



Welspun Gujarat to de-merge its Plate-cum-Coil division into a 100% subsidiary

Mumbai, April 20, 2009: Welspun Gujarat Stahl Rohren Ltd., the 2nd largest Steel Pipe producer in the World (*Source: Financial Times, UK*) today announced the demerger of its Plate-cum-Coil mill into a 100% subsidiary. The demerger is subject to statutory / regulatory approvals which includes Shareholders, Creditors and Honorable High Court and is likely to take about 4 months time.

With a capacity to produce Plate and Coils of maximum size range and diversified steel grades, this state-of-art stackel mill is one of the only 3 mills of its kind in the World. Besides catering to Pipe industry with Welspun Gujarat being its prime customer, the Mill aims to target Shipping, Wind Energy, Boiler, Heavy construction like bridges and many other specialized industries.

Speaking on the occasion, Mr. B.K. Goenka Chairman and Managing Director, Welspun Group said, "The demerger will allow focused approach in product development, production, quality control, sales and marketing and overall management. With Plate orders of Rs. 500 Crore already in its kitty, this mill is all set to break numerous records to be one of the best in the industry", he adds.

The demerger will allow creation of separate focused team with independent Board and management structure in line with steel Industry requirement. It will additionally allow better financial control, better fiscal efficiency by rationalization of various applicable taxes, duties and create an independent identity of high-end steel business.

About WGSRL:

WGSRL is part of the \$ 3000 million Welspun Group. The company started its activities in 1995 and since then has supplied pipes for some of the most prestigious projects including the World's deepest pipeline project in the Gulf of Mexico, U.S.A. Welspun's state- of-the-art plants are located in Dahej and Anjar in Gujarat and Little Rock, Arkansas, USA. WGSRL has been the market leader in quality, innovation and technology and enjoys distinction of meeting the stringent requirements besides supplying highest recognized X 80 grade and 56" outer diameter line pipes in the country.

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