DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

WELSPUN SYNTEX LIMITED

Registered Office: Survey No 394 (P), Village Saily, Silvasa, Union Territory of Dadra & Nagar Haveli - 396230 Telephone No: +91-260- 2640596 / 99; Fax No: +91-260-2640597; Email id: kaushik_kapasi@welspun.com

OPEN OFFER FOR ACQUISITION OF 1,02,02,288 (ONE CRORE TWO LAKH TWO THOUSAND TWO HUNDRED EIGHTY EIGHT ONLY) EQUITY SHARES OF WELSPUN SYNTEX LIMITED (“WSL”/ “TARGET COMPANY”) FROM THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY KRISHIRAJ TRADING LIMITED (“ACQUIRER”), ALONG WITH WELSPUN MERCANTILE LIMITED AS THE PERSON ACTING IN CONCERT (“PAC”)

Definitions:

For the purpose of this DPS, the following terms would have the meaning assigned respectively as below:

a) **“Equity Shares”** means fully paid-up equity shares of the Target Company of the face value of Rs.10/- (Rupees Ten Only) each.

b) **“Current Equity Share Capital”** means total Equity Shares as on the date preceding the date of the PA.

c) **“Post Conversion Equity Share Capital”** means the total Equity Shares post conversion of 1,60,00,000, 6% Optionally Convertible Cumulative Preference Shares (**“OCCPS”**) into 1,55,94,541 (One Crore Fifty Five Lakh Ninety Four Thousand Five Hundred Forty One Only) Equity Shares at a conversion price of Rs. 10.26 per share.

d) **“Offer”** means open offer made to the Public Shareholders of the Target Company, to acquire up to 1,02,02,288 Equity Shares, representing 26% of the Post Conversion Equity Share Capital of the Target Company as of the 10th working day from the closure of the tendering period under this Offer at a price of Rs. 13.00 per fully paid-up equity share.

e) **“Promoters”** means group forming part of the Promoters of the Target Company, including the Acquirer and the PAC, holding Equity Shares. The list of Promoters and the shares held by them in the Target Company, as on the date preceding the date of PA, is as stated below:

Sr. No.	Name of the Promoters	No. of Shares	% holding*
1	Krishiraj Trading Limited	4,720,595	19.96
2	Welspun Fintrade Private Limited	4,018,359	16.99
3	Welspun Mercantile Limited	618,057	2.61
4	Welspun India Limited	283,500	1.20
5	Welspun Finance Limited	137,191	0.58
6	B K Goenka HUF	15,428	0.07
7	Dipali Goenka	11,571	0.05
8	Radhika Goenka	5,025	0.02
9	B K Goenka	3,405	0.01
10	Welspun Steel Limited	25	0.00
11	Welspun Zucchi Textiles Limited	25	0.00
	Total	**98,13,181**	**41.50**

** As a percent of Current Equity Share Capital*

f) **“Public Shareholders”** means the equity shareholders of the Target Company other than the Promoters.

This Detailed Public Statement (**“DPS"**) is being issued by Prime Securities Limited, the Manager to the Offer (**“Manager”**), for and on behalf of the Acquirer and the PAC, to the Public Shareholders of the Target Company, in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (**“SEBI (SAST) Regulations”**) pursuant to the Public Announcement (**“PA”**) filed on December 7, 2012 with the BSE Limited (**“BSE”**) and submitted to Securities and Exchange Board of India (“**SEBI**”) and the Target Company at its registered office on December 7, 2012, in terms of Regulation 3(2) of the SEBI (SAST) Regulations.

1. **ACQUIRER, PAC, TARGET COMPANY AND OFFER:**

1.1 **Acquirer and PAC:**

1.1.1 The Acquirer, Krishiraj Trading Limited, was incorporated on March 4, 1992 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra (Mumbai), as Krishiraj Investment and Finance Private Limited. The name was changed to Krishiraj Trading Private Limited with effect from July 29, 2004 and subsequently changed to Krishiraj Trading Limited with effect from August 16, 2004. The corporate identity number of the Acquirer is U65990GJ1992PLC050965. Its registered office is located at Survey No. 76, Village Morai, Vapi, Gujarat - 396 191, India; Tel No: +91-260-2437437.

