SCHEME OF ARRANGEMENT OF HAL OFFSHORE LTD AND SEAMEC LTD;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 READ WITH SECTIONS 66 AND 55 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY

A. Preamble

I. **HAL Offshore Ltd** (HAL Offshore/the Demerged Company) is a leading 'End to End' Solution Provider of Underwater Services and EPC Services to the Indian Oil and Gas Industry. The Company is also engaged in Charter Hire of Diving Support Vessels (DSV) to the Mumbai High area undertaking diving, firefighting, material support, accommodation, crane, helipad, operation and maintenance of ONGC Vessels, painting of offshore platforms and other ancillary activities. Over the years, HAL Offshore has developed a diversified portfolio for undertaking turnkey projects involving sub-sea and marine services. Further, the Company is also a leading Indian EPC (Engineering, Procurement and Construction) Company, primarily serving the Oil and Gas Sector. For over a decade, HAL Offshore has executed Greenfield and Brownfield Projects for ONGC Ltd and Oil India Ltd. The projects are executed on LSTK (lumpsum turnkey) basis involving design, engineering, procurement, fabrication, transportation, hook-up, testing, certification/inspection, pre-commissioning, start-up, commissioning and long-term operation & maintenance of executed projects. Projects executed include Gas Gathering Stations, Gas Compression Stations, Oil Processing Facilities, Alkaline Surfactant Polymer Injection Facilities, Effluent Treatment Plants, Water Injection Plants at various assets of ONGC Ltd and Oil India Ltd. The Demerged Company has also made investments in real estate, shares and other securities. Over the years, the Company has built up an impressive portfolio of securities investments. Hence, the Demerged Company has two distinct business verticals-Marine & EPC Business; and Investment Business.

II. **Seamec Ltd** (the Resulting Company/Seamec) is one of the largest providers of Diving Support Vessels in the Asia Pacific Region having a Fleet of Four Diving Support Vessels, One Barge and One Handy Max Bulk Carrier. The Company has unrivalled experience in the ongoing sub-sea inspection, repair, maintenance and light construction, required for the efficient and productive support of offshore oil production which are carried out by its diving support vessels in India and Overseas. Seamec, historically, has made its presence felt in Middle East, Southeast Asia, West Africa and Gulf of Mexico in the areas of execution of many underwater diving projects with Oil Companies and Contractors across the Globe. In India, Seamec has the reputation of prominent provider of diving support vessels. Seamec's Vessels are ISPS Certified and follow the best practices. They are equipped with pollution prevention equipments which are certified by Indian Certification Authorities. The Company owns one no. of Bulk Carrier while its subsidiaries in UAE owns three no. of Bulk Carriers. The above fleet are operated in worldwide trading. The Resulting Company has also set up a subsidiary for the purpose of undertaking EPC Construction and Turnkey Tunnel projects, a new line of business.

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III. The Management has decided to consolidate the entire Marine, Vessel Charter and other related activities of HAL Offshore Ltd and Seamec Ltd into the listed Resulting Company-Seamec Ltd. 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 demerge 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 Marine, EPC and other ancillary business of HAL Offshore Ltd into Seamec Ltd would result in business synergy, consolidation of entire marine and vessel charter business of both the Companies into the Listed Resulting Company, pooling of the resources of these Companies and would enable the Resulting Company to diversify into lucrative EPC Business.

ii. The Demerged Company/HAL Offshore is a leading 'End to End' Solution Provider of Underwater Services and EPC Services to the Indian Oil and Gas Industry. The Company is also engaged in Charter Hire of Diving Support Vessels (DSV) to the Mumbai High area undertaking diving, firefighting, material support, accommodation, crane, helipad, operation and maintenance of ONGC Vessels, painting of offshore platforms and other ancillary activities. Over the years, HAL Offshore has developed a diversified portfolio for undertaking turnkey projects involving sub-sea and marine services. Further, the Company is also a leading Indian EPC (Engineering, Procurement and Construction) Company, primarily serving the Oil and Gas Sector. For over a decade, HAL Offshore has executed Greenfield and Brownfield Projects for ONGC Ltd and Oil India Ltd. The projects are executed on LSTK (lumpsum turnkey) basis involving design, engineering, procurement, fabrication, transportation, hook-up, testing, certification/inspection, pre-commissioning, start-up, commissioning and long-term operation & maintenance of executed projects. Projects executed include Gas Gathering Stations, Gas Compression Stations, Oil Processing Facilities, Alkaline Surfactant Polymer Injection Facilities, Effluent Treatment Plants, Water Injection Plants at various assets of ONGC Ltd and Oil India Ltd. The Demerged Company has also made investments in real estate, shares and other securities. Over the years, the Company has built up an impressive portfolio of securities investments. Hence, the Demerged Company has two distinct business verticals-Marine & EPC Business; and Investment Business.

