DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This draft Letter of Offer is sent to you as a Public Shareholder(s) of Welspun India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement and Transfer Deed to the Member of Stock Exchange through whom said sale was effected."

OPEN OFFER
BY
Krishiraj Trading Limited ("Acquirer"), having its registered office at Survey No. 76, Village Morai, Vapi, Gujarat - 396 191, Tel No. 0260-2437437, Fax No. 0260-2437088
ALONG WITH
Welspun Mercantile Limited ("PAC"), having its registered office at Welspun City, Village Versamedi, Taluka Anjar, Gujarat - 370 110, Tel No. 02836-662222, Fax No. 02836-279010
TO ACQUIRE
Up to 2,31,69,775 (Two Crore Thirty One Lakh Sixty Nine Thousand Seven Hundred Seventy Five) fully paid-up equity shares of face value of Rs. 10/- each representing 26% of the Expanded Share Capital at a price of Rs.54 (Rupees Fifty Four Only) per fully paid up equity share payable in cash
of WELSPUN INDIA LIMITED ("Target Company")
Registered Office: Welspun City, Village Versamedi, Taluka Anjar, Kutch Dist 370 110, Gujarat.
Tel No: +91 2836 662222; Fax No. +91 2836 27901
Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof ("SEBI (SAST) Regulations")

1. This Open Offer is being made by the Acquirer pursuant to Regulation 3(2) and other applicable provisions of SEBI (SAST) Regulations
2. The Open Offer is not subject to any minimum level of acceptance.
3. If there is any upward revision in the Offer Price by the Acquirer up to three working days prior to the commencement of the tendering period i.e. up to Wednesday, July 10, 2012 or in the case of withdrawal of Offer, the same will be informed by way of the Issue Opening Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price will be payable by the Acquirer for all the shares validly tendered anytime during the offer.
4. As described in paragraph 7.4 of this draft Letter of Offer, Public Shareholders who are either non-resident Indians or overseas corporate bodies 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 that they have obtained at the time of their acquisition of the Equity Shares.
5. There has been no competing offer as on the date of this draft Letter of Offer.
6. If there is a competing offer, the public offers under all the subsisting bids shall open and close on the dates mentioned in the Schedule of major activities given herein.
7. A copy of Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance) is also available on SEBI's web-site: www.sebi.gov.in .

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
PRIME SECURITIES LIMITED Ashford Centre, 7th Floor, Shankarrao Naram Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013 **Contact Person:** Mr. Nitesh Surana/Mr. Sumit Suri **Tel No.:** +91-22-24981515 **Fax:** +91-22-24970777 **Email:** wil_openoffer@primesec.com **SEBI Regn. No:** INM000000750	**LINK INTIME INDIA PRIVATE LIMITED** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078 **Contact Person:** Mr. Pravin Kasare **Tel No. :** +91-22-25967878 **Fax:** +91-22-25960329 **Email:** welspunindia.offer@linkintime.co.in **SEBI Regn. No.:** INR000004058
OFFER OPENS ON: July 16, 2012, Monday	**OFFER CLOSES ON: July 27, 2012, Friday**

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER

Sr. No	Particulars	Dates
1.	Public Announcement (PA) Date	Thursday, May 24, 2012
2.	Detailed Public Statement (DPS) Date	Thursday, May 31, 2012
3.	Last date for a competing offer	Thursday, June 21, 2012
4.	Identified Date	Monday, July 02, 2012
5.	Date by which LoF will be dispatched to the shareholders	Monday, July 09, 2012
6.	Independent Directors recommendation	Wednesday, July 11, 2012
7.	Issue opening public announcement date	Friday, July 13, 2012
8.	Date of commencement of the tendering period	Monday, July 16, 2012
9.	Date of closure of the tendering period	Friday, July 27, 2012
10.	Date by which all the requirements including payment of consideration would be completed	Friday, August 10, 2012

RISK FACTORS

Given below are the risks related to the transaction, the Offer and those associated with the Acquirer and the PAC:

1. In the event that either (a) the regulatory approvals, if any, are not received in a timely manner, or (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructs the Acquirer and the PAC not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders, whose Equity Shares are accepted in the Offer, as well as the return of Equity Shares not accepted by the Acquirer in the Offer, may be delayed.
2. The Offer to the extent relevant to acquisition of the Equity Shares from NRIs and OCBs, is subject to the statutory and regulatory approval and clearance from RBI that may be required by NRIs and OCBs. For further details see paragraph 7.4 of this draft Letter of Offer.
3. In case of delay in receipt of any statutory approval, SEBI has power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
4. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted.
5. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for statements made otherwise than in the Letter of Offer or the Public Announcement or the DPS and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.
6. The Acquirer, the PAC and the Manager to the Offer make no assurance with respect to the financial performance of the Target Company, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
7. The Acquirer, the PAC and the Manager to the Offer make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
8. The Acquirer, the PAC and the Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares before, during or after the Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
9. The Acquirer and the PAC does not accept the responsibility with respect to the information contained in PA or DPS or draft LoF that pertains to the Target Company and has been compiled from publicly available resources.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Public Shareholders of Welspun India Limited are advised to consult their stockbrokers or investment consultants, if any, for analysing all the risks with respect to their participation in the Offer.

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DEFINITIONS

1.	Acquirer or KTL or the Acquirer	Krishiraj Trading Limited incorporated under the Companies Act, 1956, having its registered office at Survey No. 76, Village Morai, Vapi, Gujarat - 396 191, India
2.	Board of Directors / Board	The Board of Directors of Welspun India Limited
3.	BSE	Bombay Stock Exchange Limited
4.	CDSL	Central Depository Services (India) Limited
5.	Closure of Tendering Period	Friday, July 27, 2012
6.	Companies Act	The Companies Act, 1956, as amended from time to time
7.	Current Voting Share Capital	Equity Shares carrying voting rights as on the date preceding the date of this draft LoF
8.	Depository Participant or DP	Ventura Securities Limited
9.	Detailed Public Statement or DPS	Detailed Public Statement which appeared in the newspapers on May 31, 2012
10.	Equity Shares	The issued and fully paid-up equity shares of the Target Company with a face value of Rs. 10/- (Rupees ten only) each
11.	Escrow Agreement	Escrow Agreement dated May 25, 2012 between the Acquirer, PAC, Escrow Agent and Manager to the Offer
12.	Escrow Account	Shall have the meaning given to it in paragraph 6.2.3 of this draft Letter of Offer
13.	Escrow Amount	Shall have the meaning given to it in paragraph 6.2.3 of this draft Letter of Offer
14.	Escrow Bank /Escrow Agent	Shall have the meaning given to it in paragraph 6.2.3 of this draft Letter of Offer
15.	ESOPs	Employee Stock Options of the Target Company
16.	Expanded Share Capital	Equity Shares carrying voting rights, as on the 10th working day from the closure of the tendering period of the open offer. For the purpose of this definition, the Equity Shares carrying voting rights as of 10th working day from the Closure of the Tendering Period of the Offer shall take into account all potential increases in the number of outstanding Equity Shares carrying voting rights, including increase on account of vested but unexercised ESOPs
17.	Form of Acceptance	Form of Acceptance-cum-Acknowledgement which is a part of this draft Letter of Offer
18.	FIIs	Foreign Institutional Investors registered with Securities & Exchange Board of India
19.	FII Certificate	Shall have the meaning given to it in paragraph 8.18.3 of this draft Letter of Offer
20.	Identified Date	Monday, July 2, 2012 i.e. date falling on the tenth (10th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders whom this Letter of Offer shall be sent
21.	LOF or Letter of Offer or LoF	The Letter of Offer
22.	Manager to the Offer or Manager	Prime Securities Limited
23.	N.A.	Not Available

24.	N/A	Not Applicable
25.	NEFT	National Electronic Fund Transafer
26.	NSE	National Stock Exchange of India Limited
27.	NRI	Non Resident Indian
28.	NSDL	National Securities Depository Limited
29.	OCB	Overseas Corporate Body
30.	Offer or Open Offer	The open offer made by the Acquirer, along with the PAC, to the Public Shareholders to acquire upto 2,31,69,775 Equity Shares, representing not more than 26% of the Expanded Share Capital of Target Company
31.	Open Offer Consideration or Offer Consideration	Shall have the meaning given to it in paragraph 6.2.1 of this draft Letter of Offer
32.	Open Offer Price or Offer Price	Shall have the meaning given to it in paragraph 2.2.3 of this draft Letter of Offer
33.	Open Offer Size / Offer Size	Shall have the meaning given to it in paragraph 2.2.3 of this draft Letter of Offer
34.	Open Offer Period / Offer Period	Thursday, May 24, 2012 to Tuesday, August 21, 2012
35.	Offer Price	Rs.54 (Rupees Fifty Four Only) per fully paid-up equity share payable in cash
36.	Overseas tax	Shall have the meaning given to it in paragraph 8.18.6 of this draft Letter of Offer
37.	PAC or The PAC or WML	Welspun Mercantile Limited incorporated under the Companies Act, 1956, having its registered office at Welspun City, Village Versamedi, Taluka Anjar, Gujarat - 370 110
38.	PAN	Permanent Account Number
39.	PO	Purchase Order
40.	Promoters	Promoter and Promoter group of the Welspun India Limited as per clause 35 of the Listing Agreement with stock exchanges. It also includes the Acquirer and the PAC.
41.	Public Shareholder(s)	The equity shareholder(s) of the Target Company except the Promoters
42.	Public Announcement or PA	Public Announcement submitted to BSE and NSE as well as to SEBI and the Target Company on May 24, 2012
43.	Registrar or Registrar to the Offer	M/s. Link Intime India Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time.
44.	RBI	The Reserve Bank of India
45.	Regulation(s)	Regulation(s) pertaining to SEBI (SAST) Regulations, 2011
46.	RTGS	Real Time Gross Settlement
47.	Rs. or Rupee(s) or INR	Indian Rupees
48.	SCRR	Securities Contract (Regulation) Rules, 1957, as amended from time to time
49.	Scheme	Shall have the meaning given to it in paragraph 5.9 of this draft Letter of Offer
50.	SEBI Act	Securities and Exchange Board of India Act, 1992
51.	SEBI	Securities and Exchange Board of India
52.	SEBI Order	Shall have the meaning given to it in paragraph 2.1.5 of this

		draft Letter of Offer
53.	SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
54.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
55.	Special Depository Account	The special depository account opened by the Registrar to the Offer with NSDL for receiving Equity Shares tendered during the Offer
56.	Stock Exchanges	Collectively BSE and NSE
57.	Tendering Period	Monday, July 16, 2012 to Friday, July 27, 2012
58.	Target Company or WIL	Welspun India Limited
59.	TRC	Shall have the meaning given to it in paragraph 8.18.1 of this draft Letter of Offer
60.	WGBL	Welspun Global Brands Limited
61.	WRL	Welspun Retail Limited
62.	WICL	Welspun Investments and Commercials Limited

