



S N MOHANTY
PRESIDENT

Corporate Affairs, Legal & Company Secretary

SCHEME OF ARRANGEMENT

BETWEEN

HAL OFFSHORE LTD

AND

SEAMEC LTD



AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230, 232 & 66 OF THE COMPANIES ACT, 2013

A. Preamble

- I.** HAL Offshore Ltd (HAL/the Demerged Company) is a leading 'End to End' solution provider of underwater services and EPC services to the Indian oil and gas industry. HAL is also engaged in Charter Hire of Diving Support Vessels to the Mumbai High area undertaking diving, fire-fighting, material support, accommodation, crane, helipad and other ancillary activities. Over the years HAL has developed a diversified portfolio for undertaking turnkey projects involving sub-sea and marine services as an EPC contractor. These services are certified by independent agencies like American Bureau of Shipping (ABS), DNV, and LR as per requirement of the client. Recently, HAL has also diversified in Onshore EPC contracts for processing of Natural Gas in Tamil Nadu, erection and installation of ETP plants in Assam and erection and installation of Gas station and Water purification systems in Gujarat. HAL has now become an oil and gas service operator catering to the complete needs of both Offshore and Onshore requirement of Oil and Gas Major in India, especially ONGC, Oil India and Cairns. HAL has also made investments in real estate, shares and other securities. The Company has, over the years, built up an impressive portfolio of securities investment. Hence, the Demerged Company has two distinct businesses, viz., EPC & Vessel Division and Investment Division.
- II.** Seamec Ltd (Seamec/the Resulting Company) is one of the largest provider of Diving Support Vessel globally, having a fleet of 04 no's DSV, One Support Vessel and One Handy mix Bulk Carrier. Seamec has unrivalled experience in the ongoing subsea inspection, repair, maintenance and light construction required for the efficient and productive support of offshore oil production. Seamec has made its presence felt in Middle East, South East Asia,

West Africa and Gulf of Mexico. Seamec's area of activities also extended to execution of many underwater diving projects with Oil companies and Contractors across the globe. Seamec vessels are ISPS certified and follow the best practices. They are equipped with fire-fighting and pollution prevention equipment's which are certified by International and Indian certification authority.

- III.** The Group Management has decided to consolidate the vessel charter and other related business of both these Companies into the listed Resulting Company. The Demerged Company is also providing Offshore and Onshore turnkey project services as EPC Contractor. To diversify the business portfolio of the Listed Resulting Company, the Management is also proposing to demerged the EPC business and other related activities into the Resulting Company.

B. Detailed Rationale of the Scheme

- i.** The Resulting Company is a subsidiary of the Demerged Company. The proposed demerger of EPC & Vessel Division of HAL Offshore Ltd into Seamec Ltd would result in business synergy, consolidation of entire vessel charter business of both the Companies into the Listed Resulting Company, pooling off the resources of these Companies and would enable the Resulting Company to diversify into lucrative EPC Business.
- ii.** The Demerged Company/HAL is a leading 'End to End' solution provider of underwater services and EPC services to the Indian oil and gas industry. HAL is also engaged in Charter Hire of Diving Support Vessels to the Mumbai High area undertaking diving, fire-fighting, material support, accommodation, crane, helipad and other ancillary activities. Over the years HAL has developed a diversified portfolio for undertaking turnkey projects involving sub-sea and marine services as an EPC contractor. These services are certified by independent agencies like American Bureau of Shipping (ABS), DNV, and LR as per requirement of the client. Recently, HAL has also diversified in Onshore EPC contracts for processing of Natural Gas in Tamil Nadu, erection and installation of ETP plants in Assam and erection and installation of Gas station and Water purification systems in Gujarat. The Demerged Company has now become an oil and gas service operator catering to the complete needs of both Offshore and Onshore requirement of all Oil and Gas Major in India, especially ONGC, Oil India and Cairns. The Demerged Company has also made investments in real estate, shares and other securities. The



Company has, over the years, built up an impressive portfolio of real estate and securities. Hence, the Demerged Company has two distinct businesses, viz., EPC & Vessel Division and Investment Division.

