Court Convened Meeting of the Unsecured Creditors of Welspun India Limited
Day: Saturday
Date: 4th August 2012
Time: 10.00 am.
Venue: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. 230 OF 2012

In the matter u/s. 391 of the Companies Act, 1956;

And

In the matter of Welspun India Limited, a company having its Registered Office at Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat - 370110

And;

In the matter of Composite Scheme of Arrangement between Welspun India Limited and Welspun Global Brands Limited and Welspun Retail Limited;

And

In the matter of:

Welspun India Limited,
A Company having its Registered Office at
Welspun City, Village-Versamedi,
Taluka-Anjar, District-Kutch,
Gujarat – 370110

....Applicant
(First Transferee Company)

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS

To,

The Unsecured Creditors of Welspun India Limited– Applicant/ (First Transferee Company)

TAKE NOTICE that by an Order dated 22 June 2012 in the above Company Application, the Hon'ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Unsecured Creditors of Welspun India Limited, the Applicant (First Transferee Company), be convened and held at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110 on 4 August 2012 for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Welspun Global Brands Limited and Welspun India Limited (Applicant/First Transferee Company) and Welspun Retail Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of Welspun India Limited, the Applicant/ (First Transferee Company) shall be convened and held at Welspun City, Village Versamedi, Taluka Anjan, District Kutch, Gujarat - 370110 on 4 August 2012 at 10:00 am at which time and place you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that proxy in the prescribed form duly signed by you is deposited at the Registered Office of Welspun India Limited, the Applicant/ (First Transferee Company) at Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat – 370110, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Ram Gopal Sharma, Director of the Applicant/(First Transferee Company) and failing him, Mr. Ashok Jain, President – Finance of the Applicant/(First Transferee Company)to be the Chairman of the said meeting.

A copy of the Composite Scheme of Arrangement, the statement under Section 393 of the Companies Act, 1956 and the Form of Proxy is enclosed.

Sd/-
Chairman appointed for the meeting

Mumbai
Dated this 5th day of July 2012

Registered Office: Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat - 370110.

NOTE:

1. All alterations made in the Form of Proxy should be initialed;
2. Only the registered Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy) at the Unsecured Creditors' meeting.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. 230 OF 2012

In the matter u/s. 391 of the Companies Act, 1956;

And

In the matter of Welspun India Limited, a company having its Registered Office at Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat - 370110

And;

In the matter of Composite Scheme of Arrangement between Welspun India Limited and Welspun Global Brands Limited and Welspun Retail Limited;

And

In the matter of;

Welspun India Limited,
A Company having its Registered Office at
Welspun City, Village-Versamedi,
Taluka-Anjar, District-Kutch, ...Applicant
Gujarat – 370110 (First Transferee Company)

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

In this statement Welspun India Limited is referred to as the "Applicant"/"First Transferee Company". The other definitions contained in the enclosed Composite Scheme of Arrangement ("Scheme") will also apply to this Explanatory Statement.

The following statement as required under Section 393 of the Companies Act, 1956 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1 ORDER OF THE HIGH COURT OF GUJARAT AT AHMEDABAD

1.1 The Hon'ble High Court of Gujarat, Ahmedabad by its Order dated 22 June 2012 in the above Company Application, has directed Welspun India Limited (First Transferee Company) to convene a meeting of its Unsecured Creditors for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme between Welspun Global Brands Limited and Welspun India Limited and Welspun Retail Limited and their respective shareholders and creditors. The detailed terms and conditions of the arrangement are laid down in the enclosed copy of the Scheme which is annexed to this Notice.

2 SCHEME AND ITS APPROVAL BY THE BOARD OF DIRECTORS

2.1 The proposed Scheme inter alia envisages the amalgamation of Welspun Global Brands Limited with Welspun India Limited and thereafter, hiving off of the Marketing Business Undertaking of Welspun India Limited into Welspun Retail Limited. Further, as per the Scheme, upon the hiving off of its Marketing Business Undertaking, Welspun India Limited shall transfer its investments by way of shares of Welspun USA Inc, Welspun Holdings Private Limited and Welspun Mauritius Enterprises Limited to Welspun Retail Limited. Finally, upon the scheme becoming effective, the name of Welspun Retail Limited shall stand changed to Welspun Global Brands Limited.

2.2 The Scheme was placed for consideration before the Board of Directors of Welspun India Limited, Welspun Global Brands Limited and Welspun Retail Limited at their respective meetings held on May 7, 2012 respectively recommending the consideration as per the valuation report of Grant Thornton India LLP and Fairness Report of Enam Securities Private Limited to be discharged by Welspun India Limited as follows:

2.2.1 One equity share of Rs.10/- each in the First Transferee Company each credited as fully paid up to be allotted to each shareholder of the Transferor Company for every one equity share of Rs.10/- each held by each of such shareholders of Transferor Company.

2.2.2 Further on vesting of the Marketing Business Undertaking in the Second Transferee Company:

2.2.2.1 The Second Transferee Company is required to pay the consideration of Rs 1,050,153,246 towards the Slump Sale consideration based on the book value of Marketing Business Undertaking as on April 1, 2011. The said consideration shall be discharged by the Second Transferee Company by issuing 0% Redeemable Preference Shares of Rs 10/- each. Accordingly, the Second Transferee Company shall issue and allot to the First Transferee Company on Effective Date 1,050,153 0% Redeemable Preference Shares of Rs. 10/- each issued at a premium of Rs 990 ("RPS") of the Second Transferee Company. Simultaneously, with the issue and allotment of the said 1,050,153 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs 246/- being the part of the Slump Sale consideration.

2.2.2.2 All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

3 BRIEF DETAILS OF THE APPLICANT (FIRST TRANSFEREE COMPANY)

3.1 The First Transferee Company, Welspun India Limited was incorporated on 17 January 1985 under the name of Welspun Winilon Silk Mills Private Limited. Subsequently, on 12 January 1989, the name of Welspun Winilon Silk Mills Private Limited was changed to Welspun Polyesters (India) Limited. Subsequently, on 12 October 1995 the name of Welspun Polyesters (India) Limited was changed to Welspun India Limited.

3.2 The Registered Office of the First Transferee Company is located at Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat – 370110.

3.3 The principal object of the First Transferee Company as set out in its Memorandum of Association is set out hereunder:

1. *To carry on the business of manufacturing, buying, selling, exchanging, procession, importing, exporting or dealing in yarns and fibres including staple fibre and spun yarn, whether cellulosic or non-cellulosic, synthetic yarn and synthetic fabrics, artificial silk yarn, including yarn and fabric cotton, rayon flex, nylon, polyester, acrillic, viscose, poly-propylene, terelene, linin, canvas and fibrous, material or substances, whether natural or man-made for textile, industrial and other uses.*

3.4 The share capital of the First Transferee Company as on March 31, 2012, is as under:

AUTHORISED SHARE CAPITAL	**AMOUNT IN RS.**
125,000,000 Equity Shares of Rs.10/- each	1,250,000,000
500,000 0% Redeemable Cumulative Preference Shares of Rs. 100/- each	50,000,000
Total	**1,300,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	**AMOUNT IN RS.**
Issued, Allotted and Paid up Share Capital	
89,012,269 Equity Shares of Rs.10/- each.	890,122,690
Total	**890,122,690**

3.5 The First Transferee Company is a company whose equity shares are listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Ltd (NSE) in India. As per the requirements of Clause 24(f) of the Listing Agreement, the First Transferee Company had made applications dated 17 May 2012 to the BSE and to the NSE for obtaining their "No – objection" to the Scheme of Arrangement.

3.6 The BSE has given its "No – objection" to the Scheme by its letter dated June 18, 2012, and the NSE has given its "No – objection" to the Scheme by its letter dated June 11, 2012.

3.7 The financial position of the First Transferee Company as indicated by a summary extracted from the audited annual accounts for the year ending March 31, 2011.

SOURCES OF FUNDS	Amount in Rs. in lacs
Share Capital	9,397.60
Reserves & Surplus	56,826.90
Secured Loans	163,716.80
Unsecured Loans	8,345.00
Deferred Tax Liability	18,787.60
Total	**257,073.90**
APPLICATION OF FUNDS	
Fixed Assets	161,184.90
Investments	10,658.80
Current Assets, Loans and Advances	110,772.40
Less: Current Liabilities & Provisions	25,542.20
Net Current Assets	85,230.20
Total	**257,073.90**

3.8 Except for providing for the doubtful debts of Rs. 8179.0 lacs in the accounts, there has been no material change in the financial position of the First Transferee Company subsequent to the date of its audited accounts for financial year 2010-11.

3.9 The First Transferee Company is presently engaged in the business of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in home textile products, yarns and fibers.

4 BRIEF DETAILS OF THE TRANSFEROR COMPANY

4.1 The Transferor Company, Welspun Global Brands Limited was incorporated on 19 January 2000 under the name Banshika Trading Private Limited. Subsequently on 5 October 2005 the name of Banshika Trading Private Limited was changed to Welspun Home Brands Limited. On 21 July 2006 the name of Welspun Home Brands Limited was further changed to Weltex International Limited and finally on 23 June 2008 the name of Weltex International Limited was changed to its present name "Welspun Global Brands Limited".

4.2 The Registered Office of the Transferor Company is located at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110.

