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

WELSPUN SYNTEX LIMITED

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

OPEN OFFER FOR ACQUISITION OF UP TO 1,02,02,288 (ONE CRORE TWO LAKH TWO THOUSAND TWO HUNDRED EIGHTY EIGHT ONLY) EQUITY SHARES OF WELSPUN SYNTEX LIMITED ("WSL"/ "TARGET COMPANY") FROM THE PUBLIC EQUITY SHAREHOLDERS OF THE TARGET COMPANY BY KRISHIRAJ TRADING LIMITED ("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) "**Equity Shares**" means fully paid-up equity shares of the Target Company of the face value of Rs.10/- (Rupees Ten Only) each.

b) "**Current Equity Share Capital**" means total equity shares of the Target Company as on the date preceding the date of this PA.

c) "**Post Conversion Equity Share Capital**" means the total equity shares of the Target Company post conversion of 1,60,00,000, 6% Optionally Convertible Cumulative Preference Shares ("**OCCPS**") into 1,55,94,541 Equity Shares.

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

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

** As a percent of Current Equity Share Capital*

e) "**Public Shareholders**" means the equity shareholder(s) of the Target Company other than the Promoters

1. **Offer Details**

1.1 **Offer Size**: The Acquirer and the PAC hereby make this open offer ("**Offer**") to the Public Shareholders to acquire up to 1,02,02,288 Equity Shares, representing 26% of the Post Conversion Equity Share Capital of the Target Company as of 10th working day from the closure of the tendering period under this Offer ("**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 Shareholders 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. 13.00**/- (**Rupees Thirteen 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. 13,26,29,744 (Rupees Thirteen Crore Twenty Six Lakh Twenty Nine Thousand Seven Hundred Forty Four 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, hold 98,13,181 Equity Shares representing 41.50% of the Current Equity Share Capital. As on the date preceding the date of this PA, the Acquirer and the PAC, together hold 53,38,652 Equity Shares representing 22.58% of the Current Equity Share Capital.

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

The OCCPS were allotted to the Acquirer on October 29, 2012. Of these allotted OCCPS, the Acquirer transferred 8,10,000 OCCPS to the PAC on December 6, 2012. On December 7, 2012, the Acquirer and the PAC have exercised the option to convert the 1,60,00,000 OCCPS into 1,55,94,541 (One Crore Fifty Five Lakh Ninety Four Thousand Five Hundred Forty One Only) Equity Shares representing up to 39.74% of the Post Conversion Equity Share Capital, at a price of Rs.10.26/- (Rupees Ten and Twenty Six Paise Only) per equity share of the Target Company.

The abovementioned conversion of OCCPS into Equity Shares by the Acquirer and the PAC together with the purchases made during the financial year, will result in acquisition of more than 5% voting rights of the Target Company in one financial year, and hence 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. 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.)**	**Mode of payment (Cash/ ~~securities~~)**	**Regulation which has triggered**
		Number	**% vis a vis total Equity / voting capital**			
Direct	Conversion of 1,60,00,000 OCCPS	1,55,94,541	39.74% of the Post Conversion Equity Share Capital	Not applicable since it is pursuant to the conversion of existing OCCPS	Not applicable	Regulation 3 (2) of SEBI (SAST) Regulations

3. Acquirer(s) / PAC

Details	Acquirer	PAC	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 88.00% of the voting share capital of the Acquirer, is person in control of the Acquirer. In	Mrs. Dipali Goenka holding 8,000 equity shares, representing 49.86% of the voting share capital of the PAC, is person in control of PAC. In addition, Mrs. Dipali	-

	addition, Mrs. Dipali Goenka is acting as a guardian of Ms. Vanshika Goenka, who holds 25 shares representing 0.05% of the voting share capital of the Acquirer	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	• 47,20,595 Equity Shares • 19.96% of the Current Equity Share Capital	• 6,18,057 Equity Shares • 2.61% of the Current Equity Share Capital	• 53,38,652 Equity Shares • 22.58% of the Current Equity Share Capital
Proposed shareholding after the acquisition of shares which triggered the Open Offer	• 1,95,25,663 Equity Shares • 49.76% of the Post Conversion Equity Share Capital	• 14,07,530 Equity Shares • 3.59% of the Post Conversion Equity Share Capital	• 2,09,33,193 Equity Shares • 53.35% of the Post Conversion Equity Share Capital
Any other interest in the TC	Raj Kumar Jain, Statutory Auditor of the Acquirer, holds the position of Independent Director in the Target Company	Rajesh Mandawewala, Director, Welspun Mercantile Limited holds the position of Director in the Target Company. Also, Raj Kumar Jain, Statutory Auditor of the PAC, holds the position of Independent Director in the Target Company	

4. **Details of selling shareholders:** Not Applicable
5. **Target Company**
   - 5.1 **Name**: Welspun Syntex Limited.
   - 5.2 **Registered Office**: Survey No 394 (P), Village Saily, Silvasa, Union Territory of Dadra & Nagar Haveli - 396230.
   - 5.3 **Exchanges where listed with the scrip code**: The Equity Shares are listed on only on BSE Limited (Scrip Code: 508933).

6. Other details

6.1 The PA is made in compliance with Regulation 13(2)(b) of the SEBI (SAST) Regulations.

6.2 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 December 14, 2012.

6.3 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.

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

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 This is not a Competitive Bid.

6.7 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 December 6, 2012 (**A**)	2,36,45,027
Equity Shares pursuant to conversion of OCCPS (**B**)	1,55,94,541
Post Conversion Equity Share Capital (A+B)	**3,92,39,568**

Issued by Manager to the Offer,

PRIME

Prime Securities Limited
SEBI Registration Number: INM000000750

On behalf of Krishiraj Trading Limited and Welspun Mercantile Limited

Sd/-
Place: Mumbai
Date: December 7, 2012