- iii.** The Resulting Company/Seamec is one of the largest provider of Diving Support Vessel in the Asia Pacific region having a fleet of 04 no's DSV, One Support Vessel and One Handy mix Bulk Carrier. Seamec has unrivalled experience in the ongoing subsea inspection, repair, maintenance and light construction required for the efficient and productive support of offshore oil production. Seamec has made its presence felt in Middle East, South East Asia, West Africa and Gulf of Mexico. Seamec's area of activities also extended to execution of many underwater diving projects with Oil companies and Contractors across the globe. Seamec vessels are ISPS certified and follow the best practices. They are equipped with fire-fighting and pollution prevention equipment's which are certified by International and Indian certification authority.
- iv.** As mentioned above, the Demerged Company is engaged in the business of charter hire of diving and utility vessels operating in Offshore oilfield along with Offshore and Onshore turnkey projects as EPC Contractor. Whereas the Resulting Company is primarily engaged in chartering and operation of diving support and utility vessels operating in offshore oilfield. The Management has decided to consolidate the vessel charter and other related business of both these Companies into the Resulting Company. In addition, EPC business of the Demerged Company will also be vested into the Resulting Company.
- v.** The proposed de-merger will enable the listed Resulting Company to attain healthy economic state encompassed with higher turnovers and better margins. The Scheme will enable the Resulting Company to build up portfolio of several related business activities/services having better growth opportunities. It will also act as a hedging strategy against the business uncertainties with diversified portfolio of services.
- vi.** It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of manpower and various other resources by these Companies.
- vii.** The proposed de-merger will provide scope for independent expansion of various businesses. It will strengthen, consolidate



and stabilize the business of these Companies and will facilitate further expansion and growth of their business.

- viii. Shareholders of the listed Resulting Company are expected to have better prospects with regard to return and appreciation on their investments in the Resulting Company. The Post Scheme the Resulting Company will be able to augment resources at better terms.
- ix. The proposed De-merger will have beneficial impact on the Demerged Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.
- x. With a view to achieve greater management focus and keeping in mind the paramount and overall interest of the shareholders, the Board of Directors of the Demerged Company and the Resulting Company considered that a Scheme of Arrangement for De-merger would be the most appropriate methodology.

C. Accordingly, the present Scheme of Arrangement is proposed under sections 230, 232 and 66 of the Companies Act, 2013 and other relevant provisions, if any, for De-Merger of EPC & Vessel Division of Hal Offshore Ltd into Seamec Ltd on going concern basis and other connected matters. The Board of Directors and the Management of these Companies are of the opinion that the proposed arrangement is in the best interest of these Companies and their stakeholders.

D. Parts of the Scheme of Arrangement:

This Scheme provides for matters connected with the aforesaid arrangement and de-merger. Accordingly, this Scheme is divided into the following parts:

- a. **Part-1** which deals with the Definitions and Share Capital;
- b. **Part-2** which deals with De-merger of EPC & Vessel Division of HAL Offshore Ltd into Seamec Ltd;
- c. **Part-3** which deals with the Accounting Treatment;
- d. **Part-4** which deals with the General Clauses; and
- e. **Part-5** which deals with Other Terms and Conditions.



PART 1

DEFINITIONS AND SHARE CAPITAL

DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- 1.1 "Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and any other Rules made there under, as the case may be applicable; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.2 "Appointed Date"** means commencement of business hour on 1st July, 2017, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.3 "Board of Directors"** in relation to the Demerged Company and the Resulting Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorised by the Board of Directors or such Committee of Directors.
- 1.4 "Demerged Business"** means EPC & Vessel Division Business of HAL Offshore Ltd (the Demerged Company) which is proposed to be De-merged into Seamec Ltd (the Resulting Company) and includes the business/undertaking comprising of:
 - 1.4.1** All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of EPC & Vessel Division (the Demerged Business) wherever situated pertaining thereto.
 - 1.4.2** All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
 - 1.4.3** Without prejudice to the generality of the above, Demerged Business shall include in particular.



- a.** All EPC & Vessel Division and all other properties and assets of the Demerged Business wherever situated;
- b.** All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property, investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non fiscal incentives, benefits and privileges which are available to or being availed by the Demerged Company or which the Demerged Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger;
- c.** All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business;
- d.** All duties and obligations, which are relatable to the Demerged Business;
- e.** All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Business;
- f.** All trademarks, trade names, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Company with regard to the Demerged Business, but shall not include any assets or liabilities relating to the Remaining Business of the Demerged Company.

1.4.4 For the purpose of this scheme, it is clarified that liabilities pertaining to the Demerged Business include:



- a. The liabilities, which arise out of the activities or operations of the Demerged Business;
 - b. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business;
- 1.4.5 All employees of the Demerged Company employed in the Demerged Business, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;
- 1.4.6 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Demerged Company.

