

**NOTICE**

NOTICE is hereby given that the following Special Resolutions are circulated herewith for approval of the Members of the Company to be accorded by Postal Ballot in accordance with the provisions of section 192-A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

1) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee dated September 27, 2010 given by the Company to YES Bank Limited to secure repayment of credit facilities of Rs. 40 Crore being availed by Welspun Global Brands Limited (“Guarantee”) and a resolution of the Board of Directors passed on August 3, 2010 authorizing, inter alia, issue of the Guarantee be and is hereby confirmed.”

2) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee dated January 6, 2011, which was replaced by guarantee dated March 2, 2011, given by the Company to ICICI Bank Limited to secure repayment of credit facilities of Rs. 300 Crore being availed by Welspun Captive Power Generation Limited (the “Loan Amount”) to the extent of 30% of the Loan Amount i.e. upto Rs. 90 Crore (“Guarantee”) and a resolution of the Board of Directors passed on October 29, 2010 authorizing, inter alia, issue of the Guarantee be and is hereby confirmed.”

3) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee dated December 16, 2010 given by the Company to State Bank of Bikaner and Jaipur to secure repayment of working capital facilities of Rs. 65.4 Crore being availed by Welspun Global Brands Limited (“Guarantee”) and a resolution of the Board of Directors passed on October 29, 2010 authorizing, inter alia, issue of the Guarantee as well as further guarantees as may be issued to secure repayment of working capital facilities of an amounts upto Rs. 301.40 Crore, as may be availed by Welspun Global Brands Limited, be and is hereby confirmed.”

4) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee dated December 6, 2010 given by the Company to Bank of Baroda, New York Branch, USA (“Bank”) for the benefit of Welspun USA, Inc., USA (“WUSA”) to secure a credit facility of US\$ 20 million enhanced by US\$ 2 million from existing facility of US\$ 18 million availed by WUSA from the Bank and further proposed guarantee(s) as may be given by the Company to the Bank for the benefit of WUSA to secure further credit facility(ies) of amounts aggregating to US\$ 10 million increasing total amount of secured existing facility availed by WUSA from US\$ 20 million to US\$ 30 million (“Guarantees”) and a resolution of the Board of Directors passed on October 29, 2010 authorising, inter alia, issue of the Guarantees be and is hereby confirmed.”

5) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee(s) as may be issued by the Company to Bank of Baroda, UK to secure repayment of working capital facilities of GBP 4.25 million being availed by CHT Holdings Limited, UK (“Guarantee”) and a resolution of the Board of Directors passed on October 29, 2010 authorizing, inter alia, issue of the Guarantee be and is hereby confirmed.”

6) TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and pursuant to the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, a resolution of the Board of Directors passed on February 14, 2011, superseding its earlier board resolution passed on October 29, 2010 in this regard, authorizing, inter alia, issue of corporate guarantee to any bank, financial institution, any entity whether incorporated or not, or any other person (“Beneficiaries”) or to any nominee, security trustee or such other person or entity authorised by the Beneficiaries to secure the working capital facilities of an aggregate amount of Rs. 353 Crore availed or to be availed by Welspun Global Brands Limited from the Beneficiaries be and is hereby confirmed.”

By Order of the Board

Place : Mumbai

Date : May 30, 2011

Shashikant Thorat

Company Secretary

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 1**

The Honourable High Court of Gujarat, Ahmedabad passed an order dated May 8, 2009 sanctioning a scheme of arrangement pursuant to which the erstwhile Marketing Division of the Company stood transferred to Welspun Global Brands Limited with effect from June 12, 2009. In order to secure interest of the secured creditors of the Company and that of creditors of Welspun Global Brands Limited, the Company and Welspun Global Brands Limited agreed to provide guarantees to each other's secured creditors. Welspun Global Brands Limited has availed a credit facility of Rs. 40 Crore ("Loan") from YES Bank Limited ("Bank") and the Company has given a corporate guarantee to the Bank to secure repayment of the Loan.

