SEAMEC/BSE/SMO/506/17

15th November, 2017

To,
**Deputy General Manager – Listing**
**BSE Limited,**
Corporate Relation Department,
1st Floor, Rotunda Building,
New Marine Lines,
Phirojee Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

**Sub: Disclosure under Regulation 30 of the SEBI (LODR) Regulations, 2015**

**Re: Scheme of Arrangement for demerger of EPC & Vessel Division of HAL Offshore Limited into Seamec Limited**

Dear Sir,

We would like to inform that the Board of Directors of Seamec Limited in its meeting held on 14th November, 2017 has considered and approved, after recommendation of the Audit Committee of the Company, the draft Scheme of Arrangement between HAL Offshore Limited and Seamec Limited for Demerger of the EPC & Vessel Division of HAL Offshore Limited into Seamec Limited. The proposed Scheme of Arrangement is subject to further approval of the stock exchange, SEBI, NCLT and other competent authorities.

In terms of regulation 30 of the SEBI (LODR) Regulations, 2015 and circular issued thereunder, we are furnishing the details as under:

<table>
<tr><td>1</td><td>Brief details of the division(s) to be demerged</td><td>There is a proposal for Scheme of Arrangement between HAL Offshore Limited and Seamec Limited for Demerger of the EPC & Vessel Division of HAL Offshore Limited into Seamec Limited.</td></tr>
<tr><td>2</td><td>Name of the entity(ies) forming part of the demerger, details in brief such as, size, turnover etc.;</td><td>Demerged Company - HAL Offshore Limited (unlisted)<br>Resulting Company – Seamec Limited (listed)<br><br>Seamec Limited is subsidiary of HAL Offshore Limited.<br><br>The brief financial of the Companies as per the un-audited financial Statements as on June 30, 2017 is as below:
<table>
<tr><td></td><td></td><td>(Rs. In Mn.)</td></tr>
<tr><td>Particulars</td><td>HAL (Standalone)</td><td>Seamec (Standalone)</td></tr>
<tr><td>Paid-up Capital</td><td>148.74</td><td>254.25</td></tr>
<tr><td>Reserves & Surplus</td><td>2020.52</td><td>2459.85</td></tr>
<tr><td>Networth</td><td>2169.26</td><td>2714.10</td></tr>
<tr><td>Turnover</td><td>969.73</td><td>585.27</td></tr>
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| | (June Quarter) | | |
| | Profit after TAX (June Quarter) | 179.42 | 10.01 |

The brief financial of the Companies as per the un-audited financial Statements as on June 30, 2017 is as below:

| | (Rs. In Mn.) |
|---|---|
| **Particulars** | **HAL (EPC & Vessel Division) (Standalone)** |
| Networth | 498.05 |
| Turnover (June Quarter) | 959.86 |
| Profit after Tax (June Quarter) | 189.23 |

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| 3 | Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year | N.A.<br>(This is case of demerger from an unlisted company into a listed company) |
| 4 | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"; | Seamec Limited is subsidiary of HAL Offshore Limited. The proposed Scheme of Arrangement shall fall within the Related Party Transaction.<br><br>The proposed draft Scheme of Arrangement is on arm's length basis. |
| 5 | Area of business of the entity(ies); | The Demerged Company/HAL Offshore Limited 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 |

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| | | impressive portfolio of real estate and securities. Hence, the Demerged Company has two distinct businesses, viz., EPC & Vessel Division and Investment Division.<br><br>The Resulting Company/Seamec Limited 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. |
| 6 | Rationale for Scheme of Arrangement | The Board of Directors of the Demerged Company and the Resulting Company expect the following major benefits from the proposed Scheme of Arrangement:<br><br>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.<br><br>The proposed de-merger will enable the listed Resulting Company to achieve economies of scale of operations, higher turnovers and better margins. The Scheme will enable the Resulting Company to build up portfolio of several related business activities/services. The Scheme will provide better growth opportunities to the Listed Resulting Company. It will also act as a hedging strategy against the business uncertainties with diversified portfolio of services.<br><br>It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of manpower and various other resources by these Companies.<br><br>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. |

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<tr><td>7</td><td>In case of cash consideration – amount or otherwise share exchange ratio;</td><td>There shall not be any cash consideration in the proposed Scheme of Arrangement. The Share Exchange ratio proposed in the draft Scheme of Arrangement shall be as below:<br><br>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.<br><br>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.</td></tr>
<tr><td>8</td><td>Brief details of change in shareholding pattern (if any)of listed entity</td><td>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.<br><br>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.<br><br>The shareholding pattern of Seamec Limited is as below:<br><br>
<table>
<tr><td>Particulars</td><td>No. of Shares</td><td>%</td></tr>
<tr><td>HAL Offshore Limited (Promoter)</td><td>1,76,87,475</td><td>69.57</td></tr>
<tr><td>Public</td><td>77,37,525</td><td>30.43</td></tr>
<tr><td>Total</td><td>2,54,25,000</td><td>100.00</td></tr>
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<br>Post Scheme of Arrangement the equity shareholding percentage of the promoters shall increase to the extent of 74.53%.<br><br>The entire CRPS to be issued upon demerger shall be allotted to the shareholders of the HAL Offshore Limited.</td></tr>
<tr><td>9</td><td>Whether listing would be sought for the resulting entity</td><td>N.A.<br>(This is case of demerger from an unlisted company – HAL Offshore Limited into a listed company- Seamec Limited)</td></tr>
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The aforesaid is for your information and record please. We will file the application for in-principle approval of the stock exchange in due course.

Thanking you,

Yours faithfully,

For **SEAMEC LIMITED**

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