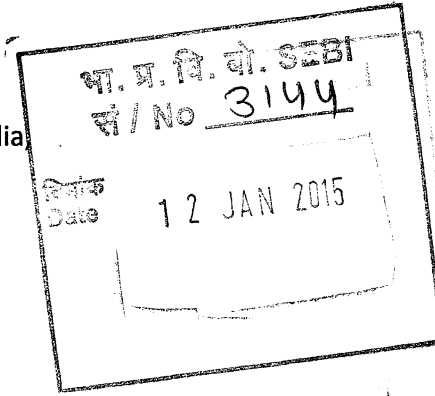




January 10, 2015

To,
Corporation Finance Department
Securities and Exchange Board of India
SEBI Bhavan, G Block
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051



Dear Sir/Ma'am,

Subject: Request for an informal guidance by way of interpretative letter as well as no action letter under the SEBI (Informal Guidance) Scheme, 2003 in connection with the proposed inter se transfer of share between promoters group entities

Factual Background and proposed Transaction

1. Welspun Enterprise Limited (WEL) is a public limited Company having its registered office at Welspun City, Village Versamedi, Anjar – 370110, Gujarat, listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). It was incorporated with the name “Welspun Infra Enterprises Private Limited” and then its name was changed to Welspun Enterprises Limited with effect from June 11, 2013.
2. WEL was a step-down wholly owned subsidiary of Welspun Corp Limited (WCL) from the date of its incorporation and it became immediate wholly owned subsidiary w.e.f. March 15, 2013.
3. On November 18, 2013, the High Court of Gujarat at Ahmedabad admitted a petition filed by WCL and WEL for approval of a scheme of arrangement (“Scheme”) whereunder it was proposed that “Other Businesses Division” (businesses other than line pipe business of WCL) be transferred to WEL. The Scheme was approved by the Honourable High Court on January 10, 2014 and made effective from January 24, 2014.

**Corporate Office**

Welspun House,
Kamala City,
Senapati Bapat Marg,
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Mumbai - 400013

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E-mail: companysecretary_welpl@welspun.com

www.welspunenterprises.com



4. On February 21, 2014, WEL allotted 13,147,415 equity shares to equity shareholders of WCL as the consideration in the ratio of 1 equity share of WEL for every 20 equity shares of WCL, pursuant to the Scheme.
5. The promoters and promoter group in WEL and WCL are same.
6. With effect from July 11, 2014, the equity shares of WEL are listed on BSE and NSE .
7. Goldenarch Estates Private Limited (GEPL) is person belonging to promoter group in WEL and WCL. GEPL is a subsidiary of Krishiraj Trading Limited (KTL). Welspun Infra Developers Limited (WIDL) is also another person belonging to promoter group in WEL and WCL. WIDL is a subsidiary of GEPL and consequently, WIDL is a step down subsidiary of KTL.
8. GEPL has been referred to as a part of the promoter group in the annual disclosures of shareholding made by WCL Promoter Group over the years in respect of its shareholding in WCL. Further, GEPL has been referred to as a part of the Promoter Group in the Information Memorandum filed with stock exchanges at the time of seeking exemption under Rule 19(7) of Securities Contract (Regulation) Rule, 1957.
9. List of Welspun Promoter Group given in Welspun Promoter Group's annual disclosures under Regulation 30(2) of SAST Regulations in respect of WCL (Demerged Company in the Scheme) disclosing their aggregate shareholding and voting rights as of March 31, 2012, March 31, 2013 and March 31, 2014 are attached herewith. Please also refer to a note below the list where it is mentioned, "Subsidiaries of the above mentioned entities be considered as the Persons Acting in Concert with the Promoters & Promoter Group".
10. On August 28, 2014, WIDL acquired 413,276 equity shares of WEL, constituting 3.14% of equity share capital of WEL as a part of the promoter group of WEL.

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11. During the period from December 3, 2014 to December 5, 2014, Krishiraj Trading Limited (Promoter Group Company named above) acquired 236,704 equity shares of WEL from the stock market, constituting 1.8% of equity share capital of WEL.
12. Pursuant to two transactions referred to above, promoter group of WEL has acquired 4.94% of equity share capital of WEL during the financial year 2014-15.
13. It is proposed that KTL and Welspun Mercantile Limited (WML), referred to above as a promoter group company sell their equity shareholding to Welspun Fintrade Private Limited (WFTL, Welspun Promoter Group company) and / or WIDL in any combination as may deemed feasible and as such we believe it is inter-se promoter transfer.
14. Regulation 3(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations) reads as follows:

***No acquirer**, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:"*

15. Regulation 10(1) of SAST Regulations reads as follows:

The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor,—

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- (a) *acquisition pursuant to inter se transfer of shares amongst qualifying persons, being,—*
- (i) *immediate relatives*
- (ii) **persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or these regulations for not less than three years prior to the proposed acquisition;**
- (iii) **a company, its subsidiaries, its holding company, other subsidiaries of such holding company, persons holding not less than fifty per cent of the equity shares of such company, other companies in which such persons hold not less than fifty per cent of the equity shares, and their subsidiaries subject to control over such qualifying persons being exclusively held by the same persons;**
16. Schedule I to the SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations) gives model code of conduct for prevention of insider trading. Clause 4.2 of the model code of conduct provides as given below:
- All directors/ officers/ designated employees who buy or sell any number of shares of the company shall not enter into an **opposite transaction** i.e. sell or buy any number of shares **during the next six months** following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.*
17. WEL was listed on July 11, 2014 pursuant to approval granted by SEBI pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 on a consideration that WEL was the Resulting Company from the Scheme and WEL had issued shares as the consideration for demerger.





18. Welspun Promoter Group has approached us to seek informal guidance on the proposed transactions. Considering the above, please advise us on the following:

A. Whether transaction for purchase of shares of WEL by WIDL and WFTL from KTL and WML can get general exemption under Regulation 10 (1) (a) of SAST Regulations on the basis given below?

- i. WIDL is a subsidiary of KTL (exemption under Regulation 10(1)(a)(iii))
- ii. WIDL is a subsidiary of GEPL and KTL. Both GEPL and KTL are appearing in the list of promoter entities **filed by promoters** of WCL (Demerged Company of the Scheme) pursuant to Regulation 30(2) of SAST Regulations. It was mentioned these disclosure documents that **subsidiaries of the** entities named therein may be considered to be the Persons acting in concert. The target company is not required to file any annual disclosure under SAST Regulations.
- iii. The disclosures referred to above named WFTL as a Promoter Group entity.

B. As mentioned at serial number 10 above, KTL had purchased shares of WEL in December, 2014 from the stock market, whether sale of shares by KTL to promoter group entity(ies) would not violate PIT Regulations with special reference to clause 4.2 of model code of conduct given in the PIT Regulations as well as the code of conduct of WEL?

19. Please also advise that no action would be initiated under SAST Regulation or PIT Regulation if aboveresferred transactions are consummated.

As required in SEBI (Informal Guidance) Scheme, 2003, a demand draft no. 027678 dated January 9, 2015 drawn on ICICI Bank for Rs. 25,000 payable at Mumbai is enclosed herewith towards fees payable for seeking guidance.





In case you require any additional information explanation, we will provide the same. We look forward to your response.

Thank you,

For Welspun Enterprises Limited



Shrinivas Kargutkar
Chief Financial Officer



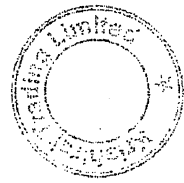
Encl: as above

LIST OF PROMOTER AND PROMOTERS GROUP OF WELSPUN CORP LIMITED AS ON 31.03.2012

Sr. No.	Promoter and Promoter Group	No. of shares	% w.r.t. total share/voting capital wherever applicable	% of total diluted share/voting capital of the TC (%)	Sr. No.	Promoter and Promoter Group	No. of shares	% w.r.t. total share/voting capital wherever applicable	% of total diluted share/voting capital of the TC (%)
1	Balkrishna Goenka	140	0.00	0.00	25	Rajesh Mandawewala	200	0.00	0.00
2	Dipali Goenka	2	0.00	0.00	26	Radhika Goenka	-	-	-
3	Vanshika Goenka	-	-	-	27	B. K. Goenka Family Trust	5	0.00	0.00
4	B. K. Goenka (HUF)	-	-	-	28	Yash Mandawewala	-	-	-
5	Pratima Mandawewala	-	-	-	29	Arun Mandawewala	-	-	-
6	Ramesh Mandawewala	-	-	-	30	Abhishhek Mandawewala	-	-	-
7	Sita Devi Mandawewala	-	-	-	31	Angel Power and Steel Private Limited	-	-	-
8	Adani Welspun Exploration Limited	-	-	-	32	Welspun Developers and Infrastructure Pvt. Ltd.	-	-	-
9	Welspun Enterprises (Cyprus) Limited	-	-	-	33	Welspun Energy Limited	-	-	-
10	Arun Impex Private Limited	-	-	-	34	Welspun Finance Limited	-	-	-
11	Babasa Investments Private Limited	-	-	-	35	Welspun Fintrade Limited	15,148,340	6.65	5.28
12	Dahaj Infrastructure Private Limited	-	-	-	36	Welspun Foundation for Health & Knowledge	-	-	-
13	Fine Brass Manufacturing Company Pvt. Ltd.	-	-	-	37	Welspun Global Brands Limited	-	-	-
14	Friends Connection Private Limited	-	-	-	38	Welspun India Limited	-	-	-
15	Giant Realty Private Limited	-	-	-	39	Welspun Investments & Commercials Limited	4,033,000	1.77	1.41
16	Goldenarch Estates Private Limited	-	-	-	40	Welspun Logistics Limited	-	-	-
17	Krishiraj Renewables Energy Private Limited	-	-	-	41	Welspun Marine Logistics (Raigad) Limited	-	-	-
18	Krishiraj Trading Limited	26,805,403	11.77	9.35	42	Welspun Mercantile Limited	12,377,701	5.43	4.32
19	Methodical Investment & Trading Co. Pvt. Ltd.	2	0.00	0.00	43	Welspun Steel Limited	100	0.00	0.00
20	MGN Agro Properties Private Limited	-	-	-	44	Welspun Syntex Limited	100	0.00	0.00
21	MGN Estates Private Limited	-	-	-	45	Welspun Wintex Limited	13,336,576	5.85	4.65
22	Red Lebandal Limited - Cyprus	-	-	-	46	Welspun Zucchi Textiles Limited	100	0.00	0.00
23	Refined Salts Private Limited	-	-	-	47	Taipan Investments Private Limited	-	-	-
24	Sequence Apartment Private Limited	-	-	-	48	Welspun Construction Private Limited	-	-	-
	Sub Total (A)	26,805,547	11.77	9.35		Sub Total (B)	44,896,122	19.71	15.65
	Grand Total (A+B)	71,701,669	31.48	25.00					