Performa Balance Sheet of the EPC & Vessel Division Business of the Demerged Company as on the appointed date is set out in Schedule-1.

- 1.5 "Demerged Company"** means **HAL Offshore Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 25, Bazar Lane, Bengali Market, New Delhi-110 001, e-mail id: info@haloffshore.com; web-site: www.haloffshore.com.

The Demerged Company is proposing to shift its registered office from the NCT of Delhi to Mumbai in the State of Maharashtra by amending its Memorandum of Association subject to the requisite approval. As and when the new registered office address of the Demerged Company become effective, the abovementioned registered office address of the Demerged Company shall be substituted with the new registered office address and the present Scheme of Arrangement shall stand updated/modified to that extent without any further approval by the Board of Directors of the concerned Companies or any other authority.

The Demerged Company-HAL Offshore Ltd [Corporate Identification No. (CIN): U 24298 DL 1996 PLC 083879; Income Tax Permanent Account No. (PAN): AAA CH 3144 B] was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Himachal Alkalies Ltd' vide Certificate of Incorporation dated 17th December, 1996 issued by the



Registrar of Companies, Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 27th December, 1996 by the Registrar of Companies, Delhi & Haryana, New Delhi. Name of the Company was changed to 'HAL Offshore Ltd' vide Fresh Certificate of Incorporation dated 4th September, 2000 issued by the Registrar of Companies, New Delhi.

- 1.6 "Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.
- 1.7 National Company Law Tribunal** means appropriate Bench(es) of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, having territorial jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.
- 1.8 "Record Date"** means the date to be fixed by the Board of Directors of the Demerged Company with reference to which the eligibility of the shareholders of the Demerged Company for allotment of shares in the Resulting Company in terms of this Scheme, shall be determined.
- 1.9 "Registrar of Companies"** means concerned Registrar of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.10 "Remaining Business of the Demerged Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities and operations of the Demerged Company other than the Demerged Business.
- 1.11 "Resulting Company"** means **Seamec Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at A-901-905, 9th Floor, Atrium, 215, Andheri Kurla Road, Andheri East, Mumbai-400 093, e-mail id: contact@seamec.in; web-site: www.seamec.in.
- 1.12** The Resulting Company- **Seamec Ltd** [Corporate Identification No. (CIN): L 63032 MH 1986 PLC 154910; Income Tax Permanent Account No. (PAN): AAB CP 8214 H] (hereinafter referred to as "the Resulting Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited



company with the name and style as 'Peerless Leasing Pvt Ltd' vide Certificate of Incorporation dated 29th December, 1986, issued by the Registrar of Companies, West Bengal, Kolkata. Name of the Company was changed to 'Peerless Drive Pvt Ltd' vide Fresh Certificate of Incorporation dated 8th July, 1987, issued by the Registrar of Companies, West Bengal. The Company became a deemed public company and name of the Company was changed to 'Peerless Drive Ltd' by deleting the word 'Private' from its name vide endorsement made in the Certificate of Incorporation by the ROC, West Bengal, on 12th December, 1988. Name of the Company was changed to 'Peerless Shipping and Oilfield Services Ltd' vide Fresh Certificate of Incorporation dated 25th August, 1994 issued by the Registrar of Companies, West Bengal. Name of the Company was again changed to 'South East Asia Marine Engineering & Construction Ltd' vide Fresh Certificate of Incorporation dated 11th August, 2000 issued by the Registrar of Companies, West Bengal. Registered Office of the Company was shifted from the State of West Bengal to the State of Maharashtra as approved by the Hon'ble Company Law Board, Eastern Region Bench, Kolkata vide Order dated 14th June, 2005. The Registrar of Companies, Maharashtra, registered the aforesaid order on 20st July, 2005 and allotted a new CIN to the Company. Name of the Company was changed to its present name 'Seamec Ltd' vide Fresh Certificate of Incorporation dated 12th June, 2007 issued by the Registrar of Companies, Maharashtra, Mumbai.

1.13 "Scheme" means the present Scheme of Arrangement framed under the provisions of sections 230 & 232; section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, where under EPC & Vessel Division of the Demerged Company are proposed to be de-merged into the Resulting Company, in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

1.14 SHARE CAPITAL

1.14.1 The present Authorised Share Capital of the Demerged Company is ₹25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹14,87,37,800 divided into 1,48,73,780 Equity Shares of ₹10 each.