4.3 The principal object of the Transferor Company as set out in its Memorandum of Association is set out hereunder:

To carry on the business of creating, developing and promoting of brands trade names, trademarks, copyrights, patents for marketing of various home and fashion related products namely home fabrics including towels, bed sheets, bathrobes, aprons, apparels, garments, curtains, pillows, pillow covers / cases, mattresses, rugs, sweaters, gloves and other intermediate of the above referred products, lamps, lamp shades, clocks, photoframes, mirrors, candles, vases, pens, knives, hangers, decorative lights and such other home decorative products and also to get product improvement work done from outside agencies for better value addition and ease of marketing.

4.4 The Share Capital of the Transferor Company as on March 31, 2012, is as under:

AUTHORISED SHARE CAPITAL	AMOUNT IN RS.
25,500,000 Equity Shares of Rs.10/- each	255,000,000
Total	**255,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	**AMOUNT IN RS.**
Issued, Allotted and Paid up Share Capital:	
10,475,496 Equity Shares of Rs.10/- each fully paid up	104,754,960
Total	**104,754,960**

4.5 The financial position of the Transferor Company as indicated by a summary extracted from the audited annual accounts for year ending March 31, 2011, is as under:

SOURCES OF FUNDS	Amount in Rs. in lacs
Share Capital	1,047.50
Reserves & Surplus	14,265.30
Secured Loans	1,807.60
Unsecured Loans	14,550.90
Total	**31,671.30**
APPLICATION OF FUNDS	
Fixed Assets	111.10
Investments	18,351.50
Deferred Tax Assets	86.50
Current Assets, Loans and Advances	20,756.70
Less: Current Liabilities & Provisions	7,634.50
Net Current Assets	13,122.20
Total	**31,671.30**

4.6 Except for (i) Diminution in value of Rs 763.15 lacs of the investments held in WHPL; (ii)Diminution in value of Rs 16.58 lacs the investments held in WMEL; and (iii) provisions for loan given to WMEL for Rs 741.1 lacs there has been no material change in the financial position of the Transferor Company subsequent to the date of its audited accounts for financial year 2010-11.

4.7 The Transferor Company is a company whose equity shares are listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Ltd (NSE) in India. As per the requirements of Clause 24(f) of the Listing Agreement, the Transferor Company had made applications dated 17 May 2012 to the BSE and to the NSE for obtaining their "No – objection" to the Scheme of Arrangement.

4.8 The BSE has given its "No – objection" to the Scheme by its letter dated June 18, 2012, and the NSE has given its "No – objection" to the Scheme by its letter dated June 11, 2012.

4.9 The Transferor Company is presently engaged in the business of, inter alia, export of home textile products and creating, developing and promoting of brands trade names, trademarks, copyrights, patents for marketing of various home and fashion related products.

5 BRIEF DETAILS OF THE SECOND TRANSFEREE COMPANY

5.1 The Second Transferee Company, Welspun Retail Limited was incorporated on 14 December 2004 under the name Welspun Hometex Limited. Subsequently on 29 December 2005 the name of Welspun Hometex Limited was changed to Welspun Retail Limited.

5.2 The Registered Office of the Second Transferee Company is located at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396 191.

5.3 The principal object of the Second Transferee Company as set out in its Memorandum of Association is set out hereunder:

To carry on in India or elsewhere, the business of retailing of home textile and related products, commodities, goods, services viz. napkins, towels, bathrobes, bath-mats and other types of mats, bath footwear, bed sheets, pillow and pillow covers, gloves, aprons, kitchen and dinning clothing, home and other types of curtains and other terry made-ups, kitchenware, crockery, rugs, mats, carpets, beds, and other kitchen and home accessories.

5.4 The share capital of the Second Transferee Company as on March 31, 2012, is as under:

AUTHORISED SHARE CAPITAL	AMOUNT IN RS.
25,000,000 Equity Shares of Rs. 10/- each	250,000,000
1,000,000 8% Redeemable Preference Shares of Rs. 10/- each	10,000,000
14,000,000 0% Redeemable Preference Shares of Rs. 10/- each	140,000,000
Total	**400,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	**AMOUNT IN RS.**
Issued, Allotted and Paid up Share Capital:	
23,529,412 Equity Shares of Rs.10/- each fully paid up	235,294,120
980,392 8% Redeemable Preference Shares of Rs. 10/- each	9,803,920
13,464,800 0% Redeemable Preference Shares of Rs.10/- each	134,648,000
Total	**379,746,040**

5.5 The Second Transferee Company is an unlisted public company which is a subsidiary of the Transferor Company.

5.6 The financial position of the Second Transferee Company as indicated by a summary extracted from the audited annual accounts for the year ending March 31, 2011.

SOURCES OF FUNDS	Amount in Rs. in lacs
Share Capital	2450.98
Reserves & Surplus	14,041.52
Secured Loans	1643.18
Unsecured Loans	1346.48
Total	**19,482.16**
APPLICATION OF FUNDS	
Fixed Assets	1761.36
Investments	-
Current Assets, Loans and advances	15,999.56
Less: Current Liabilities & Provisions	10338.37
Net Current Assets	5661.19
Profit and Loss Account (Debit Balance)	12059.61
Total	**19482.16**

5.7 Except for a loss of Rs 6441.8 lacs there has been no material change in the financial position of the Second Transferee Company subsequent to the date of its audited accounts for financial year 2010-11.

5.8 The Second Transferee Company is presently engaged in the business of retailing of home textile and related products, commodities, goods and services.

6 RESOLUTION FOR APPROVAL

6.1 The Resolution to be submitted for approval of the Unsecured Creditors of the First Transferee Company, will read as follows:

6.1.1 To consider and if thought fit, to approve with or without modification(s) the following resolution as a Special Resolution(s):

"RESOLVED THAT pursuant to the provisions of Section 391-394 and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, if any, and subject to the approval of the Hon'ble High Court of Gujarat at Ahmedabad or any other appropriate authorities, the Composite Scheme of Arrangement ("Scheme") embodied in the Scheme between Welspun Global Brands Limited (Transferor Company), and Welspun India Limited (First Transferee Company) and Welspun Retail Limited (Second Transferee Company) and their respective shareholders and creditors for the amalgamation of Welspun India Limited with Welspun Global Brands Limited and thereafter, hiving off of the Marketing Business Undertaking of Welspun India Limited into Welspun Retail Limited and upon the hiving off of its Marketing Business Undertaking, transfer of investments of Welspun India Limited by way of shares of Welspun USA Inc, Welspun Holdings Private Limited and Welspun Mauritius Enterprises Limited to Welspun Retail Limited and finally, subject to the fulfillment of the above, change of name of Welspun Retail Limited to Welspun Global Brands Limited be and is hereby approved."

"RESOLVED FURTHER THAT in pursuance of the Scheme and provisions of Section 81 (1A) of the Companies Act, 1956 the First Transferee Company do issue and allot One equity share of Rs.10/- each in the First Transferee Company each credited as fully paid up to each shareholder of Transferor Company for every One equity share of Rs.10/- each held by each of such shareholders of Transferor Company."

"RESOLVED FURTHER THAT Mr. Balkrishan Goenka, Mr. Rajesh Mandawewala, Directors, of the First Transferee Company and Mr. Shashikant Thorat, Company Secretary be and are jointly and/or severally authorized on behalf of the First Transferee Company to make such alterations modifications, or amendments therein as may be expedient or necessary for complying with requirements or conditions imposed by the Hon'ble High Court of Gujarat at Ahmedabad and /or any other appropriate authorities."

"RESOLVED FURTHER THAT Mr. Balkrishan Goenka, Mr. Rajesh Mandawewala, Directors, of the Company and Mr. Shashikant Thorat, Company Secretary be and are jointly and/or severally authorized on behalf of the First Transferee Company to do all such acts, matters, deeds and things as may be necessary or desirable for the purpose of giving effect to the Scheme."

7 BENEFITS FROM THE SCHEME

7.1 All the companies to the Scheme are companies forming part of Welspun group of companies. In order to consolidate their businesses and reap the benefits of operational synergy and enhance shareholder value the board of each of the companies has proposed this Scheme. Customers of the Transferor Company have shown preference for direct relationship with manufacturer i.e. First Transferee Company. As a result of the Scheme, First Transferee Company will become single ultimate owner of all businesses being conducted by companies involved in the Scheme. This will help in increasing of stakeholders' value.

8 SALIENT FEATURES OF THE SCHEME

8.1 **"Appointed Date"** means opening business hours of April 1, 2011.

8.2 **"Effective Date"** means the date on which all the conditions and matters referred to in Part-I, Part-II, Part-III, Part IV and Part-V hereof have been fulfilled, including a certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme of Arrangement is filed with the Registrar of Companies, Gujarat.

8.3 Part II of the scheme of arrangement sets out provisions in relation to the amalgamation of the Transferor Company with the First Transferee Company. It may be read as hereunder:

8.3.1 Upon the Scheme being effective and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the WGBL Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the First Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the First Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the First Transferee Company by virtue of the amalgamation and the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of the Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the First Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

8.3.2 With respect to the assets of the WGBL Undertaking of the Transferor Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the First Transferee Company as an integral part of the WGBL Undertaking of the Transferor Company on and from the Appointed Date.

8.3.3 With respect to the assets of the WGBL Undertaking of the Transferor Company other than those referred to in clause 8.3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the First Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the WGBL Undertaking of the Transferor Company shall, pursuant to Section 394(2) of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the First Transferee Company.

8.3.4 For the avoidance of doubt, it is clarified that upon coming into effect of the Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in the First Transferee Company.

