b>1,843.80</b>	<b>1,530.41</b>
Assets classified as held for sale	19	-	51.47
		<b>Total-Assets</b>	<b>4,939.15</b>
			<b>4,099.02</b>
<b>B Equity and Liabilities</b>			
<b>1) Equity</b>			
(a) Equity share capital	20	254.25	254.25
(b) Other Equity	21	3,219.51	2,452.99
		<b>3,473.76</b>	<b>2,707.24</b>
<b>2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial liabilities	22	4.23	-
(b) Provisions	23	7.01	7.01
(c) Deferred tax liabilities (Net)	24	4.69	23.89
		<b>15.93</b>	<b>30.90</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	34.69	73.17
(ii) Trade payables			
- Total Outstanding dues to micro enterprises and small enterprises	26	4.25	6.35
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		<b>1,227.86</b>	<b>1,009.29</b>
(iii) Other Financial liabilities	27	68.96	178.13
(b) Other current liabilities	28	107.93	89.52
(c) Provisions	29	5.77	4.42
		<b>1,449.46</b>	<b>1,360.88</b>
		<b>Total-Equity &amp; Liabilities</b>	<b>4,939.15</b>
			<b>4,099.02</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For T R Chadha & CO LLP

Chartered Accountants

Firm registration No. 006711N/N500028

Vikas Kumar

Partner

Membership No: 075363

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

Sanjeev Agrawal

Chairman

(DIN 00282059)

Virendra Kumar Gupta

President & Chief Financial Officer

Subrat Das

Director

(DIN 07105815)

S N Mohanty

President-Corporate Affairs, Legal & Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019

## Standalone Statement of profit and loss for the year ended March 31, 2019

₹ million

Particulars	Note No	Year ended 31.03.2019	Year ended 31.03.2018
<b>INCOME</b>			
I. Revenue from operations	30	<b>3,038.27</b>	1,936.01
II. Other Income	31	<b>266.12</b>	187.66
<b>III. Total Revenue (I + II)</b>		<b>3,304.39</b>	2,123.67
<b>IV. Expenses:</b>			
Operating Expenses	32	<b>1,093.18</b>	828.25
Employee Benefit Expenses	33	<b>641.75</b>	608.14
Finance costs	34	<b>6.17</b>	7.78
Depreciation and amortisation expenses	35	<b>481.70</b>	489.12
Other Expenses	36	<b>275.98</b>	167.73
<b>Total Expenses (IV)</b>		<b>2,498.78</b>	2,101.02
<b>V. Profit before tax (III -IV)</b>		<b>805.61</b>	22.65
<b>VI. Tax expense:</b>			
Current tax		<b>57.59</b>	11.64
Previous Years Income Tax		<b>0.09</b>	0.65
Deferred Tax	24	<b>(19.20)</b>	7.44
<b>VII. Profit for the year (V -VI)</b>		<b>767.13</b>	2.92
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of Tax)	37	<b>(0.61)</b>	0.33
<b>Total Comprehensive income</b>		<b>766.52</b>	3.25
<b>IX. Earning per equity share:</b>			
(1) Basic (Face Value of ₹ 10/- each)	44	<b>30.17</b>	0.11
(2) Diluted (Face Value of ₹ 10/- each)		<b>30.17</b>	0.11
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements	1-53		

As per our report of even date

**For T R Chadha & CO LLP**

Chartered Accountants  
Firm registration No. 006711N/N500028

**Vikas Kumar**

Partner  
Membership No: 075363

Place: Delhi  
Date: May 15, 2019

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

**Sanjeev Agrawal**

Chairman  
(DIN 00282059)

**Virendra Kumar Gupta**

President & Chief Financial Officer

Place: Delhi  
Date: May 15, 2019

**Subrat Das**

Director  
(DIN 07105815)

**S N Mohanty**

President-Corporate Affairs, Legal &  
Company Secretary



## Standalone Cash Flow Statement for the year ended March 31, 2019

₹ million

Particular	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>805.61</b>	22.65
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	<b>480.47</b>	487.86
Amortisation of Intangible Assets	<b>1.23</b>	1.26
Fair value gain on financial instrument at fair value through profit or loss	<b>(16.10)</b>	(25.54)
Provision for Doubtful Debts	<b>166.96</b>	-
Profit on sale on Investment	<b>(1.83)</b>	-
Provision for doubtful debts written back	<b>(135.36)</b>	(94.07)
Gain on sale of Fixed Asset	-	(2.84)
Bad Debts Write off	-	53.51
Other Comprehensive Income	<b>(0.61)</b>	-
Loss on sale of Fixed Asset	<b>1.07</b>	-
Impairment of Asset held for sale	-	26.91
Liability Written back	<b>(9.77)</b>	(4.15)
Interest income	<b>(43.01)</b>	(32.42)
Dividend on Mutual Funds	<b>(1.04)</b>	-
Short Term Capital Gain on MF	<b>(1.94)</b>	-
Finance Charges paid	<b>6.17</b>	6.37
Unrealised exchange (gain) / losses	<b>40.53</b>	(5.10)
<b>Working Capital: adjustments</b>		
Decrease / (Increase) in Inventories	<b>(8.92)</b>	23.74
Decrease / (Increase) in Trade and other receivables and prepayments	<b>(530.62)</b>	1.71
Increase / (Decrease) in Trade and other payable	<b>160.62</b>	(115.65)
Increase / (Decrease) in Provision	<b>1.35</b>	1.65
<b>Cash generated from operations</b>	<b>914.81</b>	345.89
Direct taxes paid, net of refunds	<b>(26.37)</b>	(41.56)
<b>Net cash flow from operating activities (A)</b>	<b>888.44</b>	304.33
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment including CWIP and Capital Creditors	<b>(385.30)</b>	(196.68)
Proceeds from sale of Property, plant and equipment	<b>51.80</b>	13.35
Purchase of Investment	<b>(887.88)</b>	(47.10)
Redemption of / ( Investment in ) Mutual Fund- Long Term	<b>374.89</b>	-
Investment in Bank Deposits (having Original maturity more than 3 Months)	<b>(319.91)</b>	(327.30)
Redemption of Bank Deposits (having Original maturity more than 3 Months)	<b>259.50</b>	321.59
Profit on sale on Investment	<b>1.83</b>	-
Interest received	<b>66.10</b>	19.20
<b>Net cash from / (used in) investing activities (B)</b>	<b>(838.97)</b>	(216.94)



Particular	₹ million	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash flows from financing activities</b>		
Finance charges paid	(6.17)	(6.37)
Movement in Short Term Borrowing from bank (net)	-	(131.27)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(6.17)</b>	<b>(137.64)</b>
Effect of exchange rate differences on translation of foreign currency cash and cash equivalents		-
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>43.30</b>	(50.25)
Cash and Cash equivalents at the beginning of year	(61.18)	(10.93)
Cash and Cash equivalents at the end of the year	(17.88)	(61.18)
<b>Components of Cash and Cash equivalents</b>		
Cash on hand	0.02	0.03
Balances with Scheduled banks		
- current accounts	0.12	0.05
- Bank overdraft (repayable on demand)	(34.69)	(73.17)
- foreign currency accounts	16.67	11.91
Fixed deposit with maturity less than 3 months *	-	-
<b>Total</b>	<b>(17.88)</b>	<b>(61.18)</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.

Statement of Cashflow has been prepared under the indirect method as setout in the Ind AS -7 "Statement of cashflow in the Companies (Indian Accounting Standards) Rules, 2015.

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements 1-53

As per our report of even date

**For T R Chadha & CO LLP**

Chartered Accountants

Firm registration No. 006711N/N500028

**Vikas Kumar**

Partner

Membership No: 075363

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

**Sanjeev Agrawal**

Chairman

(DIN 00282059)

**Subrat Das**

Director

(DIN 07105815)

**Virendra Kumar Gupta**

President & Chief Financial Officer

**S N Mohanty**

President-Corporate Affairs, Legal & Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



## Standalone Statement of Changes in Equity for the year ended March 31, 2019

## (A) Equity Share Capital

₹ million

Equity Shares of ₹10 each, issued, subscribed and fully paid	Number of Shares	Amount
<b>At April 1, 2017</b>	<b>25,425,000</b>	<b>254.25</b>
Changes in Equity Share Capital during the Year	-	-
<b>At March 31, 2018</b>	<b>25,425,000</b>	<b>254.25</b>
Changes in Equity Share Capital during the Year	-	-
<b>At March 31, 2019</b>	<b>25,425,000</b>	<b>254.25</b>

## (B) Other Equity

For the year ended March 31, 2018

₹ million

Particulars	Reserves & surplus					Item of OCI	Total other Equity
	Retained Earnings (Note 21)	General Reserve (Note 21)	Capital Redemption Reserve (Note 21)	Securities Premium (Note 21)	Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 21)	FVOCI Reserve (Note 21)	
<b>As at April 1, 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>
Profit for the year	2.92	-	-	-	-	-	2.92
<b>Other comprehensive Income for the year:</b>							
Remeasurement gains on defined benefit plans	-	-	-	-	-	0.33	0.33
<b>Total comprehensive Income for the year</b>	<b>1,407.27</b>	<b>914.17</b>	<b>84.75</b>	-	<b>45.02</b>	<b>1.78</b>	<b>2,452.99</b>
Tonnage reserve utilised	-	-	-	-	-	-	-
Transfer to tonnage reserve for the year	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>1,407.27</b>	<b>914.17</b>	<b>84.75</b>	-	<b>45.02</b>	<b>1.78</b>	<b>2,452.99</b>

For the year ended March 31, 2019

₹ million

Particulars	Reserves & surplus					Item of OCI	Total other Equity
	Retained Earnings (Note 21)	General Reserve (Note 21)	Capital Redemption Reserve (Note 21)	Securities Premium Reserve (Note 21)	Tonnage Tax Reserve u/s 115VT of Income Tax Act, 1961 (Note 21)	FVOCI Reserve (Note 21)	
<b>As at April 1, 2018</b>	<b>1,407.27</b>	<b>914.17</b>	<b>84.75</b>	<b>-</b>	<b>45.02</b>	<b>1.78</b>	<b>2,452.99</b>
Profit for the year	767.13	-	-	-	-	-	767.13
Transfer from surplus in statement of Profit and Loss for the year	-	-	-	-	128.43	-	128.43
<b>Other comprehensive Income for the year:</b>							
Remeasurement gains on defined benefit plans	-	-	-	-	-	(0.61)	(0.61)
<b>Total comprehensive Income for the year</b>	<b>2,174.40</b>	<b>914.17</b>	<b>84.75</b>	<b>-</b>	<b>173.45</b>	<b>1.17</b>	<b>3,347.94</b>
Tonnage reserve utilised	-	-	-	-	-	-	-
Transfer to tonnage reserve for the year	128.43	-	-	-	-	-	128.43
<b>As at March 31, 2019</b>	<b>2,045.97</b>	<b>914.17</b>	<b>84.75</b>	<b>-</b>	<b>173.45</b>	<b>1.17</b>	<b>3,219.51</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

1-53

As per our report of even date

For T R Chadha &amp; CO LLP

Chartered Accountants

Firm registration No. 006711N/N500028

Vikas Kumar

Partner

Membership No: 075363

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

Sanjeev Agrawal

Chairman

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Subrat Das

Director

(DIN 07105815)

Virendra Kumar Gupta

President &amp; Chief Financial Officer

S N Mohanty

President-Corporate Affairs, Legal &amp; Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



## **Notes to Standalone Financial Statements for the year ended March 31, 2019**

### **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, 9<sup>th</sup> 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 and bulk carrier vessel for providing bulk carrier services. The Company caters in both domestic as well as International Market.

### **2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies, Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

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 million, 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 years, are described below:

Useful lives of property, plant and equipment including Impairment thereof

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The company assess the impairment in the carrying value of tangible assets at each reporting date using best available information.

#### **Non current assets held for sale**

Non current assets held for sale are measured at the lower of carrying value or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumption.

#### **Recovery of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **Provisions and contingent liabilities**

The company is a party to certain legal disputes, the outcomes of which can not be assessed with a high degree of certainty. Base on the legal views and advice, provisions are recognised or contingent liabilities are disclosed based on application of managements judgements.

### 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 realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

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 realization 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 GST 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 life 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 life of the property, plant and equipment estimated by the management, The Management estimates the useful life for property, plant and equipment as follows.

<b>Assets</b>	<b>Useful life (In Years)</b>
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 life as given above best represent the period over which the management expects to use these property, plant and equipment. The useful life for these property, plant and equipment are different from the useful life as prescribed under Part C of schedule II of the Companies Act 2013. The Management believes that these estimated use full life 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 life 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 life 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 after providing for obsolescence, if any. 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.**

#### **i) Revenue from Contract with Customers**

Revenue is recognised in the Statement of Profit and Loss when:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation

Revenue is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the services. Revenue is recognised when or as performance obligations are satisfied by transferring the promised services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

Revenue mainly comprises charter hire from the vessels, which is recognised on a straight-line basis over the period of the charter. 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.

Cost of services rendered includes port expenses, bunkers (Fuel Oil), commissions, hire of boat/steamers, stores, spares, repair and maintenance expenses, Insurance expenses etc.

Employee Benefit Expenses - Operating expenses, which comprise of shore staff & floating staff expenses. Financial expenses - Financial expenses comprise interest expenses. Other expenses – Other expenses which comprise office expenses, provisions, managements cost and other expenses relating to administration.

The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The company has adopted Ind AS 115 "Revenue from Contract with Customers" w.e.f. April 01, 2018, using the Modified Retrospective Transition Approach, which is applied to contracts that were not completed as of April 01, 2018.

#### **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 amortised cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI).
- (iii) Debt instruments at fair value through profit or loss (FVTPL).
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### **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, these historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.



**(w) Accounting standards issued but not yet effective**

**Ind AS 116 'Leases':**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30<sup>th</sup> March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1<sup>st</sup> April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Company currently not defined as financial lease, would qualify as leases under new standard. Management reviewed the features of the amended accounting standard. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no material impact on accounts.

**Other Amendments:**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30<sup>th</sup> March 2019 notifying the following amendments which are applicable for period beginning on 1<sup>st</sup> April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

**Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments**

The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation or not. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

**Amendments to Ind AS 19: Employee Benefits**

The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

There are no other standard, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.



