



Letter Ref no : DSPL/WIL/02/2018

STRICTLY PRIVATE & CONFIDENTIAL

FAIRNESS OPINION

The Board of Directors
Welspun India Limited
 Welspun City, Village Versamedi,
 Anjar, Gujarat-370110

The Board of Directors
Prasert Multiventure Private Limited
 Survey No 76, Village Morai, Vapi, Dist.
 Valsad, Gujarat-396191

Dear Sir(s),

Subject: Fairness Opinion for the proposed Scheme of Amalgamation of Prasert Multiventure Private Limited (referred as "**the Transferor Company**" or "**PMPL**") with Welspun India Limited (referred as "**the Transferee Company**" or "**WIL**") and their respective shareholders and creditors.

The Transferor Company and the Transferee Company are collectively hereinafter referred as the "**Companies**".

Please refer to the engagement letter no. DSPL/WIL/01/2018 dated 19th September, 2018 appointing Dalmia Securities Private Limited ["**DSPL**"], a Securities Exchange Board of India ("**SEBI**") registered category (I) merchant banker, to provide a fairness opinion in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ["**SEBI Circular**"] and other applicable SEBI regulations in connection with the proposed scheme of amalgamation of the Transferor Company with the Transferee Company and their respective shareholders pursuant to sections 230-232 and other applicable provisions of the Companies Act, 2013 (*hereinafter termed as "**Scheme**"*).

1. BACKGROUND

1.1 Welspun India Limited (WIL)

Welspun India Limited is a listed company, originally incorporated under the provisions of the Companies Act, 1956, on January 17, 1985 under the name and style of Welspun Wilson Silk Mills Private Limited. Subsequently, the name of the WIL was changed from



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 SEBI Regn. Nos. NSE INB230645339 F&O INF230645339 Code 06453 BSE INBO 10684638 F&O INF230645339 Code 530

For Welspun India Limited

Director / Company Secretary

NSDL IN300222 CDSL I7500 BARN 0284
 CIN : U67120WB1993PTC060525
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Pg. No. - 35

Category	Number of Shares Held	Shareholding (%)
Balkrishan Goenka, Trustee of Welspun Group Master Trust	49,999	99.998
Dipali Goenka, Nominee of Balkrishan Goenka, Trustee of Welspun Group Master Trust	1	0.002
Total	50,000	100.00

1.3 Transaction Overview

Pursuant to the proposed Scheme, the Transferor Company is proposed to amalgamate into the Transferee Company under Sections 230-232 and other applicable provisions of the Companies Act, 2013 and as a result of which the shareholders of the Transferor Company viz. the promoters of the Transferor Company (who are also the part of promoters and promoter group of the Transferee Company) shall directly hold shares in the Transferee Company. As represented by the management of the Companies, the objective of the proposed Scheme is to *inter alia* simplify the shareholding structure of WIL and reduction of shareholding tiers.

2. SCOPE OF ENGAGEMENT

The Companies have appointed DSPL to issue fairness opinion for the proposed Scheme in terms of the SEBI Circular and applicable SEBI regulations. DSPL is issuing this fairness opinion ("Fairness Opinion") in capacity of Independent Merchant Banker based on the report dated September 21, 2018, containing recommendation of fair equity share exchange ratio for the proposed amalgamation, issued by M/s SSPA & Co, Chartered Accountants ["Valuer"].

3. SOURCES OF INFORMATION

DSPL has relied on the following information for issuing the Fairness Opinion for the purpose of the proposed Scheme:

- Draft Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013, with regard to the proposed the proposed Scheme.

For Welspun India Limited

3
Director/ Company Secretary



Pg. No - 37

holding in the Transferor Company. The investment held by the Transferor Company in the equity share capital of the Transferee Company will stand cancelled.

- (iv) Pursuant to the Scheme, there would not be change in the shareholding pattern of the Transferee Company and the Promoters of the Transferee Company would continue to hold the same percentage of shares in the Transferee Company, pre and post the amalgamation.


5. EXCLUSIONS AND LIMITATIONS

The Fairness Opinion is subject to the scope limitations detailed hereinafter.

