

September 25, 2018

To,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai - 400 051
NSE Symbol: WELCORP

Ref: Requirements for in principle approval to Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Welspun Pipes Limited (Amalgamating Company or Transferor Company) with Welspun Corp Limited (Amalgamated Company or Transferee Company) and their respective shareholders and creditors

Dear Sir/Madam,

We refer to the application number 18532 re-submitted on NSE portal on Wednesday, September 19, 2018 for Scheme of Amalgamation of Welspun Pipes Limited with Welspun Corp Limited and your query letter Ref. No. NSE/LIST/18532 dated September 21, 2018 and provide our response in seriatim:

1. Point no. 1

a) Reason for not calculating PAT as per the Tax rate mentioned - The income of Welspun Pipes Limited mostly comprises of Exempt Income i.e. Dividend received from Associate Companies. Enclosed is the Tax computation for your reference.

b) Reason for surcharge not applied on Tax rate - The Taxable income of Welspun Pipes Limited is below the threshold of INR 1 crore for surcharge to be applicable for AY 2018-19. Hence, no surcharge is applied in Tax rate.

2. Point no. 2

Attached herewith Valuation Report as per Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

3. Point no. 3

Refer Point No. 5(b) of the attached confirmation by the Company Secretary.

Welspun Corp Limited

Welspun House, 5th Floor, 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_wcl@welspun.com Website : www.welspuncorp.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609



4. Point no. 4

Attached herewith Annexure 10 explaining non-applicability of the requirement of pricing certificate.

Hope we have clarified queries/ provided requested details. Request you to kindly take the documents on record and process our application.

We request you to kindly grant you approval to the Scheme at your earliest.

Thanking you

Yours Faithfully
For Welspun Corp Limited


Pradeep Joshi
Company Secretary
FCS-4959

Enclosed. As above

Welspun Corp Limited

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SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,

V. P. Road, Andheri (W),

Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

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Website : www.sspa.in

24 Sep 2018

Mr. Pradeep Joshi
Company Secretary
Welspun Corp Limited
Welspun City, Village Versamedi,
Tal. Anjar, Kutch,
Gujarat – 370 110

Dear Sir,

Re: Computation of fair equity share exchange ratio for the proposed amalgamation of Welspun Pipes Limited ('WPL') with Welspun Corp Limited ('WCL') to be submitted with the stock exchanges

This is in reference to your request for providing relative value per share and fair equity share exchange ratio for the proposed amalgamation ("amalgamation") of WPL with WCL for submission with the stock exchanges in the format as prescribed by the circular number NSE/CML/2017/12 of National Stock Exchange of India Limited ('NSE') and LIST/COMP/02/2017-18 of BSE Limited ('BSE').

As explained in para 6.1 and 6.2 of our report dated 05 Sep 2018, WPL as on the date of this report holds 11,04,49,818 equity shares of face value of INR 5 each fully paid-up of WCL. Further, WPL may before the effective date, acquire additional equity shares of face value of INR 5 each fully paid-up of WCL (including by way of purchases on floor of Stock Exchanges) without incurring any additional liability.

Upon the effective date, pursuant to amalgamation of WPL with WCL, the entire shareholding of WPL in WCL will be cancelled and the shareholders of WPL would be issued same number of fully paid-up equity shares of WCL, which they own indirectly through their holding in WPL on the effective date. Pursuant to the amalgamation, there would be no change in the paid-up share capital of WCL. As mentioned above, post-amalgamation the shareholders of WPL will hold the same number of shares as WPL holds in WCL. Consequently, there is no impact on the shareholding pattern of other shareholders of WCL and therefore no valuation of WCL and of WPL is required.



Upon the amalgamation becoming effective, there is no additional consideration being discharged under the amalgamation except same number of shares of WCL being issued to the shareholders of WPL in lieu of shares held by WPL in WCL (which will get cancelled). Thus, for every fresh issue of share of WCL to the shareholders of WPL, there is a corresponding cancellation of an existing WCL share as held by WPL. Also, there would be no change in the aggregate promoters' shareholding in WCL and it shall not affect the interest of other shareholders of WCL.

Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Approach	WCL		WPL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per Share	NA		NA	
Fair Equity Share Exchange Ratio	<p>As mentioned in Para 7.1 of our report dated 05 Sep 2018, we recommend a fair equity share exchange ratio as follows: 11,04,49,818 fully paid-up equity shares (face value of INR 5 each) of WCL to be issued and allotted to shareholders of WPL in proportion of the number of equity shares held by the shareholders of WPL in WPL. In case WPL acquires additional equity shares of face value of INR 5 each fully paid-up of WCL before the effective date without incurring any additional liability, such additional number of equity shares of face value of INR 5 each fully paid-up of WCL shall also be issued and allotted to the shareholders of WPL in proportion of the number of equity shares held by the shareholders of WPL in WPL.</p>			

Hope the above clarifies. Should you need further assistance, please feel free to contact us.

