

**POSTAL BALLOT NOTICE**

**Pursuant to Section 110 of the Companies Act, 2013 read with the Companies  
(Management and Administration) Rules, 2014**

Dear Member(s),

Notice is hereby given pursuant to Section 108 and 110 of the Companies Act, 2013 (the “**Act**”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and other applicable provisions if any, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), that the resolutions appended below are proposed to be passed by the members through Postal Ballot/Electronic voting (e-voting). The Explanatory Statement pertaining to the resolutions setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration. Member(s) desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the notes under the section “Voting through electronic means”. In the event the draft resolutions as set out in the notice are assented to by the requisite majority by means of Postal Ballot or e-voting (whichever method the members opts for), they shall be deemed to have been passed as special businesses at an Extra-Ordinary General Meeting.

**SPECIAL BUSINESS:**

**1. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to Article 4A of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) (the “**Act**”), the Companies (Share Capital and Debentures) Rules, 2014 (as amended) (the “**Share Capital Rules**”) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) (the “**Buyback Regulations**”), and subject to such approvals, permissions and sanctions as may be required and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which shall include any Committee constituted/ to be constituted by the Board of Directors of the Company to exercise powers conferred by this resolution, including the Buyback Committee), consent of the members be and is hereby accorded to the Board for buyback of not exceeding 4,35,10,133 (Four Crore Thirty Five Lakh Ten Thousand One Hundred Thirty Three Only) fully paid up equity shares (representing 25% of the total paid-up equity share capital of the Company as on March 31, 2016) of the face value of Rs. 10/- (Rupees Ten Only) each (hereinafter referred to as the “**Equity Shares**” or “**Shares**”) at a price of Rs. 62/- (Rupees Sixty Two Only) per equity share payable in cash (“**Buyback Price**”) for an aggregate amount upto Rs. 269,76,28,246/- (Rupees Two Hundred and Sixty Nine Crore Seventy Six Lakh Twenty Eight Thousand Two Hundred and Forty Six Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. (“**Buyback Size**”), which is less than 25% of the aggregate of Paid-up Share Capital and Free Reserves (including Securities Premium Account) of the Company as per the latest audited balance sheet of the Company for the financial year ended March 31, 2016, out of the Free Reserves and/or the Securities Premium Account of the Company or such other source as may be permitted by the Buyback Regulations or the Act, from the members of the Company, as on record date to be determined by the Board (hereinafter referred to as the “**the Record Date**”), on a proportionate basis through “Tender Offer” route as prescribed under the Buyback Regulations (the “**Buyback**”).”

“**RESOLVED FURTHER THAT** the Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/ POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/ DCR2/ CIR/ P/ 2016/131 dated December 09, 2016 or such other mechanism as may be applicable.”

“**RESOLVED FURTHER THAT** the Company may buyback Shares from the existing members of the Company as on the Record Date, on a proportionate basis, provided that 15% of the number of Shares under the Buyback or the number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for small shareholders as prescribed under Regulation 6 of the Buyback Regulations.”

“**RESOLVED FURTHER THAT** the Buyback of Shares from the non-resident members of the Company, including Overseas Corporate Bodies, Foreign Institutional Investors, members of foreign nationality, etc., shall be subject to such approvals, if and to the extent necessary or required, including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby severally authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s) / Key Managerial Personnel/ Officer(s) / Authorised Representative(s) / Committee of the Company (including the Buyback Committee) in order to give effect to the aforesaid resolution, including but not limited to:

- finalizing/modifying the terms of the Buyback, as may be permissible under the law, with regard to the fixation of the Record Date, entitlement ratio, the time frame for completion of the Buyback, etc.;
- the appointment of broker(s), solicitor(s), depository participant(s), escrow agent(s), advertising agency(ies) and other advisor(s)/consultant(s)/intermediary(ies)/agency(ies), as may be required, for the implementation of the Buyback;
- to make all necessary applications to the appropriate authorities for seeking their approvals including but not limited to approvals, as may be required, from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- to initiate all necessary actions for preparation, signing, issuing and filing of the Public Announcement, the draft Letter of Offer, Letter of Offer and all other documents with respect to the Buyback with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities, as may be required;
- to obtain all necessary certificates and reports from the Statutory Auditors and other third parties as may be required under applicable laws;
- to enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the Buyback Regulations and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account as required or desirable in terms of the Buyback Regulations;
- for the extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and

- to provide, finalise, execute and file such other undertakings, agreements, documents and correspondence, in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, depositories or other authorities or third persons from time to time as may be required, desirable or considered expedient for the implementation of the Buyback."

**"RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any member to offer and / or any obligation on the part of the Company or the Board to buyback any Shares, and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects."

**2. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] (collectively the **"Act"**), the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned authority(ies) or bodies and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company [hereinafter called the **"Board"**, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law] to sell the entire investment of the Company i.e. 6,04,93,342 (Six Crore Four Lakh Ninety Three Thousand Three Hundred and Forty Two Only) equity shares representing 15.49%(Fifteen point Four Nine percent) in the paid up equity share capital of Welspun Energy Private Limited (WEPL) for a minimum sale price of Rs. 276 Crore (Rupees Two Hundred and Seventy Six Crore Only) (i.e. Rs. 45.62/- per equity share) receivable immediately on sale plus further sale proceeds receivable in future contingent upon occurrence of certain events."

**"RESOLVED FURTHER THAT** for the purpose of implementation of this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to deciding the time, mode, manner, extent and tranches of the sale and other terms and conditions of the divestment/sale of the shares of WEPL as aforesaid, negotiating and finalizing the terms of sale/offer for sale, executing necessary agreement(s), deed(s), document(s), indemnity(ies), contract(s), declaration(s), undertaking(s), form(s), letter(s), and other papers as may be necessary, desirable and expedient to be agreed, signed and executed and to take all incidental and necessary steps for and on behalf of the Company, and to settle all questions or queries that may arise in the course of implementing this resolution including to seek registration of any such documents, deeds, filing intimations, applying for and on behalf of the Company and seeking necessary consents and approvals."

**"RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/ or by any of its directors and/or officers and/or representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved."

**3. To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (collectively the **"Act"**) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (**"Listing Regulations"**) (including any statutory modification or re-enactment or amendment thereof for the time being in force) and subject to such other approvals, consents, permissions, sanctions of any authorities as may be necessary and subject to such terms and conditions as may be imposed by them, if any, approval of the Members be and is hereby accorded to the Board of Directors of the Company [hereinafter called the **"Board"**, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law] to sell the entire investment of the Company i.e. 6,04,93,342 (Six Crore Four Lakh Ninety Three Thousand Three Hundred and Forty Two Only) equity shares representing 15.49% (Fifteen point Four Nine percent) in the paid up equity share capital of Welspun Energy Private Limited (WEPL) to Welspun Trading Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2 (zb) of the Listing Regulations, for a minimum sale price of Rs. 276 Crore (Rupees Two Hundred and Seventy Six Crore Only) (i.e. Rs. 45.62/- per equity share) receivable immediately on sale plus further sale proceeds receivable in future contingent upon occurrence of certain events."

**"RESOLVED FURTHER THAT** for the purpose of implementation of this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to deciding the time, mode, manner, extent and tranches of the sale and other terms and conditions of the divestment/sale of the shares of WEPL as aforesaid, negotiating and finalizing the terms of sale/offer for sale, executing necessary agreement(s), deed(s), document(s), indemnity(ies), contract(s), declaration(s), undertaking(s), form(s), letter(s), and other papers as may be necessary, desirable and expedient to be agreed, signed and executed and to take all incidental and necessary steps for and on behalf of the Company, and to settle all questions or queries that may arise in the course of implementing this resolution including to seek registration of any such documents, deeds, filing intimations, applying for and on behalf of the Company and seeking necessary consents and approvals."