1. **DISCLAIMER CLAUSE**

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WELSPUN INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER "PRIME SECURITIES LIMITED" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 7, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE DRAFT LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. **DETAILS OF THE OFFER**

2.1. **Background of the Offer**

2.1.1. This Offer is being made under Regulation 3(2) of SEBI (SAST) Regulations, 2011. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011 and is being made pursuant to placing of the PO by the Acquirer, as more particularly stated in paragraph 2.1.3 below.

2.1.2. The Acquirer and the PAC are part of the Promoters of the Target Company. The list of individuals/bodies corporate, forming part of the Promoters, as per clause 35 of the listing agreement with Stock Exchanges, is as stated below:

Sl. No	Name
1	Welspun Fintrade Limited
2	Welspun Mercantile Limited
3	Welspun Wintex Limited
4	Krishiraj Trading Limited
5	Welspun Finance Limited
6	Methodical Investment And Trading Company Private Limited
7	Welspun Syntex Limited
8	Welspun Steel Limited
9	Welspun Zucchi Textiles Limited
10	Radhika Goenka
11	B K Goenka jt. with Dipali Goenka
12	B K Goenka
13	Dipali Goenka
14	Rajesh Mandawewala

2.1.3. On May 24, 2012, the Acquirer placed a PO with Prime Broking Company (India) Limited to acquire up to 50,00,000 (Fifty Lakh Only) Equity Shares representing upto 5.61% of the Expanded Share

Capital of the Target Company, at a price not exceeding Rs.54 (Rupees Fifty Four Only) per fully paid-up equity share of the Target Company, payable in cash, by not later than June 28, 2012.

Pursuant to the PO for acquisition of Equity Shares of more than 5% of the voting share capital in one financial year by the Acquirer in the Target Company, this mandatory 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.

2.1.4. No change is proposed in the Board of Directors after the Offer**.** Mr. Rajesh Mandawewala, representing the PAC, holds the position of the Managing Director in the Target Company.

2.1.5. 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 Ad Interim 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, as mentioned in the SEBI Order, 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. These directions were passed against the entities pending investigation and without hearing the entities. Subsequently, SEBI completed investigation and vacated the aforesaid interim directions vide its order dated March 16, 2012.

2.1.6. As per Regulation 26(6) of the SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company will constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders and such recommendations shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Open Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations, 2011.

2.2. **Details of the Offer**

2.2.1. The PA announcing the Open Offer, under Regulations 3(2), read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, 2011, was made on May 24, 2012 to the BSE and NSE and a copy thereof was also filed with the SEBI and the Target Company at its registered office.

2.2.2. In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, 2011, the DPS was published on May 31, 2012 in the following newspapers:

Publication	Editions
Business Standard (English)	Kolkata, Delhi, Mumbai, Chennai, Bangalore, Hyderabad, Ahmedabad, Lucknow, Chandigarh, Kochi, Pune, Bhubaneshwar
Free Press Journal (English)	Mumbai, Indore
Jansatta (Hindi)	Delhi, Kolkata, Lucknow, Chandigarh
Navashakti (Marathi)	Mumbai
Western Times (Gujarati)	Gandhinagar covering Kutch

The Detailed Public Statement and the Public Announcement is also available on the website of SEBI (www.sebi.gov.in)

2.2.3. Simultaneously with the publication of the DPS in the newspapers, a copy of the DPS, along with respective cover letters dated March 31, 2012, was sent through the Manager to the Offer to (a) SEBI; (b) the Stock Exchanges; and (c) the registered office of the Target Company.

2.2.4. Pursuant to the Offer, the Acquirer proposes to acquire 2,31,69,775 Equity Shares, representing 26% of the Expanded Share Capital of the Target Company ("**Offer Size**")**,** at a price of Rs.54 per fully paid-up equity share of the Target Company ("**Offer Price**"), payable in cash and subject to the terms and conditions set out in the PA, DPS and the Letter of Offer.

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

2.2.6. There are no partly paid up Equity Shares.

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

2.2.8. The Offer is not a conditional offer and is not subject to a minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. Further, there is no differential pricing for the Offer. All Equity Shares validly tendered by the Public Shareholders pursuant to the Offer will be accepted at the Offer Price by the Acquirer, in accordance with the terms and conditions contained in the PA, the DPS and the Letter of Offer. In the event that the Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, the acquisition of Equity Shares from the Public Shareholders will be on a proportionate basis, as detailed in paragraph 6.1.13 of the draft Letter of Offer.

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

2.2.10. With regard to the statutory / regulatory and other approvals, please refer to paragraph 7.4 of this draft Letter of Offer. In terms of Regulation 23 of the SEBI (SAST) Regulations, the Offer shall not be withdrawn except in the circumstances mentioned in the Regulation. In the event the statutory / regulatory approvals, if any, are refused, this Offer shall have to be 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, the Stock Exchanges and the registered office of the Target Company

2.2.11. Details of acquisition of Equity Shares by the Acquirer between the date of PA and the draft LoF, pursuant to the PO

Date	Exchange	No. of Equity Shares	Price per Share
24-May-12	BSE	2,619	49.63
25-May-12	NSE	1,575	51.79
25-May-12 (1)	BSE	69,044	52.08
28-May-12	NSE	17,382	51.83
28-May-12(1)	BSE	4,535	51.72
29-May-12(1)	NSE	23,529	52.33
29-May-12	BSE	16,282	52.10
31-May-12	NSE	25,973	52.27
31-May-12	BSE	17,689	52.01
1-Jun-12	BSE	14,904	52.35
1-Jun-12	NSE	7,220	52.05
4-Jun-12	NSE	12,646	52.04
4-Jun-12	BSE	8,713	52.22
5-Jun-12	BSE	3,551	52.08
5-Jun-12	NSE	1,785	52.19
Total		227,447	
Less: Short Delivery of Equity Shares		5,951(1)	
Total Purchases		221,496	

***Notes**:*

1. *Short delivery of Equity Shares as following:*
    a. *25th May 2012: 5,450 Equity Shares*
    b. *28th May 2012: 1 Equity Share*
    c. *29th May 2012: 500 Equity Shares*
    d. *Total Short Delivery till date: 5,951 Equity Shares*

2.2.12. The Acquirer and the PAC are part of Welpsun group and belong to the Promoters category in 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 and in accordance with Regulation 7(4) of the SEBI (SAST) Regulations, 2011. As per Regulation 7(5) of the SEBI (SAST) Regulations, 2011, 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.

2.2.13. The Manager to the Offer, Prime Securities Limited does not hold any Equity Shares as at the date of draft LoF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares during the Offer Period.

2.3. **Object of the Acquisition/ Offer**

2.3.1. 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 the above mentioned acquisitions and the Offer is to consolidate their shareholding in the Target Company. The Promoters' acquisition of the Equity Shares through this Offer will not have any adverse repercussions on the employment and the location of the Target Company's places of business.

2.3.2. In terms of Regulation 25(2) of SEBI (SAST) Regulations, the Acquirer and the PAC currently do not have any intention to alienate any material assets of the Target Company, whether by way of sale, lease, encumbrance or otherwise, outside the ordinary course of business, for a period of two (2) years after completion of this Offer. The Acquirer and the PAC are debarred from causing any alienation of material assets of the Target Company whether by way of sale, lease, encumbrance or otherwise outside the ordinary course of business for a period of two (2) years after completion of this Offer, unless such alienation of assets is approved by a special resolution, passed by the shareholders of the Target Company, by way of a postal ballot and the notice for such postal ballot inter alia shall contain reasons as to why such alienation is necessary, in accordance with Regulation 25(2) of SEBI (SAST) Regulations.

3. BACKGROUND OF THE ACQUIRER - KRISHIRAJ TRADING LIMITED

3.1. 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.

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

3.3. The Acquirer belongs to Welspun group. Mrs. Dipali Goenka, promoter of the Acquirer and holding 88.0% of the voting share capital of the Acquirer, is the person in control of the Acquirer.

3.4. Mrs. Dipali Goenka, promoter of the Acquirer, holds the office or place of profit under Section 314 of the Companies Act, 1956 in the Target Company.

3.5. As on the date of draft LoF, the Acquirer holds 75,00,341 Equity Shares representing 8.42% of the Expanded Voting Share Capital of the Target Company. The Acquirer has complied with the provisions of Chapter V of SEBI Regulations, 2011 and Chapter II of SEBI (SAST) Regulations, 1997 in last ten years.

