DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Draft Letter of Offer**") is sent to you as an equity shareholder of Seamec Limited (the "**Target Company**"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment adviser/ consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares of the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of the stock exchange through whom the said sale was effected.

Open Offer ("Open Offer") by
HAL Offshore Limited ("Acquirer")

Registered office: 25, Bazar Lane, Bengali Market, New Delhi - 110 001; Tel: +91-11-4358 5000 Fax: +91-11-4358 5015

Makes a cash offer at ₹ 97 (Rupees Ninety Seven only) ("Offer Price") per Equity Share of face value of ₹ 10 each to acquire up to 8,814,000 (Eight Million Eight Hundred and Fourteen Thousand) Equity Shares representing 26% (twenty six percent) of the Voting Share Capital under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time ("SEBI (SAST) Regulations") from the Public Shareholders
of
SEAMEC LIMITED

Registered office: 9th Floor, A 901 - 905, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai 400 069**;** Tel: +91-22-6694 1800; Fax: +91-22-6694 1818

Notes:

1. This Open Offer is being made pursuant to and in compliance with Regulations 3(1), and 4 of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge of the Acquirer, there are no statutory approval(s) required by the Acquirer to complete this Open Offer. However, in case of any statutory approval(s) being required at a later date, this Open Offer will be subject to such approval(s) and the necessary applications for such approvals will be made.
5. The Acquirer can revise the Offer Price or the size of the Open Offer at any date prior to the commencement of the last three working days prior to the opening of the Tendering Period (as defined hereinafter), i.e. up to Wednesday, June 11, 2014. Any such upward revision or withdrawal would be informed by way of a public announcement) in the same newspapers and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirer for all the Equity Shares validly tendered during the Tendering Period.
6. **There has been no competing offer as of the date of this Draft Letter of Offer.**
7. **If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date**
8. A copy of the Public Announcement (as defined below), the Detailed Public Statement (as defined below) and this Draft Letter of Offer (including the Form of Acceptance-cum-Acknowledgment) are also available on the website of the Securities and Exchange Board of India ("**SEBI**") (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Equirus **Equirus Capital Private Limited** SEBI Registration Number: INM000011286 Address: Fortune 2000 'A' Wing, 4th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Contact Person: Mr. Munish Aggarwal/ Mr. Ashwin Ramakrishnan Tel: +91-22-26530600; Fax: +91-22-26530601 E-mail: seamec.openoffer@equirus.com Website: www.equirus.com	LINK INTIME INDIA PVT LTD **Link Intime India Private Limited** SEBI Registration No. INR000004058 Address: C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078 Maharashtra, India Contact Person: Mr. Pravin Kasare Tel: +91-22-2596 7878; Fax: +91-22-2596 0329 Email: seamec.offer@linkintime.co.in Website: www.linkintime.co.in

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THIS OPEN OFFER

Activity	Day and Date
Issue of Public Announcement	Tuesday, April 22, 2014
Publication of Detailed Public Statement in newspapers	Tuesday, April 29, 2014
Last date of filing Draft Letter of Offer with SEBI	Wednesday, May 07, 2014
Last date for public announcement of a competing offer(s)*	Thursday, May 22, 2014
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Thursday, May 29, 2014
Identified Date**	Monday, June 2, 2014
Last date by which the Letter of Offer will be dispatched to the shareholders	Monday, June 9, 2014
Last date of upward revision of Offer Price and/ or the Offer Size	Tuesday, June 10, 2014
Last date by which a committee of independent directors of the Target Company shall give its recommendation to the Public Shareholders	Wednesday, June 11, 2014
Publication of advertisement containing announcement of the schedule of activities of this Open Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where the DPS was published and notified to SEBI, Stock Exchanges and the Target Company at its registered office	Friday, June 13, 2014
Date of commencement of Tendering Period	Monday, June 16, 2014
Date of closure of Tendering Period	Friday, June 27, 2014
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/ return of unaccepted shares	Friday, July 11, 2014
Issue of post-offer advertisement	Friday, July 18, 2014
Last date for filing of final report with SEBI	Friday, July 18, 2014

**There has been no competing offer as of the date of the* Draft *Letter of Offer.*

***Identified Date is the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Public Shareholders to whom the Letter of Offer shall be sent. The Identified Date is only for the purpose of determining the shareholders of the Target Company as on such date to whom the Letter of Offer would be dispatched. It is clarified that all the equity shareholders of the Target Company (registered or unregistered) (except the parties to the SPA), at any time prior to the Closure of the Tendering Period, are eligible to participate in this Open Offer.*

RISK FACTORS

Set forth below are the risk factors relating to the underlying transaction, the Open Offer and the probable risks involved in associating with the Acquirer. For capitalized terms used herein please refer to the Definitions set out on page no. 7 of this Draft Letter of Offer.

A. Risk factors relating to the transaction

1. Pursuant to the SPA, on acquisition of the First Tranche Equity Shares, (i) the Acquirer shall acquire control of the Target Company; (ii) the nominee directors of the Seller will resign from the Board; and (iii) the Acquirer will appoint its nominee directors on the Board, which will result in a change in ownership, control and management of the Target Company, which may have a significant effect on the business, financial condition and the results of operations of the Target Company.

2. In accordance with the SPA, the acquisition of the First Tranche Equity Shares shall be completed upon the fulfilment of conditions agreed between the Acquirer and the Seller. In terms of and in accordance with regulation 23(1) of the SEBI (SAST) Regulations, if the conditions as stated in paragraph 2.1.5(f) of this Draft Letter of Offer are not complied with, for the reasons beyond the reasonable control of the Acquirer, the Open Offer would stand withdrawn.

3. The SPA is subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Open Offer

1. To the best of the knowledge of the Acquirer, no statutory approvals are required to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer at a later date, this Open Offer shall be subject to such approvals and the Acquirer shall make necessary applications for such approvals. In the event that either: (a) regulatory or statutory approvals are not received in time; (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer from performing its obligations hereunder; or (c) SEBI instructing the Acquirer not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. In case the delay is due to non-receipt of statutory approval(s), then in accordance with regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Open Offer subject to the Acquirer agreeing to pay interest to the validly tendering Public Shareholders at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.

2. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI or FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Open Offer.

3. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Open Offer, cannot be withdrawn by the Public Shareholders during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and dispatch of consideration are delayed.

4. The tendered Equity Shares will lie to the credit of a designated escrow depository account and the documents relating to the tendered Equity Shares would be held in trust by the Registrar to the Offer, till the completion of the Open Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, thereby restricting the ability of such Public Shareholders to take advantage of any favourable price movements. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Open Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Public Shareholders on whether or not to participate in this Open Offer.

5. Public Shareholders tendering their Equity Shares in this Open Offer will be doing so prior to receipt of consideration in relation to such tendered Equity Shares as the Acquirer has up to 10 working days, or such extended period as may be permitted by SEBI, from the date of closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in this Open Offer.

6. The Acquirer and the Manager to the Open Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA), the Detailed Public Statement (DPS), the Draft Letter of Offer or the Letter of Offer or in any advertisement or any materials issued by or at the instance of the Acquirer. Any persons placing reliance on any other source of information will be doing so at their own risk. Further, the Acquirer and the Manager to the Open Offer does not accept responsibility with respect to the information contained in the PA, the DPS, or the Draft Letter of Offer or the Letter of Offer that pertains to the Target Company and/or the Seller which has been provided by the Target Company, the Seller or taken from publicly available sources.

7. The Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of the Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe the applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.

8. The Public Shareholders are advised to consult their respective tax advisers for assessing the tax liability pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the Draft Letter of Offer.

9. The Acquirer and the Manager to the Offer make no assurance with respect to the financial performance of the Target Company and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in this Open Offer.

C. Risks relating to the Acquirer

1. The Acquirer makes no assurances with respect to their investment/ divestment decisions relating to their shareholding in the Target Company.

2. The Acquirer makes no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer makes no assurances with respect to the market price of the Equity Shares before, during or after this Open Offer and expressly disclaims any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not to participate in this Open Offer.

4. The acquisition of Equity Shares pursuant to this Open Offer, together with the First Tranche Equity Shares pursuant to the SPA, may result in public shareholding in the Target Company falling below the level required for continued listing as prescribed under the Listing Agreement. While the Target Company is required to decrease the non-public shareholding to the level specified and within the time stipulated under the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the Listing Agreement, any failure to comply with the conditions with aforesaid regulations could have an adverse effect on the price and tradability of the Equity Shares.

The risk factors set forth above pertain to the underlying transaction, this Open Offer and are not in relation to the present or future business operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Open Offer, but are only indicative. The Public Shareholders are advised to consult their stockbrokers or legal, financial, tax or investment consultants, if any, for analyzing all the risks with respect to their participation in this Open Offer and related sale and transfer of Equity Shares.