**"RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/ or by any of its directors and/or officers and/or representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved."

**By Order of the Board**  
Sd/-

**Indu Daryani**  
Company Secretary

**Place: Mumbai**  
**Date: December 23, 2016**

**NOTES:**

- The Notice is being sent under Registered Post Acknowledgement Due/ speed post/ courier service/ through registered email id to all the members, whose names appear in the Register of Members / Record of Depositories as on December 23, 2016.
- The Board of Directors of the Company has appointed Mr. Sanjay Risbud, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process (including e-voting process) in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the members. After completion of his scrutiny, the Scrutinizer will submit his report to the Chairman and in his absence any Director of the Company.
- The resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman and in his absence any Director of the Company, if the result of the Postal Ballot indicates that the requisite majority of the shareholders had assented to the resolutions. The result of the Postal Ballot will be declared on February 01, 2017 at 12.00 noon at the Corporate Office of the Company. After declaration, the result of the Postal Ballot will be published in the newspaper and will also be posted on the Company's website www.welspunenterprises.com, besides communicating the same to the BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

4. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office as also the Corporate Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day excluding Saturday and Sunday till the closure of working hours of January 30, 2017 (last date for receiving Postal Ballot Forms by scrutinizer).
5. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Members are requested to carefully read the instructions as mentioned hereinafter before exercising their vote.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form(s).
7. Kindly note that the members can opt for only one mode of voting i.e., either by post or e-voting. If the members opt for e-voting, then they should not vote by post and vice versa. However, in case members cast their vote by post and e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid.

**Instructions for Voting through electronic means**

- A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open the email and open PDF file viz; "WEL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder – Login.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Welspun Enterprises Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sanjayrisbud@yahoo.com](mailto:sanjayrisbud@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a member receives physical copy of the Notice of postal ballot [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot form.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

In case of any query, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for

Shareholders available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com). In order to address any grievances relating to e-voting, you may write to Mr. Rajiv Ranjan, Assistant Manager, NSDL at the designated email ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [rajivr@nsdl.co.in](mailto:rajivr@nsdl.co.in) or call at the following telephone no. 022 2499 4738/ 1800-222-990.

- (iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (v) The e-voting period commences on January 01, 2017 (9:00 a.m.) and ends on January 30, 2017 (5:00 p.m.). During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of December 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.
- (vi) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of December 23, 2016.
- (vii) The Scrutinizer shall within a period not exceeding two (2) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**Instructions for voting through postal ballot form:**

- (i) A member desirous of exercising his / her vote by Postal Ballot may complete the Postal Ballot Form enclosed with the Notice and send it to the Scrutinizer in the enclosed self-addressed envelope. Postage will be borne and paid by the Company. However, any envelope containing Postal Ballot, if sent by courier at the expense of the Registered Member will also be accepted.
- (ii) Please convey your assent/ dissent in this Postal Ballot Form. The assent or dissent received in any other form or on a photo copy of the Postal Ballot Form shall be considered invalid.
- (iii) The self-addressed postage pre-paid envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
- (iv) This Form must be completed and signed (as per specimen signature registered with the Company) by the member. In case of joint holding, this Form must be completed and signed by the first named member and in his/her absence, by the next named member.
- (v) Unsigned, incomplete or incorrectly ticked Postal Ballot Forms shall be rejected.
- (vi) The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
- (vii) The Postal Ballot shall not be exercised by a proxy.
- (viii) Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on January 30, 2017. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
- (ix) In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of board resolution/ authorization together with the specimen signature(s) of the duly authorized signatories. (It is required only in case the signatories are other than the signatories whose specimen signatures are registered with the Company / R&T viz. – Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078).
- (x) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member on the date of dispatch of the Notice.
- (xi) Members are requested not to send any other paper along with the

Postal Ballot Forms in the enclosed self-addressed Postage Pre-paid Envelope as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

- (xii) There will be one Postal Ballot Form for every Folio / Client ID, irrespective of the number of joint holders.
- (xiii) A member may request a duplicate Form, if so required. However, the duly filled in duplicate Form should reach the Scrutinizer not later than the date specified at item no. (viii) above.
- (xiv) Members are requested to fill in the Postal Ballot Form with indelible ink and not by any erasable writing mode.