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4- Col. 3	Status Of compliance with Takeover Regulations	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**
1	7(1) & (2)	N/A	N/A	N/A	N/A	Nil
2	7(1A) & (2)	December 6, 2003 February 19, 2004	December 5, 2003 February 19, 2004	Nil	Complied	Nil
3	29 (1)& (2)	March 27, 2012 March 29, 2012	March 26, 2012 March 28, 2012	Nil	Complied	Nil

3.6. **Shareholding pattern of Acquirer, as on the date of draft LoF, is as under:**

Category	No. of Shares	% Holding
Promoter and Promoter Group		
Mrs. Dipali Goenka	4,400	88.0
Ms. Radhika Goenka	450	9.0
Mr. Rajesh Mandawewala	50	1.0
Ms. Vanshika Goenka under guardian Mrs. Dipali Goenka	25	0.5
Welspun Mercantile Limited	25	0.5
B. K. Goenka (HUF)	25	0.5
B. K. Goenka Family Trust	25	0.5
Total	**5,000**	**100.0**

3.7. **The details of Board of Directors of Krishiraj Trading Limited, as on the date of draft LoF, are as follows:**

Name of Director	Designation	DIN	Qualification and Experience	Date of Appointment
Lal T. Hotwani	Director	00007125	Commerce Graduate with over 33 years of experience in Accounts / Supply Chain Managment	10th May 2001
Devendra Patil	Director	00062784	Company Secretary & Bachelor of General Law with over 30 years of experience in Legal and Secretarial work	27th April 2012
Sitaram D. Somani	Director	00005017	Chartered Accountant, Experience of over 35 years of project execution	27th April 2012

As on the date of this draft LoF, none of the directors of Acquirer are on the Board of Directors of the Target Company.

3.8. The brief details of financials of Acquirer are given as under:

Profit & Loss Statement			
Particulars	**For the year ended March 31, 2010**	**For the year ended March 31, 2011**	**For the year ended March 31, 2012**
	Standalone	**Standalone**	**Standalone**
	Audited	**Audited**	**Audited**
	Rs. Crore	***Rs. Crore***	***Rs. Crore***
Income from operations	29.14	6.92	17.14
Other Income	6.33	5.84	1.96
Total Income	**35.47**	**12.76**	**19.09**
Total Expenditure	15.77	14.94	14.88
Profit/ (Loss) before depreciation interest and tax	19.69	(2.17)	4.22
Depreciation	-	-	-
Interest (Net)	-	-	-
Profit Before Tax	19.69	(2.17)	4.22
Provision for Tax	3.85	0.02	-
Profit After Tax	15.84	(2.20)	4.22

Balance Sheet Statement			
Particulars	**For the year ended March 31, 2010**	**For the year ended March 31, 2011**	**For the year ended March 31, 2012**
	Standalone	**Standalone**	**Standalone**
	Audited	**Audited**	**Audited**
	Rs. Crore	***Rs. Crore***	***Rs. Crore***
Sources of funds			
Paid up share capital	0.05	0.05	0.05
Reserves and Surplus (excluding revaluation reserves)	810.21	808.01	812.23
Networth	**810.26**	**808.06**	**812.28**
Share Application Money	31.50	-	-
Secured loans	-	-	-
Long-term borrowings	-	71.50	71.50
Deferred Tax Liability (Net)	-	-	-
Total	**841.76**	**879.56**	**883.78**
Uses of funds			
Net fixed assets	-	-	-
Investments	717.12	783.16	833.24
Net current assets	124.64	96.40	50.54
Total	**841.76**	**879.56**	**883.78**

Other Financial Details			
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2012
	Standalone	Standalone	Standalone
	Audited	Audited	Audited
Dividend (%)	-	-	-
Earnings Per Share (Rs.)	31,682	(4,391)	8,430

***Source**: The financial information has been extracted from the audited financial statements of the Acquirer for the years ended March 31, 2010, 2011 and 2012 audited by statutory auditors of the Acquirer.*

3.9. The Acquirer has provided non-disposal undertaking with a power of attorney in respect to its 26% holding in an associate company in respect of the associates borrowing of Rs. 100 Crore. Further, the Acquirer has provided non-disposal undertaking of the shareholding in the Welspun group companies to banks/financial institutions in respect of facilities/ loans availed by the respective entities.

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

4. BACKGROUND OF THE PAC - WELSPUN MERCANTILE LIMITED

4.1. 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 Acquirer is U70100GJ1989PLC056345. Its registered office is located at Welspun City, Village Versamedi, Taluka Anjar, Gujarat - 370 110, India.

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

4.3. The PAC belongs to Welspun group. 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.

4.4. Mrs. Dipali Goenka, promoter and director of the PAC, holds the office or place of profit under Section 314 of the Companies Act, 1956 in the Target Company.

4.5. As on the date of draft LoF, the PAC holds 95,60,559 Equity Shares representing 10.73% of the Expanded Voting Share Capital of the Target Company. The Acquirer has complied with the provisions of Chapter V of SEBI Regulations, 2011 and Chapter II of SEBI (SAST) Regulations, 1997 in the last ten years.

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4- Col. 3	Status Of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
1	7(1) & (2)	N/A	N/A	N/A	N/A	Nil
2	7(1A) & (2)	April 4, 2005 May 16, 2004	April 2, 2005 May 14, 2004	Nil	Complied	Nil
3	29 (1)& (2)	N/A	N/A	N/A	N/A	Nil

4.6. **Shareholding pattern of PAC, as on the date of draft LoF, is as under:**

Category	No. of Shares	% Holding
<u>Promoter and Promoter Group</u>		
Mrs. Dipali Goenka	8,000	49.86
Ms. Vanshika Goenka under guardian Mrs. Dipali Goenka	4,019	25.05

Ms. 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 Limited, nominee of the Acquirer	1	0.01
Total	**16,044**	**100.0**

4.7. **The details of Board of Directors of Welspun Mercantile Limited as on the date of draft LoF are as follows:**

Name of Director	Designation	DIN	Qualification and Experience	Date of Appointment
Rajesh Mandawewala	Director	00007179	Chartered Accountant with over 28 years of experience of business management	26th Dec. 2002
Lal T. Hotwani	Director	00007125	Commerce Graduate with over 33 years of experience in Accounts / supply chain management	19th Dec 2005
Dipali Goenka	Director	00007199	Graduate in Psychology with experience of over 15 years in business management of textile companies	30th Jan 2006
Mohan K. Manikkan	Director	00007108	Commerce Graduate with experience of over 23 years in insurance, public relations and secretarial and legal functions	30th Jan 2006

As on the date of this draft LoF, Mr. Rajesh Mandawewala (Director of Welspun Mercantile Limited), holds the position of Managing Director in the Target Company.

4.8. **The Brief details of financials of PAC are given as under:**

Profit & Loss Statement			
Particulars	**For the year ended March 31, 2010**	**For the year ended March 31, 2011**	**For the year ended March 31, 2012**
	Standalone	**Standalone**	**Standalone**
	Audited	**Audited**	**Audited**
	Rs. Crore	***Rs. Crore***	***Rs. Crore***
Income from operations	7.07	3.39	6.48
Other Income	-	-	-
Total Income	**7.07**	**3.39**	**6.48**
Total Expenditure	4.89	0.02	4.07
Profit/ (Loss) before depreciation interest and tax	2.18	3.36	2.41
Depreciation	-	-	-
Interest (Net)	-	-	-
Profit Before Tax	2.18	3.36	2.41
Provision for Tax	0.06	-	0.03
Profit After Tax	2.12	3.36	2.38

Balance Sheet Statement			
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2012
	Standalone	Standalone	Standalone
	Audited	Audited	Audited
	Rs. Crore	*Rs. Crore*	*Rs. Crore*
Sources of funds			
Paid up share capital	0.84	0.84	1.31
Reserves and Surplus (excluding revaluation reserves)	101.94	105.31	153.42
Networth	**102.78**	**106.15**	**154.73**
Share Application Money	41.08	32.14	-
Secured loans	-	-	-
Unsecured loans	-	-	-
Deferred Tax Liability (Net)	-	-	-
Total	**143.86**	**138.29**	**154.73**
Uses of funds			
Net fixed assets	-	-	-
Investments	143.41	143.41	149.88
Long-term loans & Advances	-	9.48	0.50
Net current assets	0.45	(14.60)	4.35
Total	**143.86**	**138.29**	**154.73**

Other Financial Details			
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2012
	Standalone	Standalone	Standalone
	Audited	Audited	Audited
Dividend (%)	-	-	-
Earnings Per Share (Rs.)	1,324	2,096	1,482

***Source**: The financial information has been extracted from the audited financial statements of the PAC for the years ended March 31, 2010, 2011 and 2012 audited by statutory auditors of the PAC.*

4.9. The PAC has given a corporate guarantee to a bank to secure term loan funding of Rs.225 crore availed by a promoter group company. Further, the PAC has provided non-disposal undertaking of the shareholding in the Welspun group companies to banks/financial institutions in respect of facilities/ loans availed by the respective entities.

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

5. BACKGROUND OF THE TARGET COMPANY - WELSPUN INDIA LIMITED

5.1. The Target Company, Welspun India Limited, is a listed company, incorporated in India on January 17, 1985, under Companies Act, 1956 as Welspun Winilon Silk Mills Private Limited. The name was changed to Welspun Polyesters (India) Limited with effect from January 12, 1989 and subsequently changed to Welspun India Limited with effect from October 12, 1995. The registered office of the Target Company is located at Welspun City, Village Versamedi, Taluka Anjar, Kutch Dist - 370 110, Gujarat, India.

5.2. The Target Company is engaged in the manufacture and supply of home textile products, viz., towels, bed sheets, curtain, bed linen, etc.

