

WELSPUN ENTERPRISES LIMITED

CIN: L45201GJ1994PLC023920

Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370 110

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of Welspun Enterprises Limited will be held on Tuesday, June 30, 2020 at 11:00 a.m. IST through **Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2020 and the reports of the Board of Directors and the Auditors thereon.
- 2) To consider declaration of final dividend on Equity Shares for the financial year 2019-20. (₹ 2/- per equity share)
- 3) To appoint a director in place of Mr. Rajesh Mandawewala (DIN: 00007179), who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To consider the re-appointment of the current auditors, M/s. MGB & Co., LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035), as the Statutory Auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Audit Committee, and approval of the Board of Directors, the Company hereby appoints M/s. MGB & Co LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035), as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company, at a remuneration of ₹ 32,00,000/- (Rupees Thirty Two Lakhs only) plus applicable taxes (subject to deduction of tax as may be applicable) and out of pocket expenses as may be authorized by the Board of Directors of the Company."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

SPECIAL BUSINESS:

- 5) To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 and based on the recommendation of the Audit Committee and approval of the Board of Directors, the Company hereby ratifies the remuneration of ₹ 2.50 lakh (Rupees Two Lakh Fifty Thousand only) per annum and such travelling and out of pocket expenses as may be approved by the Board to M/s. Kiran J. Mehta & Co., Cost Accountants, the Cost Auditor as appointed by the Company, for the financial year commencing on April 1, 2020.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

- 6) To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and the other applicable provisions of and Schedule V to the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be required under the Act, if any and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Balkrishan Goenka (holding DIN: 00270175), as the Whole Time Director of the Company designated as Chairman (Executive) of the Company for a period of 5 years effective from June 1 2020, at a remuneration of ₹ 7.5 Crore (Rupees Seven Crore Fifty Lakh only) per annum on cost to company basis plus the commission @ 2% of annual profit of the Company on consolidated financial statement basis.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

- 7) To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder, as may be applicable, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India ("SEBI") or any other law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow from time to time, by issue of securities including but not limited to secured/unsecured, redeemable, Non-Convertible Debentures and/ or Commercial Papers of an amount upto ₹ 500 crore (Rupees Five Hundred Crore only), to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches, issuable /redeemable at discount /par /premium, under one or more shelf disclosure documents, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company; provided that the said borrowing shall be within the overall borrowing limits of the Company approved pursuant to Section 180 of the Act by the members and the issuance of Commercial Paper shall be replenished on repayment of Commercial Paper.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

- 8) To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the provisions of the Memorandum of Association and Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹ 180.05 crore (Rupees One Hundred and Eighty Crores and Five Lakhs only) divided into 18,00,50,000 (Eighteen Crores Fifty Thousand Only) equity shares of ₹ 10/- each to ₹ 275 crore (Rupees Two Hundred Seventy Five Crore only) divided

into 27,50,00,000 (Twenty Seven Crore Fifty Lakhs) equity shares of ₹ 10/- each ranking pari-passu with the existing equity shares of the Company and the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new clause:

- V “The Authorised Share Capital of the Company is ₹ 275,00,00,000/- (Rupees Two Hundred Seventy Five Crore only) divided into 27,50,00,000 (Twenty Seven Crore Fifty Lakhs) equity shares of ₹ 10/- each.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

- 9) To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the Articles of Association of the Company be altered in the following manner i.e. existing Clause 5 (a) of the Articles of Association be deleted and the same be substituted with the following new clause as Clause 5 (a):

- 5 (a) “The Authorised Share Capital of the Company is ₹ 275,00,00,000/- (Rupees Two Hundred Seventy Five Crore Only) divided into 27,50,00,000/- (Twenty Seven Crores Fifty Lakh Only) Equity Shares of ₹10/- (Rupees Ten Only) each with power to increase or reduce the capital for the time being and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, alter, modify, amalgamate or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided for by the Articles of Association of the Company or by the law in force for the time being.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