**By Order of the Board**  
Sd/-  
**Indu Daryani**  
Company Secretary

**Place: Mumbai**  
**Date: December 23, 2016**

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No: 1. Approval for buyback of equity shares**

Members are informed that the Board of Directors of the Company (the "Board") has, at its meeting held on December 22, 2016, approved the proposal for buyback of its equity shares, the details of which are as contained in the resolution stated at Item No. 1 of the Notice.

As per the applicable provisions of the Companies Act, 2013 (as amended) (the "Act"), the Companies (Share Capital and Debentures) Rules, 2014 (as amended) (the "Share Capital Rules") and the SEBI (Buy Back of Securities) Regulations, 1998 (as amended) (the "Buyback Regulations"), this Explanatory Statement contains relevant and material information to enable the members holding equity shares of the Company to consider and approve the proposed Special Resolution for the Buyback by the Company of its equity shares as under:

**a) Necessity for the Buyback**

- i. The Buyback will help the Company to return surplus cash to its members, holding equity shares and tendering under the Buyback, broadly in proportion to their shareholding, thereby enhancing the overall return to the members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback, without any additional investment.
- v. Optimizes the capital structure.

**b) Method to be adopted for the Buyback:**

The Buyback shall be on a proportionate basis from all the members holding equity shares of the Company through the "Tender Offer" route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Act and the Share Capital Rules to the extent applicable and on such terms and conditions as may be deemed fit by the Company. As required under the Buyback Regulations, the Company will announce a record date (the "Record Date") for determining the names of the members holding equity shares of the

Company who will be eligible to participate in the Buyback. In due course, a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback will be dispatched to each shareholder as on the Record Date.

The equity shares to be bought back as a part of the buyback shall be divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders

As defined in Regulation 2(1)(la) of the Buyback Regulations, a 'small shareholder' means a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognised stock exchange in which highest trading volume in respect of such security, as on record date is not more than Rs. 2,00,000 (Rupees Two Lakh Only).

In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (Fifteen Percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender his shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of equity shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. The maximum tender under the Buyback by any shareholder shall not exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICY CELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.

Detailed instructions for participation in the Buyback as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the members holding equity shares of the Company as on the Record Date.

The Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

**c) Maximum amount required under the Buyback, its percentage of the total paid up share capital and free reserves (including Securities Premium Account) and the sources of funds from which the Buyback would be financed**

The maximum amount required under the Buyback will not exceed Rs. 269,76,28,246/- (Rupees Two Hundred and Sixty Nine Crore Seventy Six Lakh Twenty Eight Thousand Two Hundred and Forty Six Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., representing 20.95% and 21.85% respectively of the aggregate of the Standalone and Consolidated paid-up Share Capital and Free Reserves (including Securities Premium Account) as per the audited accounts of the Company for the financial year ended March 31, 2016, being within the 25% limit of paid-up Share Capital and Free Reserves (including Securities Premium Account) as per the provisions of the Act.

The Buyback would be financed out of Free Reserves and/or the Securities Premium Account of the Company. The Company shall transfer from its Free Reserves and / or Securities Premium Account a

sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

**d) Buyback Price and the basis of arriving at the Buyback Price**

The equity shares of the Company are proposed to be bought back at a price of Rs. 62/- (Rupees Sixty Two Only) per equity share (the "Buyback Price").

The Buyback Price has been arrived at after considering various factors such as the accumulated free reserves (including Securities Premium Account) as well as the cash liquidity reflected in the audited accounts of the Company for the financial year ended March 31, 2016, the prevailing market price of the equity shares of the Company before the announcement of Board Meeting for consideration of Buyback, the networth of the Company and the impact of the Buyback on the key financial ratios of the Company.