1.1.2 The Acquirer is engaged in the business of trading in commodities and investment in securities.

1.1.3 The shareholding pattern of the Acquirer, as on date, is as under:

Category	No. of Shares	% Holding
Promoter and Promoter Group		
Dipali Goenka	4,400	88.00
Radhika Goenka	450	9.00
Rajesh Mandawewala	50	1.00
Vanshika Goenka under guardian Dipali Goenka	25	0.50
Welspun Mercantile Limited	25	0.50
B.K.Goenka (HUF)	25	0.50
B.K Goenka Family Trust	25	0.50
Total	**5,000**	**100.00**

1.1.4 Mrs. Dipali Goenka, promoter of the Acquirer and holding 88.00% of the voting share capital of the Acquirer, is the person in control of the Acquirer.

1.1.5 Mr. Raj Kumar Jain, statutory auditor of the Acquirer, holds the position of Independent Director of the Target Company.

1.1.6 The brief financial details of the Acquirer are as under: *(Amount in Rs. Crore except EPS)*

Particulars	Financial Year ending March 31, 2010	Financial Year ending March 31, 2011	Financial Year ending March 31, 2012	3 months ended June 30, 2012
	Standalone	Standalone	Standalone	Standalone
	Audited	Audited	Audited	Unaudited
Total Revenue	35.47	12.76	19.09	0.61
Net Income/(Net Loss)	15.84	(2.19)	4.22	(0.74)
EPS (Rs. per share)	31,682	(4,391)	8,430	(1,480)
Net worth / Shareholders' Funds	810.26	808.06	812.28	811.54

Sources: *The financial information has been extracted / calculated from the audited financial statements of the Acquirer for the years ended on March 31, 2010, 2011 and 2012 as audited by statutory auditor of the Acquirer. The financial information of the Acquirer for 3 months ended on June 30, 2012 has been extracted / calculated from the unaudited financial information of the Acquirer for 3 months ended on June 30, 2012 and has been certified by the statutory auditor as confirmed in its certificate vide number RKJ/KTL/NW/CERT/41/12-13 dated December 7, 2012.*

1.1.7 The PAC, Welspun Mercantile Limited, was incorporated on June 19, 1989 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra (Mumbai), as Welspun Estates Private Limited. The name was changed to Welspun Mercantile Private Limited with effect from April 1, 1999 and subsequently changed to Welspun Mercantile Limited on March 25, 2003. The corporate identity number of the PAC is U70100GJ1989PLC056345. Its registered office is located at Welspun City, Village Versamedi, Taluka Anjar, Kutch Dist., Gujarat - 370 110, India, Tel No: +91-2836-662222.

1.1.8 The PAC is engaged in the business of trading in commodities and investment in securities.

1.1.9 The shareholding pattern of the PAC, as on date, is as under

Category	No. of Shares	% Holding
Promoter and Promoter Group		
Dipali Goenka	8,000	49.86
Vanshika Goenka under guardian Dipali Goenka	4,019	25.05
Radhika Goenka	4,019	25.05
B.K.Goenka (HUF)	2	0.01
B.K Goenka Family Trust	2	0.01
Krishiraj Trading Limited	1	0.01
Welspun Fintrade Private Limited, nominee of the Acquirer	1	0.01
Total	**16,044**	**100.00**

1.1.10 Mrs. Dipali Goenka, promoter and Director of the PAC and holding 49.86% of the voting share capital of the PAC, is the person in control of the PAC.

1.1.11 Mr. Rajesh Mandawewala, Director of the PAC, holds the positions of Director of the Target Company. Further, Mr. Raj Kumar Jain, statutory auditor of the PAC, holds the position of Independent Director of the Target Company.