CURRENCY OF PRESENTATION

In the Draft Letter of Offer, all references to '₹' / 'Rs' / 'Rupees' are references to Indian Rupees. Throughout the Draft Letter of Offer, all figures have been expressed in 'Millions' unless otherwise specifically stated. In the Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

INDEX

KEY DEFINITIONS

Term	Definition
Acquirer	HAL Offshore Limited having its registered office at 25, Bazar Lane, Bengali Market, New Delhi - 110 001.
Board	The board of directors of the Target Company.
BSE	BSE Limited
Business Day	Any day other than a Saturday, Sunday or any day on which banks in Mauritius, banks in India or SEBI are permitted to be closed.
CA/ Chartered Accountant	Chartered accountant as defined under the Chartered Accountants Act, 1949.
CDSL	Central Depository Services (India) Limited
Closure of the Tendering Period	17:00 hours on June 27, 2014.
Companies Act, 1956	The Companies Act, 1956 as amended.
Companies Act, 2013	The Companies Act, 2013, as applicable.
Depository Escrow Account	The depository account opened by the Registrar to the Offer with NSDL, bearing DP ID number IN303116 and the beneficiary client ID 11365327.
Depositories	NSDL and CDSL
DP	Depository Participant
DPS/ Detailed Public Statement	Detailed Public Statement, dated April 29, 2014 issued by the Manager to the Offer, on behalf of the Acquirer in relation to the Open Offer and published in newspapers on April 29, 2014 in accordance with Regulations 3(1) and 4 read with Regulations 13(4) and 15(2) of the SEBI (SAST) Regulations.
Draft Letter of Offer	This draft letter of offer dated May 7, 2014 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Equity Shares	Fully paid up equity share of Target Company having face value of ₹10 each.
Equity Share Capital	Fully paid up equity share capital of Target Company as on date of PA having face value of ₹10 each.
FII(s)	SEBI registered foreign institutional investor(s), as defined under SEBI (Foreign Institutional Investors) Regulations, 1995.
FIPB	Foreign Investment Promotion Board.
First Completion Date	Meaning ascribed in paragraph 2.1.5(b) of this Draft Letter of Offer.
First Tranche Equity Shares	Means 17,289,000 Equity Shares, representing 51.00% of the Equity Share Capital from the Seller, in accordance with the terms of the SPA.
Form of Acceptance-cum-Acknowledgement	Form of Acceptance-cum-Acknowledgement attached to the Letter of Offer.
Identified Date	June 2, 2014, i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the shareholders of the Target Company to whom the Letter of Offer shall be sent.
Income Tax Act	Income Tax Act, 1961, as amended.

Term	Definition
Letter of Offer	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
Listing Agreement	The equity listing agreement entered into by the Target Company with the Stock Exchanges, as amended from time to time.
Long Stop Date	September 30, 2014, or such other date in accordance with the terms of the SPA
Manager to the Offer	Equirus Capital Private Limited having its office at Fortune 2000 'A' Wing, 4th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
NECS	National Electronic Clearance Service.
NEFT	National Electronic Funds Transfer.
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas corporate body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time.
Open Offer/ Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 8,814,000 (Eight Million Eight Hundred and Fourteen Thousand) Equity Shares, representing 26% of the Voting Share Capital, at a price of ₹ 97 (Rupees Ninety Seven) per Equity Share.
Offer Period	The period between the date on which the PA was made (i.e. on April 22, 2014) and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Open Offer, is made, or the date on which this Open Offer is withdrawn, as the case may be.
Offer Price	₹97(Rupees Ninety Seven) per Equity Share.
Offer Size	Up to 8,814,000 (Eight Million Eight Hundred and Fourteen Thousand) Equity Shares representing 26% of the Voting Share Capital.
PA/ Public Announcement	The public announcement in connection with the Open Offer dated April 22, 2014 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Open Offer and filed with BSE and NSE on April 22, 2014 and with SEBI and the Target Company at its registered office on April 23, 2014.
PAN	Permanent Account Number.
Public Shareholders	All shareholders of the Target Company, other than the parties to the SPA including persons deemed to be acting in concert with such parties.
Purchase Consideration	Meaning as ascribed in paragraph 2.1.4 of this Draft Letter of Offer.
QFIs	Qualified Foreign Investors.
RBI	Reserve Bank of India.
Registrar to the Offer	Link Intime India Private Limited having its office at C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078 Maharashtra, India.
₹ / Rs. / INR / Rupees	Indian Rupees.

Term	Definition
Sale Shares	Between 17,289,000 and 25,425,000 Equity Shares, as per the terms and conditions of the SPA
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Second Tranche Equity Shares	Subject to the number of Equity Shares acquired in the Open Offer, such number of Equity Shares in the second tranche, subject to a maximum of 8,136,000 Equity Shares, to be acquired by the Acquirer from the Seller to bring the Acquirer's aggregate shareholding in the Target Company to 75.00% of the Equity Share Capital, in accordance with the terms of the SPA.
Seller	Coflexip Stena Offshore (Mauritius) Limited having its registered office at C/o Multiconsult Limited, Les Cascades Building, Edith Cavell Street, Port-Louis, Mauritius.
SPA	Share purchase agreement between the Acquirer and the Seller dated April 22, 2014.
Special Depository Account	Meaning as ascribed in paragraph 7.3 of this Draft Letter of Offer.
Stock Exchanges	NSE and BSE where the Equity Shares of the Target Company are listed
Target Company	Seamec Limited, having its registered office at 9th Floor, A 901 - 905, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai 400 069.
Tendering Period	Period commencing from Monday, June 16, 2014 to Friday, July 27, 2014, both days inclusive.
Voting Share Capital	33,900,000 Equity Shares being the total paid-up share capital of the Target Company as of the 10th Working Day from the Closure of the Tendering Period.
Working Day	Any working day of SEBI.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF SEAMEC LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER 'EQUIRUS CAPITAL PRIVATE LIMITED' HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 7, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER."

2. DETAILS OF THE OPEN OFFER

2.1 Background to the Open Offer

2.1.1 This Open Offer is a mandatory Open Offer being made by the Acquirer to the Public Shareholders, in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, pursuant to the SPA wherein the Acquirer has agreed to acquire more than 25% of the Equity Shares and voting rights in and control over the Target Company. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.1.2 There are no person(s) acting in concert with the Acquirer in this Open Offer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.

2.1.3 On April 22, 2014 the Acquirer entered into a share purchase agreement, being the SPA, with the Seller where under the Acquirer has agreed to acquire from the Seller a maximum of 25,425,000 Equity Shares constituting 75.00% of the Equity Share Capital in two tranches in the following manner: (i) 17,289,000 Equity Shares, representing 51.00% of the Equity Share Capital from the Seller in the first tranche, being the First Tranche Equity Shares; and (ii) subject to the number of Equity Shares acquired in the Open Offer, the Acquirer shall acquire such number of Equity Shares in the second tranche, subject to a maximum of 8,136,000 Equity Shares, to bring the Acquirer's aggregate shareholding in the Target Company to 75.00% of the Equity Share Capital, being the Second Tranche Equity Shares.

2.1.4 The Acquirer has agreed to purchase the Sale Shares from the Seller at a price of ₹97 (Rupees Ninety Seven only) per Equity Share, payable in cash totalling up to ₹2,466,225,000 (Rupees Two Billion and Four Sixty Six Million and Two Twenty Five Thousand only) ('**Purchase Consideration**'), subject to the terms and conditions as contained in the SPA and provisions of the SEBI (SAST) Regulations.

2.1.5 The key terms and conditions of the SPA are as follows:

(a) Pursuant to the SPA, the Acquirer proposes to acquire between 17,289,000 Equity Shares and 25,425,000 Equity Shares from the Seller.

(b) The First Tranche Equity Shares will be acquired on the later of (i) date falling on the 22nd Business Day after the date of this DPS, in compliance with Regulations 22(2) and 17(1) of the SEBI (SAST) Regulations or (ii) the date falling on 2 (two) Business Days from completion of conditions precedent required to be completed by the Acquirer and the Seller as per the terms of the SPA prior to the Long Stop Date ('**First Completion Date**'). Thereafter, subject to the number of Equity Shares acquired in the Open Offer, the Acquirer shall acquire such number of Equity Share of the Second Tranche Equity Shares, to bring the Acquirer's aggregate shareholding in the Target Company to 75.00% of the Equity Share Capital. Further, the Second Tranche Equity Shares shall be acquired by the Acquirer, within a period of 5 (five) working days from the issuance of the certificate under Regulation 17(10) of the SEBI (SAST) Regulation by the Manager to the Offer and in any event no later than 180 days from the last date of the tendering period of the Open Offer.

(c) On acquisition of the First Tranche Equity Shares, (i) the Acquirer will appoint its nominee directors on the Board; (ii) the nominee directors of the Seller will resign from the Board; and (iii) the Acquirer shall acquire control of the Target Company.

(d) The completion of the sale and purchase of the First Tranche Equity Shares in terms of the SPA is subject to customary closing conditions as agreed between the Acquirer and the Seller.

(e) The Seller has provided certain customary undertakings in relation to the business and affairs of the Target Company and its subsidiary, until the acquisition of the First Tranche Equity Shares.

(f) The acquisition of the First Tranche Equity Shares is conditional subject to the fulfilment of the conditions precedent agreed in the SPA including with respect to:

(i) the Seller having not breached its relevant undertakings to be complied with until the acquisition of the First Tranche Equity Shares;

(ii) there not having occurred any force majeure events (as per the terms of the SPA);

(iii) the Seller having provided the Acquirer a copy of the audited balance sheet of the Target Company as on March 31, 2014 and the audited statements of profit and loss of the Target Company for the Financial Year ended on March 31, 2014, on a consolidated basis that is publicly disclosed by the Target Company; and

(iv) the lenders of the Target Company having been intimated of the proposed transaction of the sale of the Sale Shares from the Seller to the Acquirer.

(g) Post-acquisition of the First Tranche Equity Shares by the Acquirer, the Seller shall cease to be in control over the Target Company, as the term 'control' is defined or interpreted under the SEBI (SAST) Regulations and the Seller will not continue to be the promoter of the Target Company as the term is defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2.1.6 There is an escrow mechanism for the Sale Shares and the purchase consideration for the Sale Shares, and the Acquirer and the Seller have executed an escrow agreement for such purpose.

2.1.7 The Acquirer shall, pursuant to the acquisition of First Tranche Equity Shares of the Target Company under the SPA, hold the majority of the Equity Shares by virtue of which the Acquirer shall control the Target Company and shall consequently become the new promoter of the Target Company and the Seller shall accordingly cease to be a promoter or part of the promoter group of the Target Company. Further, the Acquirer will appoint its nominee to the Board and the nominees of the Seller viz. Mr. Carl Holmen, Ms. Muriel Hurstel and Mr. George Michel shall resign from the Board.

2.1.8 The Acquirer shall not have any voting rights over the First Tranche Equity Shares until the First Completion Date. The Acquirer would be eligible to exercise voting rights only post acquisition of First Tranche Equity Shares and consequently the Acquirer may reconstitute the Board in accordance with Regulation 24(1) of the SEBI (SAST) Regulations.