The Buyback Offer Price of Rs. 62/- (Rupees Sixty Two Only) per equity share represents a premium of 4.11% and 4.38% over the closing price of the Equity Shares on the BSE Limited ("BSE") and on the National Stock Exchange of India Limited ("NSE") (collectively referred to as the "Stock Exchanges"), respectively, as on December

19, 2016, being the date on which the Company intimated the Stock Exchanges of the date of the meeting of the Board wherein proposal of the Buyback was considered.

**e) Number of shares that the Company proposes to buyback and the time limit for completing the Buyback**

The Company proposes to buyback not exceeding 4,35,10,133 (Four Crore Thirty Five Lakh Ten Thousand One Hundred Thirty Three Only) equity shares of the face value of Rs. 10 each of the Company.

The Buyback is proposed to be completed within one year from the date of passing of the Special Resolution approving the proposed Buyback.

**f) Particulars of the previous Buyback: Nil**

**g) Compliance with Section 68(2)(c) of the Act**

The Buyback is in compliance with the provisions of Section 68(2)(c) of the Act. The amount of equity share capital and free reserves (including Securities Premium) based on the audited financial statements of the Company for the year ended March 31, 2016 is as under:

Particulars	Standalone		Consolidated	
	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)
(A) Paid up equity share capital (174,040,535 equity shares of face value Rs. 10 each)		1,740,405,350		1,740,405,350
(B) Free Reserves:				
Securities Premium	10,611,911,464		10,611,761,464	
General Reserve	32,177,549		32,177,549	
Profit & Loss Account	494,166,307	11,138,255,320	(36,844,855)	10,607,094,158
Total Paid up Capital and Free Reserves (A) + (B)		12,878,660,670		12,347,499,508
<b>Permissible capital payment (25% of the paid up capital and free reserves)</b>		<b>3,219,665,168</b>		<b>3,086,874,877</b>
<b>Buyback Size proposed by Board of Directors (within the permissible capital payment)</b>				<b>269,76,28,246</b>

**h) The aggregate shareholding of the Promoters and of the Directors of the Promoter where Promoter is a Company and of Persons who are in Control of the Company, and of Directors and Key Managerial Personnel of the Company as on the date of this Notice:**

- Shareholding of the promoters and promoter group of the Company:

Sr. No.	Name of Shareholder	No. of Equity Shares held	Percentage of issued Equity Share Capital (on fully diluted basis)
A.	Promoter and promoter group who are in control of the Company (Welspun promoter group):		
1.	Mr. Balkrishan Goenka	84	0.00
2.	Mr. Rajesh Mandawewala	120	0.00
3.	MGN Agro Properties Private Limited	58,175,951	33.38
4.	Welspun Investments and Commercials Limited	3,139,800	1.80
5.	Welspun Zucchi Textiles Limited	60	0.00
	Total (A)	61,316,015	35.18
B.	Foreign co-promoter:		
1.	Intech Metals S.A.	37,80,000	2.17
	Total (B)	37,80,000	2.17
	<b>Total (A) + (B)</b>	<b>65,096,015</b>	<b>37.35</b>

- Shareholding of the Directors of the companies forming part of promoter group:  
Apart from as mentioned above, none of the other Directors of the companies forming part of the promoter group hold any equity share in the Company.