Share capital structure of the Target Company, as on the date of draft LoF, is as follows:

Paid up Equity Shares of Target Company	No. of Shares / voting rights	% of shares / voting rights
Fully paid up Equity Shares	8,90,54,269	100.00%
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	8,90,54,269	100.00%
Total voting rights in Target Company	8,90,54,269	100.00%

Source: BSE & NSE

5.3. The Equity Shares are listed on BSE and NSE and have been frequently traded within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations, 2011.

5.4. The Equity Shares, as on date of this draft LoF, are not suspended on any of the Stock Exchanges.

5.5. There are currently no outstanding partly paid up Equity Shares. As on the date of this draft LOF there are 60,250 ESOPs, vested but unexercised. Upon exercising of these ESOPs, the Target Company will have to issue equivalent number of Equity Shares. The same has been taken into account for calculating the voting rights of the Target Company. The capital structure build-up to arrive at Offer Size is as under:

Particulars	No of Shares
Total number of Equity Shares outstanding as on March 31, 2012 (As per clause 35 of the Listing Agreement) (**A**)	8,90,12,269
Allotment of Equity Shares as on May 19, 2012, pursuant to exercise of ESOPs already vested till March 31, 2011 (as per annual report of the Target Company for the financial year ended March 31, 2011) (**B**)	42,000
Current Voting Share Capital (A+B)	8,90,54,269
Options vested till March 31, 2011, but unexercised (**C**)	60,250
Expanded Share Capital (A+B+C)	8,91,14,519
Note: ESOPs vested till March 31, 2011, as per annual report for the year ended March 31, 2011: 102,250; equivalent Equity Shares to these ESOPs: 102,250 Equity Shares	

Source: Annual Report for the financial year ended March 31, 2011, BSE and NSE

5.6. As on the date of this draft LOF, the composition of the Board of Directors of WIL is as under:

Name of Director	Designation	DIN/PAN	Date of Appointment
Balkrishna Gopiram Goenka	Director	00270175	17th January 1985
Rajesh Mandawewala	Managing Director	00007179	26th October 1989
Dadi Bejonji Engineer	Director	00047028	30th May 1991
Apurba Kumar Dasgupta	Director	00043075	29th June 2004
Arun Lalchand Todarwal	Nominee Director	00020916	9th August 2007
Ram Gopal Sharma	Director	00026514	16th October 2008
Shailendra Govind Nadkarni	Director	03401830	21st December 2010

Source: Ministry of Corporate Affairs Website

As on the date of this draft LoF, Mr. Rajesh Mandawewala (Managing Director of Welspun India Limited), holds the position of Director in Welspun Mercantile Limited.

5.7. In May 2009, a composite scheme of arrangement in the nature of Demerger under Section 78, 100, 391 and 394 of the Companies Act, 1956 between WIL, WGBL and WICL was sanctioned by the Hon'ble High Court of Gujarat vide its order dated 8th May 2009. Under this scheme, the Marketing division and the Investments and Treasury division of WIL got transferred to WGBL and WICL respectively and in consideration thereof, the then equity shareholders of WIL got 10 equity shares of WGBL, and 5 equity shares of WICL for every 100 Equity Shares.

5.8. WIL has informed BSE and NSE that the Board of Directors of WIL at its meeting held on May 07, 2012, inter alia, has, subject to approval of the Stock Exchanges, sanction of the Hon'ble High Court of Gujarat and other approvals as may be necessary, approved a composite scheme of arrangement (the "**Scheme**") between WIL, WGBL and WRL. According to the Scheme, WGBL will be merged into WIL, the marketing business undertaking of WIL will be hived off to WRL and certain overseas investments of WIL will be transferred to WRL. Consequently, WGBL shall be dissolved without winding up and the name of WRL will be changed to Welspun Global Brands Limited. Appointed date for the Scheme is April 01, 2011. Upon the Scheme coming into effect, each shareholder of WGBL will get 1 equity share of Rs. 10 each of WIL for every 1 equity share of Rs. 10 each held in WGBL.

5.9. Based on the audited financial statements, the financial information of the Target Company for the financial year ended March 31, 2009, March 31, 2010 and March 31, 2011 and Limited Review for the year ended March 31, 2012 are as follows:

Profit & Loss Statement				
Particulars	**For the year ended March 31, 2009**	**For the year ended March 31, 2010**	**For the year ended March 31, 2011**	**For the year ended March 31, 2012**
	Consolidated	**Consolidated**	**Consolidated**	**Standalone**
	Audited	**Audited**	**Audited**	**Limited Review**
	Rs. Crore	***Rs. Crore***	***Rs. Crore***	***Rs. Crore***
Income from operations	1,699.12	1,937.16	2,054.81	2,590.99
Other income	25.43	139.45	73.67	46.05
Total income	**1,724.55**	**2,076.61**	**2,128.48**	**2,637.05**
Total expenditure	1,558.72	1,652.79	1,884.53	2,145.34
Profit before depreciation, interest and tax	165.84	423.82	243.95	491.71
Depreciation	108.66	112.63	120.33	118.62
Interest	117.66	92.57	80.09	143.54
Profit before exceptional item and tax	(60.47)	218.62	43.52	229.55
Exceptional item	(3.85)	-	-	(8.18)
Profit before tax	(64.33)	218.62	43.52	221.37
Provision for tax	(7.44)	57.14	40.31	71.49
Profit after tax (before extraordinary Items)	(56.89)	161.49	3.22	149.88
Extraordinary items	0.73	-	-	28.44
Profit after tax (after extraordinary items)	(57.62)	161.49	3.22	121.44
Share of profit of associate's net (loss)/profit	(20.43)	(0.66)	(1.82)	-
Minority interest	(1.49)	-	-	-
Net income	(76.56)	160.83	1.40	121.44

Balance Sheet Statement				
Particulars	For the year ended March 31, 2009	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2012
	Consolidated	Consolidated	Consolidated	Standalone
	Audited	Audited	Audited	Limited Review
	Rs. Crore	***Rs. Crore***	***Rs. Crore***	***Rs. Crore***
Sources of funds				
Paid up share capital	78.09	78.09	93.98	N/A
Reserves and surplus (excluding revaluation reserves)	365.94	443.31	574.98	N/A
Networth	**444.03**	**521.40**	**668.96**	**N/A**
Minority interest	2.03	**-**	**-**	N/A
Secured loans	1,818.67	1,639.15	1,657.20	N/A
Unsecured loans	52.96	41.74	83.45	N/A
Defered tax liability (Net)	104.67	156.20	187.84	N/A
Total	**2,422.36**	**2,358.49**	**2,597.45**	**N/A**
Uses of funds				
Net fixed assets	1,771.94	1,571.40	1,643.69	N/A
Investments	31.42	14.94	100.67	N/A
Net current assets	619.00	772.15	853.09	N/A
Total	**2,422.36**	**2,358.49**	**2,597.45**	**N/A**

Other Financial Details				
Particulars	For the year ended March 31, 2009	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2012
	Consolidated	Consolidated	Consolidated	Standalone
	Audited	Audited	Audited	Limited Review
Dividend (%)	0%	10%	0%	0%
Basic EPS Before extra ordinary items (Rs.)	(10.37)	22.00	0.16	16.84
Basic EPS After extra ordinary items (Rs.)	(10.47)	22.00	0.16	13.65
Return on Networth (%)	(17.2%)	30.8%	0.2%	N/A
Book Value per share	60.75	71.34	75.18	N/A

Source: *The financial information has been extracted from the audited financial statements of the Target Company for the years ended March 31, 2009, 2010 and 2011 audited by statutory auditors of the Target Company. The financial information of the Target Company for year ended March 31, 2012 has been extracted from the unaudited financial information of the Target Company for the year ended March 31, 2012 and has been subjected to a limited review by the statutory auditors as confirmed in its report dated May 7, 2012.*

5.10. Pre and Post- Offer share holding pattern of the Target Company, as on the date of draft LoF (assuming 100% acceptance in the Offer), is as follows:

Sr No.	**Shareholder Category**	**Shareholding & Voting rights prior to Offer (A)**		**Shares/voting rights proposed to be acquired through PO, which triggered off the Regulations (B)**		**Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance) (C)**		**Shareholding/voting rights after the acquisition and Offer i.e. (A+B+C)**	
		No.	%	No.	%	No.	%	No.	%
1.	**Promoter Group including the Acquirer and the PAC**								
	a. Acquirer[1]	75,00,341[2][3]	8.42%[2]	47,78,504[2]	5.36%[2]	2,31,69,775	26.00%	4,50,09,179	50.51%
	b. PAC[1]	95,60,559	10.73%	NIL	NIL				
	a. Promoters other than Acquirer and the PAC	2,53,44,937	28.44%	Nil	Nil	Nil	Nil	2,53,44,937	28.44%
	Total 1 [a + b+ c]	4,24,05,837	47.59%	Nil	Nil	Nil	Nil	7,03,54,116	78.95%
2.	**Parties to the Agreement, if any**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3.	**Public (other than parties to agreement, Acquirer & PAC)**								
	a. FIs/MFs/FIIs/Banks, SFIs	2,44,62,187	27.45%	NIL	NIL	NIL	NIL	1,87,60,403	21.05%
	b. Others[4]	2,22,46,495	24.96%	NIL	NIL	NIL	NIL		
	Total 3 [a + b]	4,67,08,682	52.41%	NIL	NIL	NIL	NIL	1,87,60,403	21.05%
	Grand Total [1+2+3]	**8,91,14,519**	**100.00%**	**47,78,605[2]**	**5.36%[2]**	**2,31,69,775**	**26.00%**	**8,91,14,519**	**100.00%**

Notes:

1. *The Acquirer and the PAC are coming in joint control along with the existing Promoters*
2. *The Acquirer has placed a PO for acquiring 50,00,000 Equity Shares representing 5.61% of the Expanded Share Capital till June 28, 2012. Out of which 2,21,395 Equity Shares were purchased as on the date of this draft LoF and the balance 47,78,605 remained to be purchased; Acquirer's shareholding on the date preceding the date of the PA: 72,78,845 Equity Shares representing 8.17% of the Expanded Share Capital.*
3. *Includes Equity Shares purchased till date of draft LoF*
4. *Number of shareholders in the public category as on June 1, 2012: 35,371*

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The Offer is made pursuant to the PO issued to Prime Broking Company (India) Limited to acquire up to 50,00,000 (Fifty Lakh Only) Equity Shares representing upto 5.61% of the Expanded Share Capital of the Target Company, at a price not exceeding Rs.54 (Rupees Fifty Four Only) per fully paid-up equity share of the Target Company, payable in cash, by not later than June 28, 2012.