- 10) To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c), Section 23(1)(c) and other applicable provisions of the Companies Act, 2013, along with the rules made thereunder, including any statutory modification(s) or re-enactment thereof to the extent notified and in effect, the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities Contracts (Regulation) Act, 1956, the Foreign Exchange Management Act, 1999, along with the rules made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, each as amended, and other provisions of applicable law, and subject to other approvals, permissions and sanctions, the Securities and Exchange Board of India, the stock exchanges where the equity shares of the Company are listed (the **“Stock Exchanges”**), the Reserve Bank of India, the Government of India, the relevant Registrar of Companies and any other concerned statutory or regulatory authority, if and to the extent necessary, and such other approvals, permissions, and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed in granting such approvals, permissions, or sanctions, the consent of the members be and is hereby accorded to the board of directors of the Company (**“Board”**, which term shall be deemed to include any committee which the Board may have constituted or may hereafter constitute exercising the powers conferred on the Board by this resolution) to offer, issue, and allot equity shares, preference shares or other equity linked securities (the **“Securities”**) for cash up to an aggregate amount not exceeding ₹ 300 Crore (Rupees Three Hundred Crore only) (the **“Issue”**), proposed to be utilised for such purpose(s) as may be permissible under applicable law and approved by the Board, by way of a further public offer or qualified institutions placement (**“QIP”**) or through any other permissible mode or through a combination thereof; in one or more tranches, at such price (whether at the prevailing market price or at a discount or premium thereto considering the prevailing market conditions and such other considerations that the Board or any of its duly authorized committee may, in its absolute discretion, decide, subject to applicable law) to all eligible investors, including residents and/ or non-residents and on such other terms and conditions as may be determined and deemed appropriate by the Board or a duly constituted committee thereof in its absolute discretion (including with provisions for reservations on firm and/or competitive basis, or such part of the Issue and for such categories of persons as may be permitted) and as may be mentioned in the relevant offer documents to be issued by the Company in respect of the Issue or such other documents, writings, circulars or memoranda as may be issued, and to list the Securities allotted pursuant to the Issue on the Stock Exchanges.”

“RESOLVED FURTHER THAT the maximum aggregate size of the Issue contemplated above i.e. ₹ 300 Crore (Rupees Three Hundred Crore only), shall apply to the aggregate of all issuances of Securities (including a rights issue of equity shares of the Company) undertaken by the Company pursuant to the above resolution, until such time that the above resolution of the Board remains valid.”

“RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- a. the allotment of Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of the resolution of the members of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
- b. any issue of Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations. The Board may, however, in its absolute discretion, issue equity shares at a discount of not more than 5% on such price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations, in accordance with the applicable law;
- c. the allotment to a single qualified institutional buyer in the proposed Issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law; and
- d. the Securities shall not be sold for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.”

“RESOLVED FURTHER THAT all Securities so offered, issued and allotted by way of the Issue shall be subject to the provisions of the memorandum of association and the articles of association of the Company.”

“RESOLVED FURTHER THAT in the event the Company offers, issues and allots its equity shares of ₹ 10 each (“**Equity Shares**”), the same shall rank *pari passu* in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee duly authorised by the Board or subject to applicable law to any one or more director and/or any one or more officers of the Company to give effect to this resolution.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

By Order of the Board

Place: Mumbai
Date: June 1, 2020

Priya Pakhare
Company Secretary
FCS - 7805

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item No. 3 - Re-appointment of Mr. Rajesh Mandawewala (DIN: 00007179) as a Director.

Mr. Rajesh Mandawewala, aged 58 is a Chartered Accountant by profession with over 35 years of rich experience. He was appointed as a Director of the Company with effect from July 6, 2012. Mr. Mandawewala has been a critical pillar of growth for Welspun since its inception. He has co-promoted Welspun Group and contributed significantly in taking the Group to global leadership position in Steel Pipes and Home Textile businesses. A perfectionist by nature, he strongly believes in driving innovation through incessant research and product development, catering to the current and future needs of the customers.

Mr. Mandawewala is a prolific speaker and is associated with leading business councils such as Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), Indian Merchants Chamber (IMC), TEXPROCIL and Federation of Indian Export Organisations (FIEO) to name a few.

Details of directorship in other Companies and membership/Chairpersonship of the Committees of the Board of the Companies are as under:

Directorship: He is also a Director in the following bodies corporate: Welspun India Limited, AYM Syntex Limited, Welspun Corp Limited, Welspun Steel Limited, Angel Power and Steel Private Limited, Welspun Global Brands Limited, Mandawewala Enterprises Limited, Welspun Flooring Limited, Welspun Advanced Materials (India) Limited, Yura Realties Private Limited, Polaire Tradeco Private Limited, RRM Enterprises Private Limited, Rank Marketing LLP, Connective Infrastructure Private Limited, RRM Realty Trader Private Limited and Welspun Holdings Private Limited, Cyprus.