8.3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the First Transferee Company and shall be binding

on and be enforceable by and against the First Transferee Company as fully and effectually as if the First Transferee Company had at all material times been a party thereto. Any inter-se contracts between Transferor Company and the First Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of the Scheme

8.3.6 Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the WGBL Undertaking occurs by virtue of the Scheme itself, First Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the First Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme. First Transferee Company shall under the provisions of Part of the Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

8.3.7 The Scheme also provides for various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, the same shall, without any further act or deed, vest with and be available to the First Transferee Company on the same terms and conditions on and from the Effective Date.

8.3.8 The Scheme also provides for

(a) All debts, liabilities, duties and obligations of Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Company which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the First Transferee Company.

(b) Where any of the liabilities and obligations attributed to Transferor Company on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the First Transferee Company. Where after the Appointed Date, Transferor Company has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of the First Transferee Company and the First Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing clauses, and upon the Scheme becoming effective, Transferor Company and the First Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.

(d) If and to the extent there are loans, deposits or balances inter se between Transferor Company and the First Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the First Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and the First Transferee Company.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Transferor Company and the First Transferee Company from the Appointed Date.

(f) Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess[hereinafter in this Clause referred to as "Tax Laws"] to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to the First Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the First Transferee Company.

(g) Any refund under the Tax Laws due to Transferor Company consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the First Transferee Company.

(h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the First Transferee Company.

8.3.9 Upon the coming into effect of the Scheme, all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the First Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the First Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

8.3.10 The Scheme provides for all the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Transferor Company, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the First Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the First Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of First Transferee Company, the First Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and or approval, as the case may be, and the First Transferee Company shall keep of record and or account of such transactions.

8.3.11 Upon transfer and vesting of WGBL Undertaking in the First Transferee Company taking place, as provided herein, the First Transferee Company undertakes to engage on and from

the date on which the Scheme becomes operative all the employees of Transferor Company on the same terms and conditions on which they are engaged by Transferor Company without any interruption of service as a result of the transfer and vesting of WGBL Undertaking unto the First Transferee Company. The First Transferee Company agrees that the services of all such employees with Transferor Company prior to the transfer and vesting of WGBL Undertaking unto the First Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the First Transferee Company and/or such new Provident Fund, Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the First Transferee Company. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

8.3.12 If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called ***"the Proceedings"***) by or against Transferor Company be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the WGBL Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the First Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if the Scheme had not been made. On and from the Appointed Date, the First Transferee Company shall and may initiate any legal proceeding for and on behalf of Transferor Company.

8.3.13 The transfer and vesting of WGBL Undertaking under the Scheme and the continuance of the proceedings by or against the First Transferee Company under the Scheme shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to the Scheme becoming effective to the end and intent that the First Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Company as acts deeds and things done and executed by and on behalf of the First Transferee Company.

8.3.14 After the Scheme takes effect and upon vesting of WGBL Undertaking in the First Transferee Company in terms of the Scheme, and on consideration of the valuation report of Grant Thornton duly approved by the boards of directors of the First Transferee Company and the Transferor Company, the First Transferee Company shall allot to the shareholders of the Transferor Company, whose name is recorded in the register of members of Transferor Company on the Record Date credited as fully paid up, without any further payment be issued and allotted equity shares of the First Transferee Company in the ratio of 1 (one) equity shares of Rs. 10 each credited as fully paid up for every 1 (one) equity shares of Rs 10 each held by such shareholder in the Transferor Company.

8.3.15 Upon Scheme being effective and vesting of the WGBL Undertaking into the First Transferee Company, the Scheme provides for the increase in the Authorised Share Capital of the First Transferee Company by merging of the Authorised Share Capital of the Transferee Company without payment of additional fees and duties as the said fees have already been paid. The Authorised Capital of the First Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act.

8.3.16 The Scheme also provides for the alteration and amendment of the Memorandum & Articles of Association of the First Transferee Company without any act, instrument or deed pursuant to section 17, 31 and 394 and other applicable provisions of the Companies Act, 1956

8.3.17 The Scheme provides for the conduct of the business by the Transferor Company from the Appointed Date up to the Effective Date;

8.3.18 Upon vesting of the WGBL Undertaking into the First Transferee Company, the Scheme provides for the dissolution of the Transferor Company without winding up.

9 HIVING OFF OF THE MARKETING DIVISION OF FIRST TRANSFEREE COMPANY

9.1 Subject to vesting of WGBL undertaking into the First Transferee Company and implementation of Part-II of the Scheme and pursuant to terms of the Scheme with effect from the Appointed Date and subject to the mode of transfer and vesting, the Marketing Business Undertaking of the First Transferee Company shall, without any further act or approval including approval under section 293 1(a) of the Act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Second Transferee Company as a going concern on a slump sale basis so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Second Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the First Transferee Company which shall vest in the Second Transferee Company by virtue of the transfer of the Marketing Business Undertaking of the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of the Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the Second Transferee Company to create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

9.2 With respect to the assets of the Marketing Business Undertaking of the First Transferee Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the First Transferee Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Second Transferee Company as an integral part of the of the Second Transferee Company on and from the Appointed Date.

9.3 With respect to the assets of the Marketing Business Undertaking of the First Transferee Company other than those referred to in clause 9.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Second Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all the rights, title and interests of the First Transferee Company in any leasehold properties in relation to the Marketing Business Undertaking of the First Transferee Company shall, pursuant to Section 394(2) of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Second Transferee Company.

9.4 For the avoidance of doubt, it is clarified that upon the coming into effect of the Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Marketing Business Undertaking of the First Transferee Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the First Transferee Company for the Marketing Business Undertaking, be transferred to and vested in the Second Transferee Company.

9.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Marketing Business Undertaking to which the First Transferee Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Second Transferee Company and shall be binding on and be enforceable by and against the Second Transferee Company as fully and effectually as if the Second Transferee Company had at all material times been a party thereto. Any inter-se contracts in relation to Marketing Business Undertaking between First Transferee Company and the Second Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of the Scheme.

9.6 Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Marketing Business Undertaking occurs by virtue of the Scheme itself, the Second Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Second Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme. Second Transferee Company shall under the provisions of this Part of the Scheme, be deemed to be authorized to execute any such writings on behalf of the First Transferee Company to carry out or perform all such formalities or compliances in relation to the Marketing Business Undertaking referred to above on the part of the First Transferee Company to be carried out or performed.

9.7 The Scheme provides for various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Marketing Business Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Second Transferee Company on the same terms and conditions on and from the Appointed Date.

9.7.1 The Scheme provides for all debts, liabilities, duties and obligations of Marketing Business Undertaking as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Marketing Business Undertaking which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Second Transferee Company.

9.7.2 Where any of the liabilities and obligations attributed to Marketing Business Undertaking on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Second Transferee Company. Where after the Appointed Date, Marketing Business Undertaking has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of Second Transferee Company and the Second Transferee Company will assume liability for the same.

9.7.3 Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, First Transferee Company and the Second Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.

9.7.4 If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, be transferred and suitable effect shall be given in the books of both the companies from the Appointed Date.

9.7.5 With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Marketing Business Undertaking and the Second Transferee Company from the Appointed Date.

9.7.6 Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Marketing Business Undertaking operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess [hereinafter in this Clause referred to as "Tax Laws"] to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Second Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Second Transferee Company.

9.7.7 Any refund under the Tax Laws due to Marketing Business Undertaking consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Second Transferee Company.

9.7.8 Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Marketing Business Undertaking is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Second Transferee Company.

9.8 Upon the coming into effect of the Scheme, all debts, liabilities, duties and obligations of the Marketing Business Undertaking shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the Second Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Second Transferee Company on the same terms and conditions as were applicable to the Marketing Business Undertaking and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

9.9 All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the First Transferee Company in respect of the Marketing Business Undertaking, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Second Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the Second Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of Second Transferee Company, the Second Transferee Company is authorized to carry on business in the name and style of the First Transferee Company and under the relevant license and or permit and or approval, as the case may be, and the Second Transferee Company shall keep of record and or account of such transactions.

9.10 Upon transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company taking place, as provided herein, the Second Transferee Company undertakes to engage on and from the date on which the Scheme becomes operative all the employees of Marketing Business Undertaking of the First Transferee Company on the same terms and conditions on which they are engaged by the First Transferee Company without any interruption of service as a result of the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company. The Second Transferee

Company agrees that the services of all such employees with the First Transferee Company prior to the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees of Marketing Business Undertaking in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the Second Transferee Company and/or such new Provident Fund, Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the Second Transferee Company. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees of Marketing Business Undertaking would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

9.11 If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against the First Transferee Company in respect of the Marketing Business Undertaking be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Marketing Business Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Second Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the First Transferee Company as if the Scheme had not been made. On and from the Appointed Date, the Second Transferee Company shall and may initiate any legal proceeding for and on behalf of the First Transferee Company with respect to the Marketing Business Undertaking.

9.12 The transfer and vesting of the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking under of the Scheme and the continuance of the proceedings by or against the Second Transferee Company under the Scheme shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to the Scheme becoming effective to the end and intent that the Second Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the First Transferee Company as acts deeds and things done and executed by and on behalf of the Second Transferee Company.

9.13 Upon the Scheme becoming effective and upon the transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company in terms of the Scheme, the Second Transferee Company is required to pay the consideration of Rs 1,050,153,246 towards the Slump Sale consideration based on the book value of Marketing Business Undertaking as on April 1, 2011. The book value considered in the report of Grant Thornton, is arrived on the basis of financials of Marketing Business Undertaking. The said consideration shall be discharged by the Second Transferee Company by issuing 0% Redeemable Preference Shares of Rs 10 each. Accordingly the Second Transferee Company shall issue and allot to the First Transferee Company on Effective Date 1,050,153 0% Redeemable Preference Shares of Rs. 10/- each issued at a premium of Rs 990 ("RPS") of the Second Transferee Company. Simultaneously, with the issue and allotment of the said 1,050,153 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs 246 being the part of the Slump Sale consideration.