6.1.2. The Equity Shares are listed on BSE and NSE.

6.1.3. The annualized trading turnover in the Equity Shares in the above mentioned Stock Exchanges based on trading volume during the twelve (12) calendar months prior to the month of PA (May 1, 2011 to April 30, 2012) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA (A)	Weighted Average Equity Shares of the Target Company (B)	Annualised Trading Turnover (as % of Total Equity Shares Listed) (A/B)
BSE	1,16,91,743	8,89,96,165	13.14%
NSE	1,73,03,190	8,89,96,165	19.44%

(Source: www.bseindia.com, www.nseindia.com)

6.1.4. Based on the information available on the websites of the Stock Exchanges, the Equity Shares are frequently traded on the BSE and the NSE (within the meaning of definition "frequently traded shares" under clause 2(1)(j) of the SEBI (SAST) Regulations, 2011 and is most frequently traded on NSE.

6.1.5. The Offer Price of Rs. 54 (Rupees Fifty Four Only) per fully paid-up equity share of the Target Company is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being highest of the following:

(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 or by PAC during the fifty two (52) weeks immediately preceding the date of the PA	Rs.45.56/-
(c)	The highest price paid for an acquisition whether by the Acquirer or by PAC, during the twenty six (26) weeks immediately preceding the date of the PA	Rs.48.47/-
(d)	The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the PA as traded on the NSE, being the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period	Rs.44.97/-
(e)	Highest price per fully paid-up equity share of the Target Company quoted by the Acquirer in the PO issued to the Broker, pursuant to which the Offer is triggered	Rs.54.00/-

6.1.6. Calculation of the volume weighted average price paid for acquisitions, by the Acquirer and the PAC during the fifty two (52) weeks immediately preceding the date of the PA and determining the highest price paid for an acquisition whether by the Acquirer or by PAC, during the twenty six (26) weeks immediately preceding the date of the PA, as per Regulation 8(2)(b) and 8(2)(c) of the SEBI (SAST) Regulations, 2011 is as follows:

Date	Acquirer / PAC	Stock Exchange	Shares Purchased (A)	Price (Rs.) (B)	Value (A x B)
21-Mar-12	Acquirer	NSE	476,525	48.15	22,944,679
21-Mar-12	Acquirer	BSE	402,996	48.20	19,424,407
22-Mar-12	Acquirer	NSE	448,583	47.02	21,092,373
22-Mar-12	Acquirer	BSE	430,000	47.03	20,222,900
22-Mar-12	Acquirer	NSE	25,000	46.95	1,173,750
22-Mar-12	Acquirer	BSE	25,000	46.95	1,173,750
23-Mar-12	Acquirer	NSE	353,006	45.60	16,097,074
23-Mar-12	Acquirer	BSE	332,858	45.60	15,178,325
26-Mar-12	Acquirer	NSE	355,966	44.39	15,801,331
26-Mar-12	Acquirer	BSE	265,200	44.45	11,788,140
26-Mar-12	Acquirer	NSE	25,000	45.05	1,126,199
26-Mar-12	Acquirer	BSE	25,000	45.04	1,125,990
26-Mar-12	Acquirer	NSE	25,000	44.55	1,113,750
26-Mar-12	Acquirer	BSE	25,000	44.55	1,113,750
27-Mar-12	Acquirer	NSE	380,444	43.36	16,496,052
27-Mar-12	Acquirer	BSE	341,827	43.37	14,825,037
28-Mar-12	PAC	NSE	204,055	42.98	8,769,987
28-Mar-12	PAC	BSE	254,147	42.97	10,921,229
29-Mar-12	PAC	NSE	3,000	43.05	129,150
29-Mar-12	PAC	BSE	292	43.05	12,571
30-Mar-12	PAC	NSE	26,757	44.55	1,192,074
30-Mar-12	PAC	BSE	11,216	44.47	498,748
18-Apr-12	Acquirer	BSE	7,906	39.49	312,208
19-Apr-12	Acquirer	NSE	3,675	39.01	143,374
19-Apr-12	Acquirer	BSE	670	39.04	26,157
20-Apr-12	Acquirer	NSE	37,781	40.04	1,512,676
20-Apr-12	Acquirer	BSE	776	39.91	30,973
23-Apr-12	Acquirer	NSE	43,995	41.04	1,805,555
23-Apr-12	Acquirer	BSE	10,000	41.04	410,400
24-Apr-12	Acquirer	NSE	33,067	42.81	1,415,731
24-Apr-12	Acquirer	BSE	13,692	42.57	582,919
25-Apr-12	Acquirer	NSE	14,562	43.87	638,790
25-Apr-12	Acquirer	BSE	18,924	44.79	847,536
26-Apr-12	Acquirer	NSE	29,763	46.43	1,381,789
26-Apr-12	Acquirer	BSE	39,350	46.72	1,838,487
27-Apr-12	Acquirer	NSE	25,908	47.08	1,219,650
27-Apr-12	Acquirer	BSE	93,000	47.05	4,375,315
28-Apr-12	Acquirer	NSE	31,190	48.02	1,497,647
28-Apr-12	Acquirer	BSE	6,411	48.03	307,949
10-May-12	Acquirer	NSE	70,000	46.05	3,223,500
10-May-12	Acquirer	BSE	48,809	46.26	2,257,782
11-May-12	Acquirer	NSE	31,654	46.38	1,467,986
11-May-12	Acquirer	BSE	13,789	46.01	634,373
14-May-12	Acquirer	NSE	72,556	47.16	3,421,531
14-May-12	Acquirer	BSE	33,695	47.27	1,592,864
16-May-12	Acquirer	NSE	6,591	48.47	319,472

16-May-12	Acquirer	BSE	316	48.36	15,283
Total			**5,124,952**		**233,501,209**

Source: *The Acquirer and the PAC*

Based on the above data:

Max Price in last 26 weeks paid by the Acquirer and the PAC	Rs. 48.47/-
52 weeks volume weighted average price *{Total Value / Total Shares Purchased}*	Rs. 45.56/-

6.1.7. Calculation of the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of public announcement as traded on NSE, being the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, as per Regulation 8(2)(d) of the SEBI (SAST) Regulations, 2011 is as follows:

Date	Average Price (A)	Total Traded Quantity (B)	Value (A x B)
28-Feb-12	37.01	28,500	1,054,785
29-Feb-12	37.21	2,491	92,690
1-Mar-12	36.50	16,258	593,417
2-Mar-12	37.00	5,199	192,363
3-Mar-12	38.29	17,150	656,674
5-Mar-12	38.70	23,766	919,744
6-Mar-12	37.69	17,067	643,255
7-Mar-12	36.16	6,676	241,404
9-Mar-12	36.73	17,197	631,646
12-Mar-12	36.42	2,183	79,505
13-Mar-12	36.76	7,981	293,382
14-Mar-12	36.61	9,398	344,061
15-Mar-12	36.78	151,146	5,559,150
16-Mar-12	41.76	151,840	6,340,838
19-Mar-12	45.66	338,503	15,456,047
20-Mar-12	46.11	89,235	4,114,626
21-Mar-12	48.04	578,809	27,805,984
22-Mar-12	47.01	986,866	46,392,571
23-Mar-12	45.57	368,000	16,769,760
26-Mar-12	44.41	473,012	21,006,463
27-Mar-12	43.34	445,811	19,321,449
28-Mar-12	42.96	240,491	10,331,493
29-Mar-12	43.00	14,913	641,259
30-Mar-12	44.39	41,454	1,840,143
2-Apr-12	45.62	5,618	256,293
3-Apr-12	45.25	2,874	130,049
4-Apr-12	44.50	8,603	382,834
9-Apr-12	43.84	2,093	91,757
10-Apr-12	43.81	8,730	382,461
11-Apr-12	44.03	15,962	702,807

12-Apr-12	43.43	2,253	97,848
13-Apr-12	43.42	8,218	356,826
16-Apr-12	43.04	1,922	82,723
17-Apr-12	41.37	35,476	1,467,642
18-Apr-12	39.77	27,057	1,076,057
19-Apr-12	39.40	42,913	1,690,772
20-Apr-12	39.99	43,382	1,734,846
23-Apr-12	41.03	52,483	2,153,377
24-Apr-12	42.62	39,083	1,665,717
25-Apr-12	43.84	22,198	973,160
26-Apr-12	46.26	44,168	2,043,212
27-Apr-12	46.89	31,349	1,469,955
28-Apr-12	47.94	32,867	1,575,644
30-Apr-12	45.94	6,969	320,156
2-May-12	44.15	2,846	125,651
3-May-12	43.70	5,929	259,097
4-May-12	42.47	8,766	372,292
7-May-12	41.84	8,999	376,518
8-May-12	43.95	16,781	737,525
9-May-12	45.62	58,676	2,676,799
10-May-12	46.01	89,771	4,130,364
11-May-12	46.26	44,386	2,053,296
14-May-12	47.04	94,789	4,458,875
15-May-12	48.04	13,404	643,928
16-May-12	49.33	67,686	3,338,950
17-May-12	51.21	27,583	1,412,525
18-May-12	49.59	15,402	763,785
21-May-12	48.38	4,144	200,487
22-May-12	46.94	16,764	786,902
23-May-12	46.93	12,554	589,159
Total		**49,56,644**	**22,29,02,998**

Source: www.nseindia.com

Based on the above data, the VWAMP {Total Value / Total Traded Quantity} for last 60 trading days is Rs. 44.97/-.