Membership / Chairmanship of Committees:

Membership- (1) Welspun Enterprises Limited: Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility; (2) Welspun Corp Limited: Corporate Social Responsibility and Share Transfer and Investors' Grievance and Stakeholders Relationship Committee (3) Welspun India Limited: Corporate Social Responsibility and Share Transfer and Investors' Grievance and Stakeholders Relationship Committee (5) AYM Syntex Limited: Nomination and Remuneration Committee, Corporate Social Responsibility and Share Transfer and Investors' Grievance and Stakeholders Relationship Committee (6) Welspun Steel Limited: Corporate Social Responsibility and Risk Management Committee.

Chairmanship -Welspun Steel Limited: Nomination and Remuneration Committee.

He is a promoter of the Company holding 120 equity shares of ₹ 10 each in the Company.

During the financial year 2019-20 Mr. Mandawewala attended 2 Board Meetings.

There is no relationship between the directors inter-se. Except Mr. Mandawewala, being the appointee herein, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

The Board recommends passing of the Ordinary Resolution at Item No. 3 of the accompanying Notice for approval by the members of the Company.

Item No. 4 - Re-appointment of M/s. MGB & Co., LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035), as the Statutory Auditors of the Company

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the first term of the appointment of Current Statutory auditors of the Company, M/s. MGB & Co., LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035) expires at the conclusion of this Annual General Meeting. They were appointed by the members at the 21st Annual General Meeting to hold office for a period of five years until the conclusion of the 26th Annual General Meeting, subject to the ratification by the members at every Annual General Meeting.

The members are now requested to appoint M/s. MGB & Co., LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035) as Statutory Auditors of the Company for a second term of 5 (five) consecutive years to hold office from conclusion of this meeting until the conclusion of 31st Annual General Meeting, at a remuneration of ₹ 32,00,000/- (Rupees Thirty Two Lakh only) plus applicable taxes (subject to deduction of tax as may be applicable) and out of pocket expenses as may be authorized by the Board of Directors of the Company.

None of the directors or key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

The Board recommends Ordinary Resolution at Item No. 4 of the accompanying Notice for approval of the Members.

Item No. 5 – Ratification of payment of remuneration to the Cost Auditors .

Members are hereby informed that pursuant to the recommendation of the Audit Committee, the Board of Directors appointed M/s. Kiran J. Mehta & Co., Cost Accountants as Cost Auditors of the Company for the financial year ending March 31, 2021 for conduct of the Cost Audit of the Company in terms of the requirements under applicable laws at a remuneration as mentioned in the resolution No. 5 of the Notice.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditors is required to be ratified by the members.

None of the directors or key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice.

The Board recommends Ordinary Resolution at Item No. 5 of the accompanying Notice for ratification by the Members.

Item No: 6- Re-Appointment of Mr. Balkrishan Goenka holding (DIN: 00270175) as the Whole Time Director designated as Chairman (Executive) of the Company.

Mr. Balkrishan Goenka aged 53 years is a Commerce Graduate. Mr. Goenka being one of the promoters of the Company is also Chairman of Welspun Group from its inception. He is a prime architect of the Welspun Group. For over 30 years, Mr. Goenka with his strong business acumen and ability to handle business challenges is credited to have successfully steered the Welspun Group in many high-growth sectors. He has a vision to make Welspun one of the most respected groups in the world by creating world-class companies that consistently sets industry benchmarks.

The business is growing and with that responsibilities of the Executive Chairman are growing. Besides, considering the involvement of Mr. Goenka in critical business matters requiring him to continue to shoulder larger responsibilities and devote more time and energy for achieving desired results, it is proposed to re-appoint Mr. Goenka as Chairman of the Company at a remuneration of Rs. 7.5 Crore - (Rupees Seven Crore Fifty Lakh only) per annum on cost to company basis plus the commission @ 2% of annual profit of the Company on consolidated financial statement basis. The remuneration paid to the Chairman for the Financial Year (i.e. 2019-20) was ₹ 7.5 Crore (Rupees Seven Crore Fifty Lakh only) and 2% of annual profit of the Company on consolidated financial statement basis.

Mr. Goenka was appointed as the Chairman (Executive) of the Company for the period of 5 years with effect from May 29, 2015. The Board of Directors of the Company in its Board