- Shareholding of the Directors or Key Managerial Personnel of the Company:  
Apart from the following, none of the other Directors or Key Managerial Personnel of the Company holds any equity shares in the Company:

Sl. No.	Name of shareholder	Designation	No. of Equity Shares held	Percentage of issued Equity Share Capital
1.	Mr. Balkrishan Goenka	Chairman (Executive)	84	0.00
2.	Mr. Rajesh Mandawewala	Director (Non-Executive)	120	0.00
3.	Mr. Sandeep Garg*	Managing Director	9,60,000	0.55
4.	Mr. Ram Gopal Sharma	Independent Director	1	0.00

\* Equity shares allotted pursuant to the Company's Managing Director ESOP Plan

**i) Aggregate number of equity shares purchased or sold by persons including persons mentioned in (h) above from a period of six months preceding the date of the Board Meeting at which the buyback was approved) till the date of this notice :**

No equity shares of the Company were either purchased or sold by any of the persons mentioned in clause (h) above during the period of six months preceding December 22, 2016, being the date of the board meeting at which the Buyback was approved and the date of this Notice except that:

- Krishiraj Trading Limited, Welspun Mercantile Limited, Welspun Wintex Limited and Welspun Infra Developers Limited (Transferor Companies) got merged into MGN Agro Properties Private Limited (Transferee Company) pursuant to the Court approved scheme of arrangement between Welspun Group Promoter Companies which was made effective from September 27, 2016. As a result, shares held by Transferor Companies in the Company are now vested with the Transferee Company.
- Mr. Sandeep Garg, Managing Director of the Company was allotted 2,40,000 equity shares under the Company's MD ESOP Plan.

**j) Intention of the Promoters and Persons in control of the Company to tender the shares for buyback indicating the number of shares, details of acquisition with dates and price:**

Welspun promoter group have intended NOT to participate in the Buyback.

The foreign co-promoter intends to tender its shares under the Buyback. Maximum number of shares which may be tendered by the foreign co-promoter is 37,80,000 (Thirty Seven Lakh Eighty Thousand Only). The details of date and price of acquisition of the Equity Shares that the foreign co-promoter intends to tender are stated below:

Earlier Intech Metals S.A. ("IMSA") held 90,00,000 (Ninety Lakh Only) equity shares of the face value of Rs. 10/- each in Welspun Corp Limited (WCL) which were allotted for cash at par on 27<sup>th</sup> January, 1997. Later on, with respect to the aforesaid investment, consequent upon demerger of a business undertaking of WCL to a transferee company and subsequent merger of the transferee company into the Company, Intech Metals S.A. got allotted on June 15, 2015 37,80,000 (Thirty Seven Lakh and Eighty Thousand Only) equity shares of Rs. 10/- each fully paid up of the Company which it presently holds and cost of it based on the original cost of acquisition in Indian Rupee terms is Rs. 13.92 per share.

**k) Confirmations from the Company as per the provisions of Buyback Regulations and the Act**

- The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- The Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of subsisting obligations.
- The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to

buyback is made.

- The Company shall not buy back locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.
- The Company confirms that no defaults have been made by Company in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- The Company confirms that as required under Section 68(2)(d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buyback.

**l) Confirmations from the Board of Directors**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- immediately following the date of the Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buyback and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date of the Board Meeting and the date on which the results of the Postal Ballot will be declared; and
- in forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

**m) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment:**

The text of the Report dated December 22, 2016 received from MGB & Co LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Auditor's Report**

To,

The Board of Directors,  
**Welspun Enterprises Limited**  
(Formerly known as Welspun Projects Limited)  
Welspun House, Kamala City,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

Dear Sirs,

**Subject: Report in terms of Clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended)**

- In connection with the proposal of Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) (the "Company") to buy back its shares at Rs. 62/- (Rupees Sixty Two) per Equity share, in pursuance to the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the

"Act"), the Companies (Share Capital and Debenture) Rules, 2014 and subsequent amendments thereof, and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("the Buy Back Regulations"), we have examined the Company's Audited Accounts for the year ended March 31, 2016 and according to the information and explanations given to us and on the basis of verification of relevant records as we considered appropriate, we report that:

- We have enquired into the state of affairs of the Company in relation to the Audited Standalone and the Consolidated Financial Statements for the year ended March 31, 2016;
- The amount of permissible capital payment for the Buy Back of equity shares, as computed in the table below, has been properly determined in our view in accordance with Section 68 (2) of the Act and Regulation 4 (1) of the Buy Back Regulations. The amount of equity share capital and free reserves (including Securities Premium) have been extracted from the audited financial statements of the Company for the year ended March 31, 2016 as under:

Particulars	Standalone		Consolidated	
	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)
(A) Paid up equity share capital (174,040,535 equity shares of face value Rs. 10 each)		1,740,405,350		1,740,405,350
(B) Free Reserves:				
Securities Premium	10,611,911,464		10,611,761,464	
General Reserve	32,177,549		32,177,549	
Profit & Loss Account	494,166,307	11,138,255,320	(36,844,855)	10,607,094,158
Total Paid up Capital and Free Reserves (A) + (B)		12,878,660,670		12,347,499,508
<b>Permissible capital payment (25% of the paid up capital and free reserves)</b>		<b>3,219,665,168</b>		<b>3,086,874,877</b>
<b>Buyback Size proposed by Board of Directors</b>				<b>269,76,28,246</b>

- The Board of Directors at its meeting held on December 22, 2016 have formed their opinion as specified in Clause (x) of Part A of Schedule II of the Buy Back Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting and the date on which the results of the Postal Ballot will be declared.
- We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
  - Compliance with the provisions of the Act and the Buy Back Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy of the above mentioned reporting under paragraph 1 above.
  - For the purpose of this report, we have conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.
  - This report has been prepared and issued to the Company with reference to the proposed Buyback of Equity Shares including disclosing in the Postal Ballot Notice, Public Announcement, Draft Letter of Offer, Letter of Offer and submission to various Regulatory bodies such as SEBI, Stock Exchanges, RBI etc., as required under the Buy Back Regulations and should not be used, referred or distributed for any purpose without our prior written consent.
  - We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Pursuant to the applicable provisions of the Act and the Buyback Regulations, the Board recommends passing of the Special Resolution as set out in Item No. 1 of the accompanying Notice by way of postal ballot/e-voting.

None of the Directors or any Key Managerial Personnel of the Company is, in any way, concerned or interested, either directly or indirectly in passing of the said resolution, save and except to the extent of their respective interest as shareholders of the Company.

Pursuant to the provisions of Regulation 10(4)(c) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the promoter and promoter group (including the foreign co-promoter) have decided NOT to vote on the resolution proposed at Item No. 1 of this Notice.

**Item No. 2 & 3: Sale of Investment in Welspun Energy Private Limited**

Members are informed that the Company currently holds 6,04,93,342 (Six Crore Four Lakh Ninety Three Thousand Three Hundred and Forty Two Only) equity shares of the face value of Rs. 10 each fully paid up in Welspun Energy Private Limited (WEPL) representing 15.49% (Fifteen point Four Nine percent) in the paid up equity share capital of WEPL.

Members are further informed that post sale of its renewable business by WEPL, the Company's 15.49% minority stake in WEPL does not contribute to the consolidated results of the Company. In order to unlock value for the Company, the Board of directors, at its meeting held on December 23, 2016, authorised the monetization of this stake, subject to shareholders' approval.

Members are further informed that as against the Company's investment at cost of Rs. 91.08 crore made during FY 2010-11 to FY 2012-13, the Company's investment in WEPL is proposed to be sold to Welsshop Trading

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sd/-

Sanjay Kothari

Partner

Membership No. 048215

Mumbai, December 22, 2016

Private Limited, a related party within the Welspun promoter group company for a minimum sale price of Rs. 276 Crore (Rupees Two Hundred and Seventy Six Crore Only) (i.e. Rs. 45.62/- per equity share) receivable immediately on sale plus further sale proceeds receivable in future contingent upon occurrence of certain events. The sale proceeds imply more than 3x returns to the Company on its investment.