6.1.8. Mr. R.K Jain, Chartered Accountant and the statutory auditor of the Acquirer, Membership No.035669, having its office at 1B/1, Nalanda, Evershine Nagar, Malad (West), Mumbai - 400 064; Tel No: +91 22 2882 0251, Fax: +91 22 6671 9492, email: jainraaj2003@yahoo.com, vide certificate number RKJ/KTL/CERT/06/12-13 dated May 24, 2012, has certified that the minimum price per equity share computed as per Regulation 8(2) of SEBI (SAST) Regulations, 2011 is Rs.54 (Rupees Fifty Four Only) per fully paid-up Equity Share of the Target Company.

6.1.9. 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.

6.1.10. 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, 2011. 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.

6.1.11. 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, the Acquirer 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 another open offer under the SEBI (SAST) Regulations, 2011, 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

6.1.12. There has been no revision in the Offer Price or the Offer Size as on the date of this draft LOF. 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, in accordance with Regulation 18(5) of the SEBI (SAST) Regulations, shall (i) make corresponding increases to the Escrow Amount, as more particularly set out in Paragraph 6 of this draft Letter of Offer, (ii) make a public announcement in the same newspapers in which the DPS has been published and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

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

6.2. **Financial Arrangement**

6.2.1. The total financial resources required for this Offer, assuming full acceptance of this Offer, would be Rs. 125,11,67,850 (Rupees One Hundred Twenty Five Crore Eleven Lakh Sixty Seven Thousand Eight Hundred Fifty Only) i.e. consideration payable for acquisition of 2,31,69,775 Equity Shares at the Offer Price of Rs. 54 (Rupees Fifty Four Only) per fully paid-up equity share of the Target Company ("**Offer Consideration**").

6.2.2. The Acquirer 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.

6.2.3. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account ("**Escrow Account**") in the form of fixed deposit of Rs. 31,30,00,000/- (Rupees Thirty One Crore Thirty Lakh Only), being more than 25% of the Offer Consideration ("**Escrow Amount**"), 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.

6.2.4. 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 prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

6.2.5. Mr. Raj Kumar Jain, Chartered Accountant and the statutory auditor of the Acquirer, Membership No.035669, having its office at 1B/1, Nalanda, Evershine Nagar, Malad (West), Mumbai – 400 064 vide certificate number RKJ/KTL/NW/CERT/05/12-13 dated May 23, 2012 has certified that the

Acquirer has made firm financial arrangements and adequate financial resources are available with the Acquirer to enable it to fulfill its obligations under this Offer.

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

7. TERMS AND CONDITIONS OF THE OFFER

7.1. **Operational terms and conditions**

7.1.1. This Offer is not subject to any minimum level of acceptances from Public Shareholders.

7.1.2. The LoF will be dispatched to all the Public Shareholders of WIL, whose names appear in its Register of Members on Monday, July 2, 2012, the Identified Date.

7.1.3. The Offer is subject to the terms and conditions set out in this draft Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.

7.1.4. The Offer to the extent relevant to acquisition of the Equity Shares from NRIs and OCBs, is subject to the statutory and regulatory approval and clearance from RBI that may be required by NRIs and OCBs. For further details see paragraph 7.4 of this draft Letter of Offer.

7.1.5. Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7.1.6. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

7.1.7. The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.

7.1.8. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.

7.1.9. Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

7.1.10. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.

7.2. There are no locked-in shares in the Target Company.

7.3. **Persons eligible to participate in the Offer**

7.3.1. Registered Public Shareholders of WIL and unregistered Public Shareholders who own the Equity Shares any time prior to the Closure of Offer, including the beneficial owners of the Equity Shares held in dematerialised form, except the Promoters Group, shall be eligible to participate in the Offer.

7.4. **Statutory and other Approvals:**

7.4.1. Public Shareholders of the Target Company who are either NRIs or 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 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 Public Shareholders in Offer.

7.4.2. To the best of the knowledge and belief of the Acquirer and/or the PAC, as on the date of this draft LoF, 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.

7.4.3. The Acquirer and/or the PAC, in terms of Regulation 23 of SEBI (SAST) Regulations, 2011, 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 two (2) working days of such withdrawal in the same newspapers in which the DPS was published.

7.4.4. 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 agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Further, if delay occurs on account of willful default by the Acquirer/the PAC in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1. All the Public Shareholders, registered or unregistered, of the Target Company, except for the Promoters, owning Equity Shares any time before the Closure of the Tendering Period, are eligible to participate in the Offer.

8.2. The Public Shareholders who wish to avail of and accept the Offer should deliver the documents mentioned below so as to reach the Registrar to the Offer at the collection centers address mentioned in paragraph 8.10 before 5 P.M. on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012. The Public Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialized Equity Shares, the Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Special Depository Account, on or before the end of business hours on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012. The Form of Acceptance of dematerialized Equity Shares, not received by the Registrar to the Offer, on or before 5 P.M. on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012 is liable to be rejected.

8.3. Documents to be delivered by the Public Shareholders:

8.3.1. For Equity Shares held in Dematerialized Mode:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP;

b) Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP for transferring the Equity Shares in favour of the Special Depository Account. The details of the Special Depository Account are as follows:

DP Name	Ventura Securities Limited
DP ID	IN303116
Beneficiary Account Number / Client ID	10994487
Account Name	LIIPL WELSPUN INDIA OPEN OFFER ESCROW DEMAT ACCOUNT
ISIN	INE192B01023
Depository	National Securities Depository Limited
Mode of Instruction	Off-Market

Please note the following:

i. For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.
ii. Public Shareholders having their beneficiary account with 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.
iii. The Registrar to the Offer shall not accept those acceptances, for which corresponding Equity Shares have not been credited to the Special Depository Account. However, the Equity Shares that are credited to the Special Depository Account but the corresponding Form of Acceptance has not been received by the Registrar to the Offer as on the date of Closure of Tendering will be treated as tendered in the Offer.

8.3.2. For Equity Shares held in physical mode by registered Public Shareholders

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the Public Shareholders. In case of Equity Shares held in joint names, names of the Public Shareholders should be filled up in the same order in which the holders hold the Equity Shares. This order can neither be changed nor can any new name be added for the purpose of accepting the Offer;
b) Original equity share certificate(s);
c) Valid equity share transfer deed(s) duly signed by the transferor (by all the Public Shareholders in case the Equity Shares are held in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s); and
d) Cancelled cheque of the sole/first shareholder's bank account, duly signed, having his/her name and a valid 9 digit MICR code (not starting with "000") printed on it.

8.3.3. For Equity Shares held in physical mode by persons not registered as Public Shareholders:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
b) Original equity share certificate(s);
c) Valid equity share transfer deeds as obtained from the market, wherein the name of the transferee has not been filled in, duly signed by the transferor (by all the Public Shareholders in case the Equity Shares are held in joint names);
d) Original contract note issued by a registered share broker of a recognized stock exchange through whom the Equity Shares being tendered were acquired;
e) In case the equity share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with or receipt by the Target Company/its transfer agents, of the equity share certificate(s) and the transfer deed(s); and
f) Cancelled cheque of the sole/first Public Shareholder's bank account, duly signed, having his/her name and a valid 9 digit MICR code (not starting with "000") printed on it.

8.4. No indemnity is required from persons not registered as Public Shareholders.

8.5. Public Shareholders who have sent their physical Equity Shares for dematerialization may participate in the Offer by submitting the Form of Acceptance along with a copy of the dematerialization request form duly acknowledged by the DP. Such Public Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time so that the credit of the Equity Shares in the Special Depository Account is received on or before end of business hours on the date of Closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012, else the application will be rejected.

8.6. In case of non-receipt of the Letter of Offer, the Public Shareholders may also (a) download this draft Letter of Offer from the SEBI website (www.sebi.gov.in), or (b) obtain a copy of this draft Letter of Offer by writing to the Registrar to the Offer or the Manager to the Offer superscripting the envelope "WELSPUN INDIA – 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.

Alternatively such Public Shareholders may participate in the Offer as follows:

8.6.1. In case of Equity Shares held in dematerialized mode, by sending their consent in writing on plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer on or before 5 P.M. on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012, stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP identity, beneficiary account number together with a photocopy or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP for transferring the Equity Shares in favour of the Special Depository Account.

8.6.2. In case of Equity Shares held in physical mode by registered Public Shareholders, by sending their consent in writing on a plain paper to the Registrar to the Offer, stating 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 transfer deed(s) duly signed (as specified in paragraph 9.3, as applicable, above), either by hand delivery or by registered post or by speed post, such that these are received by the Registrar to the Offer on or before 5 P.M. on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012.

8.6.3. In case of Equity Shares held in physical mode by unregistered Public Shareholders, by sending their consent in writing on plain paper to the Registrar to the Offer, 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 a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired, and the original Equity Share certificate(s) and transfer deed(s) duly signed (as specified in paragraph 9.3, as applicable, above), either by hand delivery or by registered post or by speed post, such that these are received by the Registrar to the Offer on or before 5 P.M. on the date of closure of the Tendering Period of the Open Offer i.e. Friday, July 27, 2012.