9.14 All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

9.15 The Scheme provides for the alteration and amendment to the Authorised Capital of the Second Transferee Company

9.16 The Scheme also provides that on Scheme becoming effective, the Second Transferee Company shall be entitled to operate all Bank Accounts relating to the First Transferee Company in respect of its Marketing Business Undertaking and realise all monies and complete and enforce all pending contracts and transactions in the name of the First Transferee Company in so far as may be necessary until the transfer and vesting of rights and obligations of the Marketing Business Undertaking to the Second Transferee Company under the Scheme is formally effected by the Parties concerned.

10 TRANSFER OF SHARES IN THE OFFSHORE SUBSIDIARIES HELD BY FIRST TRANSFEREE COMPANY TO SECOND TRANSFEREE COMPANY

10.1 Subject to implementation of merger of WGBL undertaking into WIL and subsequent demerger and vesting of the Marketing Business Undertaking into the Second Transferee Company, i.e. implementation of Part –II & Part –III of the Scheme and subject to applicable rules and regulations framed under the Foreign Exchange Management Act 1999, the Scheme provides transfer of Shares by the First Transferee Company to the Second Transferee Company: (i) 1,500,000 fully paid up equity shares of USD 0.10 each of WUL, the book value of the said shares being Rs 281,968,178; (ii) 14,000 fully paid up equity shares of GBP 1.00 each of WHPL the book value of the said shares being Rs. 1,040,876,236; and (iii) 370,862 fully paid up equity shares of USD 1.00 each of WML the book value of the said shares being Rs. 16,577,929; held by it together with all benefits, rights, privileges, advantages and incidentals attached to the respective shares of the respective Offshore Subsidiaries for an aggregate consideration to be paid by Second Transferee Company to First Transferee Company by issue of 1,339,422 0% Redeemable Preference Shares of Rs. 10 each issued at a premium of Rs. 990 per share. Simultaneously, with the issue and allotment of the said 1,339,422 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs. 343 being the part of the consideration for transfer of shares of the Offshore Subsidiaries.

10.2 All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

11 CHANGE OF NAME OF SECOND TRANSFEREE COMPANY

11.1 With effect from the Effective Date, the Scheme also provides for the change of name of the Second Transferee Company, from "Welspun Retail Limited" to "Welspun Global Brands Limited".

11.2 On approval of the Scheme under sections 391 to 394 of the Act by the shareholders of the Second Transferee Company and sanction of the scheme by the Gujarat High Court, it is deemed that the special resolution under Section 21 and other applicable provisions of the Act has been passed.

11.3 Upon the coming into effect of the Scheme, the First Transferee Company and the Second Transferee Company are expressly permitted to revise their Income Tax returns to the extent required. First Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or Tax Deduction at Source certificates on or after the Appointed Date by the Transferor Company. Similarly, the Second Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or Tax Deduction at Source certificates, pertaining to Marketing Business Undertaking, on or after the Appointed Date by the First Transferee Company.

11.4 The Transferor Company (by its Directors or Committee thereof), the First Transferee Company (by its Directors or Committee thereof) and the Second Transferee Company (by its Directors or Committee thereof) may assent to any modifications or amendment to the Scheme or agree to any terms and/or conditions which the Appropriate Authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

11.5 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the First Transferee Company and Second Transferee Company are hereby authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for setting any question or doubt or difficulty whatsoever that

may arise during implementation of the Scheme.

11.6 The Scheme is conditional on and subject to:

11.6.1 the sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

11.6.2 the approval to the Scheme by the requisite majority of members, the secured creditors and unsecured creditors of the Transferor Company, the First Transferee Company and the Second Transferee Company.

11.6.3 the sanction of the High Court of Gujarat at Ahmedabad, under Sections 391 to 394 of the said Act, in favour of the Transferor Company, in favour of the First Transferee Company and in favour of Second Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.

11.6.4 The certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

11.6.5 The sanction/consent/no objection being obtained by the Transferor Company from relevant parties or governmental authorities for transfer and vesting of the rights, privileges, obligations, duties, undertakings and covenants of the Transferor Company in favour of the First Transferee Company under any contracts, agreements, undertakings, or arrangements, whether entered into with governmental authorities, statutory bodies or otherwise.

11.6.6 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the WGBL Undertaking, the First Transferee Company, Second Transferee Company and the Off shore companies have or may have under or pursuant to all appropriate and applicable laws and regulations.

11.6.7 It is clarified that if any asset (estate, claims, rights, title, interest in or authority relating to such asset) or any contracts, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in relation to the Marketing Business Undertaking which the First Transferee Company owns or to which the First Transferee Company is a party and which cannot be transferred to the Second Transferee Company for any reason whatsoever, the First Transferee Company shall hold such assets or contract, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in trust for the benefit of the Second Transferee Company to which the Marketing Business Undertaking is being transferred in terms of the Scheme, in so far as, it is permissible so to do, till such time as the transfer is effected.

The creditors are requested to read the entire text of the Compostie Scheme to get better acquainted with the provisions thereof as stated above. The aforesaid are only the salient features thereof.

11.7 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court of Gujarat at Ahmedabad, and/or the Order or Orders not being passed as aforesaid on or before March 31, 2013 or within such further period or periods as may be agreed upon between the Transferor Company, the First Transferee Company and the Second Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

11.8 All costs, charges and expenses of the Transferor Company and the First Transferee Company or the Second Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the WGBL Undertaking or Marketing Business Undertaking in pursuance of the Scheme shall be borne and paid solely by the First Transferee Company or the Second Transferee Company as the case may be.

11.9 The issue and allotment of shares by the First Transferee Company to persons resident outside India will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or re-enactment thereof), as required. Similarly, the transfer of shares of the Offshore Subsidiaries by the First Transferee Company to Second Transferee Company will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or re-enactment thereof), as required.

11.10 The Transferor Company and/or the First Transferee Company or the Second Transferee Company acting through their respective Boards of Directors shall each be at liberty to withdraw from the Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.

11.11 If any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company or the First Transferee Company or the Second Transferee Company, affect the validity or implementation of the other parts and/or provisions of the Scheme.

11.12 The rights and interests of the members and the creditors of the First Transferee Company, the Transferor Company and the Second Transferee Company will not be prejudicially affected by the Scheme.

11.13 No investigation proceedings have been instituted and/or are pending in relation to the First Transferee Company under Sections 235 and 250A of the Act, or under the provisions of the Competition Act 2002.

11.14 The directors of each of the Transferor Company, the First Transferee Company and the Second Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies.

11.15 The details of the present directors of the First Transferee Company and their shareholding in the First Transferor Company , Second Transferee Company and the Transferor Company, either singly or jointly, as on date are as follows:

Name of Director	Position held			Equity Shares held in		
Company	Transferor	First Transferee Company	Second Transferee Company	Transferor Company	First Transferee Company	Second Transferee Company
Mr. Balkrishan Goenka	Chairman	Chairman	-	6,225	62,173	1
Mr. Rajesh Mandawewala	Director	Managing Director	-	3	100	-
Mr. Dadi Engineer	-	Director	-	11	989	-
Mr. A. K. Dasgupta	-	Director	-	300	3,000	-
Mr. Ram Gopal Sharma	-	Director	-	-	633	-
Mr. Arun Todarwal	Director	Director	-	-	-	-
Mr. Krishnendu Banerjee	-	Director	-	-	-	-
Mrs. Dipali Goenka	Managing Director	-	Director	65,460	9580	1
Mr. K. H. Viswanathan	Director	-	Director	-	-	-
Mr. Arvind Singhal	Director	-	-	-	-	-
Mr. Atul Desai	Director	-	-	-	-	-
Mrs. Revathy Ashok	Director	-	-	-	-	-
Mr. Akhil Jindal	-	-	Director	-	-	-
Mr. Yogesh Mehta	-	-	Director			

11.16 On the Scheme being effective, the Second Transferee Company shall not only continue to carry on its current business but shall also carry on the business of the Transferor Company.

11.17 The following documents will be open for inspection up to one day prior to the date of the meetings at the respective Registered Office of the Transferor Company, the First Transferee Company and the Second Transferee Company between 10.00 a.m. and 12 noon on all working days, except Saturday and Sunday:

(a) (a) Papers and proceedings in Company Application No. 230 of 2012 including certified copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad in the said Company Application directing the convening and holding of the meetings of the equity shareholders, secured creditors (including debenture holders) and unsecured creditors of the First Transferee Company;

(b) Papers and proceedings in Company Application No. 231 of 2012 filed by the Transferor Company before the Hon'ble High Court of Gujarat at Ahmedabad;

(c) Papers and proceedings in Company Application No. 232 of 2012 filed by the Second Transferee Company before the Hon'ble High Court of Gujarat at Ahmedabad;

(d) Scheme of Arrangement;

(e) Memorandum and Articles of Association of the Transferor Company, the First Transferee Company and the Second Transferee Company;

(f) Annual Report of the First Transferee Company for the financial year ended March 31, 2011;

(g) Copies of No Objection letters, dated June 18, 2012 & June 11, 2012, from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, received by the First Transferee Company;

(h) Copy of the valuation report dated 7 May 2012 issued by Grant Thornton,Mumbai; and

(i) Copy of the fairness report dated May 7, 2012 issued by Enam Securities Private Limited;

This statement may be treated as the statement of material facts under Section 173 and also Section 393 of the Act. A copy of the Scheme and this statement may also be obtained from the Registered Office of the First Transferee Company during ordinary business hours on weekdays.