iii. The Resulting Company/Seamec is one of the largest providers of Diving Support Vessels in the Asia Pacific Region having a Fleet of Four Diving Support Vessels, One Barge and One Handy Max Bulk Carrier. The Company has unrivalled experience in the ongoing sub-sea inspection, repair, maintenance and light construction, required for the efficient and productive support of offshore oil production which are carried out by its diving support vessels in India and Overseas. Seamec, historically, has made its presence felt in Middle East, Southeast Asia, West Africa and Gulf of Mexico in the areas of execution of many underwater diving projects with Oil Companies

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and Contractors across the Globe. In India, Seamec has the reputation of prominent provider of diving support vessels. Seamec's Vessels are ISPS Certified and follow the best practices. They are equipped with pollution prevention equipments which are certified by Indian Certification Authorities. The Company owns one no. of Bulk Carrier while its subsidiaries in UAE owns three no. of Bulk Carriers. The above fleet are operated in worldwide trading. The Resulting Company has also set up a subsidiary for the purpose of undertaking EPC Construction and Turnkey Tunnel Projects, a new line of business.

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 and barge 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 and other ancillary 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. Post Scheme, the Resulting Company will be able to augment its 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.

xi. The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors of the Demerged Company and the Resulting Company is of the opinion that the proposed Scheme is in the best

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interest of these Companies, their Shareholders and other stakeholders.

C. This Scheme of Arrangement is framed in terms of the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Sections 66 and 55 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme of Arrangement provides for

i. De-merger of Marine, EPC and other ancillary business of HAL Offshore Ltd into Seamec Ltd; and

ii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid De-merger, if any.

D. Parts of the Scheme of Arrangement:

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

Part-1 which deals with the Definitions and Share Capital of the Companies.

Part-2 which deals with De-merger of Marine, EPC and other ancillary business of HAL Offshore Ltd into Seamec Ltd on a going concern basis.

Part-3 which deals with the Accounting Treatment.

Part-4 which deals with the General Clauses.

Part-5 which deals with Other Terms and Conditions.

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PART 1

DEFINITIONS AND SHARE CAPITAL

A. 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 other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.

1.2 **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to companies.

1.3 **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2023, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

1.4 **"Board" or "Board of Directors"** means the respective Board of Directors of the Demerged Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).

1.5 **"Demerged Business"** means Marine, EPC and other ancillary 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:

1.5.1 All types of marine activities including charter hire of diving and utility vessels and barge, Offshore and Onshore services.

1.5.2 EPC contracts and other ancillary activities both in offshore and onshore.

1.5.3 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Marine, EPC and other ancillary business of the Demerged Company (the Demerged Business) wherever situated pertaining thereto.

1.5.4 All present and future liabilities (including contingent liabilities) arising out of the activities or operations of Marine, EPC and other ancillary business of the Demerged Company, including loans, debts, current liabilities and provisions, duties and obligations relatable to such Demerged Business.

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1.5.5 Without prejudice to the generality of the above, Demerged Business shall include in particular:

a. All properties and assets including Land and building, plant and machinery and vessels and all other properties and assets including equipments and investments of the Demerged Business wherever situated.

b. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts and all other rights including 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, IT Software, applications, licenses & subscriptions, 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.

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

a. The liabilities including contingent 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.

1.5.7 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.

1.5.8 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.

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Performa Balance Sheet of Marine, EPC and other ancillary business of the Demerged Company is set out in Schedule-1.

1.6 **"De-merger"** means transfer and vesting of the Demerged Business of HAL Offshore Ltd, on a going concern basis, by way of De-merger into Seamec Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.