Thanking you,
Yours sincerely,

Sujal Shah

SSPA & Co.
Chartered Accountants
(Signed by: Mr. Sujal Shah, Partner)



SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,

V. P. Road, Andheri (W),

Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

Fax : 91 (22) 2670 3916

Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

05 September 2018

The Board of Directors**Welspun Corp Limited**

Welspun City, Village Versamedi,

Tal. Anjar, Kutch,

Gujarat - 370 110

The Board of Directors**Welspun Pipes Limited**

Survey No 76, Village Morai,

Vapi Valsad,

Gujarat - 396 191

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Welspun Pipes Limited ('WPL') with Welspun Corp Limited ('WCL')

Dear Sir(s) / Madam(s),

We refer to our engagement letter dated 08 Jun 2018, whereby SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We') have been requested by the management of WCL and WPL, (collectively referred to as "Companies" or "Clients") to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of WPL with WCL.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been given to understand that in order to *inter alia* simplify the shareholding structure of WCL and reduction of shareholding tiers, it is proposed that WPL will amalgamate into WCL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of Companies Act, 2013 (hereinafter referred to as 'Scheme of Amalgamation'). Subject to necessary approvals, WPL would be merged with WCL, with effect from appointed date of 17 August 2018 (hereinafter referred to as 'Proposed Transaction'). As a consideration for the Proposed Transaction, equity shareholders of WPL would be issued equity shares of WCL.

1.2 In this regard, we have been requested to issue a report containing recommendation of fair equity share exchange ratio for the Proposed Transaction.



2. BACKGROUND

2.1 WELSPUN CORP LIMITED

WCL, the flagship company of Welspun Group, is a global giant in the Large Diameter Line Pipe segment with manufacturing facilities in India, USA and Saudi Arabia. WCL offers a range of high grade line pipes ranging - from 1.5 inch to 140 inches for transmission of oil & gas and also provide facilities such as coating, bending and double jointing.

The equity shares of WCL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

2.2 WELSPUN PIPES LIMITED

WPL is an investment holding company, mainly holding 11,04,49,818 equity shares (i.e. 41.64% equity stake) in WCL.

The shareholding pattern of WPL as on date is as under:

Name of the Shareholder	No. of Shares	% of holding
Balkrishan Goenka, Trustee of Welspun Group Master Trust and Nominees	50,000	100%
Total	50,000	100%

3. SSPA & CO., CHARTERED ACCOUNTANTS

SSPA is a partnership firm, located at 1st Floor, Arjun Building, Plot No. 6A, V. P. Road, Andheri (W), Mumbai – 400 058, India. SSPA is engaged in providing various corporate consultancy services.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information as provided by the management of the Companies:

- Audited financial statements of WPL and WCL for FY 2017-18.
- Draft Scheme of Amalgamation.
- Such other information and explanations as required and which have been provided by the management of the Companies.



5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 5.1. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 5.2. This report has been prepared for the Board of Directors of WCL and WPL solely for the purpose of recommending a fair equity share exchange ratio for the proposed amalgamation of WPL with WCL.
- 5.3. We have been represented by the Management of the Companies that the Companies have clear and valid title of assets. No investigation on WPL's claim to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid.
- 5.4. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / auditors is that of the respective Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management of the Companies that they have not omitted any relevant and material facts about the respective Companies. The Management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / conclusions. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- 5.5. The fee for the engagement and this report is not contingent upon the results reported.
- 5.6. This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.



- 5.7. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 5.8. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/ business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.9. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management/the Companies and our work and our finding shall not constitute a recommendation as to whether or not the Management/the Companies should carry out the transaction.
- 5.10. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.11. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

6. BASIS FOR DETERMINATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 6.1. WPL as on the date of this report holds 11,04,49,818 equity shares of face value of INR 5 each fully paid-up of WCL. Further, WPL may before the effective date, acquire additional equity shares of face value of INR 5 each fully paid-up of WCL (including by way of purchases on floor of Stock Exchanges) without incurring any additional liability. Upon the effective date, pursuant to amalgamation of WPL with WCL, the entire shareholding of WPL in WCL will be cancelled and the shareholders of WPL would be issued same number of fully paid-up equity shares of WCL, which they own indirectly



through their holding in WPL on the effective date. Pursuant to the amalgamation, there would be no change in the paid-up share capital of WCL. As mentioned above, post-amalgamation the shareholders of WPL will hold the same number of shares as WPL holds in WCL. Consequently, there is no impact on the shareholding pattern of other shareholders of WCL and therefore no valuation of WCL and of WPL is required.

- 6.2. Upon the amalgamation becoming effective, there is no additional consideration being discharged under the amalgamation except same number of shares of WCL being issued to the shareholders of WPL in lieu of shares held by WPL in WCL (which will get cancelled). Thus, for every fresh issue of share of WCL to the shareholders of WPL, there is a corresponding cancellation of an existing WCL share as held by WPL. Also, there would be no change in the aggregate promoters' shareholding in WCL and it shall not affect the interest of other shareholders of WCL.

Accordingly, valuation approaches as indicated in the format as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

- 6.3. The management / shareholders of WPL have given an undertaking that the cash/bank balance in the books of WPL immediately prior to effective date will be utilised to meet the costs, fees, charges, taxes including duties, levies and all other expenses (including stamp duties payable on issue of new shares) in relation to the proposed amalgamation. Further in the event WPL is unable to bear any such expenses due to lack of sufficient funds (including cash/bank balance and liquid investment) in WPL, the shareholders of WPL will bear such expenses. Thus, WCL will not bear any expenses pursuant to the amalgamation.