## 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, 2017	2,967.74	21.37	0.99	0.65	0.01	2,990.76
Additions	193.79	6.76	-	0.86	-	201.41
Reclassification to asset held for sale	198.58	-	-	-	-	198.58
Disposals	10.32	4.18	-	-	-	14.50
At March 31, 2018	2,952.63	23.95	0.99	1.51	0.01	2,979.09
Additions	355.62	7.37	-	0.22	1.44	364.65
Disposals	-	1.00	-	-	-	1.00
<b>At March 31, 2019</b>	<b>3,308.25</b>	<b>30.32</b>	<b>0.99</b>	<b>1.73</b>	<b>1.45</b>	<b>3,342.74</b>
<b>Depreciation</b>						
At April 1, 2017	915.89	15.89	0.99	0.47	0.01	933.25
Charge for the Year	482.34	5.05	-	0.47	-	487.86
Reclassification to asset held for sale	120.19	-	-	-	-	120.19
Disposals	-	4.16	-	-	-	4.16
At March 31, 2018	1,278.04	16.78	0.99	0.94	0.01	1,296.76
Charge for the Year	470.32	9.53	-	0.50	0.12	480.47
Disposals	-	0.91	-	-	-	0.91
<b>At March 31, 2019</b>	<b>1,748.36</b>	<b>25.40</b>	<b>0.99</b>	<b>1.44</b>	<b>0.13</b>	<b>1,776.32</b>
<b>Net Block</b>						
At March 31, 2018	1,674.59	7.17	-	0.57	-	1,682.33
<b>At March 31, 2019</b>	<b>1,559.89</b>	<b>4.92</b>	<b>-</b>	<b>0.29</b>	<b>1.32</b>	<b>1,566.42</b>

## NOTE 5: CAPITAL WORK-IN-PROGRESS

Capital work-in-progress

As at 31.03.2019	As at 31.03.2018
-	1.72
-	1.72



₹ million

**NOTE 6: INTANGIBLE ASSETS**

Software

**Cost**

At April 1, 2017	5.82
Additions	0.75
Disposals	-
At March 31, 2018	6.57
Additions	0.14
Disposals	-
<b>At March 31, 2019</b>	<b>6.71</b>

**Amortisation**

At April 1, 2017	2.88
Charge for the Year	1.26
Disposals	-
At March 31, 2018	4.14
Charge for the Year	1.23
Disposals	-
<b>At March 31, 2019</b>	<b>5.37</b>

**Net Block**

At March 31, 2018	2.43
<b>At March 31, 2019</b>	<b>1.34</b>

₹ million

**NOTE 7 : NON CURRENT FINANCIAL ASSETS - INVESTMENTS**

**(Unquoted Investments)**

**Investment in Equity Shares**

**In subsidiary (at cost)**

2 Nos (31.03.2018 :2 Nos) fully paid up equity share of AED 1,000,000 each of SEAMEC International FZE (representing 100% equity of the Company)

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

9,35,182.501 Units (31.03.2018: 7,734,358) ICICI Prudential Medium Term Bond Fund-Growth

17,62,323.696 Units (31.03.2018: 15,057,014) Reliance Strategic Debt Fund-Growth

39,33,910.307 Units (31.03.2018: NIL) Axis Equity Saver Fund Growth

94,47,081.230 Units (31.03.2018: NIL) ABSL Credit Risk Fund- Growth Regular

15,62,658.959 Units (31.03.2018: NIL) ABSL Arbitrage Fund-Div Reinvestment

39,79,307.600 Units (31.03.2018: NIL) DSP Equity Saving Fund - Growth Regular

9,61,064.819 Units (31.03.2018: NIL) HDFC Arbitrage Fund-Div Reinvestment

85,70,037.777 Units (31.03.2018: NIL) HDFC Credit Risk Debt Fund - Regular Growth

As at 31.03.2019	As at 31.03.2018
25.68	25.68
26.61	209.16
25.92	211.00
50.28	-
129.14	-
16.75	-
50.24	-
10.37	-
130.74	-

	As at 31.03.2019	₹ million As at 31.03.2018
48,25,000 Units (31.03.2018: NIL) ABSL FTP RN D-Growth	50.68	-
420,013.944 Units (31.03.2018: NIL) ABSL Corporate Bond Fund- Growth	30.09	-
1,445,518.411 Units (31.03.2018: NIL) HDFC Corporate Bond Fund-Growth	30.08	-
1,575,514.405 Units (31.03.2018: NIL) ICICI Prudential Corporate Bond Fund-Growth	30.09	-
1,932,072.028 Units (31.03.2018: NIL) Sundaram Short Term Credit Risk Fund regular Growth	52.58	-
827,338.576 Units (31.03.2018: NIL) Kotak Dynamic Bond Fund Regular Plan Growth	20.08	-
1,057,861.498 Units (31.03.2018: NIL) ICICI Medium Term Bond Fund-Growth	30.10	-
1,264,037.842 Units (31.03.2018: NIL) L&T Short Term Bond Fund-Growth	22.56	-
704,346.877 Units (31.03.2018: NIL) ICICI Medium Term Bond Fund-Growth	20.04	-
519,182.495 Units (31.03.2018: NIL) ICICI Short Term Bond Fund-Growth	20.11	-
<b>Investment in Alternate Investment Fund carried at fair value through Profit and Loss</b>		
45.00 Units (31.03.2018: NIL) Avendus Structured Credit Fund-I	23.75	-
28,130,692.127 Units (31.03.2018: NIL) UTI Structured Debt Opportunities Fund - I (T Units)	2.84	-
7,86,301.324 Units (31.03.2018: NIL) UTI Structured Debt Opportunities Fund - I (Regular Units)	76.20	-
1000.00 Units (31.03.2018: NIL) IIFL Enhance Coupon Plus I	100.00	-
<b>Total Value of Investment</b>	<b>974.93</b>	445.84
Aggregate amount of quoted investment and market value thereof.	-	-
Aggregate amount of unquoted investments.	974.93	445.84
Aggregate amount of impairment in value of investments.	-	-

**NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

Trade Receivables (refer note 40)	-	-
Receivable from Related Party (refer note 43)	-	-
<b>Total Trade Receivables</b>	<b>-</b>	<b>-</b>
<b>Break-up of Trade Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Credit impaired	1,134.75	1,134.75
	<b>1,134.75</b>	<b>1,134.75</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Less: Provision for doubtful debts (expected credit loss) (refer note 40)	1134.75	1,134.75
<b>Total Trade Receivables</b>	<b>-</b>	<b>-</b>

**NOTE 9: NON CURRENT FINANCIAL ASSETS - LOANS**

(Loan Receivable - Unsecured, considered good)		
Security deposits	16.51	12.92
	<b>16.51</b>	<b>12.92</b>



**NOTE 10: OTHER FINANCIALS ASSETS - NON CURRENT**

₹ million

Bank Deposits with original maturity for more than 12 months (refer note 16)

As at 31.03.2019	As at 31.03.2018
470.03	282.30
<b>470.03</b>	<b>282.30</b>

**NOTE 11: OTHER NON CURRENT TAX ASSETS**

Advance income-tax (net of provisions for taxation ₹ 98.13 million  
(31.03.2018: ₹ 40.54 million)

56.00	87.32
<b>56.00</b>	<b>87.32</b>

**NOTE 12: OTHER NON CURRENT ASSETS**

Advance Rent  
Prepaid Expenses  
Service tax under Protest

-	0.85
1.43	1.43
8.69	-
<b>10.12</b>	<b>2.28</b>

**NOTE 13: INVENTORIES**

(Valued at lower of cost and net realisable value)

Stores and consumables  
Goods in transit - Stores and consumables

143.54	141.21
8.66	2.07
<b>152.20</b>	<b>143.28</b>

**NOTE 14: TRADE RECEIVABLES**

Trade Receivables (refer note 40)  
Receivable from Related Party (refer note 43)

**Total Trade Receivables**

1,203.42	894.25
431.94	279.36
<b>1,635.36</b>	<b>1,173.61</b>

**Break-up of Trade Receivables**

Considered good - Secured  
Considered good - Unsecured  
Trade Receivables which have significant increase in credit risk  
Credit impaired

-	-
1,635.36	1,173.61
-	-
487.94	456.34
<b>2,123.30</b>	<b>1,629.95</b>

**Impairment Allowance**

Less: Provision for doubtful debts (expected credit loss) (refer note 40)

**Total Trade Receivables**

487.94	456.34
<b>1,635.36</b>	<b>1,173.61</b>

## NOTE 15: CASH AND CASH EQUIVALENTS

₹ million

	As at 31.03.2019	As at 31.03.2018
<b>Balances with scheduled banks</b>		
- current accounts	0.12	0.05
- foreign currency accounts	16.67	11.91
- original maturity less than 3 months	-	-
<b>Cash on hand</b>	0.02	0.03
	<b>16.81</b>	11.99

## NOTE 16: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

- Unpaid Dividend Account *	0.46	0.44
- Deposits with original maturity for more than 12 months **	470.03	282.30
- Deposits with original maturity for more than 3 months but less than 12 months **	-	127.32
Amount Disclosed Under Non Current Assets (refer note 10)	<b>(470.03)</b>	(282.30)
	<b>0.46</b>	127.76

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

\*\* Fixed Deposits worth ₹ 351.56 million (31.03.2018: 407.52 million) kept as lien with Bank against the various facilities (including bank guarantee) / pending litigation.

## NOTE 17: OTHER CURRENT FINANCIAL ASSETS

Interest Receivable	23.55	47.74
Unbilled Revenue (refer Note 45)	1.02	12.28
Other Receivables	2.21	-
	<b>26.78</b>	60.02

## NOTE 18 : OTHER CURRENT ASSETS

Prepaid expenses	6.39	5.53
Advance to vendors	5.34	5.34
Insurance Receivable	-	2.22
Advance Rent	0.46	0.66
	<b>12.19</b>	13.75

## NOTE 19: ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale	-	51.47
	-	51.47



₹ million

**NOTE 20: SHARE CAPITAL****Authorised Shares**

50,000,000 (31.03.2018 : 50,000,000) equity shares of ₹ 10 each

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

25,425,000 (31.03.2018 : 25,425,000) equity shares of ₹ 10 each fully paid-up

<b>As at 31.03.2019</b>	As at 31.03.2018
<b>500.00</b>	500.00
<b>254.25</b>	254.25
<b>254.25</b>	254.25

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

	<b>As at 31.03.2019</b>		As at 31.03.2018	
	Nos	₹ million	Nos	₹ million
Equity shares				
At the beginning of the Year	<b>2,54,25,000</b>	<b>254.25</b>	2,54,25,000	254.25
Outstanding at the end of the year	<b>2,54,25,000</b>	<b>254.25</b>	2,54,25,000	254.25

**(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:

	<b>As at 31.03.2019</b>	As at 31.03.2018
All in no's		
HAL Offshore Limited	<b>17,687,475</b>	17,687,475

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

Name of the shareholder	<b>As at 31.03.2019</b>		As at 31.03.2018	
	Nos	% holding in the class	Nos	% holding in the class
HAL Offshore Limited	<b>17,687,475</b>	<b>69.57%</b>	17,687,475	69.57%

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**

	<b>As at 31.03.2019</b>	As at 31.03.2018
	Nos	Nos
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.

## NOTE-21 : RESERVES AND SURPLUS

₹million

	As at 31.03.2019	As at 31.03.2018
<b>Capital redemption reserve</b>		
Balance as per the last Financial Statements	84.75	84.75
Add: Transfer from General Reserve (refer note 20 (e))	-	-
<b>Closing Balance</b>	<b>84.75</b>	84.75
<b>General reserve</b>		
Balance as per the last Financial Statements	914.17	914.17
Add: Transfer from Tonnage Reserve for the year/ Period	-	-
Less: Transfer to Capital Redemption Reserve (refer note 20 (e))	-	-
<b>Closing Balance</b>	<b>914.17</b>	914.17
<b>Tonnage tax reserve u/s 115VT of Income Tax Act, 1961</b>		
Balance as per the last Financial Statements	45.02	45.02
Add: Transfer from surplus in statement of Profit and Loss for the year	128.43	-
	173.45	45.02
Less: Tonnage Reserve utilised	-	-
<b>Closing Balance</b>	<b>173.45</b>	45.02
<b>Other Component of Equity</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	1,409.05	1,405.80
Profit/ (loss) for the year	767.13	2.92
Other Comprehensive Income	(0.61)	0.33
Transfer to Tonnage tax Reserve account u/s 115VT of Income Tax Act 1961	(128.43)	-
<b>Closing Balance</b>	<b>2,047.14</b>	1,409.05
	<b>3,219.51</b>	2,452.99

**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) General reserve:**

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**(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.

**(4) Surplus in statement of profit & loss:**

Surplus in statement of profit & loss represents surplus / accumulated earnings of the company and are available for distribution to shareholders.



## NOTE-22: NON CURRENT FINANCIAL LIABILITIES

₹ million

Other financial liabilities

As at 31.03.2019	As at 31.03.2018
4.23	-
<b>4.23</b>	-

## NOTE-23: PROVISIONS - NON CURRENT

Provision for Leave benefits

7.01	7.01
<b>7.01</b>	<b>7.01</b>

## NOTE-24: INCOME TAXES

The major components of income tax expense:

**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**

Year ended 31.03.2019	Year ended 31.03.2018
57.59	11.64
0.09	0.65
(19.20)	7.44
<b>38.48</b>	<b>19.73</b>

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate:

**Accounting Profit before tax**

Income taxable (Normal Business Income)

Tax rate

Tax

Income taxable (Capital Gain)

Tax at Domestic rate

Tax

Tonnage Income as per sec 115V

Tax

Adjustments in respect of current income tax of previous years

Total Tax

Deferred Tax

**Income tax expense**

Year ended 31.03.2019	Year ended 31.03.2018
805.61	22.65
177.05	31.32
29.12%	33.06%
51.56	10.36
21.26	-
23.30%	20.00%
4.95	-
3.72	3.89
1.08	1.28
0.09	0.65
<b>57.68</b>	<b>12.29</b>
<b>(19.20)</b>	<b>7.44</b>
<b>38.48</b>	<b>19.73</b>

**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**

As at 31.03.2019	As at 31.03.2018
4.69	23.89
-	-
<b>4.69</b>	<b>23.89</b>
<b>4.69</b>	<b>23.89</b>



**NOTE-25: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

₹ million

**Secured**

Bank Overdraft (refer note A below)

<b>As at 31.03.2019</b>	As at 31.03.2018
<b>34.69</b>	73.17
<b>34.69</b>	73.17

A) The 'Overdraft against FD' facility at 1% above the interest rate of Fixed Deposits under lien. The same is secured by fixed deposits with margin as 100%.

