PUBLIC ANNOUNCEMENT ("PA") FOR THE ATTENTION OF SHAREHOLDERS OF

WELSPUN INDIA LIMITED

Registered Office: Welspun City,Village Versamedi, Taluka Anjar, Kutch Dist 370110, Gujarat, India
Telephone No: +91 2836 6613 6000; Fax No. +91 2836 24908020; Email id: CompanySecretary_WIL@welspun.com

OPEN OFFER FOR ACQUISITION OF 2,31,69,775 (TWO CRORE THIRTY ONE LAKH SIXTY NINE THOUSAND SEVEN HUNDRED SEVENTY FIVE ONLY) EQUITY SHARES OF WELSPUN INDIA LIMITED ("WIL"/ "TARGET COMPANY") FROM THE PUBLIC EQUITY SHAREHOLDERS OF THE TARGET COMPANY {*OTHER THAN PROMOTER AND PROMOTER GROUP OF THE TARGET COMPANY*} BY KRISHIRAJ TRADING LTD. ("ACQUIRER"), ALONG WITH WELSPUN MERCANTILE LIMITED AS PERSON ACTING IN CONCERT ("PAC").

Definitions:

For the purposes of this PA, the following terms would have the meaning assigned to them below:

a) "**Current Voting Share Capital**" means total equity shares of the Target Company carrying voting rights as on the date preceding the date of this PA.

b) "**Expanded Share Capital**" means the total equity shares of the Target Company carrying voting rights, as on the 10th working day from the closure of the tendering period under this Offer. For the purpose of this definition, the total equity shares of the target company carrying voting rights as of 10th working day from the closure of the tendering period 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 employee stock options ("**ESOPs**"), during the offer period contemplated as of the date of this PA.

c) "**Promoters**" means promoter and promoter group of the Target Company, including the Acquirer and the PAC. The list of Individuals/Bodies Corporate, forming part of the Promoters as per clause 35 of the listing agreement, 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 jointly with Deepali Goenka
12	B K Goenka
13	Deepali B Goenka
14	Rajesh R Mandawewala

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1. **Offer Details**

1.1 **Offer Size**: The Acquirer and the PAC hereby make this open offer ("**Offer**") to the public equity shareholders (other than Promoters) of the Target Company to acquire 2,31,69,775 fully paid-up equity shares of the face value of Rs. 10 (Rupees Ten Only) each of the Target Company ("**Equity Shares**"), representing 26% of the Expanded Share Capital of the Target Company ("**Offer Size,** subject to the terms and conditions mentioned in this PA, the Detailed Public Statement that will be published ("**DPS**") and the Letter of Offer ("**LoF**") that will be sent to the public equity shareholders (other than Promoters) of the Target Company in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("**SEBI (SAST) Regulations**").

1.2 **Offer Price and consideration**: The offer price of **Rs. 54/- (Rupees Fifty Four Only)** per fully paid up equity share is calculated in accordance with Regulation 8(2) of SEBI (SAST) Regulations ("**Offer Price**"). Assuming full acceptance, the total consideration payable by the Acquirer and the PAC will be **Rs. 125,11,67,850 (Rupees One Hundred Twenty Five Crore Eleven Lakh Sixty Seven Thousand Eight Hundred Fifty Only).**

1.3 **Mode of payment**: The Offer Price is payable in **cash** in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations.

1.4 **Type of Offer (Triggered, ~~Voluntary/competitive, etc~~)**: The Acquirer and the PAC belong to the Promoters category of the Target Company within the meaning of Regulation 2(1)(s) and Regulation 2(1)(t) of SEBI (SAST) Regulations.

As on the date preceding the date of this PA, the Promoters, holds 4,21,84,341 Equity Shares representing 47.37% of the Current Voting Share Capital.

As on the date preceding the date of this PA, the Acquirer and the PAC, holds 1,68,39,404 Equity Shares representing 18.91% of the Current Voting Share Capital.

On May 24, 2012, the Acquirer, proposes to place a purchase order with Prime Broking Company (India) Limited to acquire upto **50,00,000 (Fifty Lakh Only)** fully paid up Equity Shares representing upto **5.61%** of the Current Voting Share Capital of the Target Company, at a price not exceeding Rs.54/- (Rupees Fifty Four Only) per equity share of the Target Company.