1.1.12 The brief financial details of the PAC are as under: *(Amount in Rs. Crore except EPS)*

Particulars	Financial Year ending March 31, 2010	Financial Year ending March 31, 2011	Financial Year ending March 31, 2012	3 months ended June 30, 2012
	Standalone	Standalone	Standalone	Standalone
	Audited	Audited	Audited	Unaudited
Total Revenue	7.07	3.39	6.48	-
Net Income/(Net Loss)	2.12	3.36	2.38	(0.002)
EPS (Rs. per share)	1,324	2,096	1,482	(1.49)
Net worth / Shareholders' Funds	102.78	106.15	154.73	154.73

Sources: *The financial information has been extracted / calculated from the audited financial statements of the PAC for the years ended on March 31, 2010, 2011 and 2012 as audited by statutory auditor of the PAC. The financial information of the PAC for 3 months ended on June 30, 2012 has been extracted / calculated from the unaudited financial information of the PAC for 3 months ended on June 30, 2012 and has been certified by the statutory auditor of PAC as confirmed in its certificate vide number RKJ/WML/NW/CERT/40/12-13 dated December 7, 2012.*

1.1.13 Both the Acquirer and the PAC belong to Welspun group and are controlled by the same person, Mrs. Dipali Goenka.

1.1.14 The equity shares of the Acquirer and the PAC are not listed on any stock exchange in India or abroad.

1.1.15 The Acquirer, the PAC and the directors of the Acquirer and the PAC, are not prohibited, as on date, by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other Regulations made under the SEBI Act, 1992 and subsequent amendments thereto.

SEBI had passed an Exparte AdInterim Order dated December 2, 2010 u/s 11B, 11D and 11(4)(b) of the SEBI Act, 1992 against a market participant, his associates and other entities (including Welspun group promoter entities) in various scrips alleging manipulative and unfair trade practices by the market participant and his associate entities (**“SEBI Order”**). The SEBI Order, inter alia, directed that Welspun group promoter entities shall not buy, sell or deal in the securities of their own companies and their listed group companies in any manner whatsoever till further directions. Subsequently, SEBI completed investigation and vacated the aforesaid interim directions vide its order dated March 16, 2012.

1.2 **Details of the sellers, for the transaction triggering Offer:** Not Applicable

1.3 **Target Company:**

1.3.1 The Target Company, Welspun Syntex Limited, is a listed company, incorporated in India on March 31, 1983 under the Companies Act, 1956 as Kothari Leasing Limited. The Target Company's name was changed from Kothari Leasing Limited to Kothari Polyesters Limited on March 15, 1991. Subsequently, the name was changed to Welspun Syntex Limited on July 26, 1991.

1.3.2 The Target Company is engaged in the business of manufacturing of polyester filament and nylon filament yarns, i.e., POY and FDY through Chips' spinning. The Target Company further provides subsequent value addition by texturising, twisting, dyeing, air-covering and splitting of mother yarns.

1.3.3 The registered office of the Target Company is located at Survey No 394 (P), Village Saily, Silvasa, Union Territory of Dadra & Nagar Haveli - 396230, Telephone No: +91-260- 2640596 / 99.

1.3.4 The Equity Shares are listed on BSE only (Scrip Code: 508933) and have been frequently traded within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations.

1.3.5 The brief financial information of the Target Company is as follows: *(Amount in Rs. Crore except EPS)*

Particulars	Financial Year ending March 31, 2010	Financial Year ending March 31, 2011	Financial Year ending March 31, 2012	6 months ended September 30, 2012
	Standalone	Standalone	Standalone	Standalone
	Audited	Audited	Audited	Unaudited
Total Revenue	365.95	504.40	613.55	388.17
Net Income/ (Net Loss)	7.13	12.81	11.57	11.97
EPS (Rs. per share)	2.59	4.99	4.47	4.85
Net worth / Shareholders' Funds	61.41	74.22	78.93	97.63

Sources: *The financial information has been extracted / calculated from the audited financial statements of the Target Company for the years ended March 31, 2010, 2011 and 2012 audited by statutory auditors of the Target Company. The financial information of the Target Company for 6 months ended September 30, 2012 has been extracted / calculated from the unaudited financial information of the Target Company for 6 months ended September 30, 2012 and has been subjected to a limited review by the statutory auditors as confirmed in its report dated November 9, 2012.*