- 5.1 The Fairness Opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein. The Fairness Opinion is divided into chapters and sub section only for the purpose of reading convenience. Any partial reading of this Fairness Opinion may lead to inferences, which may be divergence with the conclusion and opinion based on the entirety of this Fairness Opinion
- 5.2 In the course of the present exercise, DSPL were provided with both written and verbal information, including financial data. The Fairness Opinion issued by DSPL based on the basis of information available in public domain and sources believed to be reliable and information provided by the Companies forming part of the Scheme and the Valuer for the sole purpose to facilitate the Companies to comply with the requirements of the SEBI Circulars and applicable SEBI Regulations and shall not be valid for any other purpose or as at any other date.
- 5.3 DSPL has relied upon the historical financials and the information and representations furnished without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, DSPL has been given to understand by the managements of the Companies forming part of the Scheme that they have not omitted any relevant and material factors. Accordingly, DSPL does not express any opinion or offer any form of assurance regarding its accuracy and completeness. DSPL assumes no responsibility whatsoever for any errors in the above information furnished by the Companies and/or the Valuer and their impact on the present exercise. DSPL has not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies. In particular, DSPL does not express opinion on value of assets of the Companies forming part of the Scheme and/or their subsidiary, holding, affiliates, whether at current price or future price. No investigation of the Companies claim to the title of assets or property

- 5.8 The Fairness Opinion is specific to the date of this report. An exercise of this nature involves consideration of various factors. This Fairness Opinion is issued on the understanding that the Companies forming part of the Scheme have drawn attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on the Fairness Opinion for the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed appointed date for the proposed Scheme. DSPL has no responsibility to update this Fairness Opinion for events and circumstances occurring after the date of this Fairness Opinion. DSPL assumes no responsibility for updating or revising the Fairness Opinion based on circumstances or events occurring after the date hereof.
- 5.9 In past, DSPL may have provided and currently or in the future provide, investment banking services to the Companies forming part of the Scheme under the scheme and/or any holding or subsidiaries or affiliates and their respective shareholders, for which DSPL has received or may receive customary fees. DSPL engagement as fairness opinion provider is independent of our other business relationship, which may have the Companies under the scheme and/or any holding or subsidiaries or affiliates. In addition in ordinary course of their respective business, after complying with applicable SEBI Regulations, DSPL or its affiliates may actively trade in securities of the Companies under the scheme and/or any holding or subsidiaries or affiliates and their respective shareholders for their own accounts and account of their customers and accordingly may at any time hold position in such securities. DSPL engagement and opinion only to fulfill the requirement of the SEBI Circular and not for other purposes. Neither DSPL nor any of its affiliates, partners, directors, shareholders, managers, employees or agents make any representation or warranty, expressed or implied, as to the information and documents provided, based on which the Fairness Opinion has been issued.
- 5.10 This Fairness Opinion issued by DSPL without regard to specific objectivities, suitability, financial situation and need of any particular person and does not constitute any recommendation, and should not be construed as offer for to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned herein. This report has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This Fairness Opinion may not be all inclusive and may not contain all information that the recipient may consider material.

For Welspun India Limited


Director / Company Secretary

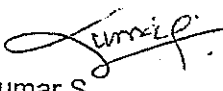


In light of the forgoing and subject to the caveats as detailed hereinbefore, DSPL hereby certifies the fair equity shares exchange ratio recommended by the Valuer, as mentioned below, is fair and reasonable

67,90,78,913 fully paid-up equity shares (face value of INR 1 each) of WIL to be issued and allotted to shareholders of PMPL in proportion of the number of equity shares held by the shareholders of PMPL in PMPL.

In case PMPL acquires additional equity shares of face value of INR 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 INR 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.

For **Dalmia Securities Private Limited**


Jeyakumar S

COO- Investment Banking

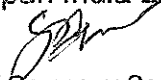
SEBI Registration Number INM000011476

Date: September 21, 2018

Place: Mumbai



For **Welspun India Limited**


Director / Company Secretary

Pg. No - 43