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COMPOSITE SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
BETWEEN
WELSPUN INDIA LIMITED
AND
WELSPUN GLOBAL BRANDS LIMITED
AND
WELSPUN RETAIL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

This Scheme of Arrangement provides for:

(i) Amalgamation of Welspun Global Brands Limited as going concern with Welspun India Limited pursuant to Section 391 to 394 and other applicable provisions of the Companies Act, 1956;

(ii) Subject to satisfactory fulfillment and accomplishment of (i) above hiving off of the Marketing Business Undertaking of Welspun India Limited as a going concern into Welspun Retail Limited;

(iii) Subject to satisfactory fulfillment and accomplishment of (i) above and simultaneously with the implementation of (ii) above, transfer of investments of Welspun India Limited by way of shares of Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited to Welspun Retail Limited;

(iv) Subject to satisfactory fulfillment and accomplishment of (i), (ii) and (iii) above change of name of Welspun Retail Limited to Welspun Global Brands Limited. This Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith.

RATIONALE

(a) Welspun Global Brands Limited (hereinafter referred to as **"WGBL"**) is a public Limited company incorporated under the provisions of the Companies Act 1956. The shares of the WGBL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. WGBL is engaged in the business, inter alia, of export of home textile products and creating, developing and promoting of brands trade names, trademarks, copyrights, patents for marketing of various home and fashion related products;

(b) Welpsun India Limited (hereinafter referred to as **"WIL"**) is a public Limited company incorporated under the provisions of the Companies Act 1956. The shares of the WIL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. WIL is engaged in the business of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in home textile products, yarns and fibers;

(c) Welpsun Retail Limited (hereinafter referred to as **"WRL"**) is a closely held unlisted public Limited company incorporated under the provisions of the Companies Act 1956. WRL is a subsidiary of WGBL and is engaged in the business of retailing of home textile and related products, commodities, goods, services;

(d) Welspun USA Inc **("WUL")**, a company organized under the Laws of United States of America and having its principle place of business at 11th Floor, Suite No. 1118, Textile Building, 5th Avenue, New York, NY – 10016, USA. Welspun USA Inc is a subsidiary of WGBL.

(e) Welspun Holdings Private Limited **("WPL")**, a company organized under the Laws of Cyprus and having its principle place of business at 10 Diomidous Street, Alphamega Akropolis Building, 3rd Floor, Office 401 P.C. - 2024 Nicosia, Cyprus. Welspun Holdings Private Limited is a subsidiary of WGBL.

(f) Welspun Mauritius Enterprises Limited **("WML")**, a company organized under the Laws of Mauritius and having its principle place of business at Rogers House, 5 President John Kennedy Street, Port-Louis, Mauritius. Welspun Mauritius Enterprises Limited is a subsidiary of WGBL.

(g) All the companies stated in (a) to (f) above are companies forming part of Welspun group of companies.

(h) In order to consolidate these businesses and in order to reap the benefits of operational synergy and enhance shareholder value, it is proposed to merge WGBL into WIL, hiving off of Marketing Business Undertaking of WIL (defined hereafter) into WRL, Transfer investment by WIL in Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited to WRL and Change the name of WRL to Welspun Global Brands Limited.

GENERAL

This Scheme is divided into the following parts:

(a) Part I, deals with definitions and share capital;

(b) Part II, deals with the scheme of amalgamation of Transferor Company with the First Transferee Company;

(c) Part III, deals with the transfer of the Marketing Business Undertaking into Second Transferee Company;

(d) Part IV, deals with the transfer of shares of Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited by First Transferee Company to Second Transferee Company;

(e) Part V, deals with change of name of the Welpsun Retail Limited to "Welspun Global Brands Limited"; and

(f) Part VI, deals with general terms and conditions applicable to the Scheme.

PART- I

1. DEFINITIONS AND INTERPRETATIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings.

"Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.

"Applicable Laws" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"Appointed Date" means opening business hours of April 1, 2011.

"Appropriate Authority" means any governmental, statutory, departmental or public body or authority, including Securities and Exchange Board of India; Stock Exchanges; Registrar of Companies, Company Law Board, Competition Commission of India, National Company Law Tribunal and the Gujarat High Court.

"BSE" shall mean the Bombay Stock Exchange Limited.

"Effective Date" means the date on which all the conditions and matters referred to in Part-I, Part-II, Part-III, Part IV and Part-V hereof have been fulfilled, including a certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme of Arrangement is filed with the Registrar of Companies, Gujarat.

"First Transferee Company" or **"WIL"** means, a company incorporated on 17 January 1985 under the name Welspun Winilon Silk Mills Private Limited. Subsequently on 12 January 1989 the name of Welspun Winilon Silk Mills Private Limited was changed to Welspun Polyesters (India) Limited. Subsequently on 12 October 1995 the name of Welspun Polyesters (India) Limited was changed to Welspun India Limited. The Registered Office of WIL is at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110.

"Grant Thornton" means Grant Thornton India LLP having their office at 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai 400013.

"Marketing Business Undertaking" shall mean the division of the First Transferee Company dealing in home textiles products and a business of creating, developing and promoting of the brands trade names, trademarks, copyrights, patent for marketing of various home and fashion related products and include:

a) the movable and immovable properties including plant and machinery, equipments, furnitures, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the First Transferee Company in relation to marketing business undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local

authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the marketing business undertaking of the First Transferee Company ;

b) All the debts, liabilities, duties and obligations including contingent liabilities of First Transferee Company with regards to the Marketing Business Undertaking ;

c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes alongwith their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronics form in connection with or relating to the Marketing Business Undertaking of the First Transferee Company.

"NSE" National Stock Exchange of India Limited

"Offshore Subsidiaries" means WUSA, WPL and WML.

"Parties" or **"Parties to the Scheme"** means the WGBL, WIL and WRL.

"Record Date" means the date to be fixed by the Board of Directors of the Transferor Company in consultation with the First Transferee Company for the purpose of reckoning names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the First Transferee Company upon coming into effect of this Scheme as specified in Clause 7.1 of Part -II of this Scheme.

"Scheme", "the Scheme", "this Scheme" shall mean this Composite Scheme of Arrangement in its present form submitted to the High Court of Gujarat at Ahmedabad or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"Second Transferee Company" or **"WRL"** means, a company incorporated on 14 December 2004 under the name Welspun Hometex Limited. Subsequently on 29 December 2005 the name of Welspun Hometex Limited was changed to Welspun Retail Limited. The Registered Office of WRL is at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396 191.

"Transferor Company" or **"WGBL"** means Welspun Global Brands Limited, a company incorporated on 19 January 2000 under the name Banshika Trading Private Limited. Subsequently on 5 October 2005 the name of Banshika Trading Private Limited was changed to Welspun Home Brands Limited. On 21 July 2006 the name of Welspun Home Brands Limited was further changed to Weltex International Limited. Subsequently on 23 June 2008 the name of Weltex International Limited was changed to Welspun Global Brands Limited. The Registered Office of WGBL is at Welspun City, Tal Anjar, District Kutch, Gujarat 370 110.

"WGBL Undertaking" means all the business, undertakings, properties and liabilities of whatsoever nature and kind and wheresoever situated of the Transferor Company, on a going concern basis, together with all their assets and liabilities and shall mean and include (without limitation):

a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the WGBL as on the Appointed Date;

b) All the debts, liabilities, duties and obligations including contingent liabilities of Transferor Company as on the Appointed Date;

c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes alongwith their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronics form in connection with or relating to the Transferor Company;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income Tax Act, 1961 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean the Effective Date;

1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.4 references to the word "include" or "including" shall be construed without limitation;

1.2.5 a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;

1.2.6 unless otherwise defined, the reference to the word "days" shall mean calendar days;

1.2.7 references to dates and times shall be construed to be references to Indian dates and times;

1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

1.2.9 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

2.1 The Share Capital of Transferor Company as on 31 March 2012 was as under:

AUTHORISED SHARE CAPITAL	**Rs.**
25,500,000 Equity Shares of Rs. 10/- each Equity Shares of Rs. 10/- each	255,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued, Allotted and Paid up Share Capital: 10,475,496 Equity Shares of Rs. 10/- each fully paid up	104,754,960

After 31st March, 2012, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Transferor Company.

2.2 The Share Capital of the **"First Transferee Company"** as on 31st March, 2012 is as under:

AUTHORISED SHARE CAPITAL	**Rs.**
125,000,000 Equity Shares of Rs. 10/- each	1,250,000,000
500,000 0% Redeemable Cumulative Preference Shares of Rs.100/- each	50,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued, Allotted and Paid up Share Capital: 89,012,269 Equity Shares of Rs.10/- each fully paid up	890,122,690

After 31st March, 2012, there has been no change in the Issued,

Subscribed and Paid-up Share Capital of the First Transferee Company.