2.1.9 The mode of payment of consideration for acquisition of Sale Shares by the Acquirer is cash.

2.1.10 As on the date of this Draft Letter of Offer, the Acquirer does not hold any Equity Shares.

2.1.11 As on date of the Draft Letter of Offer, the Seller holds 25,425,000 Equity Shares in the Target Company. The following table provides the shareholding of the Seller as on date of the Draft Letter of Offer, as well as their shareholding post-closing of the SPA:

S. No.	Particulars	No. of Equity Shares as on date of the Draft Letter of Offer	% vis-à-vis Equity Share Capital	No. of Equity Shares to be held post-closing of the SPA	% vis-à-vis Voting Share Capital
1.	Seller	25,425,000	75.00*	Between Nil and 8,136,000*	Between Nil and 24.00*

** In terms of the SPA, the Acquirer proposes to acquire upto 25,425,000 Equity Shares representing upto 75.00% of the Equity Share Capital in two tranches, subject to the number of Equity Shares acquired in the Open Offer. In the first tranche, the Acquirer proposes to acquire 17,289,000 Equity Shares representing 51.00% of the Equity Share Capital. Thereafter, subject to the number of Equity Shares acquired in the Open Offer, the Acquirer shall acquire such number of Equity Shares in the second tranche, to bring the Acquirer's aggregate shareholding to 75.00% of the Equity Share Capital.*

2.1.12 As per the filings made by the Target Company to Stock Exchanges for the quarter ended March 31, 2014 under Clause 35 of the Listing Agreement, the Seller is the promoter of the Target Company.

2.1.13 The Acquirer undertakes that it will not sell the Equity shares held by it, if any, during the Open Offer period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.

2.1.14 Neither the Acquirer nor any of its directors have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made there under.

2.1.15 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board is required to constitute a committee of independent directors to provide their reasoned recommendations on this Open Offer. These reasoned recommendations are required to be published at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers and same editions where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.1.16 This Open Offer is not pursuant to any global acquisition resulting in an indirect acquisition of the Equity Shares.

2.2 Details of the proposed Open Offer

2.2.1 The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

Newspaper	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai

A copy of the PA and DPS is available on the website of SEBI (www.sebi.gov.in).

2.2.2 In terms of the proviso to Regulation 13(4) of the SEBI (SAST) Regulations, the DPS was published on April 29, 2014 i.e. within 5 (five) Working Days of the date of PA, viz. April 22, 2014. Simultaneously with the publication of the DPS, a copy of the DPS was sent through the Manager to the Offer to: (a) SEBI; (b) BSE; (c) NSE; and (d) the registered office of the Target Company.

2.2.3 Pursuant to the Open Offer, the Acquirer will acquire up to 8,814,000 Equity Shares representing 26% of the Voting Share Capital at a price of ₹97 (Rupees Ninety Seven only) per Equity Share in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and the Draft Letter of Offer.

2.2.4 As of the date of the Draft Letter of Offer, there are no partly paid-up Equity Shares in the share capital of the Target Company.

2.2.5 This Open Offer is being made to the Public Shareholders in terms of Regulation 7 (6) of the SEBI (SAST) Regulations.

2.2.6 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there has been no competing offer as of the date of the Draft Letter of Offer.

2.2.7 This Open Offer is not conditional on any minimum level of acceptance by the Public Shareholders. Further, there is no differential pricing for this Open Offer.

2.2.8 All Equity Shares validly tendered by the Public Shareholders pursuant to this Open Offer will be accepted at the Offer Price by the Acquirer, in accordance with the terms and conditions contained in the PA, the DPS, the Draft Letter of Offer and the Letter of Offer. In the event that the Equity Shares tendered in this Open Offer by the Public Shareholders are more than the Offer Size, the acquisition of Equity Shares from the Public Shareholders will be on a proportionate basis, as detailed in paragraph 7.10 of this Draft Letter of Offer.

2.2.9 The Acquirer undertakes that it shall not tender any Equity Shares in this Open Offer.

2.2.10 As on the date of the Draft Letter of Offer, the Acquirer has not acquired any Equity Shares after the date of PA.

2.2.11 The Manager to the Offer does not hold any Equity Shares as on the date of the Draft Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares during the Offer Period.

2.2.12 Pursuant to the acquisition of the First Tranche Equity Shares by the Acquirer in the manner as set out in the SPA, the Acquirer will own 51% of the Equity Share Capital and shall also acquire control of the Target Company. Accordingly, the Acquirer shall be classified as the new 'promoter' of the Target Company and the Seller shall cease to be a 'promoter' of the Target Company. As per Clause 40A of the Listing Agreement read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. Upon completion of this Open Offer, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the Listing Agreement, the Acquirer undertakes to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the Listing Agreement, within the time period stated therein.

2.3 Object of acquisition and future plans with respect to the Target Company

2.3.1 The Acquirer believes that the acquisition of the Target Company presents significant potential to the Acquirer given Target Company's vast experience in owning and operating offshore-support vessels for providing services such as subsea inspection, repair, maintenance and light construction backed by a trusted brand name, and a stable and motivated professional management team. The Acquirer believes that the Target Company's business complements its own business and will help the Acquirer to exercise better control on vessels which should help the Acquirer provide better service to its clients. The Acquirer believes that the Target Company should benefit from Acquirer's relationships in the industry and strong business focus. Further, the Acquirer aims to achieve operational and strategic efficiency as a result of synergies from shared resources across businesses and common management.

2.3.2 The Acquirer does not have any intention to dispose or otherwise encumber any material assets of the Target Company or any of its subsidiaries for the succeeding 2 (two) years from the date of closure of this Open Offer, except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any material asset of the Target Company is to be sold, leased, disposed of or otherwise encumbered other than in the ordinary course of business or for the purpose of restructuring and/ or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company, the Acquirer undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of Regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable laws.

2.3.3 The Acquirer reserves the right to streamline/ restructure its holding in the Target Company and/ or the operations, assets, liabilities and/ or businesses of the Target Company and/ or its subsidiary through arrangements, reconstructions, restructurings, mergers (including but not limited to merger with its subsidiary), demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/ operating arrangements, at a later date in accordance with applicable laws.

2.3.4 Post the First Completion Date, the Acquirer, acting through the Target Company, may be desirous of entering into an agreement with Technip S.A. in relation to the manner in which certain business opportunities of the Target Company may be pursued. The terms of such agreement are yet to be agreed. It is clarified that such agreement shall not cede any "control" of the operations of the Target Company in favour of Technip S.A. and/or the Seller and will not entail any consideration in favour of the Seller and/or Technip S.A.

3. BACKGROUND OF THE ACQUIRER

3.1 HAL OFFSHORE LIMITED

3.1.1 The Acquirer, a public limited company, was incorporated as 'Himachal Alkalies Limited' on December 17, 1996 under the provisions of Companies Act, 1956 and received a certificate of commencement of business dated December 26, 1996. Subsequently, its name was changed to 'HAL Offshore Limited' and a fresh certificate of incorporation was issued on September 4, 2000, by the Registrar of Companies, National Capital Territory of Delhi and Haryana. There has been no other change in the name of the Acquirer since its incorporation.

3.1.2 The registered office of the Acquirer is situated at 25, Bazar Lane, Bengali Market, New Delhi, 110 001 India.

3.1.3 The principal activity of the Acquirer is to provide sub-sea and specialized marine services and providing EPC services as well as owning and operating offshore-support vessels for providing services such as subsea inspection, repair, maintenance and light construction.

3.1.4 Mr. Sanjeev Agrawal, Mr. Anant Agrawal, Ms. Deepti Agrawal and Sanjeev Agrawal HUF are persons in control/promoter of the Acquirer. The Acquirer is part of the M.M. Agrawal Group.

3.1.5 As on the date of the Draft Letter of Offer, the Acquirer does not hold any Equity Shares. The Acquirer is neither a promoter nor is it a part of the promoter group of the Target Company. Further, none of the directors or key managerial personnel of the Acquirer hold any interest/ relationship/ shares in the Target Company except for:

(a) a long-term charter agreement dated July 12, 2011 (and an addendum thereto dated September 23, 2011) between the Acquirer and the Target Company for the charter of a vessel belonging to the Target Company for working with ONGC for a period of three years; and

(b) the transactions contemplated and detailed under the SPA which have triggered this Open Offer.

3.1.6 As the Acquirer has never held any Equity Shares the relevant provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable.

3.1.7 The shareholding pattern of the Acquirer is as follows:

S. No.	Shareholder's category	Number of shares held	Percentage (%) of shares held
1.	Promoter and promoter group	10,593,700	100.00
2.	FIIs/ Mutual Funds / FIs / Banks	Nil	Nil
3.	Public	Nil	Nil
	Total Paid Up Capital	**10,593,700**	**100.00**

3.1.8 The details of the board of directors of the Acquirer, as on date of the Draft Letter of Offer, are as follows:

S. No.	Name & designation	DIN	Qualification & experience	Date of appointment
1.	Mr. Sanjeev Agrawal (Managing Director)	00282059	Mr. Sanjeev Agrawal holds a Masters degree in Commerce and MBA Degree from Coca-Cola University, Atlanta, USA and he has been a director of the Acquirer since March 1, 2005. He has 20 years of experience in Oil and Gas Sector. He is also on the board of directors of varied private and public companies.	March 01, 2005
2.	Mr. Ramalingam	00988634	Mr. Ramalingam Natesan holds a Bachelors degree in Engineering and has	October 9, 2006

	Natesan (Director)		been a director of the Acquirer since October 9, 2006. He has 30 years of experience in the Oil and Gas Sector. He is also on the board of directors of IGOPL Offshore Private Limited	
3.	Mr. Prince Goyal (Director)	00954215	Mr. Prince Goyal holds a Bachelors degree in Commerce and has been a director of the Acquirer since March 10, 2014. He has 2 years of experience in Oil and Gas Sector. He is also on the board of directors of varied private and public companies.	March 10, 2014

Note: *None of the directors of the Acquirer is a director of the Target Company or hold any Equity Shares as of the date of the Draft Letter of Offer.*