8.7. Applications in respect of Equity Shares that are subject matter of litigation wherein the Public Shareholders may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if the directions/orders (in favour of the Public Shareholders) regarding these Equity Shares are not received together with the Equity Shares tendered in the Open Offer.

8.8. All the Public Shareholders should provide all relevant documents which are necessary to determine transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

8.8.1. Duly attested death certificate(s) of deceased Public Shareholder(s) and succession certificate, in case all/sole Public Shareholder(s) has/have expired.

8.8.2. Duly attested power of attorney, in favour of the authorized signatory, if any person apart from the Public Shareholders has signed the acceptance form or transfer deed(s).

8.8.3. No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

8.8.4. In case of companies, the necessary certified corporate authorisations along with certified copy of the constitutional documents (including board of directors and/or general meeting resolutions).

8.9. While tendering Equity Shares under the Open Offer, non-resident Public Shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring the Equity Shares. In case the previous approvals from the RBI are not submitted, the Acquirer and the PAC reserves the right to reject such Equity Shares tendered.

8.10. The Acquirer will arrange to deduct tax at the rate, as may be applicable to the category of the Public Shareholders under the Income Tax Act, on the entire consideration amount payable to such Public Shareholders. For further details please refer to paragraph 8.18 of this draft Letter of Offer.

8.11. The Form of Acceptance along with all the relevant documents should be submitted at the collection center as per the details provided below

Name and Address of the Collection Centre	Working days and timings	Mode of delivery
M/s Link Intime India Private Limited **Unit: Welspun India – Open Offer** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078 **Contact Person:** Mr. Pravin Kasare **Ph.:** 022 - 2596 7878 **Fax:** 022 - 2596 0329 **Email:** welspunindia.offer@linkintime.co.in	10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)	Regd. Post / Courier / Hand Delivery

NO EQUITY SHARES OR DOCUMENTS SHOULD BE SENT DIRECTLY TO THE ACQUIRER / PAC/TARGET COMPANY/MANAGER TO THE OFFER.

8.12. Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post/speed post, at their own risk and cost, to the Registrar to the Offer at its address C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078.

8.13. The Registrar to the Offer will hold in trust the Equity Share certificates, credit of dematerialized Equity Shares, Form of Acceptance duly filled in and the transfer deed(s) on behalf of the Public Shareholders who have accepted the Offer, till such time as the Acquirer completes the obligations under the Offer.

8.14. 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 Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis, in consultation with the Manager to the Offer.

8.15. The payment of consideration to the Public Shareholders whose Equity Shares have been accepted will be made by the Acquirer by account payee cheques, demand drafts, NEFT, RTGS/direct credit/national electronic clearance service, where applicable net of taxes. It is desirable that Public Shareholders (holding shares in physical mode only) provide bank details in the Form of Acceptance, so that the same can be incorporated in the account payee cheques/demand drafts/pay order. In case of Equity Shares held in dematerialized mode, bank particulars will be taken from the data provided by the depositories and therefore it is advisable that the Public Shareholders get their latest bank account details updated with their respective DP before tendering their Equity Shares in the Offer.

8.16. The unaccepted equity share certificates, transfer deeds and other documents, if any, would be returned by registered / speed post at the Public Shareholders' sole risk. Equity Shares, to the extent unaccepted, held in dematerialized mode will be credited back to the respective Public Shareholders' depository account with the respective depository participant as per details furnished in the Form of Acceptance.

8.17. Subject to the statutory approvals as stated in paragraph 7.4 above, the Acquirer and the PAC intends to complete all formalities, including the payment of consideration within a period of ten (10) working days from the Closure of the Tendering Period and for the purpose open a special escrow account as provided under Regulation 21 of the SEBI (SAST) Regulations, 2011. Where the Acquirer is unable to make the payment to the Public Shareholders who have accepted the Open Offer before the said period due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

8.18. **Compliance with Tax requirements**:

8.18.1. General:

a) As per the provisions of Section 195(1) of the Income Tax Act, read with part II of the First Schedule to the Finance Act, 2012, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer is required to deduct taxes at source (including surcharge and education cess).

b) In case of non-receipt of statutory / regulatory approvals, if any, within time, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to Public Shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under Regulation 22(12) of the SEBI (SAST) Regulations.

c) As per the provisions of Section 194A and 195 of the Income Tax Act, read with part II of the First Schedule to the Finance Act, 2012, a body corporate responsible for paying to residents and non – residents (including FII) any income by way of interest is required to deduct tax at source (including, in the case of non – residents, surcharge and education cess as applicable). Since the interest payable to the Public Shareholders on being directed by SEBI under Regulation 22(12) of the SEBI (SAST) Regulations will be chargeable to income tax under the Income Tax Act, the Acquirer, under Section 194A and 195 of the Income Tax Act, will be required to deduct tax at source (including, in the case of non – residents, surcharge and education cess as applicable) on such interest income.

d) In view of provisions of section 206AA of Income Tax Act, resident and non-resident shareholders (including FIIs) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.

e) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Public Shareholder is a non-resident shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Public Shareholder.

f) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

g) Any shareholder claiming benefit under any Double Taxation Avoidance Agreement between India and any other foreign country should furnish Tax Residence Certificate ("**TRC**") provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident.

8.18.2. **Tax to be Deducted in Case of Non-resident Shareholders (other than FII)**

a) All non-resident Public Shareholders, who desire that no tax should be deducted at source or tax should be deducted at lower rate or on lesser amount, shall be required to submit certificate from the Income-tax Authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance indicating the extent to which the tax is required to be deducted at source by the Acquirer/ before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such certificate. In absence of certificate u/s. 195 (3) or u/s. 197, para (b) and (c) below will apply

b) Except in the case falling under para (c) below, the Acquirer will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act, on the entire gross consideration and interest if any, payable to such Public Shareholder.

The Acquirer will not take into consideration any other details and documents (including self certified computation of tax liability or the computation of tax liability certified by any tax professional like Chartered Accountant etc) submitted by the Public Shareholder for deducting lower amount of tax at source.

c) In case of an individual non-resident Public Shareholder, who is either a Citizen of India or a person of Indian Origin, who has himself/ herself acquired Equity Shares with convertible foreign exchange and has also held such Equity Shares for at least 12 months prior to the date on which the Equity Shares, if any, are accepted under the Offer, the applicable rate of tax deduction at source would be 10.30% on entire gross consideration.

d) However, to be eligible for this lower rate of tax deduction at source, the Public Shareholder will have to furnish a copy of his/ her demat account clearly reflecting the fact that Equity Shares held in that account are in repatriable mode. Further, copy of the demat account should also reflect that the Equity Shares were held for more than 12 months prior to the date on which the Equity Shares, if any, are accepted under the Offer.

e) In case of Equity Shares being held in physical mode, the Public Shareholder will have to furnish certificate from his/ her bank to the effect that the purchase consideration of these Equity Shares was paid out of non-resident external account of the Public Shareholder concerned.

8.18.3. **Withholding tax implications for FII**

a) As per provisions of section 196D(2) of the Income Tax Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the Income Tax Act to a FII as defined in Section 115AD of the Income Tax Act.

b) A FII should certify ("**FII Certificate**") the nature of its income arising from the sale of Equity Shares as per the Income Tax Act (whether capital gains or otherwise) by tick marking on the appropriate option provided in the Form of Acceptance for this purpose.

In the absence of FII Certificate to the effect that their income from sale of Equity Shares is in the nature of capital gains, the Acquirer will deduct tax at the maximum rate applicable to the category to which such FII belongs (i.e. a company or a trust) on the entire consideration payable to such FII.

In any case, if the FII submits a certificate under Section 195(3) or Section 197 of the Income Tax Act from the Income-tax authorities while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the same.

c) In respect of interest income, if the FII submits a certificate under Section 195(3) or Section 197 from the Income Tax Authorities indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the certificate under Section 195(3) or Section 197 so submitted. In absence of such certificate under Section 195(3) or Section 197 of the Income Tax Act, the Acquirer will arrange to deduct tax at the rate applicable to the category to which such FII belongs (i.e. a company or a trust).

8.18.4. **Tax to be deducted in case of resident Shareholders**

a) In absence of any specific provision under the Income Tax Act, the Acquirer will not deduct tax on the consideration payable to resident Public Shareholders for acquisition of Equity Shares.

b) The Acquirer will deduct the tax at the stipulated rates on interest, if any, payable to resident Public Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand Only).

c) The resident Public Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance a certificate under Section 197 of the Income Tax Act from the Income Tax Authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Public Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Public Shareholder furnishes PAN in such declaration. In case the aforesaid certificate under Section 197 of the Income Tax Act or Form 15G or 15H, if applicable, is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Public Shareholder under the Income Tax Act.

d) No tax is to be deducted on interest amount in the case of resident Public Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank/ an entity specified under

Section 194A(3)(iii) of the Income Tax Act if it submits a copy of the relevant registration or notification along with the Form of Acceptance.

8.18.5. **Issue of withholding tax certificate**

a) The Acquirer/ will issue a certificate in the prescribed form to the Public Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

8.18.6. **Withholding taxes in respect of overseas jurisdictions**

a) Apart from the above, the Acquirer will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes ("**Overseas tax**").

b) For this purpose, the non-resident Public Shareholder shall duly represent in the Form of Acceptance the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident, and the Acquirer will be entitled to rely on this representation at their/its sole discretion.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Ashford Centre, 7th Floor, Shankarrao Naram Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the Closure of the Offer:

9.1. Certificate of Incorporation, Memorandum & Articles of Association of Krishiraj Trading Limited (Acquirer).

9.2. Certificate of Incorporation, Memorandum & Articles of Association of Welspun Mercantile Limited (PAC).

9.3. Certificate dated May 23, 2012 issued by Raj Kumar Jain, Membership no. 035669, Proprietor, Chartered Accountants, having its office at 1B/1, Nalanda, Evershine Nagar, Malad (West), Mumbai - 400 064, Tel No. 022-2882 0251, certifying the adequacy of financial resources with the Acquirer to fulfill its part of Offer obligations.