2.3 The Share Capital of the Second Transferee Company as on 31 March 2012

AUTHORISED SHARE CAPITAL	Rs.
25,000,000 Equity Shares of Rs. 10/- each	250,000,000
1,000,000 8% Redeemable Preference Shares of Rs. 10/- each	10,000,000
14,000,000 0% Redeemable Preference Shares of Rs. 10/- each	140,000,000
Total	**400,000,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued, Allotted and Paid up Share Capital:	
23,529,412 Equity Shares of Rs. 10/- each fully paid up	235,294,120
980,392 8% Redeemable Preference Shares of Rs. 10/- each	9,803,920
13,464,800 0% Redeemable Preference Shares of Rs.10/-each	134,648,000
TOTAL	**379,746,040**

After 31st March, 2012, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Second Transferee Company.

PART II - SCHEME OF AMALGAMATION

3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE FIRST TRANSFEREE COMPANY

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the WGBL Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the First Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the First Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the First Transferee Company by virtue of the amalgamation and the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the First Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/ to be availed by it.

3.2 With respect to the assets of the WGBL Undertaking of the Transferor Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the First Transferee Company as an integral part of the WGBL Undertaking of the Transferor Company on and from the Appointed Date.

3.3 With respect to the assets of the WGBL Undertaking of the Transferor Company other than those referred to in clause 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the First Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the WGBL Undertaking of the Transferor Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the First Transferee Company.

3.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in the First Transferee Company.

3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the First Transferee Company and shall be binding on and be enforceable by and against the First Transferee Company as fully and effectually as if the First Transferee Company had at all material times been a party thereto. Any inter-se contracts between Transferor Company and the First Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of this Scheme.

3.6 Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the WGBL Undertaking occurs by virtue of this composite scheme itself, First Transferee Company may, at any time after the coming into effect of this scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the First Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this scheme. First Transferee Company shall under the provisions of Part of this scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

3.7 In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the First Transferee Company on the same terms and conditions on and from the Effective Date.

3.8 (a) All debts, liabilities, duties and obligations of Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Company which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the First Transferee Company.

(b) Where any of the liabilities and obligations attributed to Transferor Company on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the First Transferee Company. Where after the Appointed Date, Transferor Company has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of the First Transferee Company and the First Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Company and the First Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.

(d) If and to the extent there are loans, deposits or balances inter se between Transferor Company and the First Transferee Company , the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the First Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and the First Transferee Company.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Transferor Company and the First Transferee Company from the Appointed Date.

(f) Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company operates, Central Sales Tax Act, 1956 , any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess[hereinafter in this Clause referred to as "Tax Laws"] to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to the First Transferee Company . Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the First Transferee Company .

(g) Any refund under the Tax Laws due to Transferor Company consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the First Transferee Company.

(h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the First Transferee Company.

3.9 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the First Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the First Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4. Permits, Consents and Licenses

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Transferor Company, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the First Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the First Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of First Transferee Company, the First Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and or approval, as the case may be, and the First Transferee Company shall keep of record and or account of such transactions.

5. Employees

Upon transfer and vesting of WGBL Undertaking in the First Transferee Company taking place, as provided herein, the First Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Transferor Company on the same terms and conditions on which they are engaged by Transferor Company without any interruption of service as a result of the transfer and vesting of WGBL Undertaking unto the First Transferee Company. The First Transferee Company agrees that the services of all such employees with Transferor Company prior to the transfer and vesting of WGBL Undertaking unto the First Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the First Transferee Company and/or such new Provident Fund, Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the First Transferee Company. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

6. Legal Proceedings

(a) If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called **"the Proceedings"**) by or against Transferor Company be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the WGBL Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the First Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if the Scheme had not been made. On and from the Appointed Date, the First Transferee Company shall and may initiate any legal proceeding for and on behalf of Transferor Company.

(b) The transfer and vesting of WGBL Undertaking under the Scheme and the continuance of the proceedings by or against the First Transferee Company under Clause 6(a) of this Part II hereof shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that the First Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Company as acts deeds and things done and executed by and on behalf of the First Transferee Company .

7. Consideration

7.1 Upon the Scheme coming into effect and upon vesting of WGBL Undertaking in the First Transferee Company in terms of the Scheme, and on consideration of the valuation report of Grant Thornton duly approved by the boards of directors of the First Transferee Company and the Transferor Company, the First Transferee Company shall allot to the shareholders of the Transferor Company, whose name is recorded in the register of members of Transferor Company on the Record Date credited as fully paid up, without any further payment be issued and allotted equity shares of the First Transferee Company in the ratio of 1 (one) equity shares of Rs. 10 each credited as fully paid up for every 1 (one) equity shares of Rs 10 each held by such shareholder in the Transferor Company.

The share capital structure of the First Transferee Company post the allotment of shares under clause above shall be as follows:-

AUTHORISED SHARE CAPITAL	**Rs. in lacs**
155,500,000 Equity Shares of Rs. 10/- each (aggregating to Rs. 1,55,5,000,000)	15,550.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued, Allotted and Paid up Share Capital:	
99,487,765 Equity Shares of Rs. 10/- each	9,948.78
Share Premium Account	32,129.35

7.2 Such equity shares to be issued and allotted by the First Transferee Company in terms of clauses 7.1, above shall be subject to the provisions of the Memorandum and Articles of Association of the First Transferee Company and shall rank pari passu in all respects with the existing equity shares of the First Transferee Company. It is hereby clarified that the new Equity shares allotted by the First Transferee Company to the shareholders for the Transferor Company pursuant to this Scheme shall not be entitled to any dividend declared, distributed by the First Transferee Company before the Effective Date.

7.3 No fractional shares shall be issued by the First Transferee Company in respect of the fractional entitlements, if any, to which the Equity Shareholders of the Transferor Company may be entitled to under the Scheme and all such fractional entitlements shall be consolidated

into whole shares and be allotted to such person, persons or entities (including one or more of the Directors and/or officers of First Transferee Company) as may be nominated by the Board of Directors of First Transferee Company as Trustee(s) for sale thereof at such price as may be approved by such Trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.4 Equity Shares of the First Transferee Company issued in terms of clause 7.1 above, shall be listed on the relevant Stock Exchange/s, where the existing Equity Shares of the Transferor Company are listed and the First Transferee Company shall pay the appropriate fee and incur all costs for the same. The First Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the relevant stock exchanges;

7.5 The new Equity Shares issued pursuant to clause 7.1 above shall be issued in the dematerialized form by the First Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to the First Transferee Company on or before such date as may be determined by the Board of Directors of the First Transferee Company or a committee thereof. In the event that such notice has not been received by the First Transferee Company in respect of any of the members of the Transferor Company, the new Equity Shares shall be issued to such shareholders in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the First Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such members of the Transferor Companies. In the event that the First Transferee Company has received the notice from any of the shareholders of the Transferor Company that the new Equity Shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then the First Transferee Company shall issue the new Equity Shares in certificate form in such number.

7.6 Unless otherwise determined by the Board of Directors or any Committee thereof of the Transferor Company and the Board of Directors or any Committee thereof of the First Transferee Company, allotment of Shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date.

7.7 The equity shares to be issued pursuant to this Scheme by the First Transferee Company in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the First Transferee Company;

7.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any Committee thereof, of the Transferor Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Effective Date as the case may be to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of the First Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the First Transferee Company on account of difficulties faced in the transition period.

7.9 The issue and allotment of equity shares by the First Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by the First Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

8. Capital

8.1 Upon the Scheme being effective, the Authorised Capital of Transferor Company will get merged with that of the First Transferee Company without payment of additional fees and duties as the said fees have already been paid. The Authorised Capital of the First Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act.

8.2 Consequently, the Memorandum & Articles of Association of the First Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to section 17, 31 and 394 and other applicable provisions of the Companies Act, 1956 as set out below:

(a) The Authorised Share Capital of the First Transferee Company is Rs. 1,555,000,000/- (Rupees One Hundred Fifty Five Crore Fifty Lac Only) divided into 155,500,000 (Fifteen Crore Fifty Five Lac) Equity Shares of Rs. 10/-(Rupees Ten only) each

(b) Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the First Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"The The Authorised Share Capital of the Company is Rs. 1,555,000,000 /- (Rupees One Hundred Fifty Five Crore Fifty Lac Only) divided into 155,500,000 (Fifteen Crore Fifty Five Lac) Equity Shares of Rs. 10/-(Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

It is clarified that the approval of the members of the First Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the First Transferee Company as required under section 17 and other applicable provisions of the Act.

9. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF FIRST TRANSFEREE COMPANY

9.1 On the Scheme becoming effective, First Transferee Company shall account for the merger in its books as under:

(a) All the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in First Transferee Company pursuant to the Scheme and shall be recorded by First Transferee Company at their book values as appearing in the books of the Transferor Company.

(b) All Statutory Reserves, of the Transferor Company shall be transferred to and vested in First Transferee Company in the same form in which they appear in the books of the Transferor Company.

(c) The difference, between the consideration in terms of Clause 7.1 above and the value of net assets of Transferor Company shall be credited to Capital Reserve or debited to Goodwill as the case may be.

(d) If and to the extent there are loans, deposits or balances inter se between the Transferor Company and the First Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of First Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the First Transferee Company.

9.2 In case of any difference in accounting policy between the Transferor Company and First Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the reserves of First Transferee Company to ensure that the financial statements of First Transferee Company reflect the financial position on the basis of consistent accounting policy.

10. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

10.1 With effect from the Appointed Date up to the Effective Date,

(a) Business of Transferor Company shall be deemed to have carried on and shall carry on the business and activities in ordinary course and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets for and on account of and in trust for the First Transferee Company.

(b) Transferor Company shall carry on the business and affairs with reasonable diligence and business prudence and shall not without

prior consent of the First Transferee Company , alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees in a manner detrimental to their interests, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.

