



SEAMEC LIMITED
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SEAMEC/NSE/SMO/41/17

2nd February, 2017

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

Sub: Financial Results of the Company for the Quarter ended 31.12.2016 - Regulation 33 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Further to our Letter Ref. No. SEAMEC/NSE/SMO/31/17 dated 24th January, 2017, we wish to inform you that the Board of Directors of the Company in its meeting held on 2nd February, 2017 considered and taken on record the Unaudited Financial Results of the Company for the Quarter ended 31st December, 2016, along with the Limited Review Report in terms of Regulation 33 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The text of above results is enclosed herewith.

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

Kindly take the above on record.

Thanking you,

Yours faithfully,
For SEAMEC LIMITED

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

Statement of unaudited Financial Results for the quarter and nine months ended December 31, 2016

(₹ in lakhs except as stated)

Particulars	Quarter ended as on			Year to date ended as on	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1 (a) Income from Operations	6,658	2,423	9,163	13,743	20,009
(b) Other Operating Income	98	-	15	98	16
Total Income from Operations (1(a)+1(b))	6,756	2,423	9,178	13,841	20,025
2 Expenses					
a. Consumables & Spares consumed	439	587	1,626	2,721	3,895
b. Employee benefit expenses (including offshore staff)	1,570	1,450	2,068	4,730	6,041
c. Depreciation and amortisation expense	1,332	1,268	1,211	3,773	3,535
d. Diving & Sub contractor cost	1,780	455	3,149	2,824	5,876
e. Other Expenses (refer note 3 below)	14,701	943	963	16,534	3,220
Total Expenses	19,822	4,703	9,017	30,582	22,567
3 Profit / (Loss) from Operations before Other Income and Finance Cost (1-2)	(13,066)	(2,280)	161	(16,741)	(2,542)
4 Other Income	502	387	422	1,327	1,809
5 Profit / (Loss) from ordinary activities before Finance Cost (3+4)	(12,564)	(1,893)	583	(15,414)	(733)
6 Finance Cost	28	12	7	95	19
7 Profit / (Loss) from ordinary activities after finance cost and before tax (5-6)	(12,592)	(1,905)	576	(15,509)	(752)
8 Tax expense	107	117	199	326	483
9 Profit / (Loss) from ordinary activities after tax (7- 8)	(12,699)	(2,022)	377	(15,835)	(1,235)
10 Other Comprehensive income	(1)	(4)	1	(1)	13
11 Total Comprehensive income (9+10)	(12,700)	(2,026)	378	(15,836)	(1,222)
12 Paid up equity share capital (face value : ₹ 10/- each)	2,543	2,543	2,543	2,543	2,543
13 (Loss)/Earning per share (of ₹ 10/- each) (not annualised)					
(a) Basic (₹)	(49.94)	(7.95)	1.24	(62.27)	(3.73)
(b) Diluted (₹)	(49.94)	(7.95)	1.24	(62.27)	(3.73)

1 The Company has adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34 'Interim Financial Reporting' prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 1, 2015 and the results for subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.

2 Reconciliation of Net Profit for the quarter and nine months ended December 31, 2016 between Ind AS compliant results as reported above with results reported in previous period as per Indian GAAP are given below:

Particulars	(₹ in lakhs)	
	Quarter ended December 31, 2015	Year to date ended December 31, 2015
	Unaudited	Unaudited
Net Profit / (Loss) under previous Indian GAAP (net of tax)	317	(1,250)
Adjustment of revenue as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" #	104	-
Adjustment for expenses as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" #	(147)	(147)
Actuarial loss on employee defined benefit plan recognised in Other Comprehensive income	(1)	(13)
Others	71	89
Fair value impact for Financial Assets	33	86
Net Profit / (Loss) for the period under Ind AS (net of tax)	377	(1,235)
Other Comprehensive income	1	13
Total Comprehensive Income under Ind AS (net of tax)	378	(1,222)

It represents adjustments on account of prior period items as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

3 Other Expenses for the quarter and nine month period ended December 31, 2016 include provision for doubtful debts to the extent of ₹ 13,824 lakhs. The details of the same are as mentioned below :

a As at December 31, 2016, the amount receivable from Swiber Offshore India Pvt. Ltd. ('SOI') and Swiber Offshore Construction Pte. Ltd, Singapore ('SOC') aggregates to ₹ 11,347 lakhs. While finalizing the financial results for the previous quarter ended September 30, 2016, the Company was hopeful of recovering the outstanding amount due to the legal options exercised by the Company. However, subsequently, no relief has been given to the Company by the Judicial Forums. These two entities have backed out and have also been suspended by ONGC from the execution of the remaining contractual obligations under their contract with ONGC. To the best of the Management's knowledge, SOI does not have realizable assets. SOC is currently under Judicial Management at Singapore and the Company is an unsecured creditor. Considering the current status of the case and based on principle of conservatism, the Management have made a doubtful debt provision for the balance of ₹ 11,347 lakhs in this financial results. The Statutory Auditor had also qualified their review conclusion for the quarters ended June 30, 2016 and September 30, 2016 in this regards.



