

WCL/SEC/2021

June 28, 2021

To,

BSE Ltd. Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001. (Scrip Code: Equity - 532144), NCD - 948505, 960468 and 960491)	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. (Symbol: WELCORP, Series EQ)
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Dear Sirs/ Madam,

Sub: Outcome of the meeting of the Board of Directors of Welspun Corp Limited.

Please take note that the Board of Directors of the Company at its meeting held on Monday, June 28, 2021 has considered and approved the following businesses:

1. Audited Financial statements for the year ended March 31, 2021.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith standalone as well as consolidated Audited Financial Results for the financial year ended March 31, 2021 ("AFR"), along-with the unmodified audit report, as reviewed by the Audit Committee and approved by the Board of Directors.

A declaration pursuant to Regulation 33 (3)(d) of SEBI (LODR), 2015 is also enclosed herewith.

2. Recommendation of Dividend

The Board of Directors of the Company have recommended a dividend at the rate of 100% (i.e. Rs.5/- per share) on 260,949,395 Equity Shares of Rs.5/- each fully paid-up, i.e. Rs. 1,304,746,975/-.

The record date for determining the eligible shareholders for payment of dividend shall be intimated later.

Welspun Corp Limited

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Corporate Identity Number: L27100GJ1995PLC025609

3. Raising of funds

The Board of Directors have approved the annual renewal of the enabling resolution of the shareholders u/s. 42/71 for raising of funds by way of private placement up to Rs. 500 crores by issuing Commercial Papers / NCD. The Company has traditionally used this for raising Commercial Papers for routine working capital requirements.

4. Scheme of Arrangement:

Scheme of Arrangement presented under section 230 - 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, between Welspun Steel Limited ("the Demerged Company") and Welspun Corp Limited ("WCL/the "Company"/the Resulting Company") and their respective shareholders ("Scheme" or "the Scheme").

Pursuant to Regulation 30 and Regulation 51 read with Schedule III to the Listing Regulations, we inform you that the Board of Directors of the Company ("Board") at its meeting held on June 28, 2021 have, inter alia, considered and decided to propose to National Company Law Tribunal ("NCLT") for its approval the subject Scheme.

The Scheme, inter alia, provides for demerger of the Demerged Undertaking (comprising of the Steel Operating Business (as defined hereinafter) and investments held in Welspun Specialty Solutions Limited (WSSL) (50.03%), Anjar TMT Steel Private Limited (ATSPL) (100%) and Welspun Captive Power Generation Limited (WCPGL) (2.95%) and the details of which are set out herein below at Annexure-I) into WCL/the Company/Resulting Company from the Appointed Date of April 1, 2021.

Since the stakeholders who are holding not less than 50% of the equity shares in the Demerged Company (holding company of Welspun Specialty Solutions Limited (WSSL)) are the same stakeholders holding not less than 50% equity shares in the Resulting Company and control being exercised by the same stakeholder(s) over both the companies, the indirect acquisition of control of WSSL pursuant to the proposed Scheme is exempt from making open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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The Scheme as proposed by the Board will be available on the website of the Company at www.welspuncorp.com post submitting the same to the aforementioned 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.

Annexure I

a.	Name of the entity(ies) forming part of the Scheme	<p>Details of Demerged Company: Welspun Steel Limited having corporate identity number U27109GJ2004PLC044249</p> <p>Details of Resulting Company: Welspun Corp Limited having corporate identity number L27100GJ1995PLC025609</p>
b.	Brief details of the division(s) to be acquired	Resulting Company proposes to acquire the division of the Demerged Company <i>inter-alia</i> engaged in the manufacturing of BIS Certified Steel Billets and Direct Reduced Iron (DRI), specialty steel and thermo mechanical treatment bars manufacturing business ('Steel Operating Business') and business directly or indirectly carried out through investments held in WSSL, ATSPL and WCPGL.
c.	Details of turnover of the demerged division and the listed entity	<p>Turnover of the demerged division for the financial year ended March 31, 2021 -</p> <ul style="list-style-type: none"> ● Rs. 645.92 crs (standalone) <p>Turnover of the Resulting Company for the financial year ended March 31, 2021 -</p> <ul style="list-style-type: none"> ● Rs. 4,642.11 crs (standalone)
d.	Whether the transaction would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired as part of the Scheme? If yes, whether	<p>Yes, the transaction is a 'related party transaction and the same is being done on an arm's length basis post thorough due diligence.</p> <p>The promoter / promoter group directly or indirectly exercise control and have interest in business and entities forming part of the Demerged undertaking.</p> <p>The valuation to determine the consideration for the purposes of this Scheme has been done by M/s. RBSA Valuation Advisors LLP and M/s Bansi S. Mehta & Co., Independent Chartered Accountant. In addition, M/s. DAM Capital Advisors Limited has issued a Fairness Opinion on</p>