- 1.14.2 The present Authorised Share Capital of the Resulting Company is ₹50,00,00,000 divided into 5,00,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹25,42,50,000 divided into 2,54,25,000 Equity Shares of ₹10 each.
- 1.14.3 The Demerged Company is a closely held public limited un-listed company. The Resulting Company, on the other hand, is a public limited listed company. Equity Shares of the Resulting Company are listed on BSE Limited (Bombay Stock Exchange/BSE) and National Stock Exchange of India Limited (NSE). As on 30th September, 2017, the Demerged Company is holding about 69.57% of paid up Equity Share Capital of the Resulting Company. Accordingly, the Resulting Company is a subsidiary of the Demerged Company. Both the Companies are under common management and control. The Scheme of Arrangement will not result in change in management in any of these Companies.



PART 2

DE-MERGER OF EPC & VESSEL DIVISION OF HAL OFFSHORE LTD INTO SEAMEC LTD

- 2.1 With effect from the commencement of business hour on 1st July, 2017, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Demerged Company, as defined in Clause 1.4 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner;
- 2.1.1 The whole of the undertaking and properties of Demerged Business of the Demerged Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Demerged Company.
- 2.1.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Demerged Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 2.1.3 All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Demerged Company in relation to the Demerged Business or otherwise held by the Demerged Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned



therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.

- 2.1.4 The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.
- 2.1.5 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Demerged Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 2.1.6 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 2.1.7 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Demerged Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Demerged Company and the Resulting Company, if any.
- 2.1.8 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax,



Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.

- 2.1.9 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise and file their respective income tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, service tax returns, GST returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- 2.1.10 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, excise duty, applicable state value added tax etc.) to which Demerged Business of the Demerged Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company from the Appointed Date.

2.2 Issue of Shares by the Resulting Company

- 2.2.1 Upon the Scheme finally coming into effect and in consideration of de-merger and vesting of the Demerged Business of the Demerged Company into the Resulting Company, in terms of this Scheme, the Resulting Company, shall, without any further application or deed, issue and allot Share(s), to the Members of the Demerged Company whose names appear in the Register of Members as on the Record Date, in the following ratio:
- a. The Resulting Company will issue 10 (ten) Equity Shares of ₹10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 30 (thirty) Equity Shares of ₹10 each held in the Demerged Company.
 - b. Further, the Resulting Company will issue 99 (ninety nine) 6% Non-cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 30 (thirty) Equity Shares of ₹10 each held in the Demerged Company.



- 2.2.2 Any fraction arising out of the aforesaid exchange process as mentioned in clause 2.2.1 above, if any, will be rounded off to nearest whole number.
- 2.2.3 New Equity Shares to be issued by the Resulting Company in terms of clause 2.2.1 'a' above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.
- 2.2.4 Similarly, New Preference Shares to be issued by the Resulting Company in terms of clause 2.2.1 'b' above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. Preference Shares shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to redemption of preference shares, within a period of 20 (twenty) years from the date of issue of such shares at the redemption premium of ₹151 per share. Preference Shares will carry a put and call option available to the Company for an early redemption.
- 2.2.5 The issue and allotment of Equity and Preference Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Shares to the Members of the Demerged Company in terms of this Scheme.
- 2.2.6 The Resulting Company will issue new Equity Shares, to the Shareholders of the Demerged Company, in dematerialized form only. With regard to the issue of Preference Shares by the Resulting Company pursuant to this Scheme, the same will be issued by way of physical share certificates or in dematerialized form or partially in physical form and partially in dematerialized form as per the instructions of the Stock Exchanges or as requested by the Shareholders of the Demerged Company or as per the decision of the Board of Directors of the Resulting Company, as the case may be.
- 2.2.7 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Company will not



apply to the share application money, if any, which may remain outstanding in the Demerged Company.

- 2.2.8 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company to the Shareholders of the Demerged Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Resulting Company are presently listed. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company.
- 2.2.9 In case any Promoters' holding in the Resulting Company and/or new Shares to be issued in the Resulting Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters Group during such lock-in period.
- 2.2.10 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges. The concerned Company will comply with the applicable provisions in this regard.
- 2.2.11 The reduction of the paid-up capital, reserves & surplus, etc., as the case may be, of the Demerged Company and Resulting Company, if any, shall be effected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Demerged Company and the Resulting Company, as the case may be, and sanction by the Tribunal under sections 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of sections 66 of the



Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of paid up capital and reserves & surplus of the Demerged Company and the Resulting Company, if any. The Order of the Tribunal sanctioning the Scheme shall be deemed to be also the Order under section 66 of the Act for the purpose of confirming the reduction. Such reduction would not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital.