The Guarantee mentioned above exceeds the limits specified under Section 372A of the Companies Act, 1956. As per the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee in excess of the limit prescribed under section 372A requires approval of the Shareholders by passing a resolution by way of Postal Ballot. Therefore, resolution at item No. 1 is proposed as a Special Resolutions for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 2

The Company, along with its group companies viz. Welspun Corp Limited, Welspun Steel Limited ("Group Companies") have manufacturing facilities at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat. There is a significant demand and supply gap in the market for power in the western region of India and the country as a whole and to meet the power requirement of the Group Companies. It was commercially viable to build a new captive power plant instead of drawing power from Gujarat State Electricity Board as in addition to other benefits, it would facilitate un-interrupted power supply to the Group Companies and it would prove to be cost effective to the Group Companies. Accordingly, Welspun India Limited, Welspun Corp Limited and Welspun Steel Limited promoted a company viz. Welspun Captive Power Generation Limited ("WCPGL") to set up a power plant in Anjar. WCPGL has availed a loan of Rs. 300 Crore ("Loan") from ICICI Bank Limited ("Bank"). The Company has agreed to provide a guarantee upto 30% of the Loan. Accordingly the Company has provided a guarantee of Rs. 90 Crore to the Bank.

The guarantee mentioned above exceeds the limits specified under Section 372A of the Companies Act, 1956. As per the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, guarantee in excess of the limit prescribed under section 372A requires approval of the Shareholders by passing a resolution by way of Postal Ballot. Therefore, resolution at item No. 2 is proposed as a Special Resolution for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 3

The Honourable High Court of Gujarat, Ahmedabad passed an order dated May 8, 2009 sanctioning a scheme of arrangement pursuant to which the erstwhile Marketing Division of the Company stood transferred to Welspun Global Brands Limited with effect from June 12, 2009. In order to secure interest of the secured creditors of the Company and that of creditors of Welspun Global Brands Limited, the Company and Welspun Global Brands Limited agreed to provide guarantees to each other's secured creditors. Welspun Global Brands Limited has availed a credit facility of Rs. 65.4 Crore ("Facility") from State Bank of Bikaner and Jaipur ("Bank") and the Company has given a corporate guarantee to the Bank to secure repayment of the Facility and has further authorised issuance of guarantee to secure aggregate working capital facilities of Rs. 301.40 Crore (including the Facility) as may be availed by Welspun Global Brands Limited.

The Guarantee mentioned above exceeds the limits specified under Section 372A of the Companies Act, 1956. As per the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee in excess of the limit prescribed under section 372A requires approval of the Shareholders by passing a resolution by way of Postal Ballot. Therefore, resolution at item No. 3 is proposed as a Special Resolutions for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 4

The Honourable High Court of Gujarat, Ahmedabad passed an order dated May 8, 2009 sanctioning a scheme of arrangement pursuant to which the erstwhile Marketing Division of the Company stood transferred to Welspun Global Brands Limited with effect from June 12, 2009. Welspun USA, Inc., USA ("WUSA"), the then trading arm of the Company in the USA was a part of the erstwhile Marketing Division. Performance of the Company is influenced by performance of Welspun Global Brands Limited. It was considered in the interest of the Company to support the operations of WUSA. Accordingly the Company has acquired 184,210 shares of Welspun USA, Inc. and guaranteed its obligations to Bank of Baroda, New York, USA ("Bank") for amounts given in item no. 4. WUSA had already availed credit facilities of US\$ 18 mn from the Bank and has now availed additional facilities of US\$ 2 mn from the Bank increasing the total amounts of facilities to US\$ 20 mn. WUSA further proposes to increase the total amounts of facilities to US\$ 30 mn. The resolution at item no. 4 confirms a resolution of the Board of Directors authorising guarantee to secure repayment of facilities of US\$ 30 mn availed / as may be availed by WUSA from the Bank.

