

WEL/SEC/2023

July 27, 2023

To,

National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No, C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001.
Symbol: WELENT	Scrip Code: 532553

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Disclosure Regulations**”).

Dear Madam / Sir,

Subject: Intimation regarding proposed acquisition of 50.10% stake in Michigan Engineers Private Limited (“**Michigan**”) through execution of a Share Purchase Agreement and execution of a Shareholders’ Agreement in relation thereto.

This is to inform that the Board of Directors of the Company at its meeting held today i.e July 27, 2023 considered and approved the following:

1. Proposed acquisition of controlling stake in Michigan Engineers Private Limited:

Welspun Enterprises Limited has signed a Share Purchase Agreement (“**SPA**”) on July 27, 2023 with Authum Investment & Infrastructure Limited, Sansaar Housing Finance Limited and Michigan, for purchase of 50.10% stake in Michigan, for consideration as detailed in the Annexure-1 attached hereto, subject to the satisfactory completion of conditions precedent as set out in the SPA.

Upon completion of acquisition of 50.10% equity shares of Michigan, Michigan will become a subsidiary of Welspun Enterprises Limited.

The details as required under the SEBI Disclosure Regulations read with Circular No. SEBI/HO/CFD/ CFD-PoD -1/P/CIR/2023/123 dated July 13, 2023 issued by SEBI are enclosed in Annexure-1 hereto.

2. Execution of Shareholders’ Agreement with the shareholders of Michigan:

In relation to the proposed acquisition of a majority stake in Michigan, Welspun Enterprises Limited has signed a Shareholders’ Agreement on July 27, 2023 with Authum Investment & Infrastructure Limited, Sansaar Housing Finance Limited, Patel Engineering Limited, Mr. Saurin Patel and Michigan, in connection with governing their

Welspun Enterprises Limited

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T: +91 28 3666 2222 | F: +91 28 3627 9010

Corporate Identity Number: L45201GJ1994PLC023920



inter-se relationship, and in respect of the operation and management of Michigan, post the acquisition of controlling stake in Michigan, by Welspun Enterprises Limited. The Shareholder's Agreement shall become effective upon satisfactory completion of conditions precedent as set out in the SPA.

The details as required under the SEBI Disclosure Regulations read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 issued by the SEBI, are enclosed in Annexure – 1 and Annexure –2 hereto.

The Board meeting concluded at 05.00 pm.

Request you to kindly take the same on your records.

Thanking You.

Yours Sincerely,
For **Welspun Enterprises Limited**

Nidhi Tanna
Company Secretary
ACS - 30465



Annexure – 1

Disclosure pursuant to Regulation 30 of the SEBI Disclosure Regulations relating to execution of Share Purchase Agreement between Welspun Enterprises Limited, Authum Investment & Infrastructure Limited, Sansaar Housing Finance Limited and Michigan Engineers Private Limited, in relation to purchase of shares of Michigan Engineers Private Limited.

S. No.	Disclosure Requirement	Details
(a)	Name of the target entity, details in brief such as size, turnover etc.	Michigan is an engineering and construction company, involved in the business of underground infrastructure, water infrastructure and sewage infrastructure projects. Net Worth of Michigan (<i>as of March 31, 2023</i>): INR 200.12 Crore For details of turnover please refer to (j) below.
(b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms’ length”	This transaction does not fall within the ambit of related party transactions and no promoter/ promoter group / group companies of Welspun Enterprises Limited have any interest in Michigan.
(c)	Industry to which the entity being acquired belongs	Michigan is a technology based engineering, procurement and construction company with focus on underground infrastructure, water infrastructure and sewage infrastructure projects.
(d)	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The acquisition is in line with the strategy of Welspun Enterprises Limited to grow the water infrastructure business segment and enable its entry into the tunnelling business, which is an adjacency to the existing water and road business. The acquisition would enable Welspun Enterprises Limited to undertake projects in relation to areas of micro tunnelling, segment tunnelling and sewer network rehabilitation, through Michigan.
(e)	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental or regulatory approvals are required for this transaction.



