

WEL/SEC/2018

21 September, 2018

To,

The National Stock Exchange of India Ltd.,

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block,

Bandra - Kurla Complex,

Bandra (East),

Mumbai - 400 051.

Stock Symbol: WELENT

BSE Limited

1st Floor, New Trading Wing,

Rotunda Bldg, P.J. Towers,

Dalal Street, Fort,

Mumbai – 400 001.

BSE Scrip Code: 532553

Dear Sir / Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

Ref: Scheme of Amalgamation presented under section 230 - 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, of Anjar Road Private Limited ("ARPL") with Welspun Enterprises Limited ("WEL") and their respective shareholders and creditors ("Scheme" or "the Scheme").

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we inform you that the Board of Directors of the Company ("Board") at its meeting held on 21 September, 2018 have, inter alia, considered and approved the draft Scheme.

With a view to streamline the promoter holding in WEL and to eliminate layer of promoter shareholder company, the scheme provides for merger of ARPL, a promoter company and a shareholder of WEL, into WEL.

Upon effectiveness of the Scheme, the existing equity shares held by ARPL in WEL shall be cancelled and WEL shall issue equivalent number of equity shares to the shareholders of ARPL. The promoters would continue to hold the same percentage of shares in WEL, pre and post the amalgamation and there will be no increase in the promoter shareholding of WEL. During the pendency of the Scheme, ARPL shall not dispose of, either in part or in full, its holding in WEL.

The Scheme provides that the shareholders of ARPL shall indemnify WEL and keep WEL indemnified for liability, claim, demand, if any, and which may devolve on WEL on account of this amalgamation. There would also be no change in the financial position of WEL. Accordingly, the proposed amalgamation is not prejudicial to the interests of the shareholders and creditors of WEL and the public at large.

The Scheme as aforesaid is subject to necessary approvals by the stock exchanges, Securities and Exchange Board of India, shareholders and creditors of the company(ies), as may be applicable,

Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)
Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.
T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020
E-mail : companysecretary_wel@welspun.com Website : www.welspunenterprises.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.
T : +91 2836 662222 F : +91 2836 279010

Corporate Identity Number: L45201GJ1994PLC023920



Ahmedabad Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

The Scheme as approved by the Board of Directors will be available on the website of the Company at www.welspunenterprises.com post submitting the same to the stock exchanges.

In terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015, we are furnishing herewith the details of the Scheme as Annexure I.

Thanking you.

For Welspun Enterprises Limited


Priya Pakhare
Company Secretary
FCS – 7805

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Annexure I – Amalgamation / Merger

a.	Name of the entity(ies), forming part of the amalgamation, details in brief such as size, turnover etc;	1. <u>Anjar Road Private Limited ("the Transferor Company" or "ARPL") – Standalone</u> Total Assets – Rs. 39,831 lakhs (as on 31 March 2018) Net Worth – Rs. 446 lakhs (as on 31 March 2018) Turnover – NIL (For period 1 April 2017 to 31 March 2018) 2. <u>Welspun Enterprises Limited ("the Transferee Company" or "WEL") – Standalone</u> Total Assets – Rs 1,91,438 lakhs (as on 31 March 2018) Net Worth – Rs 1,22,858 lakhs (as on 31 March 2018) Turnover – Rs 99,720 lakhs (For period 1 April 2017 to 31 March 2018)
b.	Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms' length"	The amalgamation is proposed between ARPL and WEL. ARPL is one of the promoters and shareholders of WEL, hence the amalgamation transaction will fall under the ambit of related party transaction. Upon Scheme becoming effective, WEL will issue exactly the same number of equity shares to the shareholders of ARPL as is currently held by ARPL. ARPL and WEL have obtained a Share Exchange Ratio report from an independent Chartered Accountant which is confirmed by a fairness opinion obtained from SEBI registered Category I Merchant Banker.
c.	Areas of the business of the entity(ies)	1. <u>Anjar Road Private Limited</u> The company is in the infrastructure business through its investee Company, i.e Welspun Enterprises Limited, by holding 5,84,15,951 equity shares of face value of INR 10 each fully paid up (i.e. 39.60% equity stake) of WEL. 2. <u>Welspun Enterprises Limited</u> The Company is a part of the USD 2.3 billion Welspun Group. WEL's key activity is in the infrastructure business. It develops and operates PPP projects in various sectors like roads, water, and urban infrastructure.



d.	Rationale of amalgamation/merger	WEL and ARPL are part of Welspun Group. It is proposed to amalgamate ARPL into WEL by the Scheme, as a result of which the shareholders of ARPL would directly hold shares in the WEL, since it is envisaged that the following benefits would, inter alia accrue to the Transferor/Transferee/Welspun Group: a) The amalgamation will result in the promoter group of the Transferor Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers of the Transferee Company but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company; b) The promoter group of the Transferee Company is desirous of streamlining its holding in the Transferee Company. As a step towards such rationalization, it is proposed to merge the Transferor Company into the Transferee Company; c) The promoters would continue to hold the same percentage of shares in the Transferee Company, pre and post the amalgamation. There would also be no change in the financial position of the Transferee Company; d) All cost, charges and expenses relating to the Scheme would be borne out of the assets (other than shares of the Transferee Company) of the Transferor Company. Any expense, exceeding the assets of the Transferor Company would be borne by the shareholders of the Transferor Company directly; e) Further, the Scheme also provides that the shareholders of the Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim, demand, if any, and which may devolve on the Transferee Company on account of this amalgamation.
e.	In case of cash consideration – amount or otherwise share exchange	The Scheme does not provide for any cash consideration. The consideration as provided in clause 5.1 of Part B of the



	ratio	Scheme is as follows: <i>"5,84,15,951 fully paid up equity share of Rs. 10 each of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company"</i>
f.	Brief details of change in the shareholding of the listed entity	At present ARPL holds 5,84,15,951 (39.60%) equity shares in WEL and forms part of the Promoter Group of WEL. Total Promoter holding in WEL is 46.04%. Pursuant to the Scheme, the equity shares held by ARPL in WEL shall be cancelled and exactly the same number of equity shares, as held by ARPL in WEL prior to the Scheme, shall be issued to the shareholders of ARPL in the same proportion as that of their holding in ARPL. Thus, post-merger, there will be no change in the shareholding of promoters in the listed entity.

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