1.7 **"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; deepak.jha@mmgindia.in; Website: www.haloffshore.in.

The Demerged Company-HAL Offshore Ltd [Corporate Identification No. (CIN): U 24298 DL 1996 PLC 375526; Income Tax Permanent Account No. (PAN): AAA CH 3144 B] (hereinafter referred to as "the Demerged Company/the Company") 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, NCT of Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 27th December, 1996, by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Name of the Company was changed to its present name-'HAL Offshore Ltd' vide Fresh Certificate of Incorporation dated 4th September, 2000, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Maharashtra as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi vide Order dated 13th February, 2018. The Registrar of Companies, Maharashtra, Mumbai registered the aforesaid order of the Hon'ble Regional Director and allotted a new CIN to the Company. Subsequently, Registered Office of the Company was shifted from the State of Maharashtra to the NCT of Delhi as approved by the Hon'ble Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai vide Order dated 27th October, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi registered the aforesaid order of the Hon'ble Regional Director and allotted a new CIN to the Company.

Presently, the Demerged Company is in the process of shifting its Registered Office from the NCT of Delhi to the State of Maharashtra with the approval of the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi. This Scheme will be updated and modified to incorporate the detail of such change in registered office of the Company, without any further approval of the Board of Directors or any other person.

1.8 **"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. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall be a reference to the Effective Date.

1.9 **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title

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retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.

1.10 **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

1.11 **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Demerged Company or the Resulting Company, as the case may be, or in the nature of common law rights of the Demerged Company or the Resulting Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

1.12 **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

1.13 **National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/"NCLT".

1.14 **"Record Date"** means the date(s) to be fixed by the Board of Directors of the Demerged Company and/or the Resulting Company, with reference to which the eligibility of the Shareholders of the Demerged Company will be determined for allotment of shares in the Resulting Company on De-merger; and other connected matters, if any.

1.15 **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

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1.16 **"Remaining Business of the Demerged Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations, investments, cash and bank balances and intellectual property rights of the Demerged Company other than the Demerged Business.

1.17 **"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, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai-400 093, e-mail id: smohanty@seamec.in; Website: www.seamec.in.

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, Kolkata. The Company became a deemed public company and the word 'private' was deleted from the name of the Company on 12th December, 1988, by the Registrar of Companies, West Bengal, Kolkata. 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, Mumbai, registered the aforesaid order 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.

1.18 **"Scheme"** means the present Scheme of Arrangement framed under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Sections 66 and 55 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for the De-merger of Marine, EPC and other ancillary business of HAL Offshore Ltd into Seamec Ltd; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid De-merger, if any; 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.

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B. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

i. References to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship.

ii. Heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme.

iii. The term "Clause" refers to the specified Clause of this Scheme.

iv. References to one gender includes all genders.

v. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

vi. Words denoting singular shall include the plural and vice-versa.

vii. Reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time; and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

viii. Unless otherwise defined, the reference to the word "days" shall mean calendar days.

ix. References to dates and times shall be construed to be references to Indian dates and times.

C. SHARE CAPITAL

i. 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.

ii. 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.

iii. The Demerged Company is a closely held un-listed public limited company. Whereas the Resulting Company is a public limited listed company. Equity Shares of the Resulting Company are listed on BSE Ltd (Bombay Stock Exchange/BSE) and National Stock Exchange of India Ltd (National Stock Exchange/NSE).

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The Resulting Company is a subsidiary of the Demerged Company. Both the Companies are under common management and control. The present Scheme of Arrangement will not result any change in management and control of any of these Companies.

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PART 2

DE-MERGER OF MARINE, EPC AND OTHER ANCILLARY BUSINESS OF HAL OFFSHORE LTD INTO SEAMEC LTD

2.1 With effect from the commencement of business on the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the Demerged Business of the Demerged Company, as defined in 'Sub-clause 1.5' of 'Clause-A: Definitions' of Part 1 of this Scheme, 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 the 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 All the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, or any ownership or stake held in any other entity, by whatever name called, forming part of the Demerged Business, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 & 232 of the Act.

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2.1.5 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.

2.1.6 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.

2.1.7 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 the Demerged Company with respect to the 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.

2.1.8 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.

