



Annexure 4

REPORT OF THE AUDIT COMMITTEE OF WELSPUN INVESTMENTS AND COMMERCIALS LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF AETHELRED MULTIVENTURE PRIVATE LIMITED WITH WELSPUN INVESTMENTS AND COMMERCIALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Present Members

1. Mr. Raj Kumar Jain - Chairman
2. Mr. Atul Desai - Member
3. Ms. Mala Todarwal - Member

In attendance:

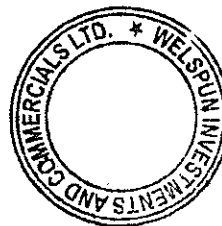
1. Mr. Amol Nandedkar - Company Secretary

Invitee:

1. Mr. L T Hotwani - Director
2. Mr. Gajendra Nahar – CEO & CFO
3. Mr. Devendra Patil – President, Group Secretarial

1. Background:

- a. A draft scheme of amalgamation, under section 230-232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, of Aethelred Multiventure Private Limited ('Transferor Company' or 'AMPL') with Welspun Investments and Commercials Limited ('Transferee Company' or 'WICL') and their respective shareholders ('Scheme') has been placed before the Audit Committee by the management for it to consider recommending the said draft Scheme to the Board of Directors.
- b. The Scheme inter alia provides for amalgamation of AMPL with WICL.
- c. The equity shares of WICL are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). WICL will be filling the Scheme along with necessary documents/information with both the abovementioned exchanges.



Welspun Investments & Commercials Limited

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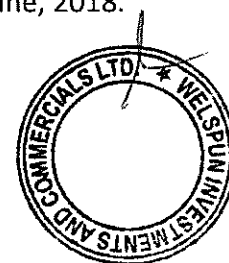
Corporate Identity Number: L52100GJ2008PLC055195



- d. The report of Audit Committee is made in order to comply with the requirements of the Circular CFD/DIL3/CIR/2017/17 dated 10th March, 2017 issued by the Securities and Exchange Board of India, as amended from time to time, ("SEBI Circular") after considering the following:
- Draft Scheme, duly initialed by Company Secretary of WICL for the purpose of identification;
 - Share Exchange report dated May 22, 2018 issued by M/s. SSPA & Co., Independent Chartered Accountants; and
 - Fairness Opinion Report dated May 23, 2018 issued by Dalmia Securities Private Limited, a Category I Merchant Banker providing the fairness opinion on the share entitlement recommended in the valuation report prepared by M/s. SSPA & Co., Independent Chartered Accountants;
 - Certificate obtained from the Statutory Auditors of WICL i.e. M/s. PYS & Co. LLP, Chartered Accountants confirming that the accounting treatment as prescribed in the Scheme is in compliance with the applicable accounting treatment notified under Companies Act, 2013 and other generally accepted principles;
 - Audited financial statements of WICL for the year ended March 31, 2016, March 31, 2017 and March 31, 2018; and
 - Audited financial statements of AMPL for the year ended March 31, 2017 and March 31, 2018.

2. Proposed Scheme

- a. The Audit Committee reviewed the valuation report and noted the report and recommended the following:
- In consideration for the amalgamation of AMPL with WICL in terms of the Scheme and based on share exchange report issued by M/s. SSPA & Co., Independent Chartered Accountants and fairness opinion provided by Dalmia Securities Private Limited, a Category I Merchant Banker, WICL will issue an aggregate of 26,55,528 (Twenty Six Lacs Fifty Five Thousand Five Hundred and Twenty Eight) equity shares of Rs. 10/- (Rupees Ten) each, fully paid up to the equity shareholders of AMPL on a proportionate basis.
- b. Further, the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to WICL, AMPL and their respective shareholders.
- c. Further, PYS & Co LLP, Chartered Accountant, Statutory Auditors of WICL have confirmed that the accounting treatment as specified in the Scheme is in accordance with the applicable accounting standards specified under the provisions of the Companies Act, 1956 and/or Companies Act, 2013 and the generally accepted accounting principles in India.
- d. The proposed Appointed Date for the amalgamation will be 1st June, 2018.





- e. Under the proposed Scheme, all assets and liabilities, pertaining to AMPL, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in WICL as a going concern with effect from the Appointed Date.
- f. The equity shares of WICL to be issued to the shareholders of AMPL pursuant to the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited (subject to trading permission being granted by the stock exchanges).

3. Recommendations of the Audit Committee

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, valuation report, fairness opinion report and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of WICL.

By Order of the Audit Committee

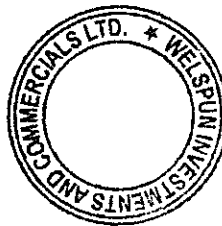
For and on behalf of

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Chairperson of the Audit Committee

Date: May 23, 2018

Place: Mumbai



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