(c) All profits accruing to Transferor Company or losses arising or incurred for the period falling on and after the Appointed Date shall, for all purposes, be treated as the profits or losses, as the case may be of the First Transferee Company and Transferor Company undertakes not to utilise the profits for the purpose of declaring or paying any dividend in respect of the period falling after the Appointed Date.

(d) All advance tax, tax deduction at source and all other taxes and duties paid by Transferor Company will be deemed to be the tax and/or duty paid by the First Transferee Company .

(e) Transferor Company shall not, without the prior written consent of the First Transferee Company, undertake any new business or a substantial expansion.

(f) Transferor Company shall pay all statutory dues (including advance tax) for and on account of the First Transferee Company.

10.2 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by the Transferor Company in respect thereof, shall for all purposes be treated as the income, profits, expenditure or losses (as the case may be) of the First Transferee Company .

10.3 Without prejudice to Clause 10.2 above, with effect from the Appointed Date and upon the Scheme becoming effective, any documents of title/ rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred and vested in the First Transferee Company and shall belong to the First Transferee Company . With effect from the Appointed Date, the First Transferee Company shall, in relation to such properties, be accountable for all rates, rents and taxes whatsoever. The mutation of the title to the immovable properties shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the First Transferee Company .

11. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming operative, the Transferor Company shall be dissolved without winding up.

PART III

12. HIVING OFF OF THE MARKETING DIVISION OF FIRST TRANSFEREE COMPANY

12.1 Subject to implementation of Part-II of this Scheme and pursuant to terms of this Scheme with effect from the Appointed Date and subject to terms and conditions herein below and subject to the mode of transfer and vesting, the Marketing Business Undertaking of the First Transferee Company shall, without any further act or approval including approval under section 293 1(a) of the Act, instrument or deed, be and stand transferred to and vested in and/ or be deemed to have been and stand transferred to and vested in the Second Transferee Company as a going concern on a slump sale basis so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Second Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the First Transferee Company which shall vest in the Second Transferee Company by virtue of the transfer of the Marketing Business Undertaking of the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the Second Transferee Company to create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/ to be availed by it.

12.2 With respect to the assets of the Marketing Business Undertaking of the First Transferee Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the First Transferee Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Second Transferee Company as an integral part of the of the Second Transferee Company on and from the Appointed Date.

12.3 With respect to the assets of the Marketing Business Undertaking of the First Transferee Company other than those referred to in clause 12.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Second Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all the rights, title and interests of the First Transferee Company in any leasehold properties in relation to the Marketing Business Undertaking of the First Transferee Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Second Transferee Company.

12.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Marketing Business Undertaking of the First Transferee Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the First Transferee Company for the Marketing Business Undertaking, be transferred to and vested in the Second Transferee Company.

12.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Marketing Business Undertaking to which the First Transferee Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Second Transferee Company and shall be binding on and be enforceable by and against the Second Transferee Company as fully and effectually as if the Second Transferee Company had at all material times been a party thereto. Any inter-se contracts in relation to Marketing Business Undertaking between First Transferee Company and the Second Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of this Scheme.

12.6 Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the Marketing Business Undertaking occurs by virtue of this scheme itself, the Second Transferee Company may, at any time after the coming into effect of this scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Second Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this scheme. Second Transferee Company shall under the provisions of this Part of this scheme, be deemed to be authorized to execute any such writings on behalf of the First Transferee Company to carry out or perform all such formalities or compliances in relation to the Marketing Business Undertaking referred to above on the part of the First Transferee Company to be carried out or performed.

12.7 In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Marketing Business Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Second Transferee Company on the same terms and conditions on and from the Appointed Date.

12.8 (a) All debts, liabilities, duties and obligations of Marketing Business Undertaking as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Marketing Business Undertaking which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Second Transferee Company.

(b) Where any of the liabilities and obligations attributed to

Marketing Business Undertaking on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Second Transferee Company. Where after the Appointed Date, Marketing Business Undertaking has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of Second Transferee Company and the Second Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, First Transferee Company and the Second Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.

(d) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking and the Second Transferee Company , the obligations in respect thereof shall, on and from the Appointed Date, shall be transferred and suitable effect shall be given in the books of both the companies.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Marketing Business Undertaking and the Second Transferee Company from the Appointed Date.

(f) Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Marketing Business Undertaking operates, Central Sales Tax Act, 1956 , any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess[hereinafter in this Clause referred to as "Tax Laws"] to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Second Transferee Company . Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Second Transferee Company .

(g) Any refund under the Tax Laws due to Marketing Business Undertaking consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Second Transferee Company.

(h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Marketing Business Undertaking is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Second Transferee Company.

12.9 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Marketing Business Undertaking shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the Second Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Second Transferee Company on the same terms and conditions as were applicable to the Marketing Business Undertaking and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

13. Permits, Consents and Licenses

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the First Transferee Company in respect of the Marketing Business Undertaking, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Second Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the Second Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of Second Transferee Company, the Second Transferee Company is authorized to carry on business in the name and style of the First Transferee Company and under the relevant license and or permit and or approval, as the case may be, and the Second Transferee Company shall keep of record and or account of such transactions.

14. Employees

Upon transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company taking place, as provided herein, the Second Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Marketing Business Undertaking of the First Transferee Company on the same terms and conditions on which they are engaged by the First Transferee Company without any interruption of service as a result of the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company. The Second Transferee Company agrees that the services of all such employees with the First Transferee Company prior to the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees of Marketing Business Undertaking in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the Second Transferee Company and/or such new Provident Fund, Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the Second Transferee Company . Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees of Marketing Business Undertaking would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

15. Legal Proceedings

(a) If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called **"the Proceedings"**) by or against the First Transferee Company in respect of the Marketing Business Undertaking be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Marketing Business Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Second Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the First Transferee Company as if the Scheme had not been made. On and from the Appointed Date, the Second Transferee Company shall and may initiate any legal proceeding for and on behalf of the First Transferee Company with respect to the Marketing Business Undertaking.

(b) The transfer and vesting of the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking under of the Scheme and the continuance of the proceedings by or against the Second Transferee Company under Clause 15 of this Part III hereof shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that the Second Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the First Transferee Company as acts deeds and things done and executed by and on behalf of the Second Transferee Company .

16. Consideration

(a) Upon the Scheme becoming effective and upon the transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company in terms of the Scheme, the Second Transferee Company is required to pay the consideration of Rs 1,050,153,246 towards the Slump Sale consideration based on the book value of Marketing Business Undertaking as on April 1, 2011. The book value considered in the report of Grant Thornton, is arrived on the basis of financials of Marketing Business Undertaking. The said consideration shall be discharged by the Second Transferee Company by issuing 0%

Redeemable Preference Shares of Rs 10 each. Accordingly the Second Transferee Company shall issue and allot to the First Transferee Company on Effective Date 1,050,153 0% Redeemable Preference Shares of Rs. 10/- each issued at a premium of Rs 990 ("RPS") of the Second Transferee Company. Simultaneously, with the issue and allotment of the said 1,050,153 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs 246 being the part of the Slump Sale consideration.

(b) All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

(c) The RPS to be issued by the Second Transferee Company pursuant to Clause 16 (a) and (b) above shall be issued in dematerialized form by the Second Transferee Company, unless otherwise notified in writing by the First Transferee Company to the Second Transferee Company on or before such date as may be determined by the Board of Directors of the Second Transferee Company or a committee thereof.

(d) For the purposes of this Scheme the First Transferee Company shall draw up a statement of account as on the close of business immediately prior to the Appointed Date of the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking at their respective book values to be transferred and vested in the Second Transferee Company.

17. Capital

In view of the amalgamation and as an integral part of the Scheme, the capital of the Second Transferee Company shall be restructured and increased in the manner set out in 17.1(b) below:

17.1 Upon the Scheme coming into Effect:

(a) "The Authorised Share Capital of the Company is Rs. 425,000,000 /- (Rupees Forty Two Crore Fifty Lac Only) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/-(Rupees Ten only) each, 1,000,000 (Ten Lac) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only), 14,000,000 (One Crore Forty Lac) 0% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) and 2,500,000 (Twenty Five Lac) 0% Redeemable Preference Shares of Rs 10 each /- (Rupees Ten only)

(b) Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Second Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 425,000,000 /- (Rupees Forty Two Crore Fifty Lac Only) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/-(Rupees Ten only) each, 1,000,000 (Ten Lac) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only), 14,000,000 (One Crore Forty Lac) 0% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) and 2,500,000 (Twenty Five Lac) 0% Redeemable Preference Shares of Rs 10 each /- (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

It is clarified that the approval of the members of the Second Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Second Transferee Company as required under section 17 and other applicable provisions of the Act.

18. Accounting Treatment in the Books and Financial Statements:

(a) In the books of the First Transferee Company:

(i) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Marketing Business Undertaking shall stand transferred to the Second Transferee Company at Book Value. In so far as the accounts representing common or multipurpose borrowings are concerned, they shall stand reduced by the amounts transferred to the Second Transferee Company in accordance with the provision of this Scheme.

(ii) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking of the First Transferee Company and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, be transferred and suitable effect shall be given in the books of the First Transferee Company and the Second Transferee Company.

(b) In the books of the Second Transferee Company:

(i) The said assets of the Marketing Business Undertaking on the Appointed Date shall be incorporated in the books of the Second Transferee Company at book value as appearing in the First Transferee Company's books on the Appointed Date;

(ii) The amount of the said liabilities of the Marketing Business Undertaking on the Appointed Date shall be incorporated in the books of the Second Transferee Company at book value as appearing in the books of the First Transferee Company on the Appointed Date;

(iii) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking of the First Transferee Company and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, be transferred and suitable effect shall be given in the books of the First Transferee Company and the Second Transferee Company.