**NOTE-26: TRADE PAYABLES****Total Outstanding dues to Micro, Small And Medium Enterpriser (refer note A below)**

Trade payables to others

Trade payables to Related parties (refer note 43)

<b>4.25</b>	6.35
<b>1,227.39</b>	1,007.30
<b>0.47</b>	1.99
<b>1,232.11</b>	1,015.64

**Note A****Particulars**

₹ million

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

<b>As at 31.03.2019</b>	As at 31.03.2018
<b>4.25</b>	6.35
<b>1.19</b>	0.80
<b>0.71</b>	-
-	-
<b>1.19</b>	0.80
-	-

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

**NOTE-27: OTHER CURRENT FINANCIAL LIABILITIES**

Employee Dues

Creditors for Capital Expenditure

Unpaid dividend

Outstanding expenses

Other current liability

<b>39.59</b>	101.27
<b>9.14</b>	30.05
<b>0.46</b>	0.44
<b>19.25</b>	45.86
<b>0.52</b>	0.51
<b>68.96</b>	178.13



₹ million

**NOTE-28: OTHER CURRENT LIABILITIES**

Unearned revenue (refer Note 45)

**Statutory Dues**

TDS Payable

GST Payable

Other Dues

	As at 31.03.2019	As at 31.03.2018
	-	4.48
	19.27	15.44
	72.57	54.00
	16.09	15.60
	<b>107.93</b>	<b>89.52</b>

**NOTE-29: PROVISIONS**

**Provision for Employee Benefits**

Provision for Leave benefits

Provision for Gratuity (refer note 50(2))

Movement in provision for leave encashment

Opening balance

Addition during the year

Utilisation during the year

**Closing balance**

	5.25	3.48
	0.52	0.94
	<b>5.77</b>	<b>4.42</b>
	10.49	9.79
	2.42	4.20
	0.65	3.51
	<b>12.26</b>	<b>10.49</b>

**NOTE 30: REVENUE FROM OPERATIONS**

**Charter hire income**

Tonnage Income

Less: Revenue related to Consortium Member

Non-Tonnage Income

Less: Revenue related to Consortium Member

Other operating revenue

	Year ended 31.03.2019	Year ended 31.03.2018
	2,664.60	2,640.83
	<b>(23.77)</b>	1,934.62
	454.76	-
	<b>(81.66)</b>	-
	24.34	1.39
	<b>3,038.27</b>	<b>1,936.01</b>

**NOTE 31: OTHER INCOME**

Interest Income on

Bank Deposits

Income Tax Refund

Interest on Investments

Liability No Longer Required

Exchange fluctuation gain (net)

Gain on sale of Fixed Asset (net)

Provision for doubtful debts written back

Interest Income on Security Deposit as per Ind As

Net gain on fair value change on investment

Profit on sale of Investment

Guarantee fee Income

Dividend on Mutual Funds

Realised Gain on Investments

Misc Incomes

	37.40	30.11
	0.74	1.46
	3.77	-
	9.77	4.15
	52.67	28.64
	-	2.84
	135.36	94.07
	1.11	0.85
	16.10	25.54
	1.83	-
	2.43	-
	1.04	-
	1.94	-
	1.96	-
	<b>266.12</b>	<b>187.66</b>

## NOTE 32 : OPERATING EXPENSES

₹ million

	Year ended 31.03.2019	Year ended 31.03.2018
Victualling and other benefit to crew	94.40	75.60
Sub Contractor Cost- Diving Project	535.32	286.83
Stores and spares consumed	148.13	120.71
Fuel expenses	78.10	115.60
Repairs and maintenance - vessels	17.73	56.39
Rates & Taxes	6.40	5.25
Commission / Brokerage	1.04	1.32
Customs Duty	0.39	0.37
Crew travelling expenditure	24.45	26.65
Insurance charges	19.58	16.44
Port Charges	15.38	19.53
Communication charges	22.39	25.22
Consultancy Fees	22.30	12.95
Other Operating Expenses	107.57	65.39
	<b>1,093.18</b>	<b>828.25</b>

## NOTE 33: EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus to crew	581.93	549.86
Salaries, wages and bonus to onshore staff	51.72	49.31
Contribution to provident and other funds	6.79	6.22
Gratuity expenses (refer note 50(2))	0.51	1.95
Staff welfare expenses	0.80	0.80
	<b>641.75</b>	<b>608.14</b>

## NOTE 34 : FINANCE COSTS

Interest Charges - Bank	4.81	6.37
Interest Charges-Others	1.36	1.41
	<b>6.17</b>	<b>7.78</b>

## NOTE 35 : DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of tangible assets	480.47	487.86
Amortization of intangible assets	1.23	1.26
	<b>481.70</b>	<b>489.12</b>



## NOTE 36 : OTHER EXPENSES

₹ million

	Year ended 31.03.2019	Year ended 31.03.2018
Directors Sitting Fees	1.76	1.48
Director Incidental Expenses	0.29	0.28
CSR Expenses	-	0.50
Travelling and conveyance	6.42	8.91
Repairs and maintenance -others	1.31	1.89
Loss on sale of Fixed Asset (net)	1.07	-
Impairment of Asset held for sale	-	26.91
Rent	24.11	25.30
Payment to auditors (excluding GST)		
- As auditor	1.70	2.02
- For other services	0.80	0.42
- For reimbursement of expenses	0.12	0.02
Legal & professional fees	48.47	28.91
Bad debts	-	53.51
Provision for Doubtful Debts (Expected Credit Loss)	166.96	-
Bank charges	6.06	2.83
Office Expenses	3.93	3.70
Electricity expenses	1.82	1.98
Printing & Stationery	3.15	2.69
Miscellaneous Expenses	8.01	6.38
	<b>275.98</b>	<b>167.73</b>

## NOTE 37: COMPONENTS OF OTHER COMPREHENSIVE INCOME

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

	(0.61)	0.33
	<b>(0.61)</b>	<b>0.33</b>

## 38 Contingent liabilities

	As at 31.03.2019	As at 31.03.2018
Corporate Guarantee to Bank of Baroda, Sharjah, UAE (refer note a below)	453	-
<b>Claim against the Company not acknowledge as debts</b>		
FERA Matter (refer note b below)	100	100
Service tax / GST payable as per order of Commissioner of GST & Central Excise (refer note c below)	179	-
Claim by Vendor (refer note d below)	9	9
Custom Duty payable as per order from Commissioner of Customs (Import) (refer note e below)	Not ascertainable	Not ascertainable

- a The Company has given Corporate Guarantee on behalf of its wholly owned subsidiary Seamec International FZE against a Term Loan taken by Subsidiary from Bank of Baroda, Sharjah, UAE.
- b 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 March 31, 2019. 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.

- c During the year the company has received assessment order from the Office of the Commissioner of GST & Central Excise regarding service tax payable amounting to Rs. 178.60 million (including penalty of Rs. 62.79 million) for FY2010-11 to FY 2013-14 towards liability of service tax on free supply of fuel by client. Against the above order the company has filed appeal before Hon'ble CESTAT. No provision is considered necessary in respect of the said demand based on opinion received from its Counsel.
- d Represent claim by vendor not acknowledged as debt as in the opinion of the management the same is not payable.
- e Against the Directorate of Revenue Intelligence (DRI) Show Cause Notice in July – August 2012, the adjudication proceedings was conducted by Commissioner of Customs (Import) who vide order dated March 28, 2013 imposed duty Rs. 350 million, penalty for equivalent amount, interest and confiscation and made appropriation of Rs. 126 million paid in 2011 under protest. Accordingly, Company disclosed the contingent liability of Rs. 1197 million.

Against the above adjudication order, the Company filed before Hon'ble CESTAT for stay of the order as well as appeal. Stay was granted while appeal was disposed off vide order of Hon'ble CESTAT dated 6<sup>th</sup> December, 2017.

Being aggrieved, Company as a legal recourse, had filed Rectification of Mistake (ROM) before designated forum of CESTAT. The Hon'ble CESTAT vide order dated February 27, 2018 remanded the matter to the original authority, set aside the demand, duty, penalty and confiscation with a specific direction of commencement of adjudication subject to settlement of jurisdiction issue by the Hon'ble Supreme Court.

During the year Commissioner of Customs (Import) has filed appeal before Hon'ble Bombay High Court against the order dated February 27, 2018 ROM application which has been admitted however no stay has been granted. At present no demand exists with regard to aforesaid matter and such contingent liability can not be quantified due to open remand.

**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 (e) above, pending resolution of the proceedings.

### 39 Commitments

#### a Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil million (31.03.2018 : ₹ NIL million).

### 40 Trade Receivables as disclosed in Notes 8 & 14, are net of provisions for:

- (a) Trade Receivables from Swiber Offshore Constructions Pte Ltd, Singapore (SOC) and Swiber Offshore India Private Ltd. (SOI) is ₹ 1134.70. These outstanding arising out of the services rendered by the Company to above Swiber entities towards the contract awarded by ONGC to Swiber. SOC as per the Hon'ble High Court, Singapore is under the Judicial Management. The Company initially initiated legal recourse against SOI in Mumbai High Court under the terms of the Contract invoking Section 9 of the Arbitration and Conciliation Act, 1996. The matter before Singapore and India are pending. ONGC, principal Contractor has suspended the Contract of Swiber and stepped into contractual commitment of Swiber for completion of balance work. The Company along with large number of affected Vendors are pursuing with ONGC for recovery of outstanding. The necessary provisions have already been made in the accounts to the above receivables.
- (b) ₹ 33.12 million (Previous year ₹ 168.48 million) receivable from Sea Horse General Contracting Establishment, UAE, relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement for ₹ 206.36 million, payment in installment, accordingly ₹ 22.36 million has been written off. The Company has received ₹ 135.36 million (Previous year ₹ 37.88 million) in the period towards its part share of settlement and accordingly provision has been written back to that extent.



- (c) ₹ 37.42 million (Previous year ₹ 37.42 million) receivable from Synergy Subsea Engineering LLC, UAE ('Synergy') relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement with the M/s Synergy Sub Sea Engineering LLC Dubai for realization of outstanding dues. The necessary provisions have already been made in the accounts to the above receivables.
- (d) ₹ 133.97 million (Previous year ₹ 187.64 million) receivable from Sanat Gostar Kish Co. (Sanat) relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement with Holding company of Sanat for realization of outstanding dues. Pending recovery against the settlement, necessary provisions amounting to 59.22 (net of dues payable) against the said contract has been made.
- (e) ₹ 117.02 million (Previous year ₹ 149.36 million) receivable from IGOPL Offshore Private Limited (IGOPL) relating to charter hire for a vessel. During the current year the Company has obtained Court Order for arrest of Vessels related to IGOPL against Company's overdue. After considering the prevailing conditions, provision for Doubtful debts for ₹ 107.75 (net of payable to IGOPL ₹ 9.27) has been made.

The change in allowance for uncollectible trade receivables is as follows

	₹ million					
Allowance for doubtful debts	Beginning Balance	Additional allowance for the year	Recoveries	Uncollectible receivables written off/ allowance written back	Closing Balance	
<b>Year ended March 31, 2019</b>	<b>1,591.10</b>	<b>166.96</b>	<b>(135.36)</b>	<b>-</b>	<b>1,622.70</b>	
Year ended March 31, 2018	1,685.17	-	(40.56)	(53.51)	1,591.10	

#### 41 (a) Expenditure in foreign currency (on accrual basis)

₹ million

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Crew Cost	61.57	53.42
Travelling	2.09	4.16
Victualling cost	8.36	21.14
Sub Contractor Cost- Diving Project	379.39	286.83
Legal & professional fees	30.44	12.68
Interest on Buyers Credit	-	1.01
Consumables	29.60	16.24
Spares	70.63	40.45
Repairs & Maintenance	0.16	29.33
Consultancy fees	22.30	12.95
Others	27.60	47.56
	<b>632.14</b>	<b>525.77</b>

#### (b) Earnings in foreign currency (on accrual basis)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Revenue from operations	2,732.83	1,700.56

## 42 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	(₹ million)					
	Year ended 31.03.2019			Year ended 31.03.2018		
	Domestic	Overseas	Total	Domestic	Overseas	Total
<b>Revenue</b>						
Revenue from Operations	2,877.11	161.16	3,038.27	1,762.13	173.88	1,936.01
Segment Profit / (Loss)	738.26	(4.61)	733.65	(86.75)	56.20	(30.55)

\*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 financials statements

(₹ million)

Particulars	Year Ended	Year Ended
	31.03.2019	31.03.2018
<b>Segment Profit</b>	733.65	(30.55)
Financial Cost	(6.17)	(7.78)
Other Un-allocable income	78.13	60.98
<b>(Loss) / Profit before tax</b>	805.61	22.65

## 43 Related Parties disclosure

### I Names of Related Party & 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 been taken place

Chairman	Mr. Sanjeev Agrawal
Relative of Chairman	Mrs. Deepti Agrawal
Chief Financial Officer & President	Mr. V K Gupta
Company Secretary & President Corporate Affairs & Legal	Mr. S.N. Mohanty
Director	Mr. Surinder Singh Kohli
	Mr. Mahesh Prasad Mehrotra (upto 12.03.2019)
	Mr. Amarjit Singh Soni (upto 31.03.2019)
	Mrs. Seema Jayesh Modi

### II Refer Annexure A for Related Party Transactions taken place during the year

**44 Earning Per Share**

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

(₹ million)

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	Year ended 31.03.2018
Profit after tax	<b>767.13</b>	2.92
<b>Net profit for calculation of basic and diluted EPS</b>	<b>767.13</b>	2.92
Weighted average number of equity shares outstanding (Nos.)	<b>25.43</b>	25.43
Basic & Diluted Earnings Per Share (FV Rs.10/- each )	<b>30.17</b>	0.11

**45 Revenue from Contract With customers (Ind AS 115)**

The revenue from contracts with customers to the amounts disclosed as total revenue is as under :

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	Year ended 31.03.2018
Revenue from contract with customer	<b>3,013.93</b>	1,934.62
Other operating revenue	<b>24.34</b>	1.39
<b>Total Revenue</b>	<b>3,038.27</b>	1,936.01

The disaggregation of revenue from contracts with customers is as under :

**(A) Segment Wise**

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	Year ended 31.03.2018
Multi Support Vessels	<b>2,852.77</b>	1,760.74
Bulk Carrier	<b>161.16</b>	173.88
<b>Total</b>	<b>3,013.93</b>	1,934.62

**(B) On the basis of Geographical Location**

<b>Particulars</b>	<b>Year ended 31.03.2019</b>		<b>Year ended 31.03.2018</b>	
	<b>India</b>	<b>Others</b>	India	Others
Multi Support Vessels (Over Time)	<b>2,852.77</b>	-	1,760.74	8.91
Bulk Carrier (Over Time)	-	<b>161.16</b>	-	164.97
<b>Total</b>	<b>2,852.77</b>	<b>161.16</b>	1,760.74	173.88



The contract assets & liability from contract with customers is as under

	(₹ million)	
	As at 31.03.2019	As at 31.03.2018
<b>A) Contract Assets</b>		
Opening Balance of Contract Assets	12.28	-
Previous year – Contract asset – Reclassified to trade receivable on invoicing	12.28	-
Current year – Contract asset	1.02	12.28
Closing Balance of Contract Assets	<u>1.02</u>	<u>12.28</u>
<b>B) Contract Liability</b>		
Opening Balance of Contract Liability	4.48	-
Previous year – Contract Liability – Revenue recognised during the year	4.48	-
Current year – Contract Liability carried forward	-	4.48
Closing Balance of Contract Liability	<u>-</u>	<u>4.48</u>

The nature of services and its disclosure of timing of satisfaction of performance obligation mentioned in Note No. 3.

Contract assets in the balance sheet constitutes unbilled accounts to customers representing the company's right to consideration for the services transferred to date. Any amount previously recognised as contract assets is reclassified to trade receivable at the time it is invoiced to the customer.

Contract liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised, the company expects to recognise such revenue in the next financial year.

There were no significant change in contract assets and contract liability during the reporting period except amount as mentioned in the table and the explanation given above.