* Subsidiaries of the above mentioned corporate entities may be considered as the Persons Acting in Concert

For Krishiraj Trading Limited



Director/ Authorised Signatory

Place : Mumbai

Date: 10/04/2012



List of Promoters and Promoter Group of the Target Company as on 31.03.2013

Name(s) of promoter(s), member of the promoter group and PAC with him.	Number	% w.r.t. total share/voting capital wherever applicable	% of total diluted share/voting capital of the TC (*
1 Krishiraj Trading Limited	26,907,692	10.23	9.75
2 Welspun Fintrade Private Ltd ✓	18,955,791	7.21	6.87
3 Welspun Mercantile Ltd.	13,877,701	5.28	5.03
4 Welspun Wintex Limited	13,336,576	5.07	4.83
5 Welspun Investments & Commercials Ltd	4,033,000	1.53	1.46
6 Rajesh Mandawewala	200	0.00	0.00
7 Balkrishan Goenka	140	0.00	0.00
8 Welspun Steel Ltd.	100	0.00	0.00
9 Welspun Syntex Ltd	100	0.00	0.00
10 Welspun Zucchi Textiles Ltd	100	0.00	0.00
11 B. K. Goenka Family Trust	5	0.00	0.00
12 Dipali Goenka	2	0.00	0.00
13 Methodical Investment & Trading Co. Pvt. Ltd.	2	0.00	0.00
14 Pratima Mandawewala	-	-	-
15 Radhika Goenka	-	-	-
16 Vanshika Goenka	-	-	-
17 Abhishek Mandawewala	-	-	-
18 Yash Mandawewala	-	-	-
19 Ramesh Mandawewala	-	-	-
20 Sitadevi Mandawewala	-	-	-
21 B. K. Goenka (HUF)	-	-	-
22 Alspun Infrastructure Limited	-	-	-
23 Angel Power and Steel Private Limited	-	-	-
24 Arun Impex Pvt. Ltd	-	-	-
25 Babbasu Investment Pvt. Ltd.	-	-	-
26 Dahej Infrastructure Pvt. Ltd.	-	-	-
27 Fine Brass Manufacturing Co. Pvt. Ltd	-	-	-
28 Friends Connection Private Limited	-	-	-
29 Giant Realty Pvt Ltd.	-	-	-
30 Goldenarch Estates Pvt Ltd	-	-	-
31 Goodvalue Polyplast Limited	-	-	-
32 Kalyan Realty & Developers Private Limited	-	-	-
33 Krishiraj Renewables Energy Pvt Ltd	-	-	-
34 MERTZ Securities Limited	-	-	-
35 MGN Agro Properties Pvt Ltd	-	-	-
36 MGN Estates Private Limited	-	-	-
37 Red Lebandal Ltd - Cyprus	-	-	-
38 Sequence Apartment Private Limited	-	-	-
39 Taipan Investment Pvt. Ltd	-	-	-
40 Vipuna Trading Limited	-	-	-
41 Welspun Anjar SEZ Ltd	-	-	-
42 Welspun Captive Power Generation Limited	-	-	-
43 Welspun Construction Pvt. Ltd.	-	-	-
44 Welspun Developers and Infrastructure Private Limited	-	-	-
45 Welspun Energy Ltd	-	-	-
46 Welspun Enterprise (Cyprus) Ltd	-	-	-
47 Welspun Finance Ltd	-	-	-
48 Welspun Guinea SA	-	-	-
49 Welspun India Ltd	-	-	-
50 Welspun Infra Developers Private Limited	-	-	-
51 Welspun Logistics Ltd.	-	-	-