3.1.9 Brief financial details of the Acquirer, based on the audited financial statements for the financial years ended March 31, 2011, March 31, 2012 and March 31, 2013 and financials, as certified by the statutory auditor, for the twelve months period ended March 31, 2014 are as follows:

(Amount in ₹millions except EPS)

Particulars	**FY Ending March 31,**			**For the twelve months period ended March 31, 2014 (Unaudited)**
	2011 (Audited)	**2012 (Audited)**	**2013 (Audited)**	
Profit & Loss Statement				
Income from Operations	1,687.0	1,985.4	3,319.5	3,345.6
Other Income	11.8	68.4	24.4	54.9
Total Income	1,698.9	2,053.7	3,343.9	3,400.5
Total Expenditure	1,328.8	1,652.0	2,912.6	3,002.3
Profit Before Depreciation Interest and Tax	370.0	401.7	431.2	398.2
Depreciation	230.2	186.4	165.7	133.0
Interest/ Finance costs	102.1	154.7	164.2	142.7
Profit Before Tax	37.8	60.6	101.4	122.5
Provision for Tax	13.0	18.5	34.5	41.5
Profit After Tax	24.8	42.1	66.9	81.0
Balance Sheet Statement*				
Equity and Liabilities				
Shareholders' Funds				
Share Capital	101.2	105.9	105.9	105.9
Reserves and Surplus (excluding revaluation reserves)	618.9	751.2	818.1	899.0
Networth	720.1	857.1	924.0	1,004.9
Non Current Liabilities				
Long Term Borrowings	844.8	601.8	160.7	0.4
Deferred Tax Liabilities (Net)	-	-	-	-

Particulars	FY Ending March 31,			For the twelve months period ended March 31, 2014 (Unaudited)
	2011 (Audited)	2012 (Audited)	2013 (Audited)	
Long Term Provisions	-	-	-	-
Current Liabilities				
Short Term Borrowings	377.4	611.8	709.2	634.9
Trade Payables	242.0	342.9	565.8	688.2
Other Current Liabilities	148.8	103.7	67.9	68.5
Short Term Provisions	42.0	31.5	66.0	107.5
Total	**2,375.1**	**2,548.8**	**2,493.5**	**2,504.4**
Assets				
Non Current Assets				
Fixed Assets	969.7	787.7	722.7	587.8
Non Current Investments	97.5	97.8	133.4	133.3
Long Term Loans & Advances	172.9	204.8	7.4	6.5
Other Non Current Assets	-	-	-	-
Current Assets				
Current Investments	-	-	-	-
Inventories	-	-	-	-
Trade Receivables	405.1	351.7	529.7	507.5
Cash and Bank Balances	227.9	414.1	492.1	469.9
Short Term Loans & Advances	359.3	601.9	464.1	578.7
Other Current Assets	142.9	90.7	144.3	220.7
Total	**2,375.1**	**2,548.8**	**2,493.5**	**2,504.4**
Other Financial Data				
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (In ₹) – Basic	2.45	3.97	6.32	7.64
Earnings Per Share (In ₹) – Diluted	2.45	3.97	6.32	7.64

* Balance sheet has been provided as per revised Schedule -VI format provided under Companies Act, 1956

Source: *Annual report for the financial year ended March 31, 2012 and March 31, 2013 and unaudited financial results certified by Kamal & Company for the period ended March 31, 2014.*

3.1.10 As of January 31, 2014, there are no other contingent liabilities of the Acquirer, except for the following:

a) Inland Letter of Credit has been issued on behalf of the Acquirer for an amount of ₹311,904,416;

b) Bank guarantees have been issued on behalf of the Acquirer for a cumulative amount of ₹1,578,730,192;

c) The Acquirer contemplates various claims and/or demands from (i) tax authorities on completion of pending assessments; (ii) ONGC on completion of existing contracts and litigations; and (iii) New Delhi municipal council on completion of pending litigation; and

d) The Acquirer contemplates various losses from existing contracts towards foreign exchange hedging.

3.1.11 The equity shares of the Acquirer are not listed on any of the stock exchange.

4. BACKGROUND OF TARGET COMPANY

4.1 The Target Company, a listed public company, was incorporated as 'Peerless Leasing Private Limited' on December 29, 1986, under the provisions of Companies Act, 1956 as a private limited company. It was subsequently converted into a public limited company and a fresh certificate of incorporation dated July 8, 1987 was issued and the name of the Target Company was consequently changed to 'Peerless Drive Limited'. On August 25, 1994, the name was changed to Peerless Shipping & Oil Field Services Limited. During August 2000, the name was changed to South East Asia Marine Engineering & Construction Limited. On June 12, 2007, the name of Target Company was changed to Seamec Limited. The registered office of the Target Company is situated at 9th Floor, A 901 - 905, 215 Atrium, Andheri Kurla Road, Andheri East, Mumbai 400 069.

4.2 All the Equity Shares are presently listed on NSE (Symbol: SEAMECLTD) and on BSE (Scrip Code: 526807) and its ISIN is INE497B01018.

4.3 The Equity Shares are frequently traded on the Stock Exchanges within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.

4.4 As on date of the Draft Letter of Offer, the capital structure of the Target Company is as follows:

Paid up Equity Shares	No. of Equity Shares/ voting rights	Percentage (%) of Equity Shares/ voting rights
Fully paid up Equity Shares	33,900,000	100
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	33,900,000	100
Total voting rights in Target Company	33,900,000	100

4.5 As on the date of the Draft Letter of Offer, the Equity Shares have not been suspended from trading on the Stock Exchanges.

4.6 As on date of the Draft Letter of Offer, all the Equity Shares have been listed on the BSE and NSE.

4.7 As of the date of the Draft Letter of Offer, there are no (i) partly paid-up shares; (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures/ depository receipts) issued by the Target Company convertible into Equity Shares.

4.8 As on date of the Draft Letter of Offer, the following are the directors in the Target Company:

S. No.	Name	Designation	DIN	Date of appointment
1.	Captain C.J. Rodricks	Managing Director	00153176	January 1, 2005
2.	Mr. Carl Holmen	Nominee Director*	01888394	October 23, 2007

3.	Ms. Muriel Hurstel	Nominee Director*	05112187	October 28, 2011
4.	Mr. George Michel	Nominee Director*	01458640	April 18, 2007
5.	Mr. Shardul Thacker	Independent Director	00153001	March 8, 2000
6.	Ms. Bhavna Doshi	Independent Director	00400508	April 18, 2007
7.	Mr. Alan Marriott	Alternate Director to Mr. Carl Holmen	06695252	August 6, 2013
8.	Mr. Vincent Taravella	Alternate Director to Ms. Muriel Hurstel	05326554	May 30, 2012
9.	Mr. Emmanual Fontan	Alternate Director to Mr. George Michel	03546339	February 1, 2011

** Nominee director of the Seller*

4.9 There has been no merger / de-merger/ spin-off involving the Target Company in the last 3 years, from the date of the Draft Letter of Offer.

4.10 The details of the financials of the Target Company, based on the audited consolidated financial statements for the financial year ended on March 31, 2011, March 31, 2012 and March 31, 2013 are as follows:

(Amount in ₹million except EPS)

Particulars	FY Ending March 31,		
	2011 (Audited)	**2012 (Audited)**	**2013 (Audited)**
Profit & Loss Statement			
Income from Operations	1,023.8	1,817.7	3,373.3
Other Income	133.5	162.6	214.2
Total Income	1,157.2	1,980.3	3,587.5
Total Expenditure	1,574.4	1,724.2	2,649.5
Profit Before Depreciation Interest and Tax	(417.2)	256.2	938.0
Depreciation	264.7	342.8	474.4
Interest/ Finance costs	1.1	0.1	0.3
Profit Before Tax	(683.0)	(86.7)	463.3
Exceptional Items	(44.4)	Nil	Nil
Provision for Tax	33.1	45.2	59.3
Profit After Tax	(671.7)	(131.9)	404.0
Balance Sheet Statement			
Sources of funds			
Paid up share capital	339.0	339.0	339.0
Reserves and Surplus (excluding revaluation reserves)	4,127.5	3,996.2	4,397.2
Net worth	4,466.5	4,335.2	4,736.2
Long Term Provisions	11.0	10.5	8.0
Secured loans	Nil	Nil	Nil
Unsecured loans	Nil	Nil	Nil
Total	4,477.5	4,345.7	4,744.2
Uses of funds			
Net fixed assets	2,114.3	3,006.9	2,581.5
Investments	Nil	Nil	Nil
Long Term Loans & Advances	52.5	29.6	60.5
Net current assets	2,310.7	1,309.2	2,102.2
Total miscellaneous expenditure	Nil	Nil	Nil

Particulars	FY Ending March 31,		
	2011 (Audited)	2012 (Audited)	2013 (Audited)
not written off			
Total	4,477.5	4,345.7	4,744.2
Other Financial Data			
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (In ₹) – Basic	(19.81)	(3.89)	11.92
Earnings Per Share (In ₹) – Diluted	(19.81)	(3.89)	11.92

Source: Audited financial statements of the Target Company

4.11 The details of the financials of the Target Company, based on the limited review of standalone financials of the Target Company, as certified by the statutory auditor, for the six months period ended September 30, 2013 and the nine months period ended December 31, 2013 are as follows:

(Amount in ₹ million except EPS)

Particulars	Six months period ended September 30, 2013 (Unaudited)	Nine months period ended December 31, 2013 (Unaudited)
Profit & Loss Statement		
Income from Operations	1,445.6	2,709.7
Other Income	153.6	157.8
Total Income	1,599.2	2,867.5
Total Expenditure	1,975.0	2,844.4
Profit Before Depreciation Interest and Tax	(375.8)	23.1
Depreciation	184.8	280.3
Interest/ Finance costs	0.4	0.5
Profit Before Tax	(561.0)	(257.7)
Provision for Tax	39.0	39.5
Profit After Tax	(600.0)	(297.2)
Balance Sheet Statement		
Sources of funds		
Paid up share capital	339.0	339.0
Reserves and Surplus (excluding revaluation reserves)	3,768.9	Not Available
Net worth	4,107.9	Not Available
Long Term Provisions	7.3	Not Available
Secured loans	Nil	Not Available
Unsecured loans	Nil	Not Available
Total	4,115.2	Not Available
Uses of funds		
Net fixed assets	1,951.1	Not Available
Investments	25.7	Not Available
Long Term Loans & Advances	605.6	Not Available
Net current assets	1,532.8	Not Available

Particulars		Six months period ended September 30, 2013 (Unaudited)	Nine months period ended December 31, 2013 (Unaudited)
Total miscellaneous expenditure not written off		Nil	Not Available
Total		4,115.2	Not Available
Other Financial Data			
Dividend (in %)		Nil	Nil
Earnings Per Share* (In ₹)	Basic	(17.70)	(8.77)
	Diluted	(17.70)	(8.77)

** Unannualised basis for the unaudited (limited review) numbers.*

Source: The limited review reports filed by the Target Company with the Stock Exchanges for the quarter ending September 30, 2013 and December 31, 2013.