1.3.6 The Board of Directors of the Target Company at their board meeting held on May 23, 2012 passed a resolution for issue of Optionally Convertible Cumulative Preference Shares subject to the approval of shareholders and the Authorized Finance Committee of Directors. The shareholders of the Target Company passed a resolution in the Annual General Meeting held on September 29, 2012, giving their consent to the issue of upto 1,60,00,000, 6% Optionally Convertible Cumulative Preference Shares (“**OCCPS**”) of the face value of Rs.10 each on preferential basis to the Acquirer and/or the PAC with an option to convert it into Equity Shares at a price of Rs.10.25 per share, at any time within eighteen (18) months from the date of allotment at the option of allottee. The Target Company on October 4, 2012 had applied for 'in-principle' approval to BSE for issue and allotment of OCCPS. Subsequently, on October 10, 2012, the Target Company gave an undertaking to BSE that the OCCPS will be converted at a recomputed price of Rs.10.26 per share instead of Rs.10.25 per share and accordingly 1,55,94,541 equity shares of the Target Company shall be allotted on conversion.

1.3.7 On October 26, 2012, BSE granted its 'in-principle' approval for the issue of aforesaid OCCPS. Consequently on October 29, 2012, the Target Company informed BSE that the Company had allotted the OCCPS to the Acquirer. Of these allotted OCCPS, on December 6, 2012, the Acquirer transferred 8,10,000 OCCPS to the PAC. On December 7, 2012, the Acquirer and the PAC have exercised the option to convert the OCCPS into 1,55,94,541 Equity Shares representing up to 39.74% of the Post Conversion Equity Share Capital.

1.4 **Details of the Offer:**

1.4.1 This Offer is for acquisition of upto **1,02,02,288** Equity Shares, representing 26% of the Post Conversion Equity Share Capital of the Target Company (**“Offer Size”**).

1.4.2 This Offer is being made to all the Public Shareholders, in terms of Regulation 7(6) of the SEBI (SAST) Regulations.

1.4.3 The Offer is being made at a price of Rs.13.00 per fully paid-up equity share of the Target Company (**“Offer Price”**), payable in **cash**, in accordance with provisions of Regulation 9(1)(a) of SEBI (SAST) Regulations.

1.4.4 This Offer is not conditional and is not subject to any minimum level of acceptance.

1.4.5 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

1.4.6 The Equity Shares under the Offer will be acquired by the Acquirer and/or the PAC as fully paid up, free from any lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

1.4.7 The Manager does not hold any Equity Shares as on the date of DPS. The Manager further declares and undertakes that they will not deal on their own account in the Equity Shares during the Offer period.

1.4.8 This Offer is subject to the receipt of the statutory and other approvals, if any, mentioned in Paragraph 6 of this DPS. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals, if any, are refused, this Offer shall stand withdrawn. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and the registered office of the Target Company.

1.5 The Acquirer and the PAC currently form part of the Promoters of the Target Company. The Promoters, including the Acquirer and the PAC, are already in control of the Target Company and the proposed acquisition, pursuant to the Offer, is for the purpose of consolidating its shareholding in the Target Company. Since the Promoters are already in control of the Target Company, the provisions of Regulation 25(2) of the SEBI (SAST) Regulations are not applicable to the Promoters. However, the proposed consolidation of the Promoters shareholding, pursuant to the acquisition of shares under the Offer, by the Acquirer and the PAC, is not with an intent to dispose off any material assets of the Target Company during the period of two (2) years after the Offer whether by way of sale, lease, encumbrance or otherwise except to the extent that may be required (i) in the ordinary course of business and/or (ii) in accordance with applicable law.

