

**SEAMEC LIMITED**A member of **MMG™**

SEAMEC/NSE/SMO/2903/2022

March 29, 2022

National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051

Trading Symbol: "SEAMECLTD"

Sub: Outcome of the Board Meeting held on Monday, March 28, 2022 - Scheme of arrangement for de-merger of Marine, EPC and other ancillary business of HAL Offshore Limited into Seamec Limited

Dear Sir/ Madam,

In continuation to our letter bearing reference no. SEAMEC/NSE/RES/SMO/1503/2022 dated March 15, 2022, we wish to inform that on the recommendation of the Audit Committee and Independent Directors, the Board of Directors in its meeting held on March 28, 2022 has considered and approved, the draft scheme of arrangement for de-merger of Marine, EPC and other ancillary business of HAL Offshore Limited (HAL) into Seamec Limited.

Pursuant to regulatory requirements, the proposed scheme of arrangement is subject to approval of the Stock Exchanges, Securities and Exchange Board of India (SEBI), Shareholders and Creditors of the Company and National Company Law Tribunal.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular CIR/CFD/CMD/4/2015 dated September 9, 2015, we furnish the following details:

1.	Name of the entity(ies) forming part of the demerger, details in brief such as, size, turnover etc.;	Demerged Company - HAL Offshore Limited (unlisted)									
		Resulting Company - Seamec Limited (listed on BSE Limited and National Stock Exchange of India Limited)									
		Seamec Limited is subsidiary of HAL Offshore Limited.									
		The brief financials of the companies involved in the scheme of arrangement as on December 31, 2021 is as under:									
		<table><tr><td></td><td colspan="2">(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></table>				(Rs. In Mn.)		Particulars	HAL (Standalone)	Seamec (Standalone)	Paid-up Capital
	(Rs. In Mn.)										
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Paid-up Capital	148.74	254.25									

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		Reserves and Surplus	8976.79	6213.33
		Networth	9125.53	6467.58
		Revenue from Operations	6425.53	2245.11
		Profit after Tax	1730.50	764.15
2.	Brief details of the division(s) to be demerged	The scheme of arrangement provides for de-merger of Marine, EPC and other ancillary business of HAL Offshore Limited into Seamec Limited.		
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. (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. The proposed draft scheme of arrangement and valuation report is on arm's length basis.		
5.	Area of business of the entity(ies) involved in scheme of arrangement;	<u>HAL Offshore Limited (Demerged Company)</u> 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-		

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		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. <u>SEAMEC Limited (Resulting Company)</u> 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.
6.	Rationale for Scheme of Arrangement by way of demerger	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. 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. ii. 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. v. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of manpower and various other resources by these Companies. v. 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. vi. 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. vii. 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. viii. 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
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		Resulting Company considered that a Scheme of Arrangement for De-merger would be the most appropriate methodology. ix. 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 interest of these Companies, their Shareholders and other stakeholders.																																
7.	Brief details of change in shareholding pattern (if any) of all entities	The authorised share capital of the demerged company is Rs. 25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of the demerged company is Rs. 14,87,37,800 divided into 1,48,73,780 equity shares of Rs. 10 each. The authorised share capital of the resulting company is Rs. 50,00,00,000 divided into 5,00,00,000 Equity Shares of Rs. 10 each. The issued, subscribed and paid-up equity capital of the resulting company is Rs. 25,42,50,000 divided into 2,54,25,000 equity shares of Rs.10 each. The shareholding pattern of Seamec Limited is as under: <table><tr><th>Category Shareholder</th><th>of</th><th>Number of equity shares</th><th>% Holding</th></tr><tr><td>Promoter and Promoter Group</td><td></td><td>1,83,17,101</td><td>72.04</td></tr><tr><td>Public</td><td></td><td>71,07,899</td><td>27.96</td></tr><tr><td>Total</td><td></td><td>2,54,25,000</td><td>100</td></tr></table> Subsequent to effectiveness of scheme of arrangement, subject to requisite approvals, Equity shareholding will be as under: <table><tr><th>Category Shareholder</th><th>of</th><th>Number of equity shares</th><th>% Holding</th></tr><tr><td>Promoter and Promoter Group</td><td></td><td>2,13,17,142</td><td>74.99</td></tr><tr><td>Public</td><td></td><td>71,07,899</td><td>25.01</td></tr><tr><td>Total</td><td></td><td>2,84,25,041</td><td>100</td></tr></table> In addition to the Equity Shares, OCPS will be issued to equity shareholders of demerged company comprising of 50,21,388 shares. Expected Post Scheme Shareholding of Seamec	Category Shareholder	of	Number of equity shares	% Holding	Promoter and Promoter Group		1,83,17,101	72.04	Public		71,07,899	27.96	Total		2,54,25,000	100	Category Shareholder	of	Number of equity shares	% Holding	Promoter and Promoter Group		2,13,17,142	74.99	Public		71,07,899	25.01	Total		2,84,25,041	100
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		Limited (OCPS) is as below:												
		<table><tr><th>Category of Shareholder</th><th>Number</th><th>%</th></tr><tr><td>Promoter and Promoter Group</td><td>50,21,388</td><td>100</td></tr><tr><td>Public</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>50,21,388</td><td>100</td></tr></table>	Category of Shareholder	Number	%	Promoter and Promoter Group	50,21,388	100	Public	0	0	Total	50,21,388	100
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Total	50,21,388	100												
8.	In case of cash consideration - amount or otherwise share exchange ratio;	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: 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. 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												

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	iii' below. 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 as per regulatory requirements, 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. vi.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:
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		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 for redemption under call option; or (c) the final maturity period of the OCPS, as the case may be.
9.	Whether listing would be sought for the resulting entity	Not applicable. (This is case of demerger from an unlisted company - HAL Offshore Limited into a listed company- Seamec Limited)

The aforesaid is for your information and record please.

Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company would be filing the application for obtaining NOC the concerned stock exchange(s) in due course.

The meeting of the Board of Directors commenced at 03:50 p.m. and concluded at 04:30 p.m.

Thanking you,

Yours Faithfully,
For **SEAMEC LIMITED**

S.N. Mohanty
President - Corporate Affairs, Legal and Company Secretary