4.12 Pre Open Offer and Post Open Offer shareholding pattern of the Target Company based on the latest available data of the beneficiary position as on May 2, 2014:

Shareholders' Category	Equity Shares/voting rights prior to the SPA and this Open Offer		Equity Shares/voting rights agreed to be acquired under the SPA which triggered the SEBI (SAST) Regulations, 2011		Equity Shares/voting rights to be acquired in this Open Offer (Assuming full acceptances)		Shareholding/ voting rights after the acquisition under the SPA and this Open Offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	Number of Equity Shares	% of Equity Share Capital	Number of Equity Shares	% of Equity Share Capital	Number of Equity Shares	% of Voting Share Capital	Number of Equity Shares	% of Voting Share Capital
(1) Promoter Group								
a. Parties to agreement, if any	25,425,000	75.00	-	-	-	-	- ***	- ***
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1(a+b)	25,425,000	75.00	-	-	-	-	- ***	- ***
(2) Acquirer								
a. Acquirer	Nil	Nil	Between 1,72,89,000 and 2,54,25,000*	Between 51.00 and 75.00*	8,814,000	26.00	Between 2,54,25,000 and 25,764,000**	Between 75.00 and 76.00**
b. Person(s) acting in concert #	-	-	-	-	-	-	-	-
Total 2(a+b)	-	-	Between 1,72,89,000 and 2,54,25,000*	Between 51.00 and 75.00*	8,814,000	26.00	Between 2,54,25,000 and 25,764,000**	Between 75.00 and 76.00**
(3) Parties to the agreement other than 1(a) & 2	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer)								
a. Institutions (FIs/MFs/FIIs/Banks/SFIs/ UTIs/CG/SGs)	1,541,651	4.55	-	-	This will depend on response to the Open Offer from each category		This will depend on response to the Open Offer from each category of shareholders ***	

b. Others	6,933,349	20.45	-	-	of shareholders			
Total 4 (a+b)	8,475,000	25.00	-	-				
GRAND TOTAL (1 + 2+ 3+4)	**33,900,000**	**100.00**	-	-	-	-	**33,900,000**	**100.00**

There are no person(s) acting in concert with the Acquirer in this Open Offer.

* *In terms of the SPA, the Acquirer proposes to acquire upto 25,425,000 Equity Shares representing upto 75.00% of the Equity Share Capital in two tranches, subject to the number of Equity Shares acquired in the Open Offer. In the first tranche, the Acquirer proposes to acquire 17,289,000 Equity Shares representing 51.00% of the Equity Share Capital. Thereafter, subject to the number of Equity Shares acquired in the Open Offer, the Acquirer shall acquire such number of Equity Shares in the second tranche, to bring the Acquirer's aggregate shareholding to 75.00% of the Equity Share Capital.*

** *Assuming full acceptance by the Public Shareholders in the Open Offer. As on the date of this Draft Letter of Offer, the Public Shareholders hold 8,475,000 Equity Shares i.e. 25.00% of the Equity Share Capital.*

*** *Post the acquisition of First Tranche Equity Shares by the Acquirer, the Acquirer shall be classified as the new promoter of the Target Company and the Seller shall cease to be the promoter. Further, post completion of the Open Offer and based on the response to the Open Offer, the Seller's shareholding in the Target Company (under the public category) shall be between Nil and 81,36,000 Equity Shares*

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Open Offer is made pursuant to the execution of the SPA for the acquisition of more than 25% of the Equity Shares and voting rights, accompanied with a change in control of the Target Company.

5.1.2 The Equity Shares of the Target Company are listed and traded on the BSE and NSE. As on the date of this Draft Letter of Offer, the Equity Shares are listed on NSE having a Symbol: SEAMECLTD and on BSE under Group 'T' having a Scrip Code of 526807.

5.1.3 The annualised trading turnover in the Equity Shares on the Stock Exchanges based on trading volume during the twelve calendar months prior to the month of PA (April 1, 2014 to March 31, 2014) is as given below:

Stock exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA (A)	Weighted average of total number of listed Equity Shares during this period (B)	Annualised trading turnover as % of total Equity Shares listed at (B)
NSE	12,899,419	33,900,000	38.05
BSE	5,153,884	33,900,000	15.20

(Source: www.nseindia.com and www.bseindia.com)

5.1.4 Based on the above information, the Equity Shares are frequently traded on both the Stock Exchanges within the meaning Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.1.5 The Offer Price of ₹97 (Rupees Ninety Seven only) per Equity Share has been determined and justified in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

S. No.	Particulars	Price (in ₹ Per Equity Share)
1.	Highest negotiated price per Equity Share for any acquisition under the Underlying Agreements attracting the obligation to make the PA	97.00
2.	The volume-weighted average price paid or payable for acquisition by the Acquirer or by any person acting in concert with them, during 52 weeks immediately preceding the date of PA	Not applicable
3.	The highest price paid or payable for any acquisition by the Acquirer or by any person acting in concert with them, during 26 weeks immediately preceding the date of the PA	Not applicable
4.	The volume-weighted average market price of such shares for a period of 60 trading days immediately preceding the date of PA as traded on the stock exchange where the maximum volume of trading in the Equity Share are recorded during such period, i.e. NSE.	89.89

5.1.6 As per Regulation 8(2)(d) of the SEBI (SAST) Regulations, the calculation of the volume-weighted average market price of the Equity Shares, for a period of sixty (60) trading days immediately preceding the date of PA i.e. April 22, 2014, as traded on NSE is as follows:

S. No.	Date of the trading day	Total traded equity shares	Total Turnover (in ₹ lakhs)	Volume Weighted Average Price (in ₹)
1	April 21, 2014	15,477	15.55	100.47
2	April 17, 2014	38,383	37.88	98.69
3	April 16, 2014	61,511	62.08	100.93
4	April 15, 2014	28,873	29.73	102.97
5	April 11, 2014	178,303	195.43	109.61
6	April 10, 2014	143,830	160.96	111.91
7	April 9, 2014	331,166	369.96	111.71
8	April 7, 2014	842,163	918.40	109.05
9	April 4, 2014	549,003	550.49	100.27
10	April 3, 2014	245,551	226.84	92.38
11	April 2, 2014	163,986	157.12	95.81
12	April 1, 2014	133,080	134.29	100.91
13	March 31, 2014	192,140	205.78	107.10
14	March 28, 2014	211,707	219.07	103.48
15	March 27, 2014	378,655	385.62	101.84
16	March 26, 2014	544,737	524.33	96.25
17	March 25, 2014	221,007	198.90	90.00
18	March 24, 2014	533,428	473.03	88.68
19	March 22, 2014	16,121	13.19	81.82
20	March 21, 2014	100,716	82.86	82.27
21	March 20, 2014	365,131	304.41	83.37
22	March 19, 2014	856,822	693.82	80.98
23	March 18, 2014	13,948	10.01	71.77
24	March 14, 2014	14,356	10.25	71.40
25	March 13, 2014	32,960	24.34	73.85
26	March 12, 2014	35,667	26.74	74.97
27	March 11, 2014	30,705	23.10	75.23
28	March 10, 2014	61,294	46.80	76.35
29	March 7, 2014	34,709	26.56	76.52
30	March 6, 2014	112,304	87.16	77.61
31	March 5, 2014	30,624	23.44	76.54
32	March 4, 2014	298,441	230.16	77.12
33	March 3, 2014	65,192	49.81	76.41
34	February 28, 2014	159,231	122.38	76.86
35	February 26, 2014	9,148	6.75	73.79
36	February 25, 2014	23,368	17.22	73.69
37	February 24, 2014	42,449	31.25	73.62
38	February 21, 2014	38,843	27.94	71.93
39	February 20, 2014	23,639	17.27	73.06
40	February 19, 2014	27,652	20.31	73.45
41	February 18, 2014	50,196	37.11	73.93
42	February 17, 2014	43,551	32.30	74.17

43	February 14, 2014	129,150	97.12	75.20
44	February 13, 2014	262,998	198.84	75.61
45	February 12, 2014	400,718	303.78	75.81
46	February 11, 2014	900,163	719.94	79.98
47	February 10, 2014	127,815	89.36	69.91
48	February 7, 2014	15,762	10.77	68.33
49	February 6, 2014	25,924	17.50	67.51
50	February 5, 2014	8,732	5.83	66.77
51	February 4, 2014	15,942	10.81	67.81
52	February 3, 2014	12,260	8.04	65.58
53	January 31, 2014	17,074	11.03	64.60
54	January 30, 2014	11,271	7.25	64.32
55	January 29, 2014	22,167	14.64	66.04
56	January 28, 2014	5,457	3.54	64.87
57	January 27, 2014	8,581	5.61	65.38
58	January 24, 2014	9,989	6.68	66.87
59	January 23, 2014	2,117	1.42	67.08
60	January 22, 2014	20,884	14.18	67.90
Total		9,297,071	8,357	-
Volume Weighted Average Price (Total Turnover divided by Total Traded Equity Shares)				**89.89**

5.1.7 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. *(Source: Based on the filings on the NSE website and BSE website)*

5.1.8 As on date of this Draft Letter of Offer, there has been no revision in the Offer Price or Offer Size. If there is any revision in the Offer Price on account of future purchases/competing offers, such revision will be done only up to the period prior to three (3) working days before the commencement of the tendering period of this Open Offer in accordance with Regulation 18(4) and Regulation 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts; (ii) make a public announcement in the same newspapers in which DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, Stock Exchanges and the Target Company at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders who's Equity Shares are accepted under the Open Offer.

