

**REPORT OF THE AUDIT COMMITTEE OF WELSPUN INDIA LIMITED AT ITS MEETING HELD ON FRIDAY, SEPTEMBER 21, 2018 AT WELSPUN HOUSE, 7TH FLOOR, KAMALA MILLS COMPOUND, LOWER PAREL (W) MUMBAI 400 013 AT 3.00 PM RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF PRASERT MULTIVENTURE PRIVATE LIMITED WITH WELSPUN INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**Present Members:**

Arun Todarwal  
Pradeep Poddar

Chairman  
Member

**In attendance:**

Altaf Jiwani  
Shashikant Thorat

Chief Financial Officer  
Company Secretary

**Invitee:**

Devendra Patil

President, Group Secretarial

Vikas Pansari

Partner - S R B C & CO LLP, Statutory Auditor

Falguni Shah, Partner  
Akshay Shenoy, Associate Director  
Manish Gupta, Manager

PricewaterhouseCoopers Private Limited -  
Mergers & Acquisitions (Tax and Regulatory Services)

**1. Background:**

- a. A draft scheme of amalgamation, under section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, of Prasert Multiventure Private Limited ('PMPL' or 'Transferor Company') with Welspun India Limited ('WIL' or 'Transferee Company') and their respective shareholders and creditors ('Scheme') has been placed before the Audit Committee by the management for it to consider recommending the said draft Scheme to the Board of Directors.
- b. The Scheme inter alia provides for amalgamation of PMPL with WIL.
- c. The equity shares of WIL are listed on the BSE Limited ('BSE') and The National Stock Exchange of India Limited ('NSE'). WIL will be filing the Scheme along with necessary documents/information with the abovementioned exchanges.



Welspun India Limited

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T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020 / 2490 8021

E-mail : companysecretary\_wil@welspun.com Website : www.welspunindia.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.  
T : +91 2836 661 111 F : +91 2836 279 010

Works: Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat 396 191, India.  
T : +91 260 2437437 F: +91 260 22437088

Corporate Identity Number: L17110GJ1985PLC033271

- d. The report of Audit Committee is made in order to comply with the requirements of the Circular CFD/DIL3/CIR/2017/17 dated 10th March, 2017 issued by the Securities and Exchange Board of India, as amended from time to time, ("SEBI Circular") after considering the following:
- Draft Scheme, duly initialed by Company Secretary of WIL for the purpose of identification;
  - Share Exchange report dated September 21, 2018 issued by SSPA & Co., Independent Chartered Accountants; and
  - Fairness Opinion Report dated September 21, 2018 issued by Dalmia Securities Private Limited, a Category I Merchant Banker providing the fairness opinion on the share entitlement recommended in the share exchange report prepared by SSPA & Co., Independent Chartered Accountants;
  - Certificate obtained from the Statutory Auditors of WIL i.e. S R B C & Co. LLP, Chartered Accountants, confirming that the accounting treatment as prescribed in the Scheme is in compliance with the applicable accounting treatment notified under Companies Act, 2013 and other generally accepted principles;
  - Audited financial statements of WIL for the year ended March 31, 2016, March 31, 2017 and March 31, 2018; and
  - Audited financial statements of PMPL for the year ended March 31, 2018.

## 2. Proposed Scheme

- a. The Audit Committee reviewed the share exchange report and noted the report and recommended the following:

In consideration for the amalgamation of PMPL with WIL in terms of the Scheme and based on share exchange report issued by SSPA & Co., Independent Chartered Accountants and fairness opinion provided Dalmia Securities Private Limited, a Category I Merchant Banker, WIL will issue an aggregate of 67,90,78,913 (Sixty Seven Crore Ninety Lakh Seventy Eight Thousand Nine Hundred and Thirteen only) equity shares of Re. 1/- (Rupee One) each, fully paid up to the equity shareholders of PMPL on a proportionate basis. In case PMPL acquires additional equity shares of face value of Re. 1 each fully paid-up of WIL before the effective date without incurring any additional liability, such additional number of equity shares of face value of Re. 1 each fully paid-up of WIL shall also be issued and allotted to the shareholders of PMPL in proportion of the number of equity shares held by the shareholders of PMPL in PMPL.

- b. Further, the Fairness Opinion confirmed that the share entitlement in the share exchange report is fair to WIL, PMPL and their respective shareholders and creditors.



- c. Further, S R B C & Co. LLP, Statutory Auditors of WIL have confirmed that the accounting treatment as specified in the Scheme is in accordance with the applicable accounting standards specified under the provisions of the Companies Act, 2013 and the generally accepted accounting principles in India.
- d. The proposed Appointed Date for the amalgamation will be August 16, 2018.
- e. Under the proposed Scheme, all assets and liabilities, pertaining to PMPL, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in WIL as a going concern.
- f. The equity shares of WIL to be issued to the shareholders of PMPL pursuant to the Scheme shall be listed on BSE and NSE (subject to trading permission being granted by the stock exchange).

**3. Recommendations of the Audit Committee**

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, share exchange report, fairness opinion report and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of WIL.

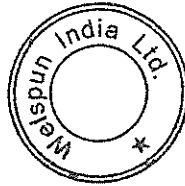
**By Order of the Audit Committee**

For and on behalf of  
**WELSPUN INDIA LIMITED**



**Arun Todarwal**  
**DIN : 00020916**

**Chairperson of the Audit Committee**



Date: September 21, 2018

Place: Mumbai

Pg. No - 34

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