- 2.2.12 BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.
- 2.2.13 Save as provided in this Scheme, the Resulting Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.



PART 3

ACCOUNTING TREATMENT

Upon the Scheme becoming effective, De-merger of EPC & Vessel Division of Demerged Company into Resulting Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

De-merger of Demerged Business of the Demerged Company, into the Resulting Company will be accounted in the following manner:

3.1 In the books of the Demerged Company

- 3.1.1 All the assets and liabilities pertaining to the Demerged Business (difference between the assets and liabilities hereinafter referred to as "Net Assets"), which cease to be the assets and liabilities of the Demerged Company, will be reduced from the books of accounts of the Demerged Company at their respective book values as on the Appointed Date.
- 3.1.2 Difference between the assets and liabilities pertaining to the Demerged Business will be adjusted against the Securities Premium Account and other Reserves & Surplus, in that order, in books of the Demerged Company.

3.2 In the books of the Resulting Company

- 3.2.1 The Resulting Company shall record the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to the Demerged Business vested in it pursuant to this Scheme, at the book values as appearing in the books of the Demerged Company as on the Appointed Date. In terms of the provisions of section 2(19AA) of the Income Tax Act, 1961, any change in the value of assets consequent to their revaluation will be ignored.
- 3.2.2 The Resulting Company shall credit to the Share Capital Account, in the books of accounts, the aggregate face value of the new Equity and Preference Shares issued by it to the Shareholders of the Demerged Company pursuant to Clause 2.2.1 of this Scheme.



- 3.2.3 Any difference between the Net Assets and the aggregate face value of new Equity and Preference Shares issued shall be credited/debited to the Capital Reserve, in the books of the Resulting Company.
- 3.3** It is, however, clarified that the Board of Directors of the Demerged Company and the Resulting Company, in consultation with the respective Statutory Auditors, may account for the present demerger in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard and other applicable provisions, if any.



PART 4

GENERAL CLAUSES

4.1 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

4.1.1 With effect from the Appointed Date:

- a. The Demerged Company, in relation to the Demerged Business shall carry on and be deemed to have carried on the business and activities and shall possessed of their properties and assets for and in trust of the Resulting Company and all the profits/losses accruing, shall for all purposes be treated as profits/losses of Resulting Company.
- b. The Demerged Company, in relation to the Demerged Business shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

4.2 STAFF, WORKMEN AND EMPLOYEES

- 4.2.1 On the Scheme becoming effective, all staff, workmen and employees of the Demerged Company, in relation to the Demerged Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resulting Company on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them with reference to the Demerged Company, in relation to the Demerged Business, on the Effective Date.
- 4.2.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Demerged Company, in relation to the Demerged Business, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective



trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Business, in relation to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Company, in relation to the Demerged Business, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

4.3 LEGAL PROCEEDINGS

- 4.3.1 All legal proceedings of whatever nature by or against the Demerged Company pending and/or arising on or after the Appointed Date and relating to the Demerged Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company, in relation to the Demerged Business, as if the Scheme had not been made.
- 4.3.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company, in relation to the Demerged Business, referred to in clause 4.3.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company, in relation to the Demerged Business.
- 4.3.3 The Resulting Company undertakes to indemnify and save harmless the Demerged Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Demerged Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:



- a. the filing, approval and implementation of the actions contemplated in this Scheme, or
- b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

4.4 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.4.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Demerged Company, in relation to the Demerged Business, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect and shall stand assigned/novated in favour of the Resulting Company, may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, in relation to the Demerged Business, the Resulting Company had been a party thereto.
- 4.4.2 It is expressly clarified that consent of the counterparties shall not be separately required for assignment of such contracts etc., in favour of Resulting Company.
- 4.4.3 The Resulting Company shall be obligated to fulfill all the obligations and covenants of aforesaid contracts, deeds, bonds, agreements and instruments in relation to the Demerged Business and indemnify and save harmless the Demerged Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions there under committed by the Demerged Company or the Resulting Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), prior to the Appointed Date or thereafter.
- 4.4.4 Pursuant to the demerger of the Demerged Company, in case for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other such instruments, the Resulting Company are required to demonstrate experience,



track record and credentials of the Demerged Company, then the experience, track record and credentials gained by the Demerged Company in the past prior to demerger in relation to the Demerged Business, would be considered to be equivalent as the experience, track record and credentials of the Resulting Company.