5.1.9 If the Acquirer acquires or agrees to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. Provided that no such acquisition shall be made by the Acquirer after the third working day prior to the commencement of the tendering period of this Open Offer and until the expiry of the tendering period of this Open Offer.

5.1.10 If the Acquirer acquires Equity Shares during the period of twenty six weeks after the Closure of the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in this Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares in any form.

5.2 Financial Arrangements

5.2.1 Assuming full acceptance, the total funds requirements to meet this Open Offer is ₹854,958,000 (Rupees Eight Fifty Four Million and Nine Fifty Eight Thousand only) ('**Maximum Consideration**'). In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has deposited cash equivalent to 100% of the Maximum Consideration on April 25, 2014 in the bank account no. 006-077077-001 designated as 'Seamec Limited -Open Offer -Escrow Account' ('**Escrow Account'**) opened with The Hongkong and Shanghai Banking Corporation Limited, acting through its branch at 52/60 M.G. Road, Mumbai 400 001 ('**Escrow Bank'**). The cash deposit has been confirmed vide a confirmation letter dated April 25, 2014 issued by the Escrow Bank.. This Open Offer is not subject to differential pricing.

5.2.2 The Acquirer confirms that the funds lying in the Escrow Account will be utilized exclusively for the purposes of this Open Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the Escrow Bank. Further, the Acquirer has solely authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.3 The Manager to the Offer has instructed HSBC to open a fixed deposit account bearing Account No. 006-077077-051 with The Hongkong and Shanghai Banking Corporation Limited at its branch at 52/60 M.G. Road, Mumbai 400 001, on April 25, 2014 for the Maximum Consideration. The said fixed deposit has a lien marked with irrevocable right in favour of the Manager to the Offer to encash the proceeds of the fixed deposit in terms of the SEBI (SAST) Regulations. The fixed deposit and the lien have been confirmed vide a receipt, evidencing opening of the fixed deposit account for 60 days, dated April 25, 2014 issued by The Hongkong and Shanghai Banking Corporation Limited.

5.2.4 Mr. Kamal K. Gupta (Membership no. 012738) of Kamal & Company, Chartered Accountants, having office at 1372, Kashmere Gate, Delhi, 110 006, Tel. no. +91-11- 2395 7796; Tel. no. +91-11- 2392 6325 *vide* certificate dated April 22, 2014, has certified on the basis of scrutiny of the books of accounts, records and documents of the Acquirer, that the Acquirer has sufficient liquid funds for fulfilling the obligations under this Open Offer.

5.2.5 The Acquirer has adequate financial resources and has made firm financial arrangements to meet the obligations under this Open Offer, by way of borrowing, an amount of ₹350,000,000 (Rupees Three Fifty Million only) and ₹368,800,000 (Rupees Three Sixty Eight Million and Eight Hundred Thousand only), in the form of Inter Corporate Deposit from Moon Beverages Limited ('**MBL'**) and Mouldcraft India Private Limited ('**MIPL'**) respectively and the balance fund requirements to meet the obligations under the Open Offer shall be met from the internal accruals of the Acquirer. MBL forms part of the M.M. Agrawal Group. MBL and MIPL do not intend to acquire any Equity Shares or control in the Target Company and therefore are not acting in concert with the Acquirer for the purpose of this Open Offer.

5.2.6 In case of any upward revision in the Offer Price or the Offer Size, the Acquirer shall make further deposit into the Escrow Account, prior to effecting such revision, to ensure compliance with Regulations 17(2), 22(2) and 24(1) of the SEBI (SAST) Regulations.

5.2.7 On the basis of the above, the Manager to the Offer confirms that the Acquirer has adequate and firm financial arrangements to implement this Open Offer in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OPEN OFFER

6.1 Operational Terms and Conditions

6.1.1 The Tendering Period will commence on June 16, 2014 and will close on June 27, 2014.

6.1.2 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Public Shareholders that are validly accepted in this Open Offer, together with all rights attached thereto, including all rights to dividends, bonus and rights offers declared thereof.

6.1.3 The Identified Date for this Open Offer as per the tentative schedule of activity is June 2, 2014.

6.1.4 The marketable lot of the Target Company is 1 (one) Equity Share.

6.1.5 This is not a conditional Open Offer and there is no stipulation on any minimum level of acceptance.

6.1.6 In terms of Regulation 20(8), if there is a competing offer, the schedule of activities and the Tendering Period for all competing offers, shall be carried out with identical timelines and the last date for tendering shares in acceptance of the every competing offer shall stand revised to the last date for tendering shares in acceptance of the competing offer last made.

6.1.7 In terms of Regulation 20(9), upon the public announcement of a competing offer, an acquirer who had made a preceding competing offer shall be entitled to revise the terms of its Open Offer provided the revised terms are more favorable to the Public Shareholders of the Target Company. Provided that the acquirer making the competing offers shall be entitled to make upward revisions of the offer price at any time up to three working days prior to the commencement of the Tendering Period.

6.1.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Open Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

6.2 Locked in Equity Shares

6.2.1 As on date of this Letter of Offer, there are no locked-in shares in the Target Company

6.3 Eligibility for accepting the Open Offer

6.3.1 This Open Offer is being made by the Acquirer to (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on June 2, 2014, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on June 2, 2014, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Open Offer, i.e. June 27, 2014 but who are not the registered Public Shareholders.

6.3.2 The Letter of Offer shall be sent to the shareholders of the Target Company whose names appear in register of members of the Target Company as on the Identified Date.

6.3.3 Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Open Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Open Offer in any way.

6.3.4 This Open Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.

6.3.5 Each Public Shareholder to whom this Open Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Open Offer.

6.3.6 NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI or FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Open Offer.

6.3.7 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders. The Acquirer, the Manager to the Offer and the Registrar to the Offer shall not be responsible for any loss of share certificate(s) and the Open Offer acceptance documents including Form of Acceptance-cum-Acknowledgement during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.

6.3.8 Those Public Shareholders who have not received this Draft Letter of Offer and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned above for registered Public Shareholders.

6.3.9 The Form of Acceptance-cum-Acknowledgement and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, Link Intime India Private Limited between 10:00 hours to 16:00 hours on working days (Monday to Friday) during the period the Open Offer is open or should be received by the Registrar to the Offer at the address below on or before 17:00 hours on June 27, 2014, i.e. Closure of the Tendering Period.

6.3.10 The acceptance of this Open Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Public Shareholder(s). In the event any change or modification is made to the Form of Acceptance cum-Acknowledgement or if any condition is inserted therein by the Public Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Open Offer by such Public Shareholder.

6.3.11 The acceptance of Equity Shares tendered in the Open Offer will be made by the Acquirer in consultation with the Manager to the Offer.

6.3.12 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms of this Open Offer.

6.3.13 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who have accepted this Open Offer by tendering their Equity Shares and requisite documents in terms of the PA, the DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Open Offer.

6.3.14 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of equity share certificates, Form of Acceptance-cum-Acknowledgement, share transfer deed etc. during transit and the Public Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

6.3.15 There shall be no discrimination in the acceptance of lock-in and non lock-in Equity Shares in the Open Offer. Locked-in Equity Shares, if any, can be tendered in the Open Offer subject to applicable laws including the continuation of the lock-in in the hands of the Acquirer. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

6.4 Statutory and other approvals

6.4.1 As on the date of this Draft Letter of Offer, to the best of knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Open Offer. However, in case any such statutory approvals are required by the Acquirer at a later date before the Closure of the Tendering Period, this Open Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.

6.4.2 The Acquirer shall have the right not to proceed with this Open Offer in accordance with Regulation 23 of SEBI (SAST) Regulations, in the event the statutory approvals are refused. Furthermore, if the acquisition of the First Tranche Equity Shares is not completed as per the provisions of the SPA, more particularly disclosed in paragraph 2.1.5(f) of this Draft Letter of Offer, which are outside the reasonable control of the Acquirer, on or before the Long Stop Date, the Acquirer may elect not to proceed with the acquisition of the Sale Shares and rescind the SPA and consequently the sale and purchase of the Sale Shares under the SPA shall not be consummated. In case of either of such event, the Acquirer shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Open Offer, a public announcement will be made within two Working Days of such withdrawal, in the same newspapers in which the DPS was published and such public announcement will also be sent to Stock Exchanges, SEBI and the Target Company at its registered office.

6.4.3 In case of delay in receipt of any such statutory approvals mentioned in paragraph 6.5 of the Draft Letter of Offer or which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all not all the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no other statutory approvals are required in order to complete this Open Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

7.1 Acceptance of the Open Offer

7.1.1 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Public Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories as of the close of business on June 02, 2014, i.e. the Identified Date.

7.1.2 The Public Shareholders can also download the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at http://www.sebi.gov.in/, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

7.1.3 The Public Shareholders who wish to accept this Open Offer can hand-deliver the Form of Acceptance cum- Acknowledgement along with the other documents required to accept this Open Offer, so as to reach the Registrar to the Offer during business hours on or before 16:00 hours on 27 June 2014, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in the Letter of Offer at:

Collection Centre and Address	Mode of Delivery	Phone No.	Fax No.
Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.	Hand delivery and registered post	+91-22-2596 7878	+91-22-2596 0329

7.1.4 The Form of Acceptance-cum-Acknowledgement along with share certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrar to the Offer only. The same shall not be sent to the Acquirer, Target Company or Manager to the Offer.