(f)	Indicative time period for completion of the acquisition	The transaction is expected to be completed within 4 weeks, subject to completion of conditions precedent as detailed in the SPA.												
(g)	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration.												
(h)	Cost of acquisition or the price at which the shares are acquired	INR 137.07 Crore												
(i)	Percentage of shareholding/ control acquired and/ or number of shares acquired	8,69,596 equity shares representing 50.1% of the paid-up equity share capital of Michigan. Pursuant to the acquisition, Welspun Enterprises Limited would acquire control of Michigan.												
(j)	Brief background about the entity acquired in terms of products/ line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p><u>Brief Background</u> Founded in 1973 and headquartered in Mumbai, Michigan is a renowned civil construction company in the urban water infrastructure segment. It is a pioneer and leading player in the niche segment of trenchless technology in India, with having projects executed across Mumbai and Delhi.</p> <p><u>Line of Business</u> Technology based engineering, procurement and construction company with focus on underground infrastructure water infrastructure and sewage infrastructure projects.</p> <p><u>Date of Incorporation:</u> May 1, 1973</p> <p><u>Turnover of last 3 years</u></p> <table border="1" data-bbox="857 1411 1360 1520"> <tr> <td>FY 20-21</td> <td>INR 208.78 Crore</td> </tr> <tr> <td>FY 21-22</td> <td>INR 293.28 Crore</td> </tr> <tr> <td>FY 22-23</td> <td>INR 319.57 Crore</td> </tr> </table> <p>Profit after Tax of last 3 years</p> <table border="1" data-bbox="857 1587 1360 1696"> <tr> <td>FY 20-21</td> <td>INR 15.71 Crore</td> </tr> <tr> <td>FY 21-22</td> <td>INR 22.21 Crore</td> </tr> <tr> <td>FY 22-23</td> <td>INR 35.17 Crore</td> </tr> </table> <p><u>Country in which the acquired entity has presence:</u> India</p>	FY 20-21	INR 208.78 Crore	FY 21-22	INR 293.28 Crore	FY 22-23	INR 319.57 Crore	FY 20-21	INR 15.71 Crore	FY 21-22	INR 22.21 Crore	FY 22-23	INR 35.17 Crore
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Annexure 2

Disclosure pursuant to Regulation 30 of the SEBI Disclosure Regulations relating to execution of Shareholders' Agreement between Welspun Enterprises Limited, Authum Investment & Infrastructure Limited, Sansaar Housing Finance Limited, Patel Engineering Limited, Mr. Saurin Patel and Michigan Engineers Private Limited, governing their inter-se relationship, and in respect of the management and administration of Michigan Engineers Private Limited.

S. No.	Disclosure Requirement	Details
(a)	Name(s) of parties with whom the agreement is entered.	1. Welspun Enterprises Limited; 2. Authum Investment & Infrastructure Limited; 3. Sansaar Housing Finance Limited; 4. Patel Engineering Limited; 5. Mr. Saurin Patel; and 6. Michigan Engineers Private Limited (collectively " Parties ").
(b)	Purpose of entering into the agreement	The Parties have executed the Shareholders' Agreement for governing their <i>inter-se</i> relationship and in respect of operation and management of Michigan.
(c)	Shareholding, if any, in the entity with whom the agreement is executed	Pursuant to the acquisition of shares by Welspun Enterprises Limited under the SPA (details of which are provided under Annexure 1), Welspun Enterprises Limited would hold 8,69,596 equity shares, constituting 50.1 % of the paid-up equity share capital of Michigan.
(d)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The Shareholders' Agreement provides certain rights to the Parties, such as the right to appoint directors, pre-emptive rights in case of issuance of new securities, right of first refusal, tag along right and put option right, in accordance with the terms thereof. Welspun Enterprises Limited has the right to appoint majority directors on board of Michigan, at all the times.
(e)	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship	None of the other Parties are related to the promoter, promoter group or group companies of Welspun Enterprises Limited.
(f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	This transaction does not fall within the ambit of related party transactions.



(g)	In case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable, as shares are not being issued.
(h)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not applicable.
(i)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof	Not applicable.