Under the payment terms generally applicable to company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

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

	(₹ million)	
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Gross Amount required to be spent by the Company during the year	-	-

##### Amount spent during the year ending on March 31, 2019 :

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

##### Amount spent during the year ending on March 31, 2018 :

Particulars	In Cash	Yet to be Paid	Total
Construction / acquisition of Asset	-	-	-
On Purpose other than above	0.50	-	0.50


**47 Un-hedged Foreign Currency Exposure as at Balance Sheet date**

₹ million

Particulars	Currency	Year ended 31.03.2019		Year ended 31.03.2018	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Payables	EURO	0.43	33.87	0.29	23.30
	GBP	0.01	0.65	0.03	2.43
	NOK	0.04	0.35	0.46	3.94
	SGD	0.01	0.67	0.04	1.93
	CAD	0.01	0.57	-	-
	AED	-	-	0.25	4.53
	USD	12.93	899.09	13.28	868.27
	JPY	1.16	0.73	0.51	0.32
	<b>Total</b>		<b>935.93</b>	<b>Total</b>	<b>904.72</b>
Crew Liability	USD	-	-	0.07	4.46
Trade Receivables	USD	27.55	1,894.63	24.82	1,603.13
Unbilled Revenue	USD	0.01	1.02	0.19	12.28
Unearned Revenue	USD	-	-	0.07	4.48
Bank balances	USD	0.24	16.67	0.18	11.91
Non Current Investment	AED	2.00	25.68	2.00	25.68

**48 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	Year ended 31.03.2019	Year ended 31.03.2018
i. Payable Not later than one year	12.91	21.80
ii. Payable Later than one year but not later than five years	-	12.91
iii. Payable Later than five years	-	-
Lease payments recognized in the Statement of Profit and Loss	24.11	25.30

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.

## 49 Financial Instruments

## Fair value measurement

₹ million

Particulars	As at 31.03.2019			As at 31.03.2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Mutual Funds	949.25	-	25.68	420.16	-	25.68
Trade receivables	-	-	1,635.36	-	-	1,173.61
Cash and Cash equivalents	-	-	16.81	-	-	11.99
Bank balances other than cash and cash equivalents	-	-	470.49	-	-	410.06
Deposits	-	-	16.51	-	-	12.92
Interest Receivable	-	-	23.55	-	-	47.74
Other receivables	-	-	3.23	-	-	12.28
<b>Total financial assets</b>	<b>949.25</b>	<b>-</b>	<b>2,191.63</b>	<b>420.16</b>	<b>-</b>	<b>1,694.28</b>
<b>Financial liabilities</b>						
Borrowings	-	-	34.69	-	-	73.17
Trade payables	-	-	1,232.11	-	-	1,015.64
Other financial liabilities	-	-	73.19	-	-	178.13
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,339.99</b>	<b>-</b>	<b>-</b>	<b>1,266.94</b>

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. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 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, 2019, March 31, 2018:

₹ million

Particulars	Fair value measurement using				
	Date of Valuation	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-19	949.25	949.25	-	-
Investment in Mutual Fund	31-Mar-18	420.16	420.16	-	-

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

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

Amount of ₹ 6.79 million (31.03.2018 : ₹ 6.22 million) is recognized as an expense and included in Employee Benefit Expense (refer note 33) in statement of profit and Loss, which includes provident fund and superannuation fund.

**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 (recognized in contribution to provident, gratuity fund and other funds) (₹ million)

Particulars	Gratuity	
	Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	0.44	0.41
Net Interest cost as per note below	0.07	(0.03)
Past service Cost	-	1.58
Expenses Recognized	0.51	1.95

**Net Interest cost for the year**

Particulars	Gratuity	
	Year ended 31.03.2019	Year ended 31.03.2018
Interest Cost	0.62	0.42
(Interest Income)	(0.55)	(0.45)
Net Interest cost for period	0.07	(0.03)

**Remeasurement gains/Losses in Other Comprehensive Income:**

Particulars	Gratuity	
	Year ended 31.03.2019	Year ended 31.03.2018
Actuarial changes arising from changes in Demographic assumptions	0.04	-
Actuarial changes arising from changes in Financials assumptions	0.53	(0.19)
Experience Adjustments	0.02	(0.13)
Return on Plan Assets excluding Interest income	0.02	(0.01)
Net (Income) / Expense recognized for the period in Other Comprehensive Income	0.61	(0.33)

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

₹ million

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Defined benefit obligation	<b>9.68</b>	8.04
Fair value of plan assets	<b>9.16</b>	7.10
	<b>(0.52)</b>	(0.94)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	<b>(0.52)</b>	(0.94)

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

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Opening defined benefit obligation	<b>8.04</b>	6.18
Interest cost	<b>0.62</b>	0.42
Current service cost	<b>0.44</b>	0.41
past Service cost	-	1.58
Benefits paid	-	(0.23)
Remeasurement (gains) / losses on obligation-Due to changes in demographic assumptions	<b>0.04</b>	-
Remeasurement (gains) / losses on obligation-Due to change in Financial assumptions.	<b>0.52</b>	(0.19)
Remeasurement (gains) / losses on obligation-Due to experience.	<b>0.02</b>	(0.13)
Closing defined benefit obligation	<b>9.68</b>	8.04

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

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Opening fair value of plan assets	<b>7.10</b>	6.64
Interest Income	<b>0.54</b>	0.45
Contributions by employer	<b>1.54</b>	0.23
Benefits paid	-	(0.23)
Return on Plan Assets excluding Interest income	<b>(0.02)</b>	0.01
Closing fair value of plan assets	<b>9.16</b>	7.10

The Company expects to contribute ₹ 0.2 million (31.03.2018 : 0.2 million) to gratuity in F.Y. 2019-20.

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

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Investments with insurer	<b>100%</b>	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:

Particulars	As at	As at
	31.03.2019	31.03.2018
Discount rate	7.07%	7.65%
Salary Escalation	8.00%	6.00%
Attrition Rate	15.00%	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, 2019 is as shown below:

#### Sensitivity Analysis

Particulars	₹ million	
	Year ended 31.03.2019	Year ended 31.03.2018
Projected Benefit obligation on Current Assumptions	9.68	8.04
Delta Effect of +1% Change in Rate of Discounting	(0.21)	(0.21)
Delta Effect of -1% Change in Rate of Discounting	0.23	0.23
Delta Effect of +1% Change in Rate of Salary Increase	0.22	0.23
Delta Effect of -1% Change in Rate of Salary Increase	(0.21)	(0.22)
Delta Effect of +1% Change in Rate of Employee Turnover	0.02	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	(0.02)	(0.01)

## 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 summarized 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, 2019 and March 31, 2018.

#### 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	(₹ million)
		Effect on Profit Before Tax
USD	1%	10.13
Other Currency	1%	(0.11)
USD	-1%	(10.13)
Other Currency	-1%	0.11

### 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, 2019, March 31, 2018 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 summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Particulars	(₹ million)					Total
	On Demand	Not yet Due	Less than 3 Months	3 to 12 Months	> 1 Year	
(a) Borrowings	-	-	-	34.69	-	34.69
(b) Trade payables	942.16	289.95	-	-	-	1,232.11
(c) Other Financial liabilities	68.96	-	-	-	4.23	73.19



## 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 maximize 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 debt equity ratio, The debt equity ratio as on March 31, 2019 is 1% (March 31, 2018: 3%).

## 53 Previous year figures

Previous year figures have regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

### For T R Chadha & CO LLP

Chartered Accountants

Firm registration No. 006711N/N500028

### Vikas Kumar

Partner

Membership No: 075363

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

### Sanjeev Agrawal

Chairman

(DIN 00282059)

### Subrat Das

Director

(DIN 07105815)

### Virendra Kumar Gupta

President & Chief Financial Officer

### S N Mohanty

President-Corporate Affairs, Legal &  
Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



**Annexure- A**

Related Parties with whom transactions have taken place during the year ended March 31, 2019

₹ million

Particulars Relationship	HAL Offshore Limited Holding Company		Seamec International FZE Subsidiary Company		Relatives of Key Management Personnel		Key Management Personnel	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Transaction during the Year</b>								
Income from operations	747.37	517.92	-	-	-	-	-	-
Other Income	-	-	2.43	-	-	-	-	-
Reimbursement Received	-	0.12	-	-	-	-	-	-
Sub Contracting Expenses	-	12.39	-	-	-	-	-	-
Rent Expenses	-	-	-	-	23.64	24.42	-	-
Expenses	-	-	31.69	8.94	-	-	0.29	0.28
Security Deposit Given	-	-	-	-	-	-	-	-
Security Deposit Refund	-	-	-	-	-	-	-	-
Salaries & Allowances	-	-	-	-	-	-	13.24	12.76
Directors sitting Fees	-	-	-	-	-	-	1.76	1.48
<b>Year end balance</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Security Deposit	-	-	-	-	15.94	11.87	-	-
Advance Rent	-	-	-	-	0.46	1.51	-	-
Balance payable	-	-	0.47	1.99	-	-	-	-
Balance receivable	429.50	279.36	2.44	-	-	-	-	-
Corporate Guarantee	-	-	452.94	-	-	-	-	-

- 1 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.
- 2 Related party relationship is as identified by the company and relied upon by auditor.
- 3 The figures on income and expenses are net of taxes.

**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, 2019, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: 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.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Seamec Limited

### Report on the Audit of the Consolidated Financial Statements

#### 1. Opinion

We have audited the accompanying consolidated financial statements of **Seamec Limited ("the Holding Company")** and its subsidiary Seamec International FZE, Dubai (the Holding Company and its subsidiary together referred to as "**the Group**"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
<b>A</b>	<p><b>Carrying value, Useful life of the Fleet (Vessel) &amp; Fleet Equipments of the Company, Amortization of Dry Dock Cost and Cost of Modification</b></p> <p>As on 31.03.2019, the Net Book Value of Fleet and Fleet Equipments stands at INR 2349.07 Million, this includes Value of Vessels and Value of Equipments and Dry Dock Cost.</p> <p>The management reviews the estimated useful life and the residual value of property, plant and equipment annually.</p> <p>Refer Note 3 (a), (c), (d) and 4 of Standalone Financial Statements.</p>	<p>Our procedures in relation to the depreciable lives of the property, plant and equipment included:</p> <ul style="list-style-type: none"> <li>• Testing the key controls over the management's judgment in relation to the accounting estimates of the useful life of property, plant and equipment.</li> <li>• Assessing the management's estimates on the useful life of property, plant and equipment with reference to technical evaluation, practice followed by peers and useful life prescribed in relevant schedule of Companies Act.</li> <li>• We have also assessed the Company's process of assessing the impairment requirement, the revenue and cost related to each vessel has been analyzed for the purpose of any sign with regard to impairment.</li> <li>• We have also assessed the recognition of Cost of modification based on recognition criterion given in relevant Ind AS.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
<b>B</b>	<p><b>Expected Credit Loss on Trade Receivable</b></p> <p>As on 31.03.2019, trade receivables stand at INR 1633.67 Million after providing Expected Credit Loss amounting to INR 1622.69 Million.</p> <p>Refer Note 3 (f) and 8 and 15 of Standalone Financial Statements.</p>	<p>Our procedures in relation to the Expected Credit Loss on Trade Receivable included:</p> <ul style="list-style-type: none"> <li>• Testing with regard to trade receivable includes testing controls over billing and collections, ageing analysis, etc.</li> <li>• Test the completeness and accuracy of the data.</li> <li>• Critically assessed and tested the significant judgments used by management based on past experience.</li> <li>• Analyzing the key terms of contract with customers to ascertain provision required for expected credit loss.</li> </ul>

#### 4. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to state in this regard.

#### 5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the assets of the Group 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 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 consolidated financial statement 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 the preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management and respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the Group's financial reporting process.

#### 6. Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SAs 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 consolidated financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which is company incorporated in India, if any, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Group'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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **7. Other Matter**

We did not audit the financial statement and other financial information; of a subsidiary whose Financial statements includes total assets of Rs. 1629.7 million and total revenues of Rs. 120.3 million for the year ended on that date and net cash inflow of Rs. 1.8 million for the year ended on that date. These financial statements, prepared in accordance with accounting principles generally accepted in 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 standards generally accepted in the country of incorporation of the subsidiary, to accounting principle generally in India. We have audited these conversion adjustments made by the company's Management. Our opinion on consolidated financial statements, in so far as its 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 its relates to its aforesaid subsidiary is based solely on the report of such other auditors.

Our above opinion on the consolidated financial statements, and our report on the legal and regulatory requirements below, 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.

#### 8. Report on Other Legal and Regulatory Requirements

- a. 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 other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - i. We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated financial statements:
  - ii. 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:
  - iii. 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements:
  - iv. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - v. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the holding company, none of the directors of the Holding Company is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - vi. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary, since the subsidiary company is not incorporated in India, No Separate report on the Internal financial control over financial reporting of company being issued; Referred Annexure B to our audit report of even date on the standalone financial statements of the company.
  - vii. 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 as amended, 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 financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group – Refer Note 40 to the Consolidated financial statement;
    - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contract during the year ended 31 March 2019.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- b. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our informations and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of the Section 197 of the Act.

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Regn. No: 006711N/N500028

**Vikas Kumar**  
Partner  
Membership No. 075363

Place: Mumbai  
Date: 15<sup>th</sup> May 2019



Consolidated Balance Sheet as at March 31, 2019

₹ million

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<b>A Assets</b>			
<b>1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	2,355.66	1,682.31
(b) Capital work-in-progress	5	-	1.72
(c) Intangible assets	6	1.32	2.42
(d) Financial assets			
(i) Investments	7	949.25	420.16
(ii) Trade receivables	8	-	-
(iii) Loans	9	17.41	13.81
(iv) Other Financial assets	10	470.03	282.30
(e) Other non-current tax assets (net)	11	56.00	87.32
(f) Other non-current assets	12	14.67	2.28
		<b>3,864.34</b>	<b>2,492.32</b>
<b>2) Current Assets</b>			
(a) Inventories	13	152.20	143.28
(b) Financial assets			
(i) Investments	14	221.85	192.97
(ii) Trade receivables	15	1,633.67	1,174.03
(iii) Cash and cash equivalents	16	19.96	13.14
(iv) Bank balances other than (iii) above	17	604.62	684.00
(v) Other Financial assets	18	30.98	60.96
(c) Other current assets	19	12.19	13.98
		<b>2,675.47</b>	<b>2,282.36</b>
Assets classified as held for sale	20	-	51.47
		<b>6,539.81</b>	<b>4,826.15</b>
	<b>Total-Assets</b>		
<b>B Equity and Liabilities</b>			
<b>1) Equity</b>			
(a) Equity share capital	21	254.25	254.25
(b) Other Equity	22	4,042.72	3,177.95
		<b>4,296.97</b>	<b>3,432.20</b>
<b>2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	379.45	-
(ii) Other Financial liabilities	24	85.51	-
(b) Provisions	25	7.01	7.01
(c) Deferred tax liabilities (Net)	26	4.69	23.89
		<b>476.66</b>	<b>30.90</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	271.88	73.17
(ii) Trade payables			
- Total Outstanding dues to micro enterprises and small enterprises	28	4.25	6.35
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		<b>1,228.19</b>	<b>1,010.12</b>
(iii) Other Financial liabilities	29	143.68	178.73
(b) Other current liabilities	30	111.54	89.54
(c) Provisions	31	6.64	5.14
		<b>1,766.18</b>	<b>1,363.05</b>
	<b>Total-Equity &amp; Liabilities</b>	<b>6,539.81</b>	<b>4,826.15</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements 1-56

As per our report of even date

For T R Chadha & CO LLP

Chartered Accountants

Firm registration No. 006711N/N500028

Vikas Kumar

Partner

Membership No: 075363

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

Sanjeev Agrawal

Chairman

(DIN 00282059)

Virendra Kumar Gupta

President & Chief Financial Officer

Subrat Das

Director

(DIN 07105815)

S N Mohanty

President-Corporate Affairs, Legal & Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019