As per the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee in excess of the limit prescribed under section 372A requires approval of the Shareholders by passing a resolution by way of



Postal Ballot. Therefore, resolution at item No. 4 is proposed as a Special Resolutions for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 5

The Honourable High Court of Gujarat, Ahmedabad passed an order dated May 8, 2009 sanctioning a scheme of arrangement pursuant to which the erstwhile Marketing Division of the Company stood transferred to Welspun Global Brands Limited with effect from June 12, 2009. CHT Holdings Limited, UK, a parent company of Christy Group, UK was a part of the erstwhile Marketing Division. Performance of the Company is influenced by performance of Welspun Global Brands Limited. It was considered in the interest of the Company to support the operations of CHT Holdings Limited. Accordingly the Board has passed a resolution authorising guarantee to secure obligations of CHT Holdings Limited to Bank of Baroda, UK for amounts given in item no.5.

As per the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, guarantee in excess of the limit prescribed under section 372A requires approval of the Shareholders by passing a resolution by way of Postal Ballot. Therefore, resolution at item No. 5 is proposed as a Special Resolutions for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 6

The Honourable High Court of Gujarat, Ahmedabad passed an order dated May 8, 2009 sanctioning a scheme of arrangement pursuant to which the erstwhile Marketing Division of the Company stood transferred to Welspun Global Brands Limited with effect from June 12, 2009. In order to secure interest of the secured creditors of the Company and that of creditors of Welspun Global Brands Limited, the Company and Welspun Global Brands Limited agreed to provide guarantees to each other's secured creditors. Welspun Global Brands Limited proposes to increase aggregate working capital facilities to Rs. 353 Crore.

The Board of Directors passed a resolution on February 14, 2011 authorising issuance of guarantee to secure aggregate working capital facilities of Rs. 353 Crore as may be availed by Welspun Global Brands Limited. This resolution of the Board superseded its earlier board resolution passed on October 29, 2010, which is referred to in item no.3.

The amounts of guarantees as may be issued pursuant to the Board resolution mentioned above exceeds the limits specified under Section 372A of the Companies Act, 1956. As per the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, a board resolution authorising guarantee in excess of the limit prescribed under section 372A requires

approval of the Shareholders by passing a resolution by way of Postal Ballot. Therefore, resolution at item No. 6 is proposed as a Special Resolution for your approval by way of Postal Ballot.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

NOTES:

- 1) The Company has appointed Mr. Sanjay Risbud, Proprietor, M/s. S. S. Risbud & Co., Company Secretaries as the Scrutinizer for the purpose of Postal Ballot exercise.
- 2) A member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. The envelopes containing the postal ballot should reach the Company not later than the close of working hours on Saturday, July 30, 2011.
- 3) The result of the Postal Ballot shall be announced by the Chairman on Monday, August 1, 2011 at 4 p.m. at the Corporate Office of the Company and the resolutions shall be taken as passed effective from the date of announcement of the result, if the results of the Postal Ballot indicate that the requisite majority of the shareholders had assented to the resolutions. Members who wish to be present at the time of declaration of result may do so at the said venue.

By Order of the Board

Place : Mumbai

Date : May 30, 2011

Shashikant Thorat

Company Secretary

**CALENDAR OF EVENTS**

Sr.	Particulars	Date of event
1	Date of approval of the Board of directors for seeking approval of the shareholders under section 372A of the Companies Act, 1956 confirming resolutions passed by the Board of Directors giving guarantees.	May 30, 2011
2	Date on which consent given by the scrutinizer to act as scrutinizer.	May 30, 2011
3	Date of appointment of scrutinizer.	May 30, 2011
4	Date of Board resolution authorizing two functional directors to be responsible for the entire poll process.	May 30, 2011
5	Date of completion of dispatch of notice along with Postal Ballot Form.	June 30, 2011
6	Filing of intimation of the board resolution and event of calendar for conducting postal ballot to the stock exchange.	July 1, 2011
7	Filing of intimation of the board resolution and event of calendar for conducting postal ballot to the Registrar of Companies.	July 1, 2011
8	Publication of notice in news-paper for postal ballot process and appointment of scrutinizer and compliance officer.	July 2, 2011
9	Last date for receiving Postal Ballot papers by scrutinizer.	July 30, 2011
10	Date of submission of report on the postal ballot by the scrutinizer	August 1, 2011
11	Date of returning the Ballot papers, register required to be maintained by the scrutinizer under rule 6(e) of the Companies (passing of Resolutions by Postal Ballot) Rules, 2001 and other related papers to the Chairman by the Scrutinizer.	August 1, 2010
12	Date of signing of the minutes book by the Chairman in which the results of postal ballot is recorded.	August 1, 2011
13	Date of publication of results of Postal Ballot in newspaper	August 3, 2011



