WELSPUN
Dare to Commit

WELSPUN INDIA LIMITED

Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110

Recommendation of the Committee of Independent Directors (IDC) on the Open offer to Equity Shareholders of Welspun India Limited (Target Company/ TC) by Krishiraj Trading Limited (Acquirer) along with Welspun Mercantile Limited (Person acting in Concert/PAC) for acquisition of up to 2,33,35,525 (Two Crore Thirty Three Lakh Thirty Five Thousand Five Hundred Twenty Five) equity shares under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

1.	Date	July 16, 2012
2.	Name of the Target Company (TC)	Welspun India Limited
3.	Details of the Offer pertaining to TC	Open Offer is being made by Krishiraj Trading Limited ("Acquirer") and Welspun Mercantile Limited ("PAC") to equity shareholders of the TC for acquiring up to 2,33,35,525 equity shares of the face value of Rs. 10/- of the TC at a price of Rs. 54/- (Rupees Fifty Four Only) per equity share payable in cash in terms of Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
4.	Name of the Acquirer and PAC with the Acquirer	Acquirer is Krishiraj Trading Limited, a constituent of Welspun Group and the Person acting in concert (PAC) with Acquirer is Welspun Mercantile Limited, also, a constituent of Welspun Group
5.	Name of the Manager to the Open Offer	Prime Securities Limited SEBI Regn. No.: INM000000750
6.	Members of the Independent Directors Committee (IDC)	1) Mr. D B Engineer: Chairman 2) Mr. A. K. Dasgupta: Member 3) Mr. Ram Gopal Sharma: Member
7.	IDC member's relationship with the TC (Director, Equity shares owned, any other contract/ relationship), if any	1) Mr. D B Engineer is a Director and holds 989 equity share of TC 2) Mr. A. K. Dasgupta is a Director and holds 875 equity share of TC 3) Mr. Ram Gopal Sharma is a Director and holds 633 equity share of TC
8.	Trading in the Equity shares/other securities of the TC by IDC members	The IDC Members have not done any trading in equity shares of the TC during the last six months.
9.	IDC Member's relationship with the Acquirer/PAC (Director, Equity shares owned, any other contract / relationship), if any	None of the IDC members is director in Acquirer and PAC or hold any equity shares of Acquirer and PAC nor have any relationship with the Acquirer and PAC.
10.	Trading in the Equity shares/other securities of the Acquirer/PAC by IDC members	Shares of Acquirer / PAC are not listed on any of the stock exchanges in India or abroad. None of the IDC members have done any trading / dealt in equity shares of the Acquirer and PAC since their appointment.
11.	Recommendation to the Open Offer, as to whether the Offer is fair and reasonable	IDC is of the considered view that the Open Offer price is fair and reasonable
12.	Summary of reasons for recommendation	The Committee considered the following factors: • The fair value of the equity share of the TC considered for the Scheme of Arrangement, inter alia, for merger of Welspun Global Brands Limited with the TC approved by its Board of Directors at its meeting held on May 07, 2012 was determined at Rs. 38.60 per share. • At industry Price/Earning (P/E) multiple of 3.87 *(source: www.moneycontrol.com)* as on July 12, 2012, the value of the share works out to Rs. 52.83 (at EPS of Rs. 13.65 for financial year 2012) whereas the offer price is Rs. 54 per share. • The average market price of monthly high and low closing prices during the 12 (twelve) calendar months prior to the Public Announcement by the Acquirer and the PAC made on May 24, 2012, has always been below Rs. 54 per share. In view of the above, the IDC is of the view that the Open Offer price may be considered fair and reasonable.
13.	Details of Independent Advisors, if any.	NIL
14.	Any other matter to be highlighted	NIL

To the best of our knowledge and belief, and after making proper enquiry, and considering the information contained in and/or accompanying this statement, the statement in all material respect, is true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For **Welspun India Limited**

Place: Mumbai
Date: July 16, 2012

Sd/-
D B Engineer
Chairman-IDC

Sd/-
Ram Gopal Sharma
Member-IDC