## Consolidated Statement of profit and loss for the year ended March 31, 2019

₹ million

Particulars	Note No	Year ended 31.03.2019	Year ended 31.03.2018
<b>INCOME</b>			
I. Revenue from operations	32	<b>3,136.96</b>	1,936.01
II. Other Income	33	<b>296.44</b>	197.52
<b>III. Total Revenue (I +II)</b>		<b>3,433.40</b>	2,133.53
<b>IV. Expenses:</b>			
Operating Expenses	34	<b>1,096.90</b>	824.21
Employee Benefit Expenses	35	<b>644.65</b>	611.10
Finance costs	36	<b>34.22</b>	7.90
Depreciation and amortisation expenses	37	<b>519.11</b>	489.20
Other Expenses	38	<b>281.51</b>	171.37
<b>Total Expenses (IV)</b>		<b>2,576.39</b>	2,103.78
<b>V. Profit before tax (III -IV)</b>		<b>857.01</b>	29.75
(v) Other Financial assets			
<b>VI. Tax expense:</b>			
Current tax		<b>57.59</b>	11.64
Previous Years Income Tax		<b>0.09</b>	0.65
Deferred Tax	26	<b>(19.20)</b>	7.44
<b>VII. Profit for the year (V -VI)</b>		<b>818.53</b>	10.02
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of Tax)	39	<b>46.24</b>	6.02
<b>Total Comprehensive income</b>		<b>864.77</b>	16.04
<b>IX. Earning per equity share:</b>			
(1) Basic (Face Value of ₹ 10/- each)	45	<b>32.19</b>	0.39
(2) Diluted (Face Value of ₹ 10/- each)		<b>32.19</b>	0.39
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements	1-56		

As per our report of even date

For T R Chadha &amp; CO LLP

Chartered Accountants

Firm registration No. 006711N/N500028

Vikas Kumar

Partner

Membership No: 075363

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

Sanjeev Agrawal

Chairman

(DIN 00282059)

Virendra Kumar Gupta

President &amp; Chief Financial Officer

Subrat Das

Director

(DIN 07105815)

S N Mohanty

President-Corporate Affairs, Legal &  
Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019





Consolidated Cash Flow Statement for the year ended March 31, 2019

Particular	₹ million	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>857.02</b>	29.75
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	<b>517.87</b>	487.94
Amortisation of Intangible Assets	<b>1.24</b>	1.26
Fair value gain on financial instrument at fair value through profit or loss	<b>(32.90)</b>	(23.41)
Provision for Doubtful Debts	<b>166.96</b>	-
Provision for doubtful debts written back	<b>(135.36)</b>	(94.07)
Gain on sale of Fixed Asset	-	(2.84)
Bad Debts Write off	-	53.51
Profit on sale of Investment	<b>(1.83)</b>	-
Other Comprehensive Income	<b>(0.61)</b>	-
Loss on sale of Fixed Asset	<b>1.07</b>	-
Impairment of Asset held for sale	-	26.91
Liability Written back	<b>(9.77)</b>	(4.15)
Interest income	<b>(58.98)</b>	(44.39)
Finance Charges paid	<b>(34.22)</b>	6.49
Effect of exchange differences on translation of foreign currency	-	(5.69)
Dividend on Mutual Funds	<b>(1.04)</b>	-
Short Term Capital Gain on MF	<b>(1.94)</b>	-
Translation reserve	-	-
Unrealised exchange (gain) / losses	<b>40.53</b>	(5.56)
<b>Working Capital: adjustments</b>		
Decrease / (Increase) in Inventories	<b>(8.92)</b>	23.74
Decrease / (Increase) in Trade and other receivables and prepayments	<b>(532.85)</b>	(10.79)
Increase / (Decrease) in Trade and other payable	<b>227.05</b>	(105.56)
Increase / (Decrease) in Provision	<b>1.50</b>	1.64
<b>Cash generated from operations</b>	<b>994.82</b>	334.78
Direct taxes paid, net of refunds	<b>(26.37)</b>	(41.58)
<b>Net cash flow from operating activities (A)</b>	<b>968.45</b>	293.20
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment including CWIP and Capital Creditors	<b>(1,191.03)</b>	(182.30)
Proceeds from sale of Property, plant and equipment	<b>51.80</b>	13.35
Purchase of Investment	<b>(899.98)</b>	(242.21)
Redemption of Investment in Mutual Fund- Long Term	<b>374.89</b>	-
Investment in Bank Deposits (having Original maturity more than 3 Months)	<b>(924.06)</b>	(549.89)
Redemption of Bank Deposits (having Original maturity more than 3 Months)	<b>815.74</b>	722.59
Profit on sale on Investment	<b>1.83</b>	-
Interest received	<b>78.80</b>	33.99
<b>Net cash from / (used in) investing activities (B)</b>	<b>(1,692.01)</b>	(204.47)



Particular	₹ million	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash flows from financing activities</b>		
Finance charges paid	34.22	(6.49)
Long term borrowing from bank	498.02	-
Repayment of long term borrowing	(47.42)	(13.27)
<b>Net cash from/(used in) financing activities (C)</b>	<b>484.82</b>	<b>(19.76)</b>
Effect of exchange rate differences on translation of foreign currency cash and cash equivalents	46.85	0.46
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(238.74)</b>	68.98
Cash and Cash equivalents at the beginning of year	(60.03)	(9.41)
Cash and Cash equivalents at the end of the year	(251.92)	60.03
<b>Components of Cash and Cash equivalents</b>		
Cash on hand	0.04	0.03
Balances with Scheduled banks		
- current accounts	0.12	0.05
- Bank overdraft (repayable on demand)	(271.88)	(73.17)
- foreign currency accounts	19.80	13.06
Fixed deposit with maturity less than 3 months *	-	-
<b>Total</b>	<b>(251.92)</b>	<b>(60.03)</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

Statement of Cashflow has been prepared under the indirect method as setout in the Ind AS -7 "Statement of cashflow in the Companies (Indian Accounting standards) Rules, 2015.

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements 1-56

As per our report of even date

**For T R Chadha & CO LLP**

Chartered Accountants

Firm registration No. 006711N/N500028

**Vikas Kumar**

Partner

Membership No: 075363

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

**Sanjeev Agrawal**

Chairman

(DIN 00282059)

**Subrat Das**

Director

(DIN 07105815)

**Virendra Kumar Gupta**

President & Chief Financial Officer

**S N Mohanty**

President-Corporate Affairs, Legal & Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(A) Equity Share Capital

₹ million

Equity Shares of ₹10 each, issued, subscribed and fully paid	Number of Shares	Amount
At April 1, 2017	25,425,000	254.25
Changes in Equity Share Capital during the Year	-	-
At March 31, 2018	25,425,000	254.25
Changes in Equity Share Capital during the Year	-	-
At March 31, 2019	25,425,000	254.25

(B) Other Equity

For the year ended March 31, 2018

₹ 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)	FVOCI Reserve (Note 22)	
As at April 1, 2017	2,089.53	914.17	84.75	-	45.02	28.44	3,161.91
Profit for the year	10.02	-	-	-	-	-	10.02
<b>Other comprehensive Income for the year:</b>							
Remeasurement gains on defined benefit plans	-	-	-	-	-	0.33	0.33
Foreign Exchange difference on Translation of Foreign operations	-	-	-	-	-	5.69	5.69
<b>Total comprehensive Income for the year</b>	<b>2,099.55</b>	<b>914.17</b>	<b>84.75</b>	<b>-</b>	<b>45.02</b>	<b>34.45</b>	<b>3,177.95</b>
Tonnage reserve utilised	-	-	-	-	-	-	-
Transfer to tonnage reserve for the year	-	-	-	-	-	-	-
As at March 31, 2018	2,099.55	914.17	84.75	-	45.02	34.46	3,177.95

For the year ended March 31, 2019

₹ 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)	FVOCI Reserve (Note 22)	
<b>As at April 1, 2018</b>	<b>2,099.55</b>	<b>914.17</b>	<b>84.75</b>	-	<b>45.02</b>	<b>34.46</b>	<b>3,177.95</b>
Profit for the year	818.53	-	-	-	-	-	818.53
Transfer from surplus in statement of Profit and Loss for the year	-	-	-	-	128.43	-	128.43
<b>Other comprehensive Income for the year:</b>							
Remeasurement gains on defined benefit plans	-	-	-	-	-	(0.61)	(0.61)
Foreign Exchange difference on Translation of Foreign operations	-	-	-	-	-	46.85	46.85
<b>Total comprehensive Income for the year</b>	<b>2,918.08</b>	<b>914.17</b>	<b>84.75</b>	-	<b>173.45</b>	<b>80.70</b>	<b>4,171.15</b>
Tonnage reserve utilised	-	-	-	-	-	-	-
Transfer to tonnage reserve for the year	128.43	-	-	-	-	-	128.43
<b>As at March 31, 2019</b>	<b>2,789.65</b>	<b>914.17</b>	<b>84.75</b>	-	<b>173.45</b>	<b>80.70</b>	<b>4,042.72</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

1-56

As per our report of even date

**For T R Chadha & CO LLP**

Chartered Accountants

Firm registration No. 006711N/N500028

**Vikas Kumar**

Partner

Membership No: 075363

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

Chairman

(DIN 00282059)

**Subrat Das**

Director

(DIN 07105815)

**Virendra Kumar Gupta**

President &amp; Chief Financial Officer

**S N Mohanty**

President-Corporate Affairs, Legal &amp; Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



## Notes to Consolidated Financial Statements for the year ended March 31, 2019

### 1 Corporate Information

The consolidated financial statements comprise financial statements of SEAMEC Limited (the company) and its subsidiary SEAMEC INTERNATIONAL FZE, (collectively, the Group) for the year ended March 31, 2019. 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, 9<sup>th</sup> 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 15, 2019.

### 2 Basis of preparation

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies, Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

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 Consolidated statements are presented in Indian Rupees (₹) and all values are rounded to the nearest million, 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, 2019. 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:

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 March, 2019. 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) 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:

**Useful lives of property, plant and equipment including Impairment thereof**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The company assess the impairment in the carrying value of tangible assets at each reporting date using best available information.

**Non current assets held for sale**

Non current assets held for sale are measured at the lower of carrying value or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumption.



### **Recovery of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### **Provisions and contingent liabilities**

The company is a party to certain legal disputes, the outcomes of which can not be assessed with a high degree of certainty. Based on the legal views and advice, provisions are recognised or contingent liabilities are disclosed based on application of management's judgements.

### **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 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.

### **(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 GST / 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 life 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 life 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 life as given above best represent the period over which the management expects to use these property, plant and equipment. The useful life for these property, plant and equipment are different from the useful life as prescribed under Part C of schedule II of the Companies Act 2013. The Management believes that these estimated use full life 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 life 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 life 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 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.

**(f) 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:

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.

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

As at each balance sheet date, the Group 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 after providing for obsolescence, if any. 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 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.



**(k) 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.)

**(l) 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.

**(m) Revenue Recognition.**

**i) Revenue from Contract with Customers**

Revenue is recognised in the Statement of Profit and Loss when:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract

- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation

Revenue is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services. Revenue is recognised when or as performance obligations are satisfied by transferring the promised services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

Revenue mainly comprises charter hire from the vessels, which is recognised on a straight-line basis over the period of the charter. 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.

Cost of services rendered includes port expenses, bunkers (Fuel Oil), commissions, hire of boat/steamers, stores, spares, repair and maintenance expenses, Insurance expenses etc.

Employee Benefit Expenses - Operating expenses, which comprise of shore staff & floating staff expenses. Financial expenses - Financial expenses comprise interest expenses. Other expenses – Other expenses which comprise office expenses, provisions, managements cost and other expenses relating to administration.

The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The company has adopted Ind AS 115 "Revenue from Contract with Customers" w.e.f. 01.04.2018, using the Modified Retrospective Transition Approach, which is applied to contracts that were not completed as of April 01, 2018.

## 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.

## (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 (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.

## (o) 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.



**(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 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.

**(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 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.

**(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 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 amortised cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI).
- (iii) Debt instruments at fair value through profit or loss (FVTPL).
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)."

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPi) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### 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, these historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.

#### (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 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### **(w) Accounting standards issued but not yet effective**

#### **Ind AS 116 'Leases':**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30<sup>th</sup> March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1<sup>st</sup> April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Company currently not defined as financial lease, would qualify as leases under new standard. Management reviewed the features of the amended accounting standard. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no material impact on accounts.

#### **Other Amendments:**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30<sup>th</sup> March 2019 notifying the following amendments which are applicable for period beginning on 1<sup>st</sup> April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

#### **Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments**

The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation or not. The Group will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

#### **Amendments to Ind AS 19: Employee Benefits**

The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Group will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

There are no other standard, changes in standards and interpretations that are not in force that the Group expects to have a material impact arising from its application in its financial statements.



## 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, 2017	2,964.02	21.37	0.98	0.98	0.21	2,987.56
Additions	193.79	6.76	-	0.86	-	201.41
Reclassification to asset held for sale	198.58	-	-	-	-	198.58
Disposals	10.32	4.18	-	-	-	14.50
At March 31, 2018	2,948.91	23.95	0.98	1.84	0.21	2,975.89
Additions	1,182.22	7.37	-	0.27	1.44	1,191.30
Disposals	-	1.00	-	-	-	1.00
<b>At March 31, 2019</b>	<b>4,131.13</b>	<b>30.32</b>	<b>0.98</b>	<b>2.11</b>	<b>1.65</b>	<b>4,166.19</b>
<b>Depreciation</b>						
At April 1, 2017	912.12	15.87	0.98	0.81	0.21	929.99
Charge for the Year	482.42	5.05	-	0.47	-	487.94
Reclassification to asset held for sale	120.19	-	-	-	-	120.19
Disposals	-	4.16	-	-	-	4.16
At March 31, 2018	1,274.35	16.76	0.98	1.28	0.21	1,293.58
Charge for the Year	507.71	9.53	-	0.50	0.12	517.86
Disposals	-	0.91	-	-	-	0.91
<b>At March 31, 2019</b>	<b>1,782.06</b>	<b>25.38</b>	<b>0.98</b>	<b>1.78</b>	<b>0.33</b>	<b>1,810.53</b>
<b>Net Block</b>						
At March 31, 2018	1,674.56	7.19	-	0.56	-	1,682.31
<b>At March 31, 2019</b>	<b>2,349.07</b>	<b>4.94</b>	<b>-</b>	<b>0.33</b>	<b>1.32</b>	<b>2,355.66</b>

\* Refer note No. 23 for Vessel Mortgage with Bank for Term loan.