b The outstanding sum of ₹ 2,335 lakhs as appearing in the books of account relates to receivable from Seahorse General Contracting Establishment, UAE pertain to the year ended March 31, 2015. No progress could be achieved by the Company in realizing the said receivable in spite of all best efforts and legal actions. The Company had also made partial provision of ₹ 523 lakhs in the financial year ended March 31, 2015. Considering the current status of the case and based on principle of conservatism, the Management have made a doubtful debt provision for the balance sum of ₹ 1,765 lakhs in the above financial results. The Statutory Auditor had also qualified their opinion as regard to recoverability of outstanding sum in their audit report for the financial year ended March 31, 2016. The Statutory Auditor had also qualified their review conclusion for the quarters ended June 30, 2016 and September 30, 2016 in this matter.

c The outstanding sum of ₹ 713 lakhs as appearing in the books of account for the period ended December 31, 2016 relates to receivable from Synergy Subsea Engineering LLC, UAE ('Synergy') pertains to previous year on account of charter hire of one of its vessels i.e. 'Seamec Princess' through them. The said party deployed the vessel in Iran. First Charter Party Arrangement with Synergy was entered into in September 2015, wherein payments were received with some delay. However, for the second Charter Party Arrangement, which was made in February 2016 with Synergy, there is no progress in the balance outstanding from synergy in spite of all efforts made by the Company after receipt of partial payment in September 2016. Legal recourse is being considered by the Company, however, having regard to jurisdictions involved, the timeline and quantum of realizable sum cannot be ascertained. Considering the current status of the case and based on principle of conservatism, the Management have made a doubtful debt provision of ₹ 713 lakhs in the above financial results.

4 There has been no development on the ongoing litigation pertaining to appeal pending before the Hon'ble CESTAT (Tribunal) on customs duties including penalties, interest etc. to the tune of ₹ 11,970 lakhs. Similarly, the appeal pending before Hon'ble Mumbai High Court pertaining to alleged Foreign Exchange violation amounting to ₹ 1,000 lakhs, remains to be heard.

5 In an earlier year, the Company had made an application to the Central Government of India for waiver of excess managerial remuneration paid to Managing Director of ₹ 94.20 lakhs for the year ended March 31, 2014. Ministry of Corporate Affairs vide their letter no. SRN C56541840/2015 - CL VII dated January 2, 2017 considered company's application and permitted waiver of recovery of excess remuneration of ₹ 94.20 lakhs.

For the year ended March 31, 2016, due to inadequacy of profits, remuneration to the Managing Director exceeded the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 36.73 lakhs. Subsequently, the Ministry of Corporate Affairs vide notification dated September 12, 2016 amended the Schedule V of Companies Act, 2013 and revised the limit on the remuneration payable to the managerial personnel by a company having no profit or inadequate profit without the Central Government approval. Consequent upon the above and based on the legal opinion obtained, the Management believes that specific approval of Central Government of India is no longer necessary since remuneration paid to the Managing Director meets the criteria as stated in the notification. The Statutory Auditors in their Review Report on the Financial Results for the quarter and nine months ended December 31, 2016 have included an Emphasis of Matter in this regard, with a similar reporting for the year ended March 31, 2016.

(₹ in lakhs)					
6	Segment Report:	Quarter ended as on			Year to date ended as on
	Geographic Segment	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue (net income from each segment)				
a.	Domestic	3,888	2,393	8,089	18,878
b.	Overseas	2,868	30	1,089	2,897
	Total	6,756	2,423	9,178	20,025
2	Segment results: Profit/(Loss) before tax and finance cost from each segment				
a.	Domestic	(10,578)	(2,139)	1,792	(13,968)
b.	Overseas	(2,288)	(96)	(1,465)	(2,384)
	Total	(12,866)	(2,235)	327	(16,352)
	Adjustment for				
	Less: Finance Cost	(28)	(12)	(7)	(95)
	Add:- Other un-allocable income	302	342	256	938
	Total Profit / (Loss) before tax	(12,592)	(1,905)	576	(15,509)

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

Based on the "management approach" as defined in Ind AS 108- Operating Segments, the Chief Operating Decision Maker evaluate the company's performance and allocate resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these business segments.

7 The above unaudited financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at a meeting held on February 2, 2017.

8 Figures for the pervious period have been regrouped / reclassified, where necessary, to conform to the current period classification.

Place: New Delhi
Date: February 2, 2017



For & on Behalf of Board of Directors

Captain C J Rodricks
Managing Director

Limited Review Report

Review Report to
The Board of Directors
SEAMEC Limited

1. We have reviewed the accompanying statement of unaudited financial results of SEAMEC Limited ('the Company') for the quarter ended December 31, 2016 and year to date from April 01, 2016 to December 31, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 5 of the Statement, regarding managerial remuneration for the year ended March 31, 2016 being in excess of the applicable limits under the Companies Act, 2013. Our conclusion for the quarter and nine months ended December 31, 2016 is not qualified in respect of this matter.

For S R B C & CO LLP

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per Vinayak Pujare
Partner

Membership No.: 101143



Place: Mumbai

Date: February 02, 2017