SEAMEC LIMITED
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SEAMEC/NSE/SMO/265/16

15th July, 2016

To,
The Secretary,
National Stock Exchange of India Ltd.,
'EXCHANGE PLAZA',
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

Sub: **Disclosure of the Impact of Audit Qualifications by the Listed Entities under Regulation 33 / 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Amendment) Regulations, 2016**

Dear Sir,

Further to our letter no. SEAMEC/NSE/SMO/164/16 dated 19th May, 2016, and pursuant to the NSE Circular Ref. no. NSE/CML/2016/09 dated 1st June, 2016, we enclose herewith the "Annexure I" of the Statement on Impact of Audit Qualifications (for audit report with modified opinion) for the Financial Year ended on 31st March, 2016, as per prescribed format.

Request you to take the same on records.

Thanking you

Yours faithfully,

For SEAMEC LIMITED

S. N. MOHANTY
PRESIDENT
Corporate Affairs, Operations & Company Secretary

Encl.: As above

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ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Standalone (Rs. In Lacs)		Consolidated (Rs. In Lacs)	
		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	34,890	34,890	35,015	35,015
2.	Total Expenditure	34,501	34,501	34,662	34,662
3.	Net Profit/(Loss)	389	389	353	353
4.	Earnings Per Share (In Rs)	1.26	1.26	1.14	1.14
5.	Total Assets	57,622	57,622	64,832	64,832
6.	Total Liabilities	15,653	15,653	15,664	15,664
7.	Net Worth	41,969	41,969	49,168	49,168
8.	Any other financial item(s) (as felt appropriate by the management)	None	None	None	None

II. **Audit Qualification:**

<u>For Standalone Financial Statement</u>

a. **Details of Audit Qualification:**

The statutory auditors have qualified their opinion in respect of the recoverability of a trade receivable of Rs. 1,715.75 lacs (net of provision for doubtful debt of Rs. 522.63 lacs). Refer paragraph 3 – Basis of Qualified Opinion in the audit report dated May 19, 2016 issued by S R B C & CO LLP on the audited financial results for the quarter and year ended March 31, 2016 and paragraph 'Basis for Qualified Opinion' of the audit report on financial statements for the year then ended.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Appeared first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

In the past, the Company had chartered its vessel together with certain services, for which an amount of Rs. 2,238.38 lacs was receivable from the charterer. While on charter, damage allegedly resulted to a subsea property of a third party, and such damage was sought to be attributed to the Company and charterer withheld payment. The Company has initiated legal action against the charterer, and is also in discussions with it and other parties involved to reach a settlement. On the basis of information available with the Company, management believes that the provision of Rs 522.63 lacs made against the

receivable of Rs.2,238.38 lacs is adequate. Refer note 6 to the financial results for the quarter and year ended March 31, 2016 and note 30(b) to the annual financial statements.

The Company is strongly pursuing with the parties concerned to enforce recovery of this amount. The Board believes that the efforts currently being made will result in recovery of this amount.

(ii) If management is unable to estimate the impact, reasons for the same:

Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:

We report that as of March 31, 2016, the carrying amount of Trade Receivables includes Rs. 1,715.75 lacs (net of provision for doubtful debts of Rs 522.63 lacs) receivable from a charterer. As explained in point (e) (i) above, this amount is withheld by the charterer until a settlement involving the Company is reached in this regard. Since this amount is subject to settlement and consequential adjustments if any, we are unable comment on the recoverability of the same including consequential adjustments that may be required to be made to these financial results for the quarter and year ended 31 March, 2016. We make no further observations with respect to management estimation to point (e) (i) above.

For Consolidated Financial Statement

a. Details of Audit Qualification:

The statutory auditors have qualified their opinion in respect of the recoverability of a trade receivable of Rs. 1,715.75 lacs (net of provision for doubtful debt of Rs. 522.63 lacs). Refer paragraph 3 – Basis of Qualified Opinion in the audit report dated May 19, 2016 issued by S R B C & CO LLP on the audited financial results for the quarter and year ended March 31, 2016 and paragraph 'Basis for Qualified Opinion' of the audit report on financial statements for the year then ended.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

In the past, the Company had chartered its vessel together with certain services, for which an amount of Rs. 2,238.38 lacs was receivable from the charterer. While on charter, damage allegedly resulted to a subsea property of a third party, and such damage was sought to be attributed to the Company and charterer withheld payment. The Company has initiated legal action against the charterer, and is also in discussions with it and other parties involved to reach a settlement. On the basis of information available with the Company, management believes that the provision of Rs 522.63 lacs made against the receivable of Rs.2,238.38 lacs is adequate. Refer note 6 to the financial results for the quarter and year ended March 31, 2016 and note 30(b) to the annual financial statements.

The Company is strongly pursuing with the parties concerned to enforce recovery of this amount. The Board believes that the efforts currently being made will result in recovery of this amount.

(ii) If management is unable to estimate the impact, reasons for the same:

Not Applicable

(iii) Auditors' Comments on (i) or (ii) above:

We report that as of March 31, 2016, the carrying amount of Trade Receivables includes Rs. 1,715.75 lacs (net of provision for doubtful debts of Rs 522.63 lacs) receivable from a charterer. As explained in point (e) (i) above, this amount is withheld by the charterer until a settlement involving the Company is reached in this regard. Since this amount is subject to settlement and consequential adjustments if any, we are unable comment on the recoverability of the same including consequential adjustments that may be required to be made to these financial results for the quarter and year ended 31 March, 2016. We make no further observations with respect to management estimation to point (e) (i) above.

III. Signatories:

Captain C J Rodricks
(Managing Director)

Virendra Kumar Gupta
(President & Chief Financial Officer)

Amarjit Singh Soni
(Audit Committee Chairman)

SRBC & CO LLP
Chartered Accountants
ICAI firm's Registration Number:
324982E/E300003
Per Vinayak Pujare
Partner
Membership No.: 101143
(Statutory Auditor)

Place: Mumbai
Date: 24.06.2016