## NOTE 5: CAPITAL WORK-IN-PROGRESS

Capital work-in-progress

	As at 31.03.2019	As at 31.03.2018
	-	1.72
	-	1.72



₹ million

**NOTE 6: INTANGIBLE ASSETS**

Software

**Cost**

At April 1, 2017	5.82
Additions	0.75
Disposals	-
At March 31, 2018	6.57
Additions	0.14
Disposals	-
<b>At March 31, 2019</b>	<b>6.71</b>

**Amortisation**

At April 1, 2017	2.89
Charge for the Year	1.26
Disposals	-
At March 31, 2018	4.15
Charge for the Year	1.24
Disposals	-
<b>At March 31, 2019</b>	<b>5.39</b>

**Net Block**

At March 31, 2018	2.42
<b>At March 31, 2019</b>	<b>1.32</b>

₹ million

**NOTE 7 : NON CURRENT FINANCIAL ASSETS - INVESTMENTS**

**(Unquoted Investments)**

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

	As at 31.03.2019	As at 31.03.2018
9,35,182.501 Units (31.03.2018: 7,734,358) ICICI Prudential Medium Term Bond Fund-Growth	26.61	209.16
17,62,323.696 Units (31.03.2018: 15,057,014) Reliance Strategic Debt Fund-Growth	25.92	211.00
39,33,910.307 Units (31.03.2018: NIL) Axis Equity Saver Fund Growth	50.28	-
94,47,081.230 Units (31.03.2018: NIL) ABSL Credit Risk Fund- Growth Regular	129.14	-
15,62,658.959 Units (31.03.2018: NIL) ABSL Arbitrage Fund- Div Reinvestment	16.75	-
39,79,307.600 Units (31.03.2018: NIL) DSP Equity Saving Fund - Growth Regular	50.24	-
9,61,064.819 Units (31.03.2018: NIL) HDFC Arbitrage Fund-Div Reinvestment	10.37	-
85,70,037.777 Units (31.03.2018: NIL) HDFC Credit Risk Debt Fund - Regular Growth	130.74	-
48,25,000 Units (31.03.2018: NIL) ABSL FTP RN D-Growth	50.68	-
420,013.944 Units (31.03.2018: NIL) ABSL Corporate Bond Fund- Growth	30.09	-

	As at 31.03.2019	₹ million As at 31.03.2018
1,445,518.411 Units (31.03.2018: NIL) HDFC Corporate Bond Fund-Growth	30.08	-
1,575,514.405 Units (31.03.2018: NIL) ICICI Prudential Corporate Bond Fund-Growth	30.09	-
1,932,072.028 Units (31.03.2018: NIL) Sundaram Short Term Credit Risk Fund regular Growth	52.58	-
827,338.576 Units (31.03.2018: NIL) Kotak Dynamic Bond Fund Regular Plan Growth	20.08	-
1,057,861.498 Units (31.03.2018: NIL) ICICI Medium Term Bond Fund-Growth	30.10	-
1,264,037.842 Units (31.03.2018: NIL) L&T Short Term Bond Fund-Growth	22.56	-
704,346.877 Units (31.03.2018: NIL) ICICI Medium Term Bond Fund-Growth	20.04	-
519,182.495 Units (31.03.2018: NIL) ICICI Short Term Bond Fund-Growth	20.11	-
<b>Investment in Alternate Investment Fund carried at fair value through Profit and Loss</b>		
45.00 Units (31.03.2018: NIL) Avendus Structured Credit Fund-I	23.75	-
28,130,692.127 Units (31.03.2018: NIL) UTI Structured Debt Fund - I (T Units)	2.84	-
7,86,301.324 Units (31.03.2018: NIL) UTI Structured Debt Fund - I (Regular Units)	76.20	-
1000.00 Units (31.03.2018: NIL) IIFL Enhance Coupon Plus I	100.00	-
<b>Total Value of Investment (unquoted)</b>	<b>949.25</b>	420.16
Aggregate amount of quoted investment and market value thereof.	-	-
Aggregate amount of unquoted investments.	949.25	420.16
Aggregate amount of impairment in value of investments.	-	-

**NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

Trade Receivables (refer note 42)

Receivable from Related Party (refer note 44)

**Total Trade Receivables****Break-up of Trade Receivables**

Secured, considered good

Unsecured, considered good

Trade Receivables which have significant increase in credit risk

Credit impaired

**Impairment Allowance**

Less: Provision for doubtful debts (expected credit loss) (refer note 42)

**Total Trade Receivables**

-	-
-	-
-	-
-	-
-	-
1,134.75	1,134.75
1,134.75	1,134.75
1134.75	1,134.75
-	-

**NOTE 9: NON CURRENT FINANCIAL ASSETS - LOANS**

(Loan Receivable - Unsecured, considered good)

Security deposits

17.41	13.81
17.41	13.81

**NOTE 10: OTHER FINANCIALS ASSETS - NON CURRENT**

Bank Deposits with More than 12 months maturity (refer note 17)

470.03	282.30
470.03	282.30



## NOTE 11: OTHER NON CURRENT TAX ASSETS

₹ million

Advance income-tax (net of provisions for taxation ₹ 98.13 million (31.03.2018: ₹ 40.54 million))

As at 31.03.2019	As at 31.03.2018
56.00	87.32
<b>56.00</b>	<b>87.32</b>

## NOTE 12: OTHER NON CURRENT ASSETS

Advance Rent  
Prepaid Expenses  
Service tax under Protest

-	0.85
5.98	1.43
8.69	-
<b>14.67</b>	<b>2.28</b>

## NOTE 13: INVENTORIES

(Valued at lower of cost and net realisable value)

Stores and consumables  
Goods in transit - Stores and consumables

143.54	141.21
8.66	2.07
<b>152.20</b>	<b>143.28</b>

## NOTE 14 : CURRENT FINANCIAL ASSETS - INVESTMENTS

## Unquoted Investments

## Investment in Other Fund carried at fair value through Profit and Loss

30,00,000 Units (31.03.2018: 30,00,000) Varanium India Focus Fund.

## Total Value of Investment (unquoted)

Aggregate amount of quoted investment and market value thereof.

Aggregate amount of unquoted investments.

Aggregate amount of impairment in value of investments.

221.85	192.97
<b>221.85</b>	<b>192.97</b>
-	-
<b>221.85</b>	<b>192.97</b>
-	-

## NOTE 15: TRADE RECEIVABLES

Trade Receivables (refer note 42)  
Receivable from Related Party (refer note 44)

## Total Trade Receivables

## Break-up of Trade Receivables

Considered good - Secured  
Considered good - Unsecured  
Trade Receivables which have significant increase in credit risk  
Credit impaired

## Impairment Allowance

Less: Provision for doubtful debts (expected credit loss) (refer note 42)

## Total Trade Receivables

1,204.19	894.67
429.48	279.36
<b>1,633.67</b>	<b>1,174.03</b>
-	-
1,633.67	1,174.03
-	-
487.94	456.34
<b>2,121.61</b>	<b>1,630.37</b>
487.94	456.34
<b>1,633.67</b>	<b>1,174.03</b>

## NOTE 16: CASH AND CASH EQUIVALENTS

₹ million

	As at 31.03.2019	As at 31.03.2018
<b>Balances with scheduled banks</b>		
- current accounts	0.12	0.05
- foreign currency accounts	19.80	13.06
- original maturity less than 3 months	-	-
<b>Cash on hand</b>	0.04	0.03
	<b>19.96</b>	13.14

## NOTE 17: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

- Unpaid Dividend Account *	0.46	0.44
- Deposits with original maturity for more than 12 months **	470.03	282.30
- Deposits with original maturity for more than 3 months but less than 12 months **	604.16	683.56
Amount Disclosed Under Non Current Assets (refer note 10)	<b>(470.03)</b>	(282.30)
	<b>604.62</b>	684.00

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

\*\* Fixed Deposits worth ₹ 752.75 million (31.03.2018: 407.52 million) kept as lien with Bank against the various facilities (including bank guarantee) / pending litigation.

## NOTE 18: OTHER CURRENT FINANCIAL ASSETS

Interest Receivable	27.75	48.68
Unbilled Revenue (refer Note 46)	1.02	12.28
Other Receivables	2.21	-
	<b>30.98</b>	60.96

## NOTE 19 : OTHER CURRENT ASSETS

Prepaid expenses	6.39	5.76
Advance to vendors	5.34	5.34
Insurance Receivable	-	2.22
Advance Rent	0.46	0.66
	<b>12.19</b>	13.98

## NOTE 20: ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale	-	51.47
	-	51.47



₹ million

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

50,000,000 (31.03.2018 : 50,000,000) equity shares of ₹ 10 each

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

25,425,000 (31.03.2018 : 25,425,000) equity shares of ₹ 10 each fully paid-up

As at 31.03.2019	As at 31.03.2018
500.00	500.00
254.25	254.25
<b>254.25</b>	<b>254.25</b>

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

Equity shares	As at 31.03.2019		As at 31.03.2018	
	Nos	₹ million	Nos	₹ million
At the beginning of the Year	25,425,000	254.25	25,425,000	254.25
Outstanding at the end of the year	25,425,000	254.25	25,425,000	254.25

**(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 31.03.2019	As at 31.03.2018
HAL Offshore Limited	17,687,475	17,687,475

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

Name of the shareholder	As at 31.03.2019		As at 31.03.2018	
	Nos	% holding in the class	Nos	% holding in the class
HAL Offshore Limited	17,687,475	69.57%	17,687,475	69.57%

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**

	As at 31.03.2019	As at 31.03.2018
	Nos	Nos
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.

## NOTE-22 : OTHER EQUITY

₹ million

	As at 31.03.2019	As at 31.03.2018
<b>Capital redemption reserve</b>		
Balance as per the last Financial Statements	84.75	84.75
Add: Transfer from General Reserve (refer note 21 (e))	-	-
<b>Closing Balance</b>	<b>84.75</b>	84.75
<b>General reserve</b>		
Balance as per the last Financial Statements	914.17	914.17
Add: Transfer from Tonnage Reserve for the year/ Period	-	-
Less: Transfer to Capital Redemption Reserve (refer note 21 (e))	-	-
<b>Closing Balance</b>	<b>914.17</b>	914.17
<b>Tonnage tax reserve u/s 115VT of Income Tax Act, 1961</b>		
Balance as per the last Financial Statements	45.02	45.02
Add: Transfer from surplus in statement of Profit and Loss for the year	128.43	-
	173.45	45.02
Less: Tonnage Reserve utilised	-	-
<b>Closing Balance</b>	<b>173.45</b>	45.02
<b>Other Component of Equity</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	2,134.01	2,117.97
Profit / (loss) for the year	818.53	10.02
Other Comprehensive Income	46.24	6.02
Transfer to Tonnage tax Reserve account u/s 115VT of Income Tax Act 1961	(128.43)	-
<b>Closing Balance</b>	<b>2,870.35</b>	2,134.01
	<b>4,042.72</b>	3,177.95

**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) General reserve:**

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**(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.

**(4) Surplus in statement of profit & loss:**

Surplus in statement of profit & loss represents surplus / accumulated earnings of the company and are available for distribution to shareholders.



## NOTE-23: BORROWINGS - NON CURRENT

₹ million

	As at 31.03.2019	As at 31.03.2018
Term loans from Bank (Secured)	379.45	-
	<b>379.45</b>	-

Note : Term loan is repayable over the period of 84 months and the last repayment is due till July 2025. Term loan is denominated in USD with an effective interest rate of 400 BPS above 6 months LIBOR with minimum 6.25% p.a. and 2.00% extra on overdue installments / interest is any.

**Term loan is secured by the following**

- a) Term loan agreement.
- b) Letter of instalment with acceleration clause.
- c) Mortgage of vessel.
- d) Assignment of freight earnings/charter hire revenue of vessel.
- e) Pledge over present and future stocks of the Establishment and assignment of present and future receivable of the Establishment.
- f) Undated security cheque of USD 7.20 million.
- g) Assignment of insurance policy in bank's favour.
- h) Corporate guarantee of M/s. Seamec India Limited.

## NOTE-24: NON CURRENT FINANCIAL LIABILITIES

	As at 31.03.2019	As at 31.03.2018
Charterer Deposit	81.28	-
Other financial liabilities	4.23	-
	<b>85.51</b>	-

Note: Charterer's deposit is a interest free security deposit received from Charterer as per terms and conditions defined in the Charterers' Deposit Agreement. The deposit shall be repaid falling due on the final repayment date. The deposit can be set off against the purchase price payable by the Charterer in respect of their option to purchase of the vessel as agreed between the Group and the Charterer.

## NOTE-25: PROVISIONS - NON CURRENT

	As at 31.03.2019	As at 31.03.2018
Provision for Leave benefits	7.01	7.01
	<b>7.01</b>	7.01



## NOTE-26: INCOME TAXES

₹ million

The major components of income tax expense:

**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**

	Year ended 31.03.2019	Year ended 31.03.2018
Current Income tax charge	57.59	11.64
Adjustments in respect of current income tax of previous years	0.09	0.65
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	(19.20)	7.44
<b>Income tax expense reported in the statement of profit or loss</b>	<b>38.48</b>	<b>19.73</b>

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate:

**Accounting Profit before tax**

Income taxable (Normal Business Income)

Tax rate

Tax

Income taxable (Capital Gain)

Tax at Domestic rate

Tax

Tonnage Income as per sec 115V

Tax

Adjustments in respect of current income tax of previous years

Total Tax

Deferred Tax

**Income tax expense**

	Year ended 31.03.2019	Year ended 31.03.2018
<b>Accounting Profit before tax</b>	<b>804.41</b>	29.75
Income taxable (Normal Business Income)	177.05	31.32
Tax rate	29.12%	33.06%
Tax	51.56	10.36
Income taxable (Capital Gain)	21.26	0.00
Tax at Domestic rate	23.30%	20.00%
Tax	4.95	0.00
Tonnage Income as per sec 115V	3.72	3.89
Tax	1.08	1.28
Adjustments in respect of current income tax of previous years	0.09	0.65
Total Tax	57.68	12.29
Deferred Tax	(19.20)	7.44
<b>Income tax expense</b>	<b>38.48</b>	<b>19.73</b>

**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**

	As at 31.03.2019	As at 31.03.2018
Fair Valuation of Investment	4.69	23.89
Reversal of Deferred tax liability on account of sale of Investment	-	-
<b>Total Deferred tax</b>	<b>4.69</b>	<b>23.89</b>

## NOTE-27: CURRENT FINANCIAL LIABILITIES - BORROWINGS

**Secured**

Bank Overdraft (refer note A below)

	As at 31.03.2019	As at 31.03.2018
Bank Overdraft (refer note A below)	271.88	73.17
	<b>271.88</b>	<b>73.17</b>

A) The 'Overdraft against FD' facility is availed with interest of (0.75% - 1.00%) above the interest rate of Fixed Deposits under lien. The same is secured by fixed deposits with margin as 100%.