1.6 The Acquirer and the PAC are part of Welpsun group and belong to the Promoters category of the Target Company as per SEBI (SAST) Regulations. The Acquirer and the PAC undertake that if, pursuant to the closure of this Offer (assuming 100% tendering in the Offer), the public shareholding in the Target Company falls below 25% of the voting rights/ paid-up capital, the Promoters will bring down the non-public shareholding to the levels specified (i.e. 75% of the voting share capital) within a period of twelve (12) months from the date of completion of Offer as specified in Securities Contract (Regulation) Rules, 1957 and in accordance with such directions as may be issued by the stock exchanges on which shares of the Target Company are listed. The Acquirer and the PAC also undertake, that pursuant to the closure of the Offer, if the Promoters shareholding exceeds the maximum permissible non-public shareholding, under these regulations, the Promoters shall not make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve (12) months has elapsed from the date of the completion of the Offer period.

2 **BACKGROUND TO THE OFFER**

2.1 As on the date preceding the date of the PA, the Promoters hold 98,13,181 Equity Shares representing 41.50% of the Current Equity Share Capital. As on the date preceding the date of the PA, the Acquirer and the PAC, together hold 53,38,652 Equity Shares representing 22.58% of the Current Equity Share Capital.

Further the Acquirer and the PAC have together acquired 9,08,075 Equity Shares, representing 3.84% of the Current Equity Share Capital, during the financial year 2012-13.

2.2 On December 7, 2012, the Acquirer and the PAC have exercised the option to convert the OCCPS into 1,55,94,541 Equity Shares (**“Conversion Equity Shares”**) representing up to 39.74% of the Post Conversion Equity Share Capital, at a price of Rs.10.26/- (Rupees Ten and Twenty Six Paise Only) per equity share of the Target Company.

The abovementioned conversion of OCCPS into Equity Shares by the Acquirer and the PAC together with the acquisitions made during the financial year, resulted in acquisition of more than 5% voting rights of the Target Company in one financial year, and hence this Offer is being made by the Acquirer, along with the PAC, in compliance with Regulation 3(2) and other applicable provisions of SEBI (SAST) Regulations. The PA in connection to the Offer was filed with BSE on December 7, 2012 in compliance with Regulation 13(2)(b) of the SEBI (SAST) Regulations.

2.3 As on date, the Authorized Finance Committee of the Directors of the Target Company has not convened a meeting for the allotment of Conversion Equity Shares post conversion of OCCPS.

2.4 If the Conversion Equity Shares are allotted during the offer period, the Conversion Equity Shares will be kept in a separate 'Demat Escrow Account' in compliance with Regulation 22(1) of the SEBI (SAST) Regulations through 'Escrow Demat Agreement' between the Acquirer, the PAC, the Manager and the Escrow Agent. The Manager will have the right to operate the Demat Escrow Account. Upon fulfilment of all the Offer related formalities, the Conversion Equity Shares will be transferred to the respective DP account of the Acquirer and the PAC and the said account will be closed for good.

2.5 The Acquirer and the PAC are part of the Promoters of the Target Company. The Promoters propose to extend support to continue and expand the existing business of the Target Company. The main purpose of this Offer is to consolidate their shareholding.

3 **SHAREHOLDING AND ACQUISITION DETAILS**

The current and proposed shareholding of the Acquirer and the PAC in Target Company and the details of their acquisition, are as follows:

Details	Acquirer		PAC	
	No. of Shares	%	No. of Shares	%
Shareholding before the PA date**	47,20,595 Equity Shares	19.96% of the Current Equity Share Capital	6,18,057 Equity Shares	2.61% of the Current Equity Share Capital
Conversion of OCCPS into Equity Shares which triggered off the Regulations	1,48,05,068 Equity Shares	37.73% of the Post Conversion Equity Share Capital	7,89,473 Equity Shares	2.01% of the Post Conversion Equity Share Capital
Shares acquired between the PA date and the DPS date	NIL	-	NIL	-
Post Offer shareholding * (On diluted basis, as on 10th working day after closing of tendering period of the Offer)	• 3,11,35,481 Equity Shares* • 79.35% of the Post Conversion Equity Share Capital*			

Notes:

* The Promoters shareholding post Offer (assuming 100% acceptance under this Offer) shall be 3,56,10,010 Equity Shares representing 90.75% of the Post Conversion Equity Share Capital of the Target Company.