2.1.9 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.

2.1.10 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.

2.1.11 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value

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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.

2.1.12 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, which are being operated exclusively in relation to or in connection with the Demerged Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Business in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

2.1.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Business, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Business, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and, deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Business. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective 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:

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a. The Resulting Company will issue 20.17 (twenty point one seven) Equity Shares of ₹10 each, credited as fully paid up, to the Equity Shareholders of the Demerged Company for every 100 (one hundred) Equity Shares of ₹10 each held in the Demerged Company-HAL Offshore Ltd.

b. Further, the Resulting Company will also issue 33.76 (thirty three point seven six) Optionally Convertible Preference Shares of ₹10 each, credited as fully paid up, to the Equity Shareholders of the Demerged Company for every 100 (one hundred) Equity Shares of ₹10 each held in the Demerged Company-HAL Offshore Ltd.

2.2.2 Fractional entitlements arising out of the aforesaid exchange process, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Resulting Company for this purpose. The aforesaid Trust will sell such shares in the open market within a period of 90 days from the date of allotment of shares pursuant to the Scheme. Net Sale Proceeds [after deducting applicable taxes and expenses incurred in this regard] will be distributed among the eligible Shareholders of the Demerged Company in proportion to their respective Fractional Entitlements. The Resulting Company will submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Company has compensated the eligible shareholders against their respective fractional entitlements, within a period of seven days of compensating the Shareholders.

2.2.3 New Equity and Preference Shares to be issued by the Resulting Company in terms of Clause 2.2.1 above will be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company.

2.2.4 New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.

2.2.5 Major terms and condition of Optionally Convertible Preference Shares (OCPS) will be as follows:

i. OCPS will have face value of ₹10 each credited as fully paid-up.

ii. Subject to the conditions as mentioned in 'Sub-clause iii' below, each OCPS will be entitled to be converted into one Equity Share of ₹10 each, credited as fully paid-up, of the Resulting Company before the expiry of 18 months from the date of allotment of such OCPS (Conversion Exercise Period), at the option of such OCPS Holders. Accordingly, OCPS Holders can exercise option for conversion of OCPS into Equity Shares of the Resulting Company, in one or more tranches, by giving not less than 30 days' notice to the Resulting Company before the expiry of the Conversion Exercise Period of 18 months from the date of allotment of such OCPS subject to the conditions/restrictions as provided in 'Sub-clause iii' below.

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iii. Option for conversion of OCPS into Equity Shares shall be available only if and to the extent of the following:

a. Total Equity Shareholding of the Promoters and Promoters' Group in the Resulting Company shall not exceed 75% of the total issued and paid-up Equity Share Capital of the Resulting Company after such conversion;

b. The Creeping Acquisition limit of 5% of the total issued and paid-up Equity Share Capital of the Resulting Company after such conversion, available to the Promoters and Promoters' Group in one financial year in terms of the Regulation 3(2) of the SEBI (SAST) Regulations, 2011, shall not be exceeded; and

c. Any other condition imposed by the Stock Exchange or the SEBI or as may be amended under the applicable provisions of law.

iv. Equity Shares to be issued on conversion of OCPS, if any, shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.

v. On expiry of the Conversion Exercise Period, option for conversion into Equity Shares shall lapse. All the OCPS which are not converted into the Equity Shares either out of choice of the OCPS Holders or due to the conditions/restrictions mentioned in 'Sub-clause iii' above, shall be compulsorily redeemed by the Issuer Company as per the details given below. It is clarified that on expiry of the Conversion Exercise Period, all the outstanding OCPS will become Compulsorily Redeemable Preference Shares. However, for the sake of clarity, all such outstanding Preference Shares are being referred to as OCPS only.