7.2 Public Shareholders who are holding Equity Shares in physical form

7.2.1 The Public Shareholders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/ joint Public Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer. Original share certificates and valid share transfer deeds, duly to the Registrar to the Offer: Link Intime India Private Limited either by hand delivery or by registered post, to reach them not later than 16:00 hours on the expiry of the Tendering Period, i.e. Friday, June 27, 2014 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement along with self-attested copy of PAN card of all the transferors are required to be submitted. In case the Share Certificate(s) and valid share transfer deeds are lodged with the Target Company /its share transfer agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of share transfer deed(s) and (ii) the acknowledgement of the lodgement with, or receipt issued by the Target Company/its share transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In the case of a body corporate/limited company, a certified copy of the memorandum and articles of association, together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

7.3 Public Shareholders who are holding Equity Shares in dematerialized form

Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instructions in “Off-market” mode or counterfoil of the delivery instruction in “Off–market” mode, duly acknowledged by the DP in favour of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. The credit for the delivered shares should be received in the Special Depository Account on or before the Closure of the Tendering Period, i.e. Friday, June 27, 2014. The details of the Special Depository Account are given below:

Depository	NSDL
DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11365327
ISIN	INE497B01018

Account Name	LIIPL SEAMEC OPEN OFFER ESCROW DEMAT ACCOUNT

Please note that the above account is maintained with NSDL. Public Shareholders having their beneficiary account with CDSL must use the inter depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

7.4 Public Shareholders who have sent their Equity Shares for dematerialization

7.4.1 The Public Shareholders who have sent their Equity Shares for dematerialization and who wish to tender their Equity Shares in this Open Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Public Shareholder's DP, in accordance with the instructions mentioned in this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/ joint Public Shareholder(s) whose name(s) appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company.

7.4.2 Such Public Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before June 27, 2014, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Public Shareholder's DP, the Public Shareholder can withdraw its dematerialization request and tender the physical Equity Share certificate(s) in this Open Offer as per the procedure mentioned in this Draft Letter of Offer.

7.5 Procedure for acceptance of this Open Offer by Public Shareholders/owners of Equity Shares who have sent Equity Shares for transfer or those who did not receive the Letter of Offer:

7.5.1 In case the Share Certificate(s) and Transfer Deeds are lodged with the Target Company /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of Share Transfer Deed(s) and (ii) the acknowledgement of the lodgement with, or receipt issued by the Target Company /its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited company, a certified copy of the memorandum and articles of association together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

7.5.2 In case of non-receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer on or before the date of Closure of the Tendering Period. Also, alternatively, the Public Shareholders may apply on the acceptance cum acknowledgement obtained from the website (www.sebi.gov.in).

7.5.3 In case of non-receipt of the Letter of Offer, the eligible person(s), holding Equity Shares of the Target Company in physical form, may send his/her/their consent on plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of Closure of the Tendering Period. Also, alternatively, the Public Shareholders may apply on the acceptance cum acknowledgement obtained from the website (www.sebi.gov.in).

7.5.4 No indemnity is required from persons not registered as Public Shareholders.

7.5.5 For Equity Shares held in physical mode by persons not registered as Public Shareholders in the target company, such persons should enclose:

a) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with instructions contained therein, by all Public Shareholders whose names appear on the share certificates;

b) Original Share Certificates;

c) Original broker contract note of a registered broker of a recognized stock exchange through whom the Equity Shares being tendered were acquired;

d) Valid share transfer deeds as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Open Offer. All other requirements for valid transfer will be preconditions for acceptance; and

e) Self attested copy of the PAN card of the proposed transferee.

7.5.6 The Public Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

(a) duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Public Shareholder) if the original Public Shareholder is no more;

(b) duly attested power of attorney if any person apart from the Public Shareholder has signed the application form and/ or transfer deeds;

(c) in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;

(d) banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and

(e) any other relevant documents.

7.6 In case of rejection of Equity Shares tendered for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Public Shareholder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Equity Shares held in demat form, to the extent not accepted, will be returned to the beneficial owner, to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the form of acceptance cum acknowledgement. The Public Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of this Open Offer formalities.

7.7 It is the sole responsibility of the Public Shareholder to ensure credit of their Equity Shares tendered in this Open Offer in the Depository Escrow Account above, on or before June 27, 2014, i.e. Closure of the Tendering Period.

7.8 The Registrar to the Offer will hold in trust the Equity Shares tendered in this Open Offer, held in both physical form and in credit of the Depository Escrow Account, the Forms of Acceptance-cum-Acknowledgement, and the transfer form(s) and other documents submitted on behalf of the Public

Shareholders whose Equity Shares have been validly accepted in this Open Offer, till completion of formalities relating to this Open Offer. In case of the Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

7.9 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Open Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Public Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/ orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Open Offer. The Draft Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.10 If the aggregate valid responses to this Open Offer by the Public Shareholders are more than the Offer Size, then the offers received from the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is one Equity Share.

7.11 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Public Shareholders/unregistered Public Shareholders' sole risk to the sole/ first Public Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Public Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of this Open Offer formalities.

7.12 Settlement / Payment of Consideration

7.12.1 The Acquirer shall arrange to pay the consideration payable to the Public Shareholders whose Equity Shares have been accepted on or before Friday June 27, 2014 subject to the terms of this Draft Letter of Offer.

7.12.2 Public Shareholders tendering their Equity Shares electronically are advised to immediately update with their DP, their bank account details, i.e. nine digit magnetic ink character recognition code {MICR} as appearing on their cheque leaf as also their bank's Indian financial system code {IFSC}, which will get linked to their bank branch. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholder's sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate such Public Shareholder for any losses caused due to any such delay or any interest for such delay.

7.12.3 Payment of consideration to the Public Shareholders would be done through various modes in the following order of preference:

(a) **Real Time Gross Settlement ("RTGS") / National Electronic Clearing Service ("NECS") / National Electronic Fund Transfer ("NEFT") -** Payment shall be undertaken through any of the above modes wherever the Public Shareholder's bank has been assigned the IFSC, which can be linked to an MICR, if any, available to that particular bank branch or wherever the Public Shareholders have registered their nine digit MICR number and their bank account number with their DP.

(b) **Direct Credit** – Public Shareholders having bank accounts with the Escrow Bank, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

(c) For all other Public Shareholders, including Public Shareholders holding Equity Shares in physical form and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through speed post / registered post. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Public Shareholders.

7.12.4 Applicants to whom payments are made through electronic transfer of funds will be sent a letter (Payment advice) through ordinary post intimating them about the mode of credit / payment. The Registrar to the Offer shall ensure dispatch of consideration, if any, by RTGS / NECS / NEFT / Direct Credit / Cheques / Pay-orders / Demand Drafts only in the name of the sole or first Public Shareholder and all communication will be addressed to the person whose name appears on Acceptance cum Acknowledgement Form within 10 Working Days of the date of Closure of the Tendering Period and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

7.12.5 For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/ not credited through NEFT/ RTGS/ NECS, due to technical errors or incomplete/ incorrect bank account details, payment consideration will be dispatched through registered/ speed post at the Public Shareholder's sole risk.

7.12.6 All bankers' cheques/ demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Public Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/ demand draft.

7.12.7 In case of delay in receipt of any such statutory approvals which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all not all the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no other statutory approvals are required in order to complete this Open Offer.

7.13 Compliance with Tax requirements

(a) **General**

(i) As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act. The consideration received by the non-resident Public Shareholders for the Equity Shares accepted in this Open Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits in terms of Section 9 of the Income Tax Act, depending on the facts and circumstances of the case.

The Acquirer is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act, on such capital gains / business profits. Further, the Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on the payment of any interest (paid for delay in payment of the Offer Price) by Acquirer to a non-resident Public Shareholder.

(ii) As per the provisions of Section 194A of the Income Tax Act any person not being an individual or a HUF who is responsible for paying to a resident any income by way of interest other than income by way of interest on securities (amount paid for delay in payment of Open Offer consideration) by Acquirer to a resident Public Shareholder is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Open Offer consideration or a part thereof).

(iii) Each Public Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax constitution (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted treating the Public Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Public Shareholder belongs, on the entire consideration and interest if any, payable to such Public Shareholder.

(iv) Any non-resident Public Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the Tax Residence Certificate ("**TRC**") provided to him/it by the Income tax authority of such other foreign country of which he/it claims to be a tax resident, which has been inserted as a mandatory requirement by the Finance Act, 2012 with effect from April 1, 2013. In addition, the non-resident Public Shareholder is required in terms of Section 90(5) of the Income Tax Act to furnish such other documents and information as may be prescribed. The information that is to be provided in the TRC as per Rule 21 AB of the Income Tax Rules 192 is as follows:

(a) Name of the Assessee
(b) Status (individual, company, firm, etc.) of the assessee;
(c) Nationality (in case of an individual);
(d) Country or specified territory of incorporation or registration (in case of others);
(e) Assessee's tax identification number in the country or specified territory of residence or in case no such number, then a unique number on the basis of which the person is identified by the Government of the country or the specified territory;
(f) Residential status for the purpose of tax;
(g) Period for which the certificate, is applicable; and
(h) Address of applicant for the period for which the certificate is applicable.

Further, a non-resident tax payer is required to keep and maintain all documents substantiating the aforesaid information and furnish the same when required by the Indian tax authorities. The particulars already included in the Tax Residency Certificate are not required to be furnished separately.

(v) Where a TRC is provided by a non resident Public Shareholder along with declaration of the income in his/its hands being in the nature of Capital Gains, the deduction of tax at source will be done as per rates included in the DTAA with the concerned country or as per the applicable provisions of the Income Tax Act whichever is beneficial to the non resident Public shareholders. Any non-resident Public Shareholder declaring the nature of income to be Business Profits in his/its hands and claiming benefit under DTAA should submit along with the TRC, a NOC or a certificate for deduction of tax at nil or lower rate from the income tax authorities obtained under Section 197 of the Income Tax Act and taxes would be deducted by the Acquirer in accordance with such certificate. In the absence of TRC or NOC/ certificate for deduction of tax at nil or lower rate obtained from income tax authorities as may be applicable depending on the nature of income, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as per Income Tax Act for each category of the Public Shareholder(s).