Pursuant to the abovementioned purchase order for acquisition of Equity Shares of more than 5% of the Current Voting Share Capital in one financial year by the Acquirer in the Target Company, this

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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. Transaction which has triggered the open offer obligations (Underlying Transaction)

Details of underlying transaction						
Type of Transaction (direct/ ~~indirect~~)	**Mode of Transaction (~~Agreement/ Allotment/~~ Market Purchase)**	**Shares ~~/ Voting rights acquired~~/ proposed to be acquired**		**Total Consideration for shares /Voting Rights (VR) proposed to be acquired (Rs. in Crore)**	**Mode of payment (Cash/ ~~securities~~)**	**Regulation which has triggered**
		Number	**% vis a vis total Equity / voting capital**			
Direct	Market Purchase through purchase order	Upto 50,00,000	5.61% of the Current Voting Share Capital	Upto Rs. 27 Crore	Cash	Regulation 3 (2) of SEBI (SAST) Regulations

3. Acquirer(s) / PAC

Details	Acquirer 1	PAC1	Total
Name of Acquirer(s) / PAC(s)	Krishiraj Trading Limited	Welspun Mercantile Limited	-
Address	Survey No. 76, Village Morai, Vapi, Gujarat – 396 191	Welspun City, Village Versamedi, Taluka Anjar, Gujarat – 370 110	-
Name(s) of persons in control /promoters of acquirers/ PACs where Acquirers/ PAC are companies	Mrs. Dipali Goenka holding 4,400 equity shares representing 88.0% of the voting share capital of the	Mrs. Dipali Goenka holds 8,000 equity shares, representing 49.86% of the voting share capital of the PAC. In addition, Mrs.	-

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	Acquirer.	Dipali Goenka is acting as a guardian of Ms. Vanshika Goenka, who holds 4,019 shares representing 25.05% of the voting share capital of the PAC	
Name of the Group, if any, to which the Acquirer/PAC belongs to	Welspun Group	Welspun Group	-
Pre Transaction shareholding • Number • % of total share capital	• 72,78,845 Equity Shares • 8.17% of the Current Voting Share Capital	• 95,60,559 Equity Shares • 10.74% of the Current Voting Share Capital	• 1,68,39,404 Equity Shares • 18.91% of the Current Voting Share Capital
Proposed shareholding after the acquisition of shares which triggered the Open Offer	• 12,278,845 Equity Shares • 13.79% of the Current Voting Share Capital	• 95,60,559 Equity Shares • 10.74% of the Current Voting Share Capital	• 2,18,39,404 Equity Shares* • 24.52% of the Current Voting Share Capital*
Any other interest in the TC	Mrs. Dipali Goenka, the person in control of Krishiraj Trading Limited, holds the office of place of profit under Section 314 of the Companies Act, 1956 in the Target Company	Mr. R. R. Mandawewala, Director, Welspun Mercantile Limited holds the position of Managing Director in the Target Company.	

Notes:
* Proposed total shareholding of the Acquirer & PAC, post the acquisition which triggered the Offer, shall be 2,18,39,404 Equity Shares representing 24.51% Expanded Share Capital.

4. **Details of selling shareholders:** Not Applicable

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5. **Target Company**

5.1 **Name**: Welspun India Limited.

5.2 **Registered Office**: Welspun City,Village Versamedi, Taluka Anjar, Kutch, Dist 370110, Gujarat, India.

5.3 **Exchanges where listed with the scrip code**: The Equity Shares of the Target Company are listed on Bombay Stock Exchange Limited (Scrip Code: 514162) and National Stock Exchange of India Limited (Scrip Code: WELSPUNIND).

6. **Other details**

6.1 This is to inform to all the shareholders of the Target Company that the details of the Offer would be published shortly in the newspapers in terms of the provisions of Regulation 14 (3) of SEBI (SAST) Regulations, vide a DPS by May 31, 2012.

6.2 The Acquirer has adequate financial resources and has made firm financial arrangements for financing the acquisition of Equity Shares under the Offer, in terms of Regulation 25(1) of SEBI (SAST) Regulations.

6.3 The Offer is not conditional upon any minimum level of acceptance in terms of regulation 19(1) of the SEBI (SAST) Regulations, 2011.

6.4 The Acquirer and the PAC 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 12 (Twelve) 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.

6.5 The Acquirer and the PAC undertake that they are aware of and will comply with the obligations under the SEBI (SAST) Regulations, 2011.

6.6 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, Welspun Global Brands Limited ("**WGBL**") and Welspun Retail Limited ("**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 would be transferred to WRL. Consequently, WGBL shall be dissolved without winding up and the name of WRL would 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.

6.7 This is not a Competitive Bid.

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6.8 The Capital Structure build-up to arrive at Offer Size is as under,

Particulars	No of Shares
Total number of Equity Shares of the Target Company 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 as on 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 as on March 31, 2011, but unexercised (**C**)	60,250
Expanded Share Capital (A+B+C)	89,114,519
Note: ESOP s vested as on March 31, 2011, as per annual report for the year ended: 102,250; equivalent Equity Shares to these ESOPs: 102,250 Equity Shares	

Issued by Manager to the Offer,

PRIME

Prime Securities Limited
SEBI Registration Number: INM000000750

On behalf of Krishiraj Trading Limited and Welspun Mercantile Limited

Place: Mumbai

Date: May 24, 2012