4.5 PERMISSIONS

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Demerged Company, in relation to the Demerged Business, shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resultant Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company, in relation to the Demerged Businesses, are concerned, the same shall vest with and be available the Resulting Company on the same terms and conditions. It is specifically clarified that all the excise concessions, exemptions, benefits in terms of the Central Excise Act, 1944, Notifications, Circulars, Orders, Trade Notices, Guidelines, Clarifications and/or other Communications issued by the any appropriate competent authority; Income Tax holiday including benefits under Chapter VIA of the Income Tax Act, 1961; sales tax exemptions and benefits under the Central Sales Tax Act, 1956 and other local sales tax laws; and all other fiscal and non fiscal incentives, benefits and privileges which are available to or being availed by the Demerged Company or which the Demerged Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger;

4.6 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Business into the Resulting Company as above and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts



all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Business, in respect thereto as done and executed on behalf of the Resulting Company.

4.7 OPERATIVE DATE OF THE SCHEME

This Scheme, though operative from the Appointed Date, shall be effective from the Effective Date.

4.8 REMAINING BUSINESS OF THE DEMERGED COMPANY

Remaining Business of the Demerged Company to continue with Demerged Company

- 4.8.1 The Remaining Business of the Demerged Company and all the assets including immovable property, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 4.8.2 All legal and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 4.8.3 With effect from the Appointed Date and including the Effective Date:
 - a. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and its own behalf;
 - b. All profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.



PART 5

OTHER TERMS AND CONDITIONS

5.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

- 5.1.1 The Demerged Company shall make joint/separate application(s)/petition(s) under the provisions of sections 230, 232 & 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.
- 5.1.2 The Resulting Company shall also make joint/separate application(s)/petition(s) under the provisions of sections 230, 232 & 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

5.2 COMPLIANCE WITH SEBI REGULATIONS

- 5.2.1 In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (listing regulations); Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015, read with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, and the SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, and applicable provisions, if any, the present Scheme of Arrangement is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoter and Promoter Group) of the Listed Resulting Company by passing a Resolution through postal ballot and e-voting, as may be applicable. In terms of the aforesaid SEBI Circulars, the Scheme will be acted upon only if the votes cast by Public Shareholders of the Listed Resulting Company in favour of the



proposed Scheme are more than the number of votes cast by Public Shareholders against the Scheme, if any.

5.3 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 5.3.1 The Demerged Company and the Resulting Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 5.3.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Demerged Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- 5.3.3 The Demerged Company and/or the Resulting Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Demerged Company and/or the Resulting Company will not be required to assign the reason for withdrawing from this Scheme.

5.4 INTERPRETATION

If any doubt or difference or issue arises between the Demerged Company and the Resulting Company or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, 785, Pocket-E, Mayur Vihar II, NH-24, Delhi 110 091, Phone 93124 09354, e-mail: rajeev391@gmail.com, whose decision shall be final and binding on all concerned.


5.5 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses incurred in relation to or in connection with this Scheme or incidental to the completion of the De-merger in



pursuance of this Scheme, shall be borne and paid by the Demerged Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.



For SEAMEC LIMITED

SNM [unclear] NTY
PR [unclear]
Corporate Affairs, L [unclear] Company Secretary

Schedule-1 to the Scheme of Arrangement

Performa Balance Sheet of EPC & Vessel Division of HAL Offshore Ltd to be de-merged into Seamec Ltd

(As on 30th June, 2017)

Particulars	Amount ₹
ASSETS	
Non-current Assets	
Net Fixed Assets	84,70,59,312
Long term Loans & Advances	91,03,823
Total	85,61,63,135
Current Assets	
Trade Receivables	85,31,25,580
Cash and Cash Equivalents	5,70,65,244
Short term Loans & Advances	31,36,49,558
Other Current Assets	42,06,95,713
Total	164,45,36,095
Total Assets (A)	250,06,99,230
LIABILITIES	
Non-current Liabilities	
Long term Borrowings	38,53,66,590
Deferred Tax Liabilities (Net)	16,41,86,410
Total	54,95,53,000
Current Liabilities	
Short term Borrowings	24,22,34,703
Trade Payables	79,66,91,691
Other Current Liabilities	7,65,46,511
Short term Provisions	33,76,27,222
Total	145,31,00,127
Total Liabilities (B)	200,26,53,127
Net Assets [A-B] (C)	49,80,46,103