Redemption of OCPS will be made in terms of the provisions of the Companies Act, 2013, within a period of 10 years from the end of the Conversion Exercise Period in the following manner, with a put and call option available to the OCPS Holders and the Issuer Company for early redemption:

a. OCPS will be redeemed at a Redemption Price of ₹1,177 per share (face value of ₹10 and Redemption Premium of ₹1,167, per share). Such redemption premium shall be compounded at the rate of 9% per annum from the end of the Conversion Exercise Period till the date of redemption.

b. Put and call option available to the OCPS Holders and the Issuer Company for early redemption of OCPS may be exercised, in one or more tranches.

c. The Issuer Company will take the necessary steps for redemption of OCPS and payment will be made within a period of 3 months from the date of (a) receipt of notice for redemption under put option; or (b) issue of notice

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for redemption under call option; or (c) the final maturity period of the OCPS, as the case may be.

vi. It is clarified that detailed terms and conditions of the OCPS including the terms and conditions of conversion and redemption, will be disclosed in the allotment letter to be issued to the respective allotees at the time of issuance of such OCPS. Further, on expiry of Conversion Exercise Period, the Issuer Company will also issue individual intimation to all the holders of the outstanding Preference Shares giving the relevant information about the redemption period, availability of put and call option for early redemption, etc.

2.2.6 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 and 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.

2.2.7 In respect of the Equity Shares in the Demerged Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Demerged Company entitled thereto, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before the Record Date. In respect of the equity shares of the Demerged Company held in physical form, each equity shareholders of the Demerged Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date, to receive the New Equity Share(s) of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Resulting Company in respect of any equity shareholder, the New Equity Shares of the Resulting Company shall be issued to such shareholders in physical form.

2.2.8 In the event there being any pending share transfer(s), the Board of Directors of the Demerged Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Demerged Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Demerged Company pursuant to Clause 2.2.1 above.

2.2.9 Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Demerged Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.

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2.2.10 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Company to the Shareholders of the Demerged Company will not apply to the share application money, if any, which may remain outstanding in the Demerged Company as on the record date.

2.2.11 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 listed as on the Effective Date. 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.

It is clarified that Optionally Convertible Preference Shares to be issued by the Resulting Company to the Shareholders of the Demerged Company in terms of this Scheme will not be listed on Stock Exchange(s). The Equity Shares to be issued on conversion of such OCPS, if any, shall be listed on all the Stock Exchanges on which the Equity Shares of the Resulting Company are listed as on the date of issuance of such Equity Shares.

2.2.12 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.

2.2.13 Shares allotted pursuant to this Scheme shall remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges. The Resulting Company will comply with the applicable provisions in this regard.

2.2.14 It is clarified that in the event of any change in the capital structure of the Resulting Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 2.2.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Resulting Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as

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an integral part of this Scheme upon agreement in writing by the Board of Directors of the Demerged Company and the Resulting Company.

2.3 Utilisation of Reserves & Surplus including the Securities Premium Account and/or Capital Redemption Reserve Account to account for the De-merger in the books of the Demerged Company, shall be affected 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 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 and 55 of the Companies Act, 2013, and other applicable provisions, if any, relating to the said utilisation of Reserves & Surplus including the Securities Premium Account and/or Capital Redemption Reserve Account to account for the De-merger in the books of the Demerged Company, in terms of this Scheme.

It is, however, clarified that the aforesaid utilisation will not involve either the diminution of any liability in respect of un-paid share capital, or payment to any shareholder of any paid-up share capital. None of the Demerged Company and the Resulting Company is proposing any buy-back of shares from their respective shareholders. Accordingly, none of the Demerged Company and the Resulting Company will be required to use the words "and reduced" as part of their respective corporate names upon sanction of the Scheme.

2.4 It is further clarified that no creditor of the Demerged Company and the Resulting Company will be adversely affected by the proposed utilisation of Reserves & Surplus to account for the De-merger in the books of the Demerged Company.

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PART 3

ACCOUNTING TREATMENT

Upon the Scheme becoming effective, De-merger of Marine, EPC and other ancillary business of the Demerged Company into the Resulting Company; and other matters contained in this Scheme 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).

Without prejudice to the generality of the aforesaid, the accounting treatment in respect of certain specific matters in the books of accounts of the Companies shall be as set out below:

3.1 In the books of the Demerged Company

3.1.1 All the assets and liabilities pertaining to the Demerged Business, 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 carrying values as on the Appointed Date.