**NOTE-28: TRADE PAYABLES**

	As at 31.03.2019	As at 31.03.2018
<b>Total Outstanding dues to Micro, Small and Medium Enterpriser (refer note A below)</b>	<b>4.25</b>	6.35
<b>Total Outstanding dues to Others</b>		
Trade payables to others	<b>1,228.19</b>	1,010.12
Trade payables to Related parties (refer note 44)	-	-
	<b>1,232.44</b>	1,016.47

**Note A****Particulars**

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

	As at 31.03.2019	As at 31.03.2018
- Principal amount due to micro and small enterprises	<b>4.25</b>	6.35
- Interest due to Micro, Small And Medium Enterprises	<b>1.19</b>	0.80
- 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	<b>0.71</b>	-
- 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>1.19</b>	0.80
- 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.	-	-

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

**NOTE-29: OTHER CURRENT FINANCIAL LIABILITIES**

	As at 31.03.2019	As at 31.03.2018
Current maturities of long term debts	<b>71.15</b>	-
Employee Dues	<b>39.82</b>	102.59
Creditors for Capital Expenditure	<b>9.14</b>	30.05
Unpaid dividend	<b>0.46</b>	0.44
Outstanding expenses	<b>22.59</b>	45.14
Other current liability	<b>0.52</b>	0.51
	<b>143.68</b>	178.73

₹ million

**NOTE-30: OTHER CURRENT LIABILITIES**

unearned revenue (refer note 46)

**Statutory Dues**

TDS Payable

GST Payable

Other Dues

As at 31.03.2019	As at 31.03.2018
3.60	4.48
19.27	15.45
72.57	54.01
16.10	15.60
<b>111.54</b>	<b>89.54</b>

**NOTE-31: PROVISIONS****Provision for Employee Benefits**

Provision for Leave benefits

Provision for Gratuity (refer note 52(2))

Movement in provision for leave encashment

Opening balance

Addition during the year

Utilisation during the year

**Closing balance**

As at 31.03.2019	As at 31.03.2018
5.25	3.48
1.39	1.66
<b>6.64</b>	<b>5.14</b>
10.49	9.79
2.42	4.20
0.65	3.51
<b>12.26</b>	<b>10.49</b>

**NOTE 32: REVENUE FROM OPERATIONS****Charter hire income**

Tonnage Income

Less: Revenue related to Consortium Member

Non-Tonnage Income

Less: Revenue related to Consortium Member

Other operating revenue

	Year ended 31.03.2019	Year ended 31.03.2018
2,664.60	2,640.83	1,934.62
<b>(23.77)</b>		
550.70	469.04	-
<b>(81.66)</b>		
	27.09	1.39
	<b>3,136.96</b>	<b>1,936.01</b>

**NOTE 33: OTHER INCOME**

Interest Income on

Bank Deposits

Income Tax Refund

Interest on Investments

Liability No Longer Required

Exchange fluctuation gain (net)

Gain on sale of Fixed Asset (net)

Provision for doubtful debts written back

Notional Interest Income on Security Deposit as per Ind As

Net gain on fair value change on investment

Profit on sale of Investment

Dividend on Mutual Funds

Realised Gain on Investments

Misc Incomes

	As at 31.03.2019	As at 31.03.2018
53.36	42.08	
0.74	1.46	
3.77	-	
9.77	4.15	
52.66	28.64	
-	2.84	
135.36	94.07	
1.11	0.85	
32.90	23.41	
1.83	-	
1.04	-	
1.94	-	
1.96	0.02	
<b>296.44</b>	<b>197.52</b>	



## NOTE 34 : OPERATING EXPENSES

₹ million

	Year ended 31.03.2019	Year ended 31.03.2018
Victualling and other benefit to crew	94.40	75.60
Sub Contractor Cost- Diving Project	535.32	286.83
Stores and spares consumed	148.13	120.71
Fuel expenses	78.10	115.60
Repairs and maintenance - vessels	17.73	56.39
Rates & Taxes	6.40	5.25
Commission / Brokerage	1.04	1.32
Customs Duty	0.39	0.37
Crew travelling expenditure	24.45	26.65
Insurance charges	19.75	16.55
Port Charges	15.38	19.53
Communication charges	22.39	25.22
Consultancy Fees	27.09	8.17
Other Operating Expenses	106.33	66.02
	<b>1,096.90</b>	<b>824.21</b>

## NOTE 35: EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus to crew	581.93	549.86
Salaries, wages and bonus to onshore staff	54.46	52.12
Contribution to provident and other funds	6.79	6.22
Gratuity expenses (refer note 52(2))	0.66	2.09
Staff welfare expenses	0.81	0.81
	<b>644.65</b>	<b>611.10</b>

## NOTE 36 : FINANCE COSTS

Interest Charges - Bank	32.86	6.49
Interest Charges-Others	1.36	1.41
	<b>34.22</b>	<b>7.90</b>

## NOTE 37 : DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of tangible assets	517.87	487.94
Amortization of intangible assets	1.24	1.26
	<b>519.11</b>	<b>489.20</b>

## NOTE 38 : OTHER EXPENSES

₹ million

	Year ended 31.03.2019	Year ended 31.03.2018
Directors Sitting Fees	1.76	1.48
Director Incidental Expenses	0.29	0.28
CSR Expenses	-	0.50
Travelling and conveyance	6.56	9.07
Repairs and maintenance -others	1.59	2.11
Loss on sale of Fixed Asset (net)	1.07	-
Impairment of Asset held for sale	-	26.91
Rent	25.28	27.50
Payment to auditors (excluding GST)		
- As auditor	2.01	2.24
- For other services	0.80	0.42
- For reimbursement of expenses	0.12	0.02
Legal & professional fees	50.12	28.96
Bad debts	-	53.51
Provision for Doubtful Debts	166.96	-
Bank charges	6.24	2.83
Office Expenses	4.42	4.12
Electricity expenses	1.82	1.99
Printing & Stationery	3.17	2.71
Miscellaneous Expenses	9.30	6.72
	<b>281.51</b>	<b>171.37</b>

## NOTE 39: COMPONENTS OF OTHER COMPREHENSIVE INCOME

Re-measurement gains / (losses) on defined benefit plans as per Ind AS 19	(0.61)	0.33
Foreign Exchange difference on Translation of Foreign operations	46.85	5.69
	<b>46.24</b>	<b>6.02</b>

## 40 Contingent liabilities

	As at 31.03.2019	As at 31.03.2018
<b>Claim against the Company not acknowledge as debts</b>		
FERA Matter (refer note a below)	100	100
Service tax / GST payable as per order of Commissioner of GST & Central Excise (refer note b below)	179	-
Claim by Vendor (refer note c below)	9	9
Custom Duty payable as per order from Commissioner of Customs (Import) (refer note d below)	Not ascertainable	Not ascertainable

- 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 March 31, 2019. 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 the company has received assessment order from the Office of the Commissioner of GST & Central Excise regarding service tax payable amounting to Rs. 178.60 million (including penalty of Rs. 62.79 million) for FY2010-11 to FY 2013-14 towards liability of service tax on free supply of fuel by client. Against the above order the company has filed appeal before Hon'ble CESTAT. No provision is considered necessary in respect of the said demand based on opinion received from its Counsel.
- c Represent claim by vendor not acknowledged as debt as in the opinion of the management the same is not payable.
- d Against the Directorate of Revenue Intelligence (DRI) Show Cause Notice in July – August 2012, the adjudication proceedings was conducted by Commissioner of Customs (Import) who vide order dated March 28, 2013 imposed duty Rs. 350 million, penalty for equivalent amount, interest and confiscation and made appropriation of Rs. 126 million paid in 2011 under protest. Accordingly, Company disclosed the contingent liability of Rs. 1197 million.

Against the above adjudication order, the Company filed before Hon'ble CESTAT for stay of the order as well as appeal. Stay was granted while appeal was disposed off vide order of Hon'ble CESTAT dated 6<sup>th</sup> December, 2017.

Being aggrieved, Company as a legal recourse, had filed Rectification of Mistake (ROM) before designated forum of CESTAT. The Hon'ble CESTAT vide order dated February 27, 2018 remanded the matter to the original authority, set aside the demand, duty, penalty and confiscation with a specific direction of commencement of adjudication subject to settlement of jurisdiction issue by the Hon'ble Supreme Court.

During the year Commissioner of Customs (Import) has filed appeal before Hon'ble Bombay High Court against the order dated February 27, 2018 ROM application which has been admitted however no stay has been granted. At present no demand exists with regard to aforesaid matter and such contingent liability can not be quantified due to open remand.

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.

#### **41 Commitments**

##### **a Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil million (31.03.2018 : ₹ NIL million).

#### **42 Trade Receivables as disclosed in Notes 8 & 14, are net of provisions for:**

- (a) Trade Receivables from Swiber Offshore Constructions Pte Ltd, Singapore (SOC) and Swiber Offshore India Private Ltd. (SOI) is ₹ 1134.70. These outstanding arising out of the services rendered by the Company to above Swiber entities towards the contract awarded by ONGC to Swiber. SOC as per the Hon'ble High Court, Singapore is under the Judicial Management. The Company initially initiated legal recourse against SOI in Mumbai High Court under the terms of the Contract invoking Section 9 of the Arbitration and Conciliation Act, 1996. The matter before Singapore and India are pending. ONGC, principal Contractor has suspended the Contract of Swiber and stepped into contractual commitment of Swiber for completion of balance work. The Company along with large number of affected Vendors are pursuing with ONGC for recovery of outstanding. The necessary provisions have already been made in the accounts to the above receivables.
- (b) ₹ 33.12 million (Previous year ₹ 168.48 million) receivable from Sea Horse General Contracting Establishment, UAE, relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement for ₹ 206.36 million, payment in installment, accordingly ₹ 22.36 million has been written off. The Company has received ₹ 135.36 million (Previous year ₹ 37.88 million) in the period towards its part share of settlement and accordingly provision has been written back.

- (c) ₹ 37.42 million (Previous year ₹ 37.42 million) receivable from Synergy Subsea Engineering LLC, UAE ('Synergy') relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement with the M/s Synergy Sub Sea Engineering LLC Dubai for realization of outstanding dues. The necessary provisions have already been made in the accounts to the above receivables.
- (d) ₹ 133.97 million (Previous year ₹ 187.64 million) receivable from Sanat Gostar Kish Co. (Sanat) relating to charter hire for a vessel. During the previous year, the Company has entered into settlement agreement with Holding company of Sanat for realization of outstanding dues. Pending recovery against the settlement, necessary provisions amounting to 59.22 (net of dues payable) against the said contract has been made.
- (e) ₹ 117.02 million (Previous year ₹ 149.36 million) receivable from IGOPL Offshore Private Limited (IGOPL) relating to charter hire for a vessel. During the current year the Company has obtained Court Order for arrest of Vessels related to IGOPL against Company's overdue. After considering the prevailing conditions, provision for Doubtful debts for ₹ 107.75 (net of payable to IGOPL ₹ 9.27) has been made.

The change in allowance for uncollectible trade receivables is as follows

	₹ million					
Allowance for doubtful debts	Beginning Balance	Additional allowance for the year	Recoveries	Uncollectible receivables written off/ allowance written back	Closing Balance	
<b>Year ended March 31, 2019</b>	<b>1,591.10</b>	<b>166.96</b>	<b>(135.36)</b>	<b>-</b>	<b>1,622.70</b>	
Year ended March 31, 2018	1,685.17	-	(40.56)	(53.51)	1,591.10	

#### 43 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	(₹ million)					
	Year ended 31.03.2019			Year ended 31.03.2018		
	Domestic	Overseas	Total	Domestic	Overseas	Total
<b>Revenue</b>						
Revenue from Operations	<b>2,877.11</b>	<b>259.85</b>	<b>3,136.96</b>	1,762.13	173.88	1,936.01
Segment Profit / (Loss)	<b>738.26</b>	<b>53.16</b>	<b>791.42</b>	(86.74)	46.68	(40.06)

\*Assets used in the Group'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 financials statements

(₹ million)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Segment Profit</b>	<b>791.42</b>	(40.06)
Financial Cost	<b>(34.22)</b>	(7.90)
Other Un-allocable income	<b>99.81</b>	77.71
<b>(Loss) / Profit before tax</b>	<b>857.01</b>	29.75

**44 Related Parties disclosure****I Names of Related Party & related party relationship****i Related parties where control exist**

Holding Company	HAL Offshore Limited
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**ii Related parties with whom transactions have been taken place**

Chairman	Mr. Sanjeev Agrawal
Relative of Chairman	Mrs. Deepti Agrawal
Chief Financial Officer & President	Mr. V K Gupta
Company Secretary & President Corporate Affairs & Legal	Mr. S.N. Mohanty
Director	Mr. Surinder Singh Kohli
	Mr. Mahesh Prasad Mehrotra (upto 12.03.2019)
	Mr. Amarjit Singh Soni (upto 31.03.2019)
	Mrs. Seema Jayesh Modi

**II Refer Annexure A for Related Party Transactions taken place during the year****45 Earning Per Share**

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

(₹ million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit after tax	818.53	10.02
<b>Net profit for calculation of basic and diluted EPS</b>	<b>818.53</b>	10.02
Weighted average number of equity shares outstanding (Nos.)	25.43	25.43
Basic & Diluted Earnings Per Share (FV Rs. 10/- each )	32.19	0.39

**46 Revenue from Contract With customers (Ind AS 115)**

The revenue from contracts with customers to the amounts disclosed as total revenue is as under :

(₹ million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from contract with customer	3,109.87	1,934.62
Other operating revenue	27.09	1.39
<b>Total Revenue</b>	<b>3,136.96</b>	<b>1,936.01</b>

The disaggregation of revenue from contracts with customers is as under :

**(A) Segment Wise****Particulars**

Multi Support Vessels

Bulk Carrier

**Total**

Year ended 31.03.2019	Year ended 31.03.2018
2,852.77	1,760.74
257.10	173.88
<b>3,109.87</b>	<b>1,934.62</b>



**(B) On the basis of Geographical Location**

(₹ million)

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
	India	Others	India	Others
Multi Support Vessels (Over Time)	2,852.77	-	1,760.74	8.91
Bulk Carrier (Over Time)	-	257.10	-	164.97
<b>Total</b>	<b>2,852.77</b>	<b>257.10</b>	<b>1,760.74</b>	<b>173.88</b>

The contract assets & liability from contract with customers is as under

	As at	
	31.03.2019	31.03.2018
<b>A) Contract Assets</b>		
Opening Balance of Contract Assets	12.28	-
Previous year – Contract asset – Reclassified to trade receivable on invoicing	12.28	-
Current year – Contract asset	1.02	12.28
Closing Balance of Contract Assets	<b>1.02</b>	<b>12.28</b>
<b>B) Contract Liability</b>		
Opening Balance of Contract Liability	4.48	-
Previous year – Contract Liability – Revenue recognised during the year	4.48	-
Current year – Contract Liability carried forward	3.60	4.48
Closing Balance of Contract Liability	<b>3.60</b>	<b>4.48</b>

The nature of services and its disclosure of timing of satisfaction of performance obligation mentioned in Note No. 3.

Contract assets in the balance sheet constitutes unbilled accounts to customers representing the group's right to consideration for the services transferred to date. Any amount previously recognised as contract assets is reclassified to trade receivable at the time it is invoiced to the customer.

Contract liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised, the group expects to recognise such revenue in the next financial year.

There were no significant change in contract assets and contract liability during the reporting period except amount as mentioned in the table and the explanation given above.