** Directors of the Acquirer and the PAC do not hold any Equity Shares, except those mentioned below.

Name of the Director	No. of Equity Shares
Acquirer	
S. R. Somani	30
PAC	
Dipali Goenka	11,571
Mohan Manikkan	15

4 **OFFER PRICE**

4.1 The Equity Shares are listed only on BSE.

4.2 Based on the information available on BSE, the Equity Shares are frequently traded on BSE, during the 12 calendar months preceding the month in which the PA has been issued (within the meaning of definition of “frequently traded shares” under Regulation 2(1)(j) of the SEBI (SAST) Regulations).

4.3 The Offer Price of Rs. 13.00 (Rupees Thirteen Only) per fully paid-up equity share of the Target Company is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations:

(a)	The highest negotiated price per equity share of the Target Company for acquisition under any agreement attracting the obligation to make a public announcement of an open offer	N/A
(b)	The volume weighted average price paid for acquisitions, whether by the Acquirer and/or by the PAC during the fifty two (52) weeks immediately preceding the date of the public announcement	Rs. 12.53/-
(c)	The highest price paid for any acquisition whether by the Acquirer and/or by the PAC, during the twenty six (26) weeks immediately preceding the date of the public announcement	Rs. 12.57/-
(d)	The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the public announcement as traded on BSE, being the only stock exchange where the Equity Shares are listed	Rs.11.96/-
(e)	Conversion Price of OCCPS convertible into equity shares of the Target Company	Rs.10.26/-

N/A - Not Applicable

4.4 Mr. Sanjay Kothari (Membership Number: 048215), Partner, MGB & Co, Chartered Accountants, Firm Registration Number: 101169W, having office at Jolly Bhavan #2, 1st Floor, 7 New Marine Lines, Churchgate, Mumbai 400 020, Tel No: +91-22-66332330, Fax No: +91-22-66351545, Email: mgbco@mgbco.com, vide certificate dated December 7, 2012 has certified that the minimum price per equity share computed as per Regulation 8(2) of SEBI (SAST) Regulations is Rs.12.57 (Rupees Twelve and Fifty Seven Paise Only) per fully paid-up equity share of the Target Company.

4.5 To the best of the knowledge of the Acquirer and the PAC, there have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

4.6 In the event of further acquisition of Equity Shares by the Acquirer and/or the PAC during the Offer period, pursuant to PO or by subscription or subsequent market purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and/or the PAC shall not be acquiring any Equity Shares after the third working day prior to the commencement of the tendering period until the expiry of the tendering period of the Offer.

4.7 If the Acquirer and/or the PAC acquire Equity Shares during the period of twenty six (26) weeks after the tendering period of the Offer at a price higher than the Offer Price, then the Acquirer and/or the PAC shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

4.8 There has been no revision in the Offer Price or the Offer Size as on the date of this DPS. An upward revision in the Offer Price or in the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three (3) working days before the commencement of tendering period of the Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and/or the PAC shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Paragraph 5 of this DPS, (ii) make a public announcement in the same newspapers in which this DPS has been published and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

4.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders under the Offer is more than the Offer Size, the Equity Shares received from the Public Shareholders shall be accepted on a proportionate basis, in consultation with the Manager.

5 **FINANCIAL ARRANGEMENTS**

5.1 The total financial resources required for this Offer, assuming full acceptance of this Offer, would be Rs. 13,26,29,744 (Rupees Thirteen Crore Twenty Six Lakh Twenty Nine Thousand Seven Hundred Forty Four Only) i.e. consideration payable for acquisition of up to 1,02,02,288 Equity Shares at the Offer Price of Rs. 13.00 (Rupees Thirteen Only) per fully paid-up equity share of the Target Company (**“Offer Consideration”**).

5.2 The Acquirer and the PAC has made firm financial arrangements and has adequate resources to meet the financial requirements of this Offer. The Offer will be financed through internal resources and/or through fresh issue of share capital of the Acquirer and/or the PAC.