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	the same is done at “arm’s length”	the consideration determined by the aforesaid valuers.																				
e.	Areas of the business and brief details thereof	<p>Besides the steel business directly undertaken by the Demerged Undertaking, it is proposed to acquire the following investments held in the Demerged Undertaking:</p> <ol style="list-style-type: none"> 1. 26,51,90,034 number of shares comprising of 50.03% of Welspun Specialty Solutions Limited (WSSL), which is an integrated producer of Quality Stainless Steel Pipes & Tubes right from steel-making to the finished products. This entity does not have any presence outside India. 2. 10,000 number of shares comprising of 100% of Anjar TMT Steel Private Limited (ATSPL), which is implementing a Greenfield project for manufacturing of TMT bars. This entity does not have any presence outside India. 3. 872,193 number of shares comprising of 2.95% of Welspun Captive Power Generation Limited (WCPGL), which is captive power producer company. This entity does not have any presence outside India. <p>The details of turnover for last 3 years for the aforesaid entities are as under: (Rs. in crores)</p> <table border="1"> <thead> <tr> <th colspan="2">Particulars</th> <th>FY 2018-19</th> <th>FY 2019-20</th> <th>FY 2020-21</th> </tr> </thead> <tbody> <tr> <td>WSSL</td> <td>Standalone</td> <td>436.21</td> <td>295.17</td> <td>93.43</td> </tr> <tr> <td>ATSPL(*)</td> <td>Standalone</td> <td>N.A.</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>WCPGL</td> <td>Standalone</td> <td>464.91</td> <td>391.18</td> <td>410.41</td> </tr> </tbody> </table> <p>(*) incorporated on 23rd April, 2021</p>	Particulars		FY 2018-19	FY 2019-20	FY 2020-21	WSSL	Standalone	436.21	295.17	93.43	ATSPL(*)	Standalone	N.A.	N.A.	N.A.	WCPGL	Standalone	464.91	391.18	410.41
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f.	Rationale of the Scheme	<p>The business of the Demerged Undertaking will supplement the business of the Resulting Company and the consolidation of the Demerged Undertaking with the business of the Resulting Company is expected to provide, <i>inter-alia</i>, the following benefits:</p> <ol style="list-style-type: none"> a. The consolidation will result in earning predictability, stronger revenue and improved competitiveness, with diversification in 																				

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		<p>product portfolio thereby reducing business risks for mutual benefit of the shareholders. This will result in strong presence across market segments, provide access to new markets and product offerings. Further, the operations of the Demerged Undertaking could have access to the Resulting Company's marketing capabilities.</p> <p>b. Greater economies of scale and will provide a larger and stronger base for potential future growth;</p> <p>c. Consolidation and simplification of the group structure;</p> <p>d. reduction in overheads, administrative, managerial and other expenditure;</p> <p>e. operational rationalization and increase in operating efficiency; and</p> <p>f. Synergistic benefits, expansion and acquisition opportunities.</p>
g.	Brief details of change in shareholding pattern (if any) of all entities;	There will be no change in the shareholding of the Resulting Company as the Resulting Company would issue and allot only Cumulative Redeemable Preference Shares (CRPS) to the eligible shareholders of the Demerged Company as on the Record Date.
h.	In case of cash consideration – amount or otherwise share exchange ratio	<p>The Scheme does not provide for any cash consideration.</p> <p>The clause 11 of Part B of the Scheme is as follows:</p> <p><i>“81 (Eighty-one) 6% CRPS of the Resulting Company of Rs. 10 (Rupees Ten only) each fully paid up, which will be redeemable subject to the terms specified in Annexure to the Scheme, shall be issued and allotted for every 100 (Hundred) equity share of the Demerged Company of the face value of Rs. 10/- (Rupees Ten only) each fully paid”</i></p> <p>The above ratio would translate in issue of CRPS of Rs. 362.73 crores, at face value, redeemable at the option of the holder, upon the expiry of 18 months from the date of issue.</p> <p>The CRPS would not be listed on the stock exchanges.</p>
i.	Brief details of any governmental or regulatory approvals required and indicative time period for completion	<p>The Scheme will <i>inter-alia</i> require the following governmental or regulatory approvals:</p> <ol style="list-style-type: none"> 1. Stock exchange 2. NCLT <p>The management expects the Scheme to be completed within this financial year.</p>

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5. Other Opportunities.

The Company will continue to evaluate suitable opportunities, for both organic and inorganic expansions which have synergies with our business. It is important that we continue to expand our product offering for growth, enabling predictability and enhanced earnings. However, all prudence and due diligence would be exercised with a clear oversight from the Board. As such, the Company has a judicious capital allocation policy and any proposal has to first meet the internal thresholds for ROI and Profitability before being presented to the Board. Some of the new business areas that are being evaluated are: Marine Fabrication, Industrial Fabrication, Seamless Pipes (Carbon Steel), Renewable Energy etc. Accordingly, our objects clause is proposed to be amended.


6. Business Update and Investors' Presentation

Please find enclosed the Business Update and Investors' Presentation which is being released to the media.

The meeting of the Board of Directors commenced at 3:45 pm on June 28, 2021 and concluded at 10:00 p.m.

Thanking you.

Yours faithfully,
For Welspun Corp Limited



Pradeep Joshi
Company Secretary and Compliance Officer
FCS-4959

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