3.1.2 The difference of the value of the assets and the liabilities pertaining to the Demerged Business, in case of shortfall, will be adjusted against the Capital Redemption Reserves, General Reserve Account, and other Reserves & Surplus, in that order, in books of the Demerged Company. Whereas any excess/surplus on De-merger will be credited to the Capital Reserve or other suitable reserve/account, in compliance with provisions of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.2 In the books of the Resulting Company

3.2.1 The Resulting Company shall record the assets and liabilities pertaining to the Demerged Business vested in it pursuant to this Scheme, at the values as appearing in the books of the Demerged Company as on the Appointed Date.

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 Shares to be issued by it to the Shareholders of the Demerged Company pursuant to Clause 2.2.1 of the Scheme.

3.2.3 The difference, i.e., the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Business and received from the Demerged Company pursuant to the Scheme after taking into account the face value of shares issued by the Resulting Company in terms of this Scheme, shall be credited or debited to the capital reserve of the Resulting Company, in terms of the provisions of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

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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 the present De-merger and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

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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 the 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, in relation to the Demerged Business, shall not

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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, are 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 the 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)

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relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions thereunder 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 De-merger 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 is 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 De-merger 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 Resulting 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 Business, are concerned, the same shall vest with and be available the Resulting Company on the same terms and conditions.

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

a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, If any, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.

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b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme, shall be applicable and come into operation from the Appointed 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.

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PART 5

OTHER TERMS AND CONDITIONS

5.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

5.1.1 The Demerged Company will make joint/separate application(s)/petition(s) under the provisions of Sections 230 & 232 read with Sections 66 and 55 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 will also make joint/separate application(s)/petition(s) under the provisions of Sections 230 & 232 read with Sections 66 and 55 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 TAX LAWS

a. The De-merger of the Demerged Business of the Demerged Company into the Resulting Company will comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any.

b. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Demerged Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

5.3 COMPLIANCE WITH SEBI REGULATIONS

a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/ P/2021/0000000665 dated 23rd November, 2021 ("the SEBI Scheme Circular"), as amended from

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time to time, and other 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 Promoters and Promoters' Group) of the Listed Resulting Company by passing a Resolution through e-voting and other means, as may be applicable. The Scheme is conditional upon the Scheme being approved by the public shareholders of the Resulting Company through e-voting in terms of Para 'A' '10(b)' of Part-I of the SEBI Scheme Circular. The Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

b. Notwithstanding above, the Demerged Company and the Resulting Company will also 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 connection with this Scheme and other connected matters.

c. BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

5.4 MODIFICATIONS/AMENDMENTS TO THE SCHEME

5.4.1 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.

5.4.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Resulting Company may give and is authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

5.4.3 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.

5.5 AUTHORISED SHARE CAPITAL

Save as provided in this Scheme, the Demerged Company and the Resulting Company, will increase/modify their respective Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of the Demerged Company and the

SAMEC LIMITED (MUMBAI)

For HAL OFFSHORE LIMITED

Company Secretary

Resulting Company will be sufficient for such modification/increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

5.6 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 arrangement in pursuance of this Scheme, shall be borne and paid by the Demerged Company and the Resulting Company in equal proportion. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the present Scheme or incidental thereto shall be borne and paid by the respective Companies incurring the same.

Legal Consultants of the Scheme:

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SEAMEC LIMITED MUMBAI

For HAL OFFSHORE LIMITED

Company Secretary

Schedule-1 to the Scheme of Arrangement

HAL Offshore Ltd

Proforma Balance Sheet of Marine, EPC and other ancillary Business of HAL Offshore Ltd to be demerged into Seamec Ltd

As on 31st December, 2021

Particulars	Amount (Rs.)
ASSETS	
Non-current Assets	
Net Fixed Assets	65,01,83,275
Current Assets, Loans and Advances	
Inventories	88,29,955
Sundry Debtors	203,91,04,873
Cash and Bank Balances	2,70,00,000
Loans & Advances	71,29,68,225
Total Assets (A)	**343,80,86,328**
LIABILITIES	
Non-current Liabilities	
Borrowings	9,94,25,595
Provisions	2,39,33,384
Deferred tax liabilities	6,18,83,384
Current Liabilities and Provisions	
Current Liabilities & Provisions	267,14,69,708
Total Liabilities (B)	**285,67,12,071**
Net Assets [A-B] (C)	**58,13,74,257**

SEAMEC LIMITED (MUMBAI)

For HAL OFFSHORE LIMITED

Company Secretary