

BUSINESS UPDATE

Message from B.K. Goenka, Chairman Welspun Corp Limited

Dear Stakeholder,

I refer to the ad interim ex parte SEBI order dated December 2, 2010, banning some of our investment companies from trading in Welspun Corp Ltd. This order in no way bars investors from trading in the equity of the Company on all exchanges under all segments (Cash markets and F&O). It also has no impact on the business of the Company.

We strongly deny any direct or indirect involvement in any kind of price manipulation as has been alleged. We follow the highest level of ethical standards and are fully complaint. Once again I want to reiterate that there is absolutely no ban on trading of the shares on the stock exchanges. I have been forced to stress on this point again because some mischievous elements have been spreading the malicious rumors.

While we are taking all the necessary legal action to challenge this unilateral order with appropriate higher authorities, I want to assure you that the business model of Welspun Corp Ltd, the flagship company of US\$ 3 billion Welspun Group, remains completely fully intact with no bearing.

As you may be aware, Welspun Corp since its inception in 1995 has emerged as the 2nd Largest (Large Diameter) Pipe Company in the World (*Source: The Financial Times, UK, 2008*) and also recognized as the Emerging Company of the Year with *The Economic Times Corporate Excellence Awards 2008*, having shown consistent operational and financial performance over the last 3 years.

The Company has supplied pipes to some of the most challenging projects; notable among them are the deepest pipeline project in the Gulf of Mexico (Independence Trail project), the longest pipeline from Canada to USA (Keystone Project), the highest pipeline in Peru (Peru LNG) and the heaviest pipeline in the Persian Gulf (IGAT IV). With a strong ethos of 'Engineering Excellence', we are qualified for almost every single Line Pipe Supply across the Globe.

We thus believe that the Company has extremely strong fundamentals being the Global leader, given the oil and gas opportunity across the globe. We strive to become "Locals" in most of the major O&G markets by providing "Global Solutions".

We wish to assure you that we will maintain the highest levels of ethical practices as always and continue to delight all our stakeholders with superlative performance.

Welspun Group (www.welspun.com) is amalgamation of expertise, resources, opportunities and engineering excellence. With a global leadership position in Line Pipes and Home Textiles, Welspun has established its strong presence in over 50 countries, with a power house of over 24,000 talented employees & 100,000+ shareholders, in a span of 25 years.

Welspun Corp (www.welspuncorp.com) is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from ½ inch to 100 inches, along with specialized coating, double jointing and bending. With current capacity of nearly 2 mn MTPA in Dahej, Anjar in Gujarat, India, Little Rock in the USA and Saudi Arabia, Welspun take pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. Welspun Corp has continued to further strengthen its services to become an integrated Pipe manufacturer by setting up a world class plates and coils manufacturing facility. Since its inception, Welspun Corp has consistently excelled in new business ventures and is committed to its strategy of complete integration by being a one stop solution in the Line Pipe segment, capturing the entire value chain from manufacturing of Plate & Coil to Line pipe and finally to Pipe laying. With business excellence being a clear focus of Welspun Corp, the company will persist with its clear mandate on innovation and technology, state-of-the-art facilities and global scale operations.

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