POSTAL BALLOT FORM

Serial No. _____

1. Name(s) of Shareholder(s) _____
(including joint holders, if any)
2. Registered address of the sole /first
Named shareholder _____

3. Registered Folio No. / (DPID No. / Client ID No. _____
applicable to investors holding shares in
dematerialized form)
4. No. of shares held _____
5. I/We hereby exercise my / our vote in respect of the Special Resolutions to be passed through Postal Ballot for the businesses stated in the Notice of the Company by sending my/our assent or dissent to the said resolutions by placing the tick [✓] mark at the appropriate box below :

Item No.	Description	No. of Shares	Assent / Dissent	Please place [✓] mark below
1.	Special Resolution, as given at item no. 1 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board dated August 3, 2010 ("Board Resolution") authorising issue of guarantee of Rs. 40 Crore, in favour of YES Bank Limited ("Bank") to secure credit facilities availed / to be availed by Welspun Global Brands Limited from the Bank and guarantee of Rs. 40 Crore in favour of the Bank issued pursuant to the Board Resolution, which are in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	
2.	Special Resolution, as given at item no. 2 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board of Directors dated October 29, 2010 ("Board Resolution") authorising issue of guarantee of Rs. 90 Crore in favour of ICICI Bank Limited ("Bank") to secure credit facilities of Rs. 90 Crore availed/to be availed by Welspun Captive Power Generation Limited and guarantee of Rs. 90 Crore, in favour of the Bank issued pursuant to the Board Resolution, which are in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	
3.	Special Resolution, as given at item no. 3 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board of Directors dated October 29, 2010 ("Board Resolution") authorising guarantees to secure repayment of working capital facilities of amounts upto Rs. 301.40 Crore availed/to be availed by Welspun Global Brands Limited and guarantee of Rs. 65.40 Crore given in favour of State Bank of Bikaner and Jaipur under the Board Resolution and further guarantees as may be given pursuant to the Board Resolution, which are in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	



Item No.	Description	No. of Shares	Assent / Dissent	Please place [✓] Shares mark below
4.	Special Resolution, as given at item no. 4 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board of Directors dated October 29, 2010 ("Board Resolution") authorising guarantee(s), in favour of Bank of Baroda, New York, USA ("Bank") to secure additional credit facilities of US\$ 12 mn availed / as may be availed by Welspun USA, Inc., USA, ("WUSA") and the guarantee in favour of the Bank to secure additional credit facilities of US\$ 2 mn availed by WUSA already issued pursuant to the Board Resolution, which are in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	
5.	Special Resolution, as given at item no. 5 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board of Directors dated October 29, 2010 authorising guarantee(s), as may be given to secure repayment of working capital facilities of GBP 4.25 million availed/to be availed by CHT Holdings Limited, UK, in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	
6.	Special Resolution, as given at item no. 5 of the Postal Ballot Notice, under Section 372A of the Companies Act, 1956 confirming resolution of the Board of Directors dated February 14, 2011 authorising guarantee(s), as may be given to secure repayment of working capital facilities of Rs. 353 Crore availed/to be availed by Welspun Global Brands Limited, in excess of limits specified under the section.		I/We assent to the resolution	
			I/We dissent to the resolution	

(Signature of Shareholder)

NOTE: Please read carefully the instructions printed below before exercising the vote.
Instructions:

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed [as per specimen signature registered with the company] by the first named shareholder and in his absence, by the next named shareholder. In case of Corporate Shareholders, this form should be signed by an authorized signatory, whose signature is already registered with the Company.
4. Unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on Saturday, July 30, 2011. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
6. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders on the date of dispatch of the notice.
7. Postal Ballot Form signed in the representative capacity must be accompanied by the requisite certified true copy of Power of Attorney / Resolution of Board of Directors. If the same is / are already registered with the Company, please quote the Registration No. beneath the signature.