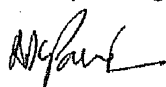


List of Promoters and Promoter Group of the Target Company as on 31.03.2013

	Name(s) of promoter(s), member of the promoter group and PAC with him.	Number	% w.r.t. total share/voting capital wherever applicable	% of total diluted share/voting capital of the TC (*
52	Welspun Marine Logistics (Raigad) Ltd	-	-	-
53	Welspun Mineral Resources P Ltd	-	-	-
54	Welspun Natural Resources (Australia) Pty Ltd	-	-	-
55	Welspun Orissa Steel Pvt Ltd	-	-	-
56	Welspun Realty Pvt Ltd	-	-	-
57	Welspun Steel Resources Pvt. Ltd.	-	-	-
58	Worli Realty Private Limited	-	-	-
	Total	77,111,409	29.33	27.94

Note : Subsidiaries of the above mentioned entities and of the Target Company be considered as the Persons Acting in Concert with the Promoters & Promoter Group

For Krishiraj Trading Limited



Director/ Authorised Signatory

Place : Mumbai

Date: 05.04.2013



2

List of Promoters and Promoter Group of the Target Company as on 31.03.2014

	Name(s) of promoter(s), member of the promoter group and PAC with him.	Number	% w.r.t. total share/voting capital wherever applicable	% of total diluted share/voting capital of the TC (*)
1	Balkrishan Goenka	140	0.00	0.00
2	Dipali Goenka	2	0.00	0.00
3	Radhika Goenka	-	-	-
4	Vanshika Goenka	-	-	-
5	B. K. Goenka (HUF)	-	-	-
6	B. K. Goenka Family Trust	5	0.00	0.00
7	Ramesh Mandawewala	-	-	-
8	Sita Devi Mandawewala	-	-	-
9	Rajesh Mandawewala	200	0.00	0.00
10	Pratima Mandawewala	-	-	-
11	Ablishek Mandawewala	-	-	-
12	Kushboo Mandawewala	-	-	-
13	Yash Mandawewala	-	-	-
14	Angel Power and Steel Limited	-	-	-
15	Babassu Investments Private Limited	-	-	-
16	Friends Connections Private Limited	-	-	-
17	Giani Realty Private Limited	-	-	-
18	Goldenarch Estates Private Limited	-	-	-
19	Krishiraj Trading Limited	52,862,858	20.10	19.23
20	Methodical Investment and Trading Co. Private Limited	-	-	-
21	MGN Agro Properties Private Limited	-	-	-
22	MGN Estates Private Limited	-	-	-
23	Sequence Apartments Private Limited	-	-	-
24	Taipan Investment Pvt. Ltd.	-	-	-
25	Welspun Constructions Pvt. Ltd.	-	-	-
26	Welspun Developers and Infrastructure Limited	-	-	-
27	Welspun Enterprises Limited	-	-	-
28	Welspun Fintrade Private Limited	-	-	-
29	Welspun India Ltd	-	-	-
30	Welspun Infra Development and Management Private Limited	-	-	-
31	Welspun Logistics Ltd.	-	-	-
32	Welspun Marine Logistics (Raigad) Ltd	-	-	-
33	Welspun Mercantile Limited	14,477,701	5.51	5.27
34	Welspun Steel Limited	-	-	-
35	Welspun Wintex Limited	13,336,576	5.07	4.85
36	Welspun Energy Private Limited	-	-	-
37	Welspun Finance Limited	-	-	-
38	Welspun Investments and Commercials Limited	5,233,000	1.99	1.90
39	Welspun Syntex Limited	-	-	-
40	Welspun Zucchi Textiles Limited	-	-	-
41	Goodvalue Polyplast Limited	-	-	-
42	Mertz Securities Limited	-	-	-
43	Welspun Infra Developers Private Limited	-	-	-
44	Vipuna Trading Limited	-	-	-
	Total	85,910,482	32.67	31.25

Note : Subsidiaries of the above mentioned entities be considered as the Persons Acting in Concert with the Promoters & Promoter Group

For Krishiraj Trading Limited



Director/ Authorised Signatory

Place : Mumbai

Date: 08.04.2014