Under the payment terms generally applicable to group's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

**47 Corporate Social Responsibility Expenditure as per Section 135 of the Companies Act, 2013**

(₹ million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Gross Amount required to be spent by the Company during the year	-	-

**Amount spent during the year ending on March 31, 2019 :**

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

**Amount spent during the year ending on March 31, 2018 :**

Particulars	In Cash	Yet to be Paid	Total
Construction / acquisition of Asset	-	-	-
On Purpose other than above	0.50	-	0.50


**48 Information required for Consolidated financial statement pursuant to Schedule III of the Companies Act 2013**

(₹ million)

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								
<b>Balance as at 31 March, 2019</b>	<b>80.83%</b>	<b>3,473.07</b>	<b>93.72%</b>	<b>767.12</b>	<b>100.00%</b>	<b>46.24</b>	<b>94.06%</b>	<b>813.37</b>
Balance as at 31 March, 2018	78.88%	2,707.24	28.74%	2.88	100.00%	6.02	100.48%	8.90
<b>Subsidiaries</b>								
Seamec International FZE								
<b>Balance as at 31 March, 2019</b>	<b>19.17%</b>	<b>823.90</b>	<b>6.28%</b>	<b>51.41</b>	<b>0.00%</b>	<b>-</b>	<b>5.94%</b>	<b>51.41</b>
Balance as at 31 March, 2018	21.12%	724.96	71.04%	7.12	0.00%	-	44.38%	7.12
<b>Total</b>								
<b>Balance as at 31 March, 2019</b>	<b>100%</b>	<b>4,296.97</b>	<b>100%</b>	<b>818.53</b>	<b>100%</b>	<b>46.24</b>	<b>100%</b>	<b>864.78</b>
Balance as at 31 March, 2018	100%	3,432.20	100%	10.02	100%	6.02	100%	16.02

**49 Un-hedged Foreign Currency Exposure as at Balance Sheet date**

₹ million

Particulars	Currency	Year ended 31.03.2019		Year ended 31.03.2018	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Payables	EURO	0.43	33.87	0.29	23.30
	GBP	0.01	0.65	0.03	2.43
	NOK	0.04	0.35	0.46	3.94
	SGD	0.01	0.67	0.04	1.93
	CAD	0.01	0.57	-	-
	AED	-	-	0.25	4.53
	USD	12.93	899.09	13.28	868.27
	JPY	1.16	0.73	0.51	0.32
	<b>Total</b>		<b>935.93</b>	<b>Total</b>	<b>904.72</b>
Crew Liability	USD	-	-	0.07	4.46
Trade Receivables	USD	27.55	1,894.63	24.82	1,603.13
Unbilled Revenue	USD	0.01	1.02	0.19	12.28
Unearned Revenue	USD	-	-	0.07	4.48
Bank balances	USD	0.24	16.67	0.18	11.91

## 50 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	Year ended	Year ended
	31.03.2019	31.03.2018
i. Payable Not later than one year	12.91	21.80
ii. Payable Later than one year but not later than five years	-	12.91
iii. Payable Later than five years	-	-
Lease payments recognized in the Statement of Profit and Loss	24.11	27.50

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.

## 51 Financial Instruments

**Fair value measurement**

₹ million

Particulars	As at 31.03.2019			As at 31.03.2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Mutual Funds	1,171.10	-	-	613.13	-	-
Trade receivables	-	-	1,633.67	-	-	1,174.03
Cash and Cash equivalents	-	-	19.96	-	-	13.14
Bank balances other than cash and cash equivalents	-	-	1,074.65	-	-	966.30
Deposits	-	-	17.41	-	-	13.81
Interest Receivable	-	-	27.75	-	-	48.68
Other receivables	-	-	3.23	-	-	12.28
<b>Total financial assets</b>	<b>1,171.10</b>	<b>-</b>	<b>2,776.67</b>	<b>613.13</b>	<b>-</b>	<b>2,228.24</b>
<b>Financial liabilities</b>						
Borrowings	-	-	651.33	-	-	73.17
Trade payables	-	-	1,232.45	-	-	1,016.47
Other financial liabilities	-	-	229.18	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,112.96</b>	<b>-</b>	<b>-</b>	<b>1,089.64</b>

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. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**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, 2019, March 31, 2018:**

₹ million

	Fair value measurement using				
	Date of Valuation	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-19	1171.10	1171.10	-	-
Investment in Mutual Fund	31-Mar-18	613.13	613.13	-	-

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

## 52 Gratuity and other post-employment benefit plans.

### 1 Defined Contribution Plans :

Amount of ₹ 6.79 million (31.03.2018 : ₹ 6.22 million) is recognized as an expense and included in Employee Benefit Expense (refer note 35) in statement of profit and Loss, which includes provident fund and superannuation fund.

### 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. 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 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 (recognized in contribution to provident, gratuity fund and other funds) (₹ million)

Particulars	Gratuity	
	Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	0.59	0.55
Net Interest cost as per note below	0.07	(0.03)
Past service Cost	-	1.58
Expenses Recognised	0.66	1.95

**Net Interest cost for the year**

₹ million

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	Year ended 31.03.2018
Interest Cost	<b>0.63</b>	0.42
(Interest Income)	<b>(0.56)</b>	(0.45)
Net Interest cost for period	<b>0.07</b>	(0.03)

**Remeasurement gains/Losses in Other Comprehensive Income:**

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	Year ended 31.03.2018
Actuarial changes arising from changes in Demographic assumptions	<b>0.04</b>	-
Actuarial changes arising from changes in Financials assumptions	<b>0.53</b>	(0.19)
Experience Adjustments	<b>0.02</b>	(0.13)
Return on Plan Assets excluding Interest income	<b>0.02</b>	(0.01)
Net (Income) / Expense recognised for the period in Other Comprehensive Income	<b>0.61</b>	(0.33)

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

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Defined benefit obligation	<b>10.56</b>	8.76
Fair value of plan assets	<b>9.16</b>	7.10
	<b>(1.40)</b>	(1.66)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	<b>(1.40)</b>	(1.66)

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

<b>Particulars</b>	<b>As at 31.03.2019</b>	As at 31.03.2018
Opening defined benefit obligation	<b>8.76</b>	6.90
Interest cost	<b>0.63</b>	0.42
Current service cost	<b>0.59</b>	0.41
past Service cost	-	1.58
Benefits paid	-	(0.23)
Remeasurement (gains) / losses on obligation-Due to changes in demographic assumptions	<b>0.04</b>	-
Remeasurement (gains) / losses on obligation- Due to change in Financial assumptions.	<b>0.52</b>	(0.19)
Remeasurement (gains) / losses on obligation-Due to experience.	<b>0.02</b>	(0.13)
Closing defined benefit obligation	<b>10.56</b>	8.76

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

Particulars	₹ million	
	As at 31.03.2019	As at 31.03.2018
Opening fair value of plan assets	7.10	6.64
Interest Income	0.55	0.45
Contributions by employer	1.53	0.23
Benefits paid	-	(0.23)
Return on Plan Assets excluding Interest income	(0.02)	0.01
Closing fair value of plan assets	9.16	7.10

The Group expects to contribute ₹ 0.2 million (31.03.2018 : 0.2 million) to gratuity in F.Y. 2019-20.

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

Particulars	As at	
	31.03.2019	31.03.2018
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	As at	
	31.03.2019	31.03.2018
Discount rate	7.07%	7.65%
Salary Escalation	8.00%	6.00%
Attrition Rate	15.00%	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, 2019 is as shown below:

**Sensitivity Analysis**

Particulars	Year ended	
	31.03.2019	31.03.2018
Projected Benefit obligation on Current Assumptions	10.56	8.04
Delta Effect of +1% Change in Rate of Discounting	(0.21)	(0.21)
Delta Effect of -1% Change in Rate of Discounting	0.23	0.23
Delta Effect of +1% Change in Rate of Salary Increase	0.22	0.23
Delta Effect of -1% Change in Rate of Salary Increase	(0.21)	(0.22)
Delta Effect of +1% Change in Rate of Employee Turnover	0.02	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	(0.02)	(0.01)

**53 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 Company'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 Group's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized 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, 2019 and March 31, 2018.

**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 group'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 group's foreign currency transactions are mainly in United State Dollars (USD).

The Group 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	(₹ million)
		Effect on Profit Before Tax
USD	1%	10.73
Other Currency	1%	(0.36)
USD	-1%	(10.73)
Other Currency	-1%	0.36

**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, 2019, March 31, 2018 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 summarizes the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

Particulars						(₹ million)
	On Demand	Not yet Due	Less than 3 Months	3 to 12 Months	> 1 Year	Total
(a) Borrowings	-	-	-	271.88	379.45	651.33
(b) Trade payables	942.50	289.95	-	-	-	1,232.45
(c) Other Financial liabilities	143.68	-	-	-	85.51	229.19

**54 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 company's capital management is to maximize 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 group monitors capital using debt equity ratio, The debt equity ratio as on March 31, 2019 is 15% (March 31, 2018: 3%)

**55 Enterprises consolidated as subsidiaries in accordance with Ind AS 110**

Name of Subsidiary	Country of incorporation	Proportion of ownership interest either directly or indirectly
SEAMEC International FZE	United Arab Emirates	100%

**56 Previous year figures**

Previous year figures have regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

**For T R Chadha & CO LLP**

Chartered Accountants

Firm registration No. 006711N/N500028

**Vikas Kumar**

Partner

Membership No: 075363

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

Chairman

(DIN 00282059)

**Subrat Das**

Director

(DIN 07105815)

**Virendra Kumar Gupta**

President & Chief Financial Officer

**S N Mohanty**

President-Corporate Affairs, Legal & Company Secretary

Place: Delhi

Date: May 15, 2019

Place: Delhi

Date: May 15, 2019



## Annexure- A

Related Parties with whom transactions have taken place during the year ended March 31, 2019

₹ million

Particulars	HAL Offshore Limited		Relatives of Key Management Personnel		Key Management Personnel	
	Holding Company					
Transaction during the Year	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Income from operations	747.37	517.92	-	-	-	-
Other Income	-	-	-	-	-	-
Reimbursement Received	-	0.12	-	-	-	-
Sub Contracting Expenses	-	12.39	-	-	-	-
Rent Expenses	-	-	23.64	24.42	-	-
Expenses	-	-	-	-	0.29	0.28
Security Deposit Given	-	-	-	-	-	-
Security Deposit Refund	-	-	-	-	-	-
Salaries & Allowances	-	-	-	-	13.24	12.76
Directors sitting Fees	-	-	-	-	1.76	1.48
<b>Year end balance</b>	<b>31-Mar-19</b>	31-Mar-18	<b>31-Mar-19</b>	31-Mar-18	<b>31-Mar-19</b>	31-Mar-18
Security Deposit	-	-	15.94	11.87	-	-
Advance Rent	-	-	0.46	1.51	-	-
Balance payable	-	-	-	-	-	-
Balance receivable	429.50	279.36	-	-	-	-

- 1 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.
- 2 Related party relationship is as identified by the company and relied upon by auditor.
- 3 The figures on income and expenses are net of taxes.

**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, 2019, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: 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.









## SEAMEC LIMITED

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

• Email : [contact@seamec.in](mailto:contact@seamec.in)

### ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

Registered Folio Number	DP ID & Client ID	No. of Equity Shares held

I/We hereby record my/our presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Friday, 9<sup>TH</sup> August, 2019 at 4.30 p.m. at Vits Hotel, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059.

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.





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• Email : contact@seamec.in

## PROXY FORM

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 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Friday, 9<sup>th</sup> August, 2019 at 4.30 p.m at Vits Hotel, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions
	<b>ORDINARY BUSINESS</b>
1	Consider and Adopt: Audited Financial Statements for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements for the financial year ended March 31, 2019 and the Report of Auditors thereon
2	Appointment of Mr. Naveen Mohta, a Director retiring by rotation.
3	Appointment of Mr. Subrat Das, a Director retiring by rotation.
	<b>SPECIAL BUSINESS</b>
4	Re-Appointment of Mr. Surinder Singh Kohli as an Independent Director.
5	Appointment of Mr. Deepak Shetty as an Independent Director.
6	Non-Implementation / Withdrawal of the Resolution of the Shareholders to increase the Authorized Share Capital of the Company

Signed this ..... day of ..... 2019

Signature of shareholder

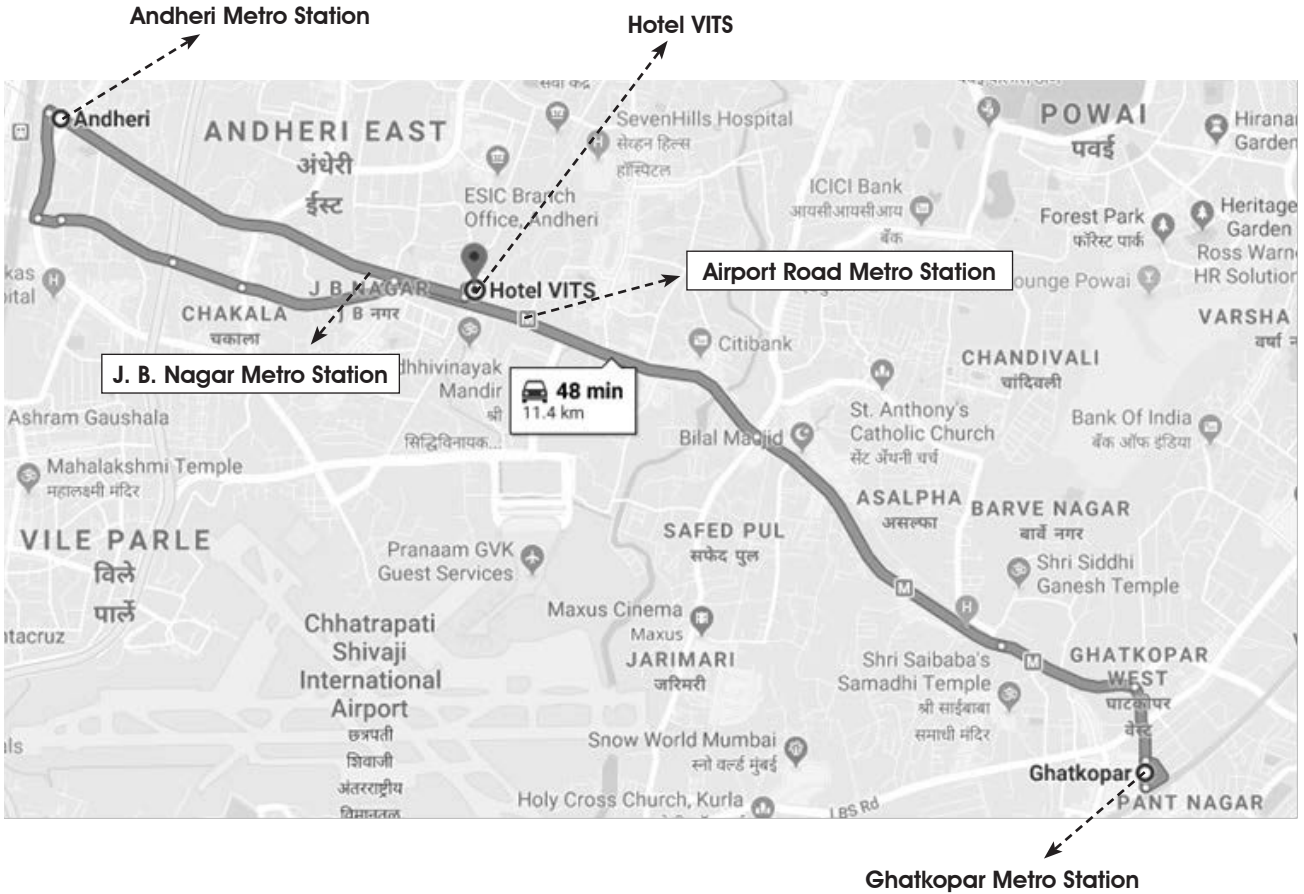
Signature of Proxy holder(s)

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 32<sup>nd</sup> Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

# ROUTE MAP



Hotel VITS is in between **Chakala Metro Station** and **Airport Road Metro Station**.

Turn **Right** at Apna Dhaba onto RK Mandir Rd (From Airport Metro Station)



Turn **Left** at Apna Dhaba onto RK Mandir Rd (From Chakala Metro Station)









## SEAMEC LIMITED

**Regd. & Corporate Office:**

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