The sale price is based on the determination of the Fair Value of equity shares of WEPL made by an independent valuer. The Audit Committee and the Board

at their meetings held on December 22, 2016 and December 23, 2016 respectively, have considered the terms and conditions of this transaction and approved the sale of WEPL shares to Welshop Trading Private Limited subject to shareholders' approval.

Information pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, is as under:

Sr. No.	Particulars	Remarks
1.	Name of the Related Party	Welshop Trading Private Limited
2.	Nature of Relationship	A promoter group company controlled by the persons controlling Welspun Enterprises Limited. Mr. Balkrishan Goenka and Mr. Rajesh Mandawewala, Directors of the Company, together with their relatives, through Rank Marketing LLP hold equity interest of 89.90% and 10.10 % respectively in Welshop Trading Private Limited.
3.	Nature, material terms, monetary value and particulars of the contract or arrangement	<ul style="list-style-type: none"> <li>One-time Sale of Investment Contract for sale of entire investment of 15.49% in equity share capital of WEPL at a minimum sale price of Rs. 276 Crore receivable immediately on sale plus further sale proceeds receivable in future contingent upon occurrence of certain events.</li> <li>Price has been derived based on the Valuation certificate obtained from an independent valuer, being SEBI registered Category I Merchant Banker.</li> <li>Welshop Trading Private Limited has agreed to buy out the stake of 47.33% of other unrelated shareholders in WEPL at equivalent consideration.</li> </ul>
4.	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Balkrishan Goenka and Mr. Rajesh Mandawewala
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	None

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking of the Company, except with the consent of the shareholders by way of special resolution. Board has, at its meeting held on December 23, 2016, decided to obtain shareholders' approval for the proposed sale of investment. Promoter group of the Company is entitled to vote on the resolution set at Item No. 2 of this Notice.

Further, shareholders' approval by way of an ordinary resolution is sought for the resolution set at Item No. 3 of this Notice in terms of Section 188 of the Act and relevant rules and Regulation 23 of the Listing Regulations. Welspun Promoter Group, holding 35.18% equity stake in the Company, is not entitled to vote on the resolution proposed under Item No. 3 of this Notice.

The Board therefore, recommends the special resolution and ordinary resolution respectively for the resolutions set out in Item. No 2 and 3 for approval of the members in terms of the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

Except for Mr. Balkrishan Goenka and Mr. Rajesh Mandawewala, none of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives are concerned or interested (financially or otherwise) in the resolution set out in Item No. 2 and 3 of the notice.

Place: Mumbai  
Date: December 23, 2016

By Order of the Board  
Sd/-  
Indu Daryani  
Company Secretary



**WELSPUN ENTERPRISES LIMITED**

(Formerly known as Welspun Projects Limited)

CIN: L45201GJ1994PLC023920

Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370 110

Tel: 00 91 2836 662222 Fax: 00 91 2836 279010

Corporate Office: Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013

Tel: 00 91 22 6613 6000 Fax: 00 91 22 2490 8020

Website: [www.welspunenterprises.com](http://www.welspunenterprises.com) Email: [companysecretary\\_wel@welspun.com](mailto:companysecretary_wel@welspun.com)

**POSTAL BALLOT FORM**

Sr. No.

(1) Name and Registered Address :  
of the Sole/First named  
Member

(2) Names(s) of the Joint Holder(s) :  
(if any)

(3) Registered Folio No./DP ID :  
No. and Client ID No.

(4) Number of Share(s) held :

I/We hereby exercise my / our vote in respect of the 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	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Special Resolution authorising Buyback of the equity shares by the Company			
2.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for sale of entire investment of the Company in the equity share capital of Welspun Energy Private Limited			
3.	Ordinary Resolution under Section 188 of the Companies Act, 2013 for sale of entire investment of the Company in the equity share capital of Welspun Energy Private Limited to Welshop Trading Private Limited, a Related Party.			

Place:

Date:

(Signature of Shareholder)

EVEN (E-voting event number)	User ID	Password / PIN

**Note:** Please read the instructions for voting before exercising the vote.