

NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING of the members of Welspun Corp Limited (“Company”) will be held on Saturday, August 13, 2011 at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat 370110 at 10:00 am to transact the following business:

SPECIAL BUSINESS:

1. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S), AS A SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the “Act”) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, any statutory modification(s) or re-enactment thereof, for the time being in force and the regulations/guidelines, if any, issued by the Government of India, the Securities and Exchange Board of India (the “SEBI”), the Reserve Bank of India (the “RBI”) and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum of Association and Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions of relevant statutory, governmental authorities or departments, institutions or bodies (the “Concerned Authorities”) in this regard, as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot on preferential basis to Granele Limited, a company incorporated under the laws of Republic of Cyprus having the address 11, Lemesou Avenue, Galatariotis Building, 2nd Floor, 2112, Nicosia, Cyprus and an Affiliate of Insight Solutions Limited (the “Investor”) in accordance with applicable law, 1 (One) Compulsorily Convertible Debenture (“CCD”) or such other instruments as may be decided by the Board (the “Securities”) convertible in to 35,038,889 (Thirty Five million Thirty Eight thousand Eight Hundred Eighty Nine) Equity Shares of the face value of Rs. 5 (Rupees Five) each fully paid-up for cash aggregating to the issue amount of Rs. 7,883,750,025 (Rupees Seven billion Eight Hundred Eighty Three million Seven Hundred Fifty thousand and Twenty Five) through preferential issue in accordance with the guidelines for preferential issue prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be amended from time to time, (“Preferential Issue”) (the “SEBI Regulations”) and other applicable laws and to create, offer, issue and allot to the Investor such number of Equity Shares of the Company as may be required, upon full or partial conversion of CCD, from time to time, subject to applicable laws.

“RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby authorized to decide all the matters incidental to the aforesaid issue of Securities including but not limited to the revision in the nominal value of CCD, change in the description of the Securities,

conversion price i.e. issue price of Equity Shares upon conversion of Securities in to Equity Shares.

RESOLVED FURTHER THAT

- (i) the Relevant Date for the Preferential Issue, on the basis of which the minimum price of the Equity Shares to be issued on conversion of the Securities shall be determined as specified under the applicable laws, and shall be the date 30 days prior to date of this meeting, i.e. 14th July, 2011 (the “Relevant Date”).
- (ii) the Securities issued shall be fully paid-up and the allotment of such Securities shall be completed within 15 days from the date of this Resolution or such other time as may be allowed under the SEBI Regulations from time to time and the Securities shall not be eligible to be sold for such period as prescribed under the SEBI Regulations.
- (iii) the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and the Equity Shares to be allotted at the time of conversion of the Securities in terms of this Resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.
- (iv) subject to applicable statutory and/or regulatory requirements, the Board be and is hereby authorized on behalf of the Company to finalise the pricing, terms and conditions relating to the issue of the Securities and any other matter in connection with, or incidental to, the issue of the Securities as the Board, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto.
- (v) to issue, allot and take such steps as may be required for the listing of Equity Shares on the Stock Exchanges, with respect to Equity Shares as may be required to be issued upon conversion of CCD.”

“RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed on any agreement, undertaking, deed or other document as may be required for the matters incidental to the issue of the Securities, in the presence of anyone or more of the Directors of the Company or anyone or more of the officers of the Company as may be authorized by the Board in accordance with the Articles of the Association of the Company.”

“RESOLVED FURTHER that for the purpose of giving effect to the aforesaid and following resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation, to execute agreements, deeds and other documents with intermediaries, advisors and Stock Exchanges as may be necessary, to settle any question, difficulty or doubt that may arise in regard to the creation, offer, issue and allotment of the Securities and its conversion into Equity Shares and subsequent listing on the Stock Exchanges as aforesaid.”

“RESOLVED FURTHER that the Board, be and is hereby authorized to delegate all the above powers and authorities to any person or persons or committee of the Board, as in its absolute discretion deems fit to give effect to the above Resolutions.”

“RESOLVED FURTHER THAT the acts, deeds and things already done by the Board or any designated officer of the Company in this regard be and are hereby confirmed, approved and ratified.”

2. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S), AS A SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force), subject to all applicable laws and in accordance with all the

relevant provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Central Government, Reserve Bank of India and / or any other appropriate regulatory authorities, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**Board**"), which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot, in the course of one or more offering(s), to Insight Solutions Limited, a company incorporated under the laws of Mauritius having the address Floor 4, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (the "**Investor**") by way of a private placement or by way of circulation of an offering circular or registration statement or otherwise, as may be required under applicable law, Global Depository Receipts ("**GDRs**"), for an amount of US\$115,002,205.70 (United States Dollars One Hundred Fifteen million Two Thousand Two Hundred and Five and Cents Seventy) (hereinafter referred to as "**Securities**"), to be denominated in foreign currency, which, at the option of the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying Equity Shares of the Company the details whereof are more particularly set out in the explanatory statement annexed hereto, and such issue and allotment to be made in one or more tranche or tranches, subject to applicable law, on such terms and conditions as may be decided and deemed appropriate by the Board/committee of Directors at the time of issue or allotment."

"**RESOLVED FURTHER** that subject to applicable law for the purpose of giving effect to the aforesaid, the consent of the Company