(iv) The excess/deficit, if any, of the difference between the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking as recorded in the books of the Second Transferee Company over the Consideration hereof shall be credited/debited to capital reserve/goodwill.

(c) The Board of Directors of the First Transferee Company and the Second Transferee Company, in consultation with their respective Statutory Auditors, are authorized to account for the vesting of Marketing Business Undertaking in the Second Transferee Company as may be deemed fit.

19. Even after this Scheme becomes effective, the Second Transferee Company shall be entitled to operate all Bank Accounts relating to the First Transferee Company in respect of its Marketing Business Undertaking and realise all monies and complete and enforce all pending contracts and transactions in the name of the First Transferee Company in so far as may be necessary until the transfer and vesting of rights and obligations of the Marketing Business Undertaking to the Second Transferee Company under this Scheme is formally effected by the Parties concerned.

Part IV

Transfer of shares of the Offshore Subsidiaries of First Transferee Company to Second Transferee Company by the First Transferee Company

20. Subject to implementation of Part –II & Part –III of the Scheme and subject to applicable rules and regulations framed under the Foreign Exchange Management Act 1999, the First Transferee Company shall without any further act or deed, transfer to the Second Transferee Company: (i) 1,500,000 fully paid up equity shares of USD 0.10 each of WUL, the book value of the said shares being Rs 281,968,178; (ii) 14,000 fully paid up equity shares of GBP 1.00 each of WHPL the book value of the said shares being Rs. 1,040,876,236; and (iii) 370,862 fully paid up equity shares of USD 1.00 each of WML the book value of the said shares being Rs. 16,577,929; held by it TOGETHER WITH all benefits, rights, privileges, advantages and incidentals attached to the respective shares of the respective Offshore Subsidiaries AND FURTHER TOGETHER WITH all the deeds, documents, writings, certificates and other evidence of title relating to the shares, TO HAVE AND TO HOLD all and singular the shares hereby agreed to be transferred, conveyed and assigned or intended or expressed so to be with their and every of their rights, whatsoever unto and to the use and benefit of the Second Transferee Company forever absolutely SUBJECT to the observance by Second Transferee Company of the terms and conditions contained in the charter documents of the respective Offshore Subsidiary companies for an aggregate consideration to be paid by Second Transferee Company to First Transferee Company by issue of 1,339,422 0% Redeemable Preference Shares of Rs. 10 each issued at a premium of Rs. 990 per share. Simultaneously, with the issue and allotment of the said 1,339,422 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs. 343 being the part of the consideration for transfer of shares of the Offshore Subsidiaries.

21. All RPS to be issued and allotted by the Second Transferee Company

in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

22. The RPS to be issued by the Second Transferee Company pursuant to Clause 20 above shall be issued in dematerialized form by the Second Transferee Company, unless otherwise notified in writing by the First Transferee Company to the Second Transferee Company on or before such date as may be determined by the Board of Directors of the Second Transferee Company or a committee thereof.

Part -V

Change of Name of Second Transferee Company

23. Subject to implementation of Part II of the Schemewith effect from the Effective Date, the name of Second Transferee Company, "Welspun Retail Limited" shall stand changed to "Welspun Global Brands Limited".

24. On approval of the scheme under sections 391 to 394 of the Act by the shareholders of the Second Transferee Company and sanction of the scheme by the Gujarat High Court, it is deemed that the special resolution under Section 21 and other applicable provisions of the Act has been passed.

Part VI

General Provisions

25. Upon the coming into effect of this Scheme, the First Transferee Company and the Second Transferee Company are expressly permitted to revise their Income Tax returns to the extent required. First Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/or Tax Deduction at Source certificates on or after the Appointed Date by the Transferor Company. Similarly, the Second Transferee Company shall be entitled to get credit/ claim refund regarding any tax paid and/or Tax Deduction at Source certificates, pertaining to Marketing Business Undertaking, on or after the Appointed Date by the First Transferee Company.

26. The Transferor Company (by its Directors or Committee thereof), the First Transferee Company (by its Directors or Committee thereof) and the Second Transferee Company (by its Directors or Committee thereof) may assent to any modifications or amendment to the Scheme or agree to any terms and/or conditions which the Appropriate Authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

27. For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the First Transferee Company and Second Transferee Company are hereby authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for setting any question or doubt or difficulty whatsoever that may arise during implementation of the Scheme.

28. The Scheme is conditional on and subject to:

28.1 the sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

28.2 the approval to the Scheme by the requisite majority of members, the secured creditors and unsecured creditors of the Transferor Company, the First Transferee Company and the Second Transferee Company.

28.3 the sanction of the High Court of Gujarat at Ahmedabad, under Sections 391 to 394 of the said Act, in favour of the Transferor Company, in favour of the First Transferee Company and in favour of Second Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.

28.4 The certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

28.5 The sanction/consent/no objection being obtained by the Transferor Company from relevant parties or governmental authorities for transfer and vesting of the rights, privileges, obligations, duties, undertakings and covenants of the Transferor Company in favour of the First Transferee Company under any contracts, agreements, undertakings, or arrangements, whether entered into with governmental authorities, statutory bodies or otherwise.

28.6 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the WGBL Undertaking, the First Transferee Company, Second Transferee Company and the Off shore companies have or may have under or pursuant to all appropriate and applicable laws and regulations.

28.7 It is clarified that if any asset (estate, claims, rights, title, interest in or authority relating to such asset) or any contracts, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in relation to the Marketing Business Undertaking which the First Transferee Company owns or to which the First Transferee Company is a party and which cannot be transferred to the Second Transferee Company for any reason whatsoever, the First Transferee Company shall hold such assets or contract, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in trust for the benefit of the Second Transferee Company to which the Marketing Business Undertaking is being transferred in terms of the Scheme, in so far as, it is permissible so to do, till such time as the transfer is effected.

29. The Transferor Company, First Transferee Company and the Second Transferee Company shall, with all reasonable dispatch, make applications to the High Court of Gujarat at Ahmedabad, under section 391 - 394 of the Act, seeking orders for convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of the Transferee Company and the Transferor Company as may be directed by the High Court of Gujarat.

30. On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors, The Transferor Company, First Transferee Company and the Second Transferee Company shall, with all reasonable dispatch, apply to the High Court of Gujarat at Ahmedabad for sanctioning the Scheme under sections 391 - 394 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

31. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court of Gujarat at Ahmedabad, and/or the Order or Orders not being passed as aforesaid on or before the March 31, 2013 or within such further period or periods as may be agreed upon between the The Transferor Company, First Transferee Company and the Second Transferee Company through their respective Boards of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

32. All costs, charges and expenses of the Transferor Company and the First Transferee Company or the Second Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the WGBL Undertaking or Marketing Business Undertaking in pursuance of the Scheme shall be borne and paid solely by the First Transferee Company or the Second Transferee Company as the case may be.

33. The issue and allotment of shares by the First Transferee Company to persons resident outside India will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required. Similarly, the transfer of shares of the Offshore Subsidiaries by the First Transferee Company to Second Transferee Company will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required.

34. The Transferor Company and/or the First Transferee Company or the Second Transferee Company acting through their respective Boards of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.

35. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company or the First Transferee Company or the Second Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. 230 OF 2012

In the matter u/s. 391 of the Companies Act, 1956;

And

In the matter of Welspun India Limited, a company having its Registered Office at Welspun City, Village-Versamedi, Taluka-Anjar, District-Kutch, Gujarat - 370110

And;

In the matter of Composite Scheme of Arrangement between Welspun India Limited and Welspun Global Brands Limited and Welspun Retail Limited;

And

In the matter of:

Welspun India Limited,
A Company having its Registered Office at
Welspun City, Village-Versamedi,
Taluka-Anjar, District-Kutch,
Gujarat – 370110

....Applicant
(First Transferee Company)

FORM OF PROXY

I/We, _____ the undersigned, being Unsecured Creditors of the above Applicant Company hereby appoint Mr. /Ms. _____ resident of _____ and failing him/her Mr. / Ms. _____ resident of _____ as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors to be held at the Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110 on August 4, 2012 at 10 a.m., for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement and at such meeting, and any adjournment thereof, to vote, for me/us and in my/ our name(s) _____ (Here if for insert "For" if against insert "Against" and in the latter strike out the words "either with or without modification(s) after the word arrangement) the said Scheme of Arrangement, either with or without modification(s) as my/our proxy may approve.

Dated this _____ day of _____,2012

Name: _____

Address: _____

Amount of Debt: _____

Signature of Unsecured Creditor(s): _____

Signature of Proxy: _____

NOTE:

1. Proxy must be deposited at the Registered Office of Welspun India Limited not later than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Applicant Company.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. All alterations made in the Form of Proxy should be initialed.

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ATTENDANCE SLIP
(To be handed over at the entrance of the meeting hall)

UNSECURED CREDITORS' MEETING

Name and Address of the Creditor/Proxy: _____

_____

Amount Due: _____

_____

Creditor's/Proxy's Signature

I hereby record my presence at the Court Convened Meeting of the Unsecured Creditors of the Applicant Company convened pursuant to the Order dated 22 June 2012 of the Hon'ble Gujarat High Court, at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110.

NOTE:

1. Creditors/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue.

BOOK-POST

To,

If undelivered, please return to:

Mr. Suresh Kadam
Welspun India Limited,
Welspun House, 6th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013