5.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer and the PAC has opened an escrow account (**“Escrow Account”**) by depositing **cash** of Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakh Only), being more than 25% of the Offer Consideration, with Yes Bank Limited a banking corporation incorporated under the laws of India and having its registered office and one of its branch offices at Nehru Centre, 9th Floor, Discovery of India Bldg., Dr. Annie Besant Road, Worli, Mumbai 400 018 (**“Escrow Agent”**). The Manager has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

5.4 In case of any upward revision in the Offer Price or the Offer Size, the value of the escrow amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer and/or the PAC prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.5 Mr. Raj Kumar Jain, Chartered Accountant and the statutory auditor of the Acquirer and the PAC, Membership No.035669, having office at 1B/1, Nalanda, Evershine Nagar, Malad (West), Mumbai - 400 064 vide certificate number RKJ/KTL/NW/CERT/43/12-13 dated December 7, 2012 has certified that the Acquirer and the PAC has made firm financial arrangements and adequate financial resources are available with the Acquirer and the PAC to enable it to fulfill its obligations under this Offer.

5.6 Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfill the obligations through verifiable means in relation to this Offer in accordance with the SEBI (SAST) Regulations.

6 **STATUTORY AND OTHER APPROVALS**

6.1 Public Shareholders who are either Non-Resident Indians (**"NRIs"**) or Overseas Corporate Bodies (**"OCBs"**) and wish to tender their Equity Shares in this Offer, shall be required to submit all the applicable approvals (specific and general), if any, from the Reserve Bank of India (**"RBI"**) that they have obtained at the time of their acquisition of the Equity Shares. In the event such approvals from the RBI are not submitted, the Acquirer and/or the PAC reserve the sole right to reject the Equity Shares tendered by such shareholders in Offer. This Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirer and/or the PAC from NRIs and OCBs.

6.2 To the best of the knowledge and belief of the Acquirer and/or the PAC, as on the date of this DPS, there are no other statutory approvals required to implement the Offer other than those mentioned above. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such other statutory approvals.

6.3 The Acquirer and/or the PAC, in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event statutory approvals, if any, are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal in the same newspapers in which this DPS has appeared.

6.4 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer and/or the PAC agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

7 **TENTATIVE SCHEDULE OF ACTIVITY PERTAINING TO THE OFFER**

1	Date of PA	Friday, December 07, 2012
2	Date of publication of DPS in newspapers simultaneously with submission to SEBI, BSE and the registered office of the Target Company	Friday, December 14, 2012
3	Filing of the draft letter of offer with SEBI	Friday, December 21, 2012
4	Last date for public announcement of a competing offer(s) being made	Monday, January 07, 2013
5	Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarification or additional information from the Manager)	Monday, January 14, 2013
6	Identified Date*	Wednesday, January 16, 2013
7	Date by which Letter of Offer is to be posted to the Public Shareholders	Wednesday, January 23, 2013
8	Last date for upward revision of the Offer Price or any increase in Offer Size	Thursday, January 24, 2013
9	Last date for public announcement by the Independent Directors Committee of the Target Company on their recommendation to the Public Shareholders for this Offer	Monday, January 28, 2013
10	Date of publication of Offer Opening Public Announcement in the newspapers where DPS has been published	Wednesday, January 30, 2013
11	Date of commencement of the tendering period	Thursday, January 31, 2013
12	Date of closure of the tendering period	Wednesday, February 13, 2013
13	Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares	Wednesday, February 27, 2013
14	Issue of Post Offer Advertisement	Wednesday, March 06, 2013

** The Identified Date is the date falling on the 10th working day prior to the commencement of the tendering period, for the purpose of determining the shareholders to whom the Letter of Offer shall be sent.*

8 **PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER (LOF)**

8.1 All the Public Shareholders, registered or unregistered, owning Equity Shares any time before the closure of Offer, are eligible to participate in the Offer.

8.2 LOF specifying the detailed terms and conditions together with Form of Acceptance cum acknowledgement (**"Form of Acceptance"**) will be dispatched to all the Public Shareholders whose names appear in the Register of Members on January 16, 2013, the Identified Date.

8.3 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares after the Identified Date or those who have not received the LOF, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer as set out in the PA, this DPS and in the LOF. Alternatively, such holders of Equity Shares may also apply on the Form of Acceptance in relation to this Offer annexed to the LOF which may be obtained from the SEBI website (www.sebi.gov.in) or from **Link Intime India Private Limited** (**“Registrar to the Offer”**). The application is to be sent to the Registrar to the Offer at the address mentioned below in Paragraph 10 so as to reach the Registrar to the Offer on or before 5:00 p.m. on the date of closure of the tendering period of this Offer (as mentioned in Paragraph 7), together with:

8.3.1 In case of registered Public Shareholders holding Equity Shares in physical form, the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers and folio number together with the original equity share certificate/s and valid transfer deeds. Unregistered Public Shareholders can send their application in writing to the Registrar to the Offer, on plain paper stating the name & address of the first holder, name(s) & address(es) of joint holder(s), if any, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the original equity share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or

8.3.2 In the case of Equity Shares held in dematerialized form, Depository Participant (**“DP”**) name, DP identity, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP of the Public Shareholders for transferring the Equity Shares in favour of the special depository account (**“Special Depository Account”**) opened by the Registrar to the Offer with the National Securities Depository Limited (**“NSDL”**). The shareholders tendering Equity Shares in dematerialized form should ensure credit of Equity Shares in the favour of the Special Depository Account during the tendering period of this Offer. Form of acceptance, in respect of dematerialized Equity Shares not credited to the Special Depository Account on or before end of business hours on date of closure of the tendering period of this Offer is liable to be rejected. Details of the Special Depository Account are set out in the table below:

Depository Participant Name	Ventura Securities Limited
Depository Participant ID	IN303116
Beneficiary Account Number / Client ID	11056202
Account Name	LIIPL WSL OPEN OFFER ESCROW DEMAT ACCOUNT
ISIN	INE193B01039
Depository	National Securities Depository Limited
Mode of Instruction	Off-Market

Shareholders having their beneficiary account with Central Depository Services (India) Limited (“**CDSL**”) have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

8.4 Shareholders may also (a) download the LOF from the SEBI website (www.sebi.gov.in) or (b) obtain a copy of LOF by writing to the Registrar to the Offer or Manager superscripting the envelope “**WELSPUN SYNTEX LIMITED - Open Offer**” with (1) suitable documentary evidence of ownership of the Equity Shares and (2) their folio number, DP identity - Client identity, current address and contact details.

8.5 No indemnity is needed from the unregistered shareholder.

9 **The detailed procedure for tendering Equity Shares in the Offer will be available in the LOF.**

10 **OTHER INFORMATION**

10.1 The Acquirer, the PAC, and the Directors of the Acquirer and the PAC, severally and jointly accept the responsibility for the information contained in the PA and this DPS. The Acquirer and the PAC are responsible for the fulfillment of its obligations under the SEBI (SAST) Regulations.

10.2 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer and the PAC have appointed Prime Securities Limited as the Manager to the Offer.

10.3 The Acquirer and the PAC have appointed **Link Intime India Private Limited** as the Registrar to the Offer, having its office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, Tel. No: +91-22-25967878, Email: wsl.offer@linkintime.co.in, SEBI Registration Number: INR000004058, Contact person: Mr. Pravin Kasare.

10.4 Shareholders are also requested to read the opinion of Independent Directors of the Target Company before tendering their Equity Shares in the Offer.

10.5 This DPS and the PA would also be available on the website of SEBI (www.sebi.gov.in).

Issued by Manager to the Offer

PRIME

Prime Securities Limited
Ashford Centre, 7th Floor, Shankarrao Naram Marg,
Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013
Tel.: +91-22-24981515 Email : wsl_openoffer@primesec.com;
Contact Person : Mr. Apurva Doshi / Mr. Nitesh Surana
SEBI Registration Number : INM000000750

On behalf of Krishiraj Trading Limited and Welspun Mecantile Limited

Sd/-
Authorised Signatories

Place : Mumbai
Date : December 13, 2012