(vi) All Public Shareholders (including FIIs) are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate (including surcharge and education cess as applicable), as dealt with in the paragraphs 7.13(b), 7.13(c) and 7.13(d) for each category of the Public Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.

(vii) The Acquirer will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any and tax payable thereon.

(viii) Securities transaction tax will not be applicable to the Equity Shares accepted in this Open Offer.

(ix) The provisions contained in paragraphs 7.13(a)(iii) to 7.13(a)(vi) above are subject to anything contrary contained in paragraphs 7.13(b) to 7.13(e) below.

(x) All references to maximum marginal rate include applicable surcharge and education cess, as may be applicable.

(b) **Tax Implications in case of non-resident Public Shareholders (other than FII):**

(i) For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer, NRIs, OCBs, and other non-resident Public Shareholders (excluding FIIs) ,claiming the nature of income to be Capital Gains, will be required to submit a "TRC" as indicated in paragraph 7.13 (a) above. Upon the TRC being made available the tax to be deducted at source by the Acquirer would be the rate as per the DTAA of the concerned country or the applicable rate as per the Income Tax Act whichever is beneficial to the non resident Public shareholder.

(ii) For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer, NRIs, OCBs, and other nonresident Public Shareholders (excluding FIIs) claiming the nature of income to be business profits, will be required to submit a "no objection certificate" ("**NOC**") or a certificate for deduction of tax at a nil/lower rate ("**Certificate for Deduction of Tax at Nil/Lower Rate**") from the income tax authorities under Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.

(iii) In an event of non-submission of TRC as per Paragraph 7.13(b)(i) above or the NOC or Certificate for Deduction of Tax at Nil/Lower Rate TRC as per Paragraph 7.13(b)(ii) above, tax will be deducted as per provisions of the Income Tax Act at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs, on the entire consideration amount payable to the Public Shareholders, by the Acquirer.

(iv) The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) holding Equity Shares as capital asset and declaring the nature of income to be capital gains will be required to certify the period of its holding (i.e., whether Equity Shares are held for more than 12 (twelve) months of Equity Shares.

(v) In case of interest payments, if any, by the Acquirer for delay in payment of the Open Offer consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident Public Shareholders (excluding FIIs) will be required to submit a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.

(vi) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the entire amount payable as interest to such Public Shareholder.

(vii) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, Acquirer will deduct tax at the rate of 20% (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher.

(c) **Tax Implications in case of FII shareholder:**

(i) As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Explanation (a) to Section 115AD of the Income Tax Act. Further, for the purposes of Section 115AD, FII will include Foreign Portfolio Investors (FPI) as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014.The Acquirer would not deduct tax at source on the payments to FIIs, subject to the following conditions:

(a) FIIs are required to furnish the copy of the registration certificate issued by SEBI (including for sub-account of FII, if any);
(b) FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on capital account; and

(c) FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares. The benefits under Section 196D (2) of the Income Tax Act are applicable in case the nature of the FII's income is treated as capital gains.

(ii) If the above conditions are not satisfied, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act on the gross consideration payable to the Public Shareholder, depending on category of the Public Shareholder.

(iii) If it is certified by the FII that Equity Shares are held on trade account, no deduction of tax or lower deduction of tax at source shall be made if such FIIs furnish a TRC and a self-declaration stating that such FIIs do not have a business connection in India as defined in Explanation 2 to section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FIIs. Further in such cases, the FII will additionally need to obtain a NOC or Certificate for Deduction of Tax at Nil/Lower Rate rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such NOC/Tax Residence Certificate/certificates/declarations/ information/documents, the Acquirer will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA. The FII will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act.

(iv) Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the maximum tax rate applicable under the Income Tax Act on the gross interest payable to the Public Shareholder, depending on category of the Public Shareholder. However, if the Public Shareholder provides a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

(v) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% (including surcharge and cess) (as provided in Section 206-AA of the Income Tax Act) or at the rate in force or at the rate, as may be applicable to the category of the FII Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder

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(d) **Tax Implications in case of resident Public Shareholders**

(i) There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Public Shareholder. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.

(ii) All resident Public Shareholders will be required to submit a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration for interest payments, if any, by the Acquirer for delay in payment of Open Offer consideration or a part thereof, if any. The Acquirer will deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.

(iii) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the rates prescribed under section 194A of the Income Tax Act as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the consideration payable as interest to such Shareholder.

(iv) All resident Public Shareholders shall submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, Acquirer will deduct tax at the rate of 20% (including surcharge and cess) (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher.

(v) Notwithstanding anything contained in paragraph 7.13(d)(ii) to7.13(d)(iv) above, no deduction of tax shall be made at source by the Acquirer where (a) the total amount of interest payable, if any, to a resident Public Shareholder does not exceed INR 5,000 or (b) where a self-declaration as per Section 197A of the Income Tax Act in Form 15G or Form 15H (as per Rule 29C of the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirer or (c) interest being paid, if any, to an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a self-attested copy of the relevant registration or notification. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Public Shareholder has furnished its PAN in such declaration.

(e) **Tax Implications in foreign jurisdictions:**

Apart from the above, the Acquirer are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Public Shareholder is a resident for tax purposes ("Overseas Tax"). For this purpose, the non-resident Public Shareholder shall furnish a self-declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident and the Acquirer will be entitled to rely on this representation at their sole discretion.

(f) **Others**

(i) The tax implications are based on provisions of the Income Tax Act as amended up to Finance Act, 2013. In case of any amendment proposed in the Finance Bill, 2014 which has been made effective prior to the date of closure of this Open Offer, then the provisions of the Income Tax Act as amended by Finance Bill 2014 would apply.

(ii) Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.

(iii) The tax deducted by the Acquirer while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the Income Tax Authorities.

(iv) Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

(v) The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

(vi) The Acquirer shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In an event of any income-tax demand (including interest, penalty etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income-tax demand under the Income Tax Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.

(vii) The Acquirer shall issue a certificate in the prescribed form to the Public Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Tax Act read with the Income-tax Rules, 1962.

(viii) Public Shareholders who wish to tender their Equity Shares must submit the following information along with the Form:

(a) Information requirement from non-resident Public Shareholder:

I. Self-attested copy of PAN card;
II. NOC/ Certificate from the Income-tax Authorities for no/lower deduction of tax;
III. Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
IV. In case of FII/FPI, self-attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains;
V. SEBI registration certificate for FII/FPI; and
VI. RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.

(b) Information requirement in case of resident Public Shareholder:

I. Self-attested copy of PAN card;
II. Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
III. If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
IV. NOC /Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and
V. For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any).

(ix) Public Shareholders who wish to tender their Equity Shares must submit the information all at once and those that may be additionally requested for by the Acquirer. The documents submitted by the Public Shareholders will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer may not be accepted. In case the documents/information as requested in this Draft Letter of Offer are not submitted by a Public Shareholder, or the Acquirer consider the documents/information submitted by a Public Shareholder to be ambiguous/incomplete/conflicting, the Acquirer reserves the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the shareholder.

(x) Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.

(xi) Taxes once deducted will not be refunded by the Acquirer under any circumstances.

8. DOCUMENTS FOR INSPECTION

The following documents shall be available for inspection to the Public Shareholders at the office of the Manager to the Offer situated at Fortune 2000 'A' Wing, 4th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. The documents can be inspected during normal business hours (11:00 hours to 16:00 hours) on all working days (except Saturdays, Sundays and bank holidays) during the period from the date of this Draft Letter of Offer, till the closure of the Tendering Period, i.e. June 27, 2014:

8.1 Certified true copies of the certificate of incorporation, memorandum of association and articles of association of the Acquirer;

8.2 Copy of certificate from Mr. Kamal K. Gupta (Membership no. 012738) of Kamal & Company, Chartered Accountant, having office at 1372, Kashmere Gate, Delhi, 110 006, Tel: +91-11- 2395 7796; Fax: +91-11-2392 6325 certifying that the Acquirer has sufficient liquid funds for fulfilling the obligations under this Open Offer;

8.3 Copy of the annual reports of the Target Company and Acquirer for the financial years ended on March 31, 2011, March 31, 2012 and March 31, 2013, limited review report for the six and nine month period ended September 30, 2013 and December 31, 2013 respectively of Target Company, and certified financials for the period ended twelve months period ended March 31, 2014 for Acquirer;

8.4 Copy of Open Offer Escrow Agreement between the Acquirer, The Hongkong and Shanghai Banking Corporation and the Manager to the Offer, dated April 22, 2014;

8.5 Copy of the letter dated April 25, 2014, from The Hongkong and Shanghai Banking Corporation, confirming the amount deposited in the Escrow Account;

8.6 Copy of the share purchase agreement dated April 22, 2014 by and between the Acquirer and the Seller;

8.7 A copy of the Public Announcement dated April 22, 2014;

8.8 Published copy of the Detailed Public Statement, published on behalf of the Acquirer dated April 29, 2014;

8.9 Copy of the recommendation dated [●] made by the Target Company's committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations;

8.10 Copy of the letter dated [●] from SEBI containing its comments on the Draft Letter of Offer; and

8.11 Copy of agreement entered into with the DP for opening the special depository account.

9. DECLARATION BY THE ACQUIRER

9.1 The Acquirer accepts full responsibility for the obligations of the Acquirer, as laid down in terms of the SEBI (SAST) Regulations and for the information contained in the Draft Letter of Offer. In relation to the information pertaining to the Seller and Target Company in the Draft Letter of Offer the Acquirer has relied on the information provided by the Target Company, the Seller and publicly available sources and have not independently verified the accuracy of such information.

9.2 The Acquirer shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

9.3 The information contained in the Draft Letter of Offer is as of the date of the Draft Letter of Offer, unless expressly stated otherwise.

9.4 The person signing the Draft Letter of Offer on behalf of the Acquirer has been duly and legally authorized by the Acquirer to sign the Draft Letter of Offer.

For and on behalf of
HAL Offshore Limited

HAL OFFSHORE LIMITED MUMBAI

Authorized Signatory

Date: May 7, 2014