




## REPORT OF THE AUDIT COMMITTEE OF WELSPUN PROJECTS LTD

### Present

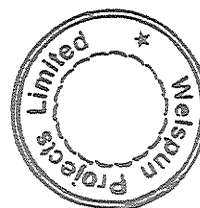
- (a) Mr. M K Tandon (Chairman of the Audit Committee); 
- (b) Mr. A K Dasgupta
- (c) Mrs. Mala Todarwal

### 1. Background

The Company has placed before the Audit Committee draft Scheme of Amalgamation and Arrangement under sections 391 to 394 read with sections 100 to 103 and other applicable provisions of the Companies Act, 1956 between Welspun Enterprises Ltd ("WEL" or "First Transferor Company"), Welspun Infratech Limited ("WITL" or "Second Transferor Company"), Welspun Plastics Private Limited ("WPPL" or "Third Transferor Company"), Welspun Infra Projects Private Limited ("WIPPL" or "Fourth Transferor Company") and Welspun Projects Limited ("WPL" or "Transferee Company") and their respective Shareholders and Creditors ('Scheme') for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/2013 dated February 4, 2013 ('Circular').

This report is made in order to comply with the requirements of the Circular after considering the following:

- a. Draft Scheme;
- b. Valuation Report dated November 04, 2014 issued by Price Waterhouse & Co. LLP;
- c. Fairness Opinion dated November 04, 2014 issued by SBI Capital Markets Limited;
- d. Audited financial statements of the WEL, WITL, WPPL, WIPPL and WPL for the year ending March 31, 2014, March 31, 2013 and March 31, 2012;



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## 2. Proposed Scheme

The Salient features of the draft Scheme are as under:

- a. The Scheme provides for amalgamation of Welspun Enterprises Ltd and Welspun Infratech Limited, Welspun Plastics Private Limited and Welspun Infra Projects Private Limited with the Company;
- b. The accounting treatment to be followed for the Scheme of Amalgamation and Arrangement will be as per accounting standard 14 issued by ICAI.
- c. Proposed Appointed Date for the scheme will be 1<sup>st</sup> April, 2014.
- d. Based on the Share Entitlement Report of an independent valuer, Price Waterhouse & Co., LLP, the Share Exchange Ratio for the Amalgamation of First Transferor Company with the Transferee Company is as under:

12 (Twelve) fully paid up Equity Shares of Rs. 10 (Ten) each of Transferee Company shall be issued and allotted to the shareholders of First Transferor Company for every 1 (One) Equity Share of Rs. 10 (Ten) each held by them in First Transferor Company.

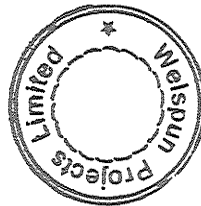
## 3. Recommendation of the Audit Committee

The Audit Committee recommends the draft Scheme, inter-alia taking into consideration valuation report, for favorable consideration by the Board of Directors of the Company, Stock Exchange(s) and SEBI.

DATE: November 04, 2014

PLACE: Mumbai

For Welspun Projects Limited



*Mohan Tandon*  
Mohan Tandon

Chairman of the Audit Committee