

To,
National Stock Exchange of India Limited
 Listing Compliance Department
 Exchange Plaza, Bandra Kurla Complex,
 Bandra (E), Mumbai – 400 051
 (Symbol: WELSPUNIND)

Kind Attention: Ms. Ekta Shah, Deputy Manager

Ref: Your letter no. NSE/LIST/18742 dated October 04, 2018

Sub: **Rationale for the Scheme**

Dear Madam,

Prasert Multiventure Private Limited forms part of the Promoter Group of Welspun India Limited. It presently holds 67,90,78,913 equity shares in Welspun India Limited representing about 67.59% of the total paid up share capital.

It is proposed to amalgamate the Transferor Company into the Transferee Company by this Scheme, as a result of which the shareholders of the Transferor Company viz. the promoter group of the Transferor Company (who are also part of the promoter group of the Transferee Company) shall directly hold shares in the Transferee Company and the following benefits shall, inter alia, accrue to the Companies:

- a) The amalgamation will result in the promoter group of the Transferor Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers of the Transferee Company but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company;
- b) The promoter group of the Transferee Company is desirous of streamlining its holding in the Transferee Company. As a step towards such rationalization, it is proposed to merge the Transferor Company into the Transferee Company;

Welspun India Limited

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E-mail : companysecretary_wil@welspun.com Website : www.welspunindia.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 00, India
 T : +91 2836 561 111 F : +91 2836 279 010

Works: Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat 396 191, India
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Corporate Identity Number : L17110QJ1905PLC033271

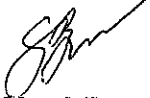


- c) The promoters would continue to hold the same percentage of shares in the Transferee Company, pre and post the amalgamation. There would also be no change in the financial position of the Transferee Company. All cost, charges and expenses relating to the Scheme would be borne out of the assets (other than shares of the Transferee Company) of the Transferor Company. Any expense, exceeding the assets of the Transferor Company would be borne by the shareholders of the Transferor Company directly;
- d) Further, the Scheme also provides that the shareholders of the Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim, demand, if any, and which may devolve on the Transferee Company on account of this amalgamation;
- e) Currently, Transferee Company is one layer of subsidiary of the Transferor Company. Any acquisition(s) by the Transferee Company involving more than one layer of Indian subsidiaries would be impermissible having regard to the provisions of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017. To rationalize the current structure of the Transferee Company, it is proposed to amalgamate the Transferor Company into the Transferee Company.

Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of all the assets of the Transferor Company with and into the Transferee Company pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

Yours Faithfully,

For Welspun India Limited


Shashikant Thorat
Company Secretary
FCS - 6505

