

WIL/SEC/2019

July 31, 2019

To,  
**National Stock Exchange of India Limited**  
 Exchange Plaza, Bandra Kurla Complex,  
 Bandra (E), Mumbai - 400 051  
 (Symbol: WELSPUNIND)

Kind Attention: Announcement Team

Ref: Your email dated July 26, 2019

Dear Sirs, Madam,

**Clarification on acquisition of company in Myanmar**

This is in response to your captioned email requiring information with reference to the Company's announcement submitted to the Exchange dated June 26, 2019, regarding Disclosure under Regulation 30 read with Schedule III of SEBI Obligations and Disclosure Requirements) Regulations, 2015.

As mentioned in earlier disclosure Welspun India Limited (the "Company") has entered into joint venture with Sense Organics Import & Trading GmbH, Germany ("SOIT") and has acquired 51% of the share capital, at, par, of Pure Sense Organics Myanmar Limited ("PSOML"), a company incorporated under the Myanmar Companies Act, 2018.

Give below is point wise reply clarifying on points mentioned in your captioned email

<p>1. Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;</p>	<p>The Company has right to nominate two directors and SOIT has right to nominate one director on the Board of PSOML. Accordingly, the Company has nominated two of its official on the Board of PSOML.</p> <p>There is no potential conflict of interest which may arise out of this joint venture agreement.</p>
<p>2. In case of issuance of shares to the parties, details of issue price, class of shares issued;</p>	<p>SOIT was already holding 250 equity shares of PSOML. PSOML issued 261 equity shares to the Company. PSOML has issued these shares at face value of US\$ 100 per share.</p>

**Welspun India Limited**

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 E-mail : companysecretary\_wil@welspun.com Website : www.welspunindia.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.  
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Works: Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat 396 191, India.  
 T : +91 260 2437437 F : +91 260 22437088

Corporate Identity Number: L17110GJ1985PLC033271



<p>3. Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;</p>	<p>i. The Company has right to appoint majority of directors on the Board of Directors of PSOML. Chairman of the Board of Directors of PSOML will be nominated by the Company.</p> <p>ii. The Company has right to nominate auditing firm as auditors of PSOML.</p> <p>iii. Constitution of PSOML shall be modified to include rights of the shareholders.</p> <p>iv. In case SOIT proposes to sell its shareholding in PSOML, the Company shall have first right of refusal to purchase shares held by SOIT. Further, SOIT shall not be entitled to transfer its shareholding in PSOML to any director or indirect competitor of PSOML.</p>						
<p>4. Shareholding, if any, in the entity with whom the agreement is executed;</p>	<p>Shareholding pattern of PSOML is as given below:</p> <table border="1" data-bbox="639 987 1358 1111"> <thead> <tr> <th>Shareholder</th> <th>%age of shareholding</th> </tr> </thead> <tbody> <tr> <td>Welspun India Limited</td> <td>51%</td> </tr> <tr> <td>SOIT</td> <td>49%</td> </tr> </tbody> </table>	Shareholder	%age of shareholding	Welspun India Limited	51%	SOIT	49%
Shareholder	%age of shareholding						
Welspun India Limited	51%						
SOIT	49%						
<p>5. Purpose of entering into the agreement;</p>	<p>The purpose of the project is to build sustainable sourcing for the Company's business.</p>						
<p>6. Brief background about the entity acquired in terms of</p> <p>i. products/line of business acquired,</p> <p>ii. date of incorporation,</p> <p>iii. history of last 3 years turnover,</p> <p>iv. country in which the acquired entity has presence and</p> <p>v. any other significant information (in brief).</p>	<p>Brief background of PSOML</p> <p>i. Building capabilities in sustainable sourcing for textile industry.</p> <p>ii. Date of Incorporation : January 24, 2018</p> <p>iii. PSOML did not have any turnover since the date of its incorporation. It's a special purpose vehicle.</p> <p>iv. PSOML is functioning in Myanmar. It has no presence in any other countries.</p> <p>v. None</p>						
<p>7. Percentage of shareholding / control acquired and / or number of shares</p>	<p>The Company has acquired 51% shareholding of PSOML and is holding 261 equity shares of PSOML out of total of 511 equity shares issued by PSOML.</p>						

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acquired;	
8. Nature of consideration - whether cash consideration or share swap and details of the same;	Consideration for acquisition of equity shares has been paid in cash.
9. Cost of acquisition or the price at which the shares are acquired;	PSOML has issued shares at par at US\$ 100 per share being its face value.
10. Indicative time period for completion of the acquisition;	The Company has already acquired 51% of equity share capital as referred to above. The Company intends to invest amounts upto US\$ 140,000 during the year 2019.
11. Brief details of any governmental or regulatory approvals required for the acquisition;	The Company has complied with applicable provisions of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004. No approvals are required for the acquisition.
12. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Acquisition is an initiative to build a sustainable sourcing for the Company. The Business of PSOML is incidental to the business of the Company.
13. Industry to which the entity being acquired belongs;	The entity belongs to developing expertise in building sustainable sourcing to textile industry.

Hope this clarifies.

Thank you,  
For Welspun India Limited



**Shashikant Thorat**  
**Company Secretary**  
**FCS - 6505**



**CC:**  
**Bombay Stock Exchange Limited**  
Department of Corporate Services,  
SP. J. Towers, Dalal Street,  
Mumbai – 400 001  
(Scrip Code-514162)

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