- 6.4. Further, we understand that the shareholders of WPL shall indemnify and hold harmless WCL for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by WCL which may devolve on WCL on account of proposed amalgamation of WPL with WCL but would not have been payable by WCL otherwise, in the form and manner as may be agreed amongst WCL and the shareholder of WPL. Thus, WCL will not bear any loss, liabilities, cost, charges and expenses due to any such disputes or litigations pursuant to the amalgamation.



7. CONCLUSION - RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

7.1. Based on above in the event of amalgamation of WPL with WCL, we recommend a fair equity share exchange ratio as follows:

11,04,49,818 fully paid-up equity shares (face value of INR 5 each) of WCL to be issued and allotted to shareholders of WPL in proportion of the number of equity shares held by the shareholders of WPL in WPL.

In case WPL acquires additional equity shares of face value of INR 5 each fully paid-up of WCL before the effective date without incurring any additional liability, such additional number of equity shares of face value of INR 5 each fully paid-up of WCL shall also be issued and allotted to the shareholders of WPL in proportion of the number of equity shares held by the shareholders of WPL in WPL.

7.2. We believe that the above ratio is fair and equitable considering that all the shareholders of WPL are and will, upon amalgamation, remain ultimate beneficial owners of WCL in the same ratio (inter-se) as they hold shares of WCL through WPL prior to the amalgamation and that as mentioned hereinabove the interest of other shareholders in WCL remains unaffected.

Thanking you,
Yours faithfully,

Sujal Shah



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W



Signed by **Sujal Shah, Partner**
Membership No. 045816

Place: Mumbai

To,
Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of amalgamation of Welspun Pipes Limited with Welspun Corp Limited and their respective shareholders and creditors

In connection with the above application, we hereby confirm that:

1. The proposed scheme of amalgamation/ arrangement/merger/reconstruction/ reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956 / Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and Stock Exchanges.
2. The draft scheme of amalgamation/ arrangement together with all documents mentioned in SEBI circular has been disseminated on company's website as per the link given hereunder: www.welspuncorp.com
3. The company shall obtain shareholders' approval by way of special resolution passed through e-voting as mentioned in clause 18, page no. 15 of the draft scheme.

Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.

4. The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
5. In case of Unlisted company (Welspun Pipes Limited) being involved in the Scheme of Amalgamation:
 - a. The Company shall include the applicable information pertaining to the unlisted entity involved in the scheme in the format specified for abridged prospectus, certified by a SEBI Registered Merchant Banker, as provided in Part D of Schedule VIII of the ICDR Regulations, in the explanatory statement or notice or proposal accompanying resolution to be passed sent to the shareholders while seeking approval of the scheme and the same shall be submitted to Stock Exchanges.

Welspun Corp Limited

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

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- b. The percentage of shareholding of pre-scheme public shareholders of the listed entity and the Qualified Institutional Buyers (QIBs) of the unlisted entity, in the post scheme shareholding pattern of the “merged” company on a fully diluted basis shall not be less than 25%.
6. The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
7. There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement.



Date: September 24, 2018

Pradeep Joshi
Company Secretary
FCS- 4959

Welspun Corp Limited

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

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Corporate Identity Number: L27100GJ1995PLC025609

ANNEXURE – 10

To,
BSE Limited
1st Floor, New Trading Wing,
Rotunda Bldg, P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE Scrip Code: 532144

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai – 400 051
NSE Symbol: WELCORP

Dear Sir/Madam,

This is with reference to compliance with provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations') for allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to scheme as prescribed vide SEBI circular No. SEBI/LAD/NRO/GN/2016-17/030 dated 15th February, 2017. In connection with the same, we state as under:

- Welspun Pipes Limited ("WPL" or "Transferor Company") holds 11,04,49,818 equity shares in Welspun Corp Limited ("WCL" or "Transferee Company").
- Upon amalgamation, the shares held by WPL in WCL (i.e. 11,04,49,818 shares) shall get cancelled and the shareholders of WPL would be entitled to the same number of shares of WCL (i.e. 11,04,49,818 equity shares).
- Pursuant to the amalgamation, the pre and post scheme shareholding of the Promoter group would remain same.
- All the shareholders of WPL are, and will, upon merger remain ultimate beneficial owners in WCL in the same ratio as they hold prior to the merger, and the interest of other shareholders in WCL would remain unaffected.

In light of the above and considering that no additional shares are being issued (i.e. number of shares being issued are same as the number of shares being cancelled) and that there would be no impact on shareholding of other shareholders of WCL, we understand that the provisions of Chapter VII of ICDR Regulations would not be applicable to the present Scheme.

Trust the above clarifies the same. Kindly take note of the same on record.

Thanking you,

Yours Faithfully,

For Welspun Corp Limited


Pradeep Joshi
Company Secretary
FCS-4959



Mumbai, September 11, 2018

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

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E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com

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