

Brief Note on Business and Financial Aspect of Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 Scheme of Amalgamation and Arrangement between Welspun Enterprises Limited ('WEL'), Welspun Infratech Limited ('WITL'), Welspun Plastics Private Limited ('WPPL'), Welspun Infra Projects Private Limited ('WIPPL') (hereafter referred as 'Transferor Companies') and Welspun Projects Limited ('WPL' or 'Transferee Company') and their respective Shareholders and Creditors ('Scheme')

1. This Scheme presented under Sections 391 to 394 read with sections 100 to 103 and other applicable provisions of the Companies Act, 1956, provides for the Merger of WEL, WITL, WPPL, WIPPL with WPL with Appointed Date as April 01, 2014

2. Rationale of the Scheme of Amalgamation and Arrangement are inter alia summarised as under:

a) All the Companies are part of the Welspun Group ("the Group").

The Scheme of Amalgamation and Arrangement between Transferor Companies and Transferee Company would inter alia have the following synergies for the group:

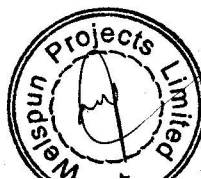
- Consolidation and simplification of the Group Structure;
- Elimination of multiple companies in the Group;
- Reducing operating and compliance cost;
- Achieving operational and management efficiency; and
- Synergies arising out of consolidation of business, such as, enhancement of net worth of the combined business to capitalise on future growth potential, optimal utilisation of resources.

3. Upon the Scheme becoming effective, the consideration would be discharge as under:

- **To the Shareholders of WEL (including the GDR holders of WEL)**

"Every equity shareholder of WEL holding 1 (one) equity shares in WEL of Rs. 10 each fully paid up as of the Record Date shall be entitled to be 12 (Twelve) shares of face value Rs. 10 each, issued at par, credited as fully paid up, of WPL"

- Upon amalgamation of WEL with WPL, WITL would become a wholly owned subsidiary of WPL and accordingly no shares shall be issued and allotted by WPL to the shareholders holding shares in WITL.
- Upon amalgamation of WEL with WPL, WPPL shall become a step down subsidiary of WPL and accordingly no shares shall be issued and allotted by WPL to shareholders holding shares in WPPL.

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Dare to Commit

- Upon amalgamation of WEL and WITL with WPL, WIPPL shall become a wholly owned subsidiary of WPL and accordingly no shares shall be issued and allotted by WPL to shareholders holding shares in WIPPL

- In the event that the aggregate number of equity shares to be issued by WPL to the shareholders results in a fraction of share, the Board of Directors of WPL would consolidate all such fractional entitlements and thereupon, issue such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by WPL (the "Trustee"), who would hold such equity shares in trust for the benefit of the respective shareholders and would dispose off the same and distribute the proceeds to such shareholders in proportion to their respective fractional entitlements.
- On the Scheme becoming effective and with effect from the Appointed Date, the investment held by the WITL in the equity share capital of WPL shall stand cancelled. Accordingly, the share capital of WPL shall stand reduced to the extent of face value of shares held by the WITL in WPL and so cancelled.

Financial Aspects

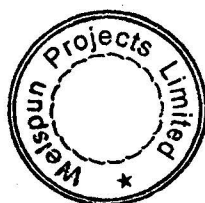
The Financials details of Welspun Enterprises Limited, Welspun Infratech Limited, Welspun Plastics Private Limited, Welspun Infra Projects Private Limited and Welspun Projects Limited as on March 2014 are as under:

Particulars	Revenue (Rs in cr)	Results (Rs in cr) (PAT)	Capital Employed*(Rs in Cr)
Welspun Enterprises Limited	74.88	2.06	13.14
Welspun Infratech Limited	0.19	(66.35)	48.64
Welspun Plastics Private Limited	NIL	(0.0015)	1.13
Welspun Infra Projects Private Limited	62.50	(14.11)	10.06
Welspun Projects Limited	236.10	(58.23)	40.00

Note: Capital Employed includes share capital, reserves and surplus and debt

For Welspun Projects Limited


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