9.4. Audited Annual Reports of WIL for the years ended March 31, 2009, March 31, 2010 and March 31, 2011 and Limited Review for the year ended March 31, 2012.

9.5. Audited Annual Reports of Acquirer for the years ended March 31, 2010, March 31, 2011 and March 31, 2012.

9.6. Audited Annual Reports of PAC for the years ended March 31, 2010, March 31, 2011 and March 31, 2012.

9.7. Certificate from Yes Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 2011.

9.8. Certificate from Raj Kumar Jain with regard to Offer Price under Regulation 8(2) of SEBI (SAST) Regulation 2011

9.9. Copy of the Purchase Order which triggered the Offer, dated May 24, 2012.

9.10. Copy of Public Announcement, Published copy of the Detailed Public Statement, which appeared in the Newspapers on May 31, 2012, Issue Opening PA and any corrigendum to these.

9.11. A copy of the recommendation made by the Independent Directors of WIL.

9.12. A copy of the comments letter from SEBI, as may be received.

9.13. Copy of agreement between the Acquirer and the PAC and the Registrar.

9.14. Copy of the agreement into with Depository Participant for opening a special depository account for the purpose of the Offer

10. DECLARATION BY THE ACQUIRER AND PAC

10.1. The Acquirer and the PAC will be responsible for the information contained in this Letter of Offer.

10.2. Each of the Acquirer and the PAC shall be severally and jointly responsible for ensuring fulfillment of their obligations under the SEBI (SAST) Regulations, 2011.

For and on behalf of **Krishiraj Trading Limited**

Devendra Patil
Director
Place: Mumbai
Date: June 7, 2012

For and on behalf of **Welspun Mercantile Limited**

Mohan Manikkan
Director
Place: Mumbai
Date: June 7, 2012

11. ENCLOSURES

11.1. Form of Acceptance

11.2. Blank Share Transfer Deed(s)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)		
OFFER OPENS ON	**:**	**JULY 16, 2012, MONDAY**
OFFER CLOSES ON	**:**	**JULY 27, 2012, FRIDAY**
Please read the Instructions overleaf before filling-in this Form of Acceptance		

FOR OFFICE USE ONLY	
Acceptance Number	
Number of equity shares Offered	
Number of equity shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

From
Name : ______________________________
Address: ____

____

Tel. No.: Fax No.: E-mail:

To
M/s. Krishiraj Trading Limited
C/o Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup West,
Mumbai - 400 078

Dear
Sir/s,

REG.: OPEN OFFER TO THE PUBLIC SHAREHOLDERS OF M/S WELSPUN INDIA LIMITED (WIL) BY M/S KRISHIRAJ TRADING LIMITED (ACQUIRER) ALONG WITH WELSPUN MERCANTILE LIMITED (PAC) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

I / we, refer to the Letter of Offer dated ________________________ for acquiring the Equity Shares held by me / us in **M/s Welspun India Limited.**

I / we, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I / We, unconditionally Offer to sell to the Acquirer and/or the PAC the following Equity Shares in WIL held by me/ us at a price of Rs. 54/- (Rupees Fifty Four Only) per fully paid-up equity share.

For Equity Shares held in physical form

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our Equity Shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No………………………………Number of share certificates attached……………….. **Representing ………………………… Equity Shares**			
Number of equity shares held in WIL		**Number of Equity Shares Offered**	
In figures	**In words**	**In figures**	**In words**

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of Equity Shares**
		From	**To**	
1.				
2.				
3.				
Total No. of Equity Shares				

For Equity Shares held in Demat form:

2. I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant in respect of my shares as detailed below:

DP Name	**DP ID**	**Client ID**	**Beneficiary Name**	**No. of Equity Shares**

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	10994487
Depository	National Securities Depository Limited ("NSDL")
Account Name	LIIPL Welspun India Open Offer Escrow Demat Account

3. I / We confirm that the Equity Shares of WIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.

4. I / We authorize the Acquirer and/or the PAC to accept the Equity Shares so offered or such lesser number of equity shares that the Acquirer and/or the PAC may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the

Acquirer and/or the PAC to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer and/or the PAC to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

5. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer and/or the PAC, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer and/or the PAC acquiring these Equity Shares. I / We agree that the Acquirer and/or the PAC may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

6. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer and/or the PAC makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the Public Shareholders, as the case may be.

7. I/We note and understand that the Equity Shares would held in trust by the Registrar until the time the Acquirer and/or the PAC makes payment of purchase consideration as mentioned in the Letter of Offer.

8. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said Equity Shares.

9. I / We irrevocably authorise the Acquirer and/or the PAC to send by Registered / Speed Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with WIL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with WIL):

--

Place: ---------------------------------- Date: ----------------------------

Tel. No(s). : -------------------------- Fax No.: ------------------------

So as to avoid fraudulent encashment in transit, the shareholder(s) have an option to receive the sale consideration through RTGS/NECS mode and requested to kindly provide following information compulsorily in order to received payment through RTGS/NECS

Bank Account No.: --------------------------------- Type of Account: ----------------------

(Savings /Current /Other (please specify))

Name of the Bank: ---

Name of the Branch and Address: --

MICR Code of Bank------------------------------------- IFCS Code of Bank---

The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN.			

Yours faithfully,
Signed and Delivered:

	FULL NAME(S) OF THE HOLDERS	SIGNATURE(S)
First/sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: *In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.*

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2. The Form of Acceptance should be filled-up in English only.

3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

4. **Mode of tendering the Equity Shares Pursuant to the Offer:**

   I. The acceptance of the Offer made by the Acquirer and/or the PAC is entirely at the discretion of the equity shareholder of WIL.

   II. Public Shareholders of WIL to whom this Offer is being made, are free to Offer his / her / their shareholding in WIL for sale to the Acquirer and/or the PAC, in whole or part, while tendering his / her / their Equity Shares in the Offer.

For all shareholders*

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident

☐ Non-resident. If yes, please state country of tax residency - ___________

I / We, confirm that our status is:

☐ Individual

☐ Firm

☐ Company

☐ Association of Person / Body of Individual

☐ Trust

☐ Any other - please specify ____________________

I/We confirm that the Equity Shares of WIL which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents

I/We note and understand that the Shares would lie in the said A/c. i.e. LIIPL-Welspun India Open Offer Escrow Demat Account" until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer;

I/We confirm that in case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us; and

I/We further authorize the Acquirer to return to me/us, the Equity Share Certificate(s) in respect of which the offer is not found valid / not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorize the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by Registered Post / Speed Post, the draft/cheque, in settlement of the amount to the sole/first at the address mentioned above.

For FII shareholders

I/We, confirm that the income arising from the transfer of shares tendered by me/us is in the nature of *(select whichever is applicable)*

☐ Capital gains ☐ Any other income

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card

☐ SEBI registration certificate for FII (including sub – account of FII)

☐ Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the FII claims to be a tax resident, wherever applicable

☐ Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable

For Non-resident shareholders (other than FII)

I / We, have enclosed the following documents:

- [ ] Self attested copy of PAN card
- [ ] Copy of relevant pages of Demat Account in case of Non – Resident (other than FII) if the shares are claimed to have been held for more then twelve prior to the date of acceptance, if any, of share under open offer.
- [ ] Copy of relevant pages of Demat Account in case of a shareholder claiming benefit of clause 1.17.2 c) above. Also Banker's Certificate related to payment for acquisition of shares in convertible foreign exchange in case shares are held in physical form.
- [ ] Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder claims to be a tax resident, wherever applicable
- [ ] Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable

ACKNOWLEDGEMENT SLIP

SHARES IN PHYSICAL FORM

OPEN OFFER TO THE PUBLIC SHAREHOLDERS OF M/S WELSPUN INDIA LIMITED (WIL) BY M/S KRISHIRAJ TRADING LIMITED (ACQUIRER) ALONG WITH WELSPUN MERCANTILE LIMITED (PAC) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Received from Mr. / Ms……………………..…………………….……………………..................

Ledger Folio No/ -----------------Number of certificates enclosed..……………. under the Letter of Offer dated _________________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
1.				
2.				
3.				
Total No. of Equity Shares				

Authorised Signatory
Date

Stamp

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

LINK INTIME INDIA PRIVATE LIMITED
Unit: Welspun India – Open Offer
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai - 400 078
Contact Person: Mr. Pravin Kasare
Ph.: +91-22-25967878 **Fax:** +91-22-25960329
Email: welspunindia.offer@linkintime.co.in
SEBI Regn. No.: INR000004058

ACKNOWLEDGEMENT SLIP

SHARES IN DEMATERIALISED FORM

OPEN OFFER TO THE PUBLIC SHAREHOLDERS OF M/S WELSPUN INDIA LIMITED (WIL) BY M/S KRISHIRAJ TRADING LIMITED (ACQUIRER) ALONG WITH WELSPUN MERCANTILE LIMITED (PAC) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Received from Mr. / Ms. ……………………..…………………………………………………................

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity Shares

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	10994487
Depository	National Securities Depository Limited (“NSDL”)
Account Name	LIIPL Welspun India Open Offer Escrow Demat Account

Authorised Signatory Stamp
Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

LINK INTIME INDIA PRIVATE LIMITED
Unit: Welspun India – Open Offer
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai - 400 078
Contact Person: Mr. Pravin Kasare
Tel No. : +91-22-25967878 **Fax:** +91-22-25960329
Email: welspunindia.offer@linkintime.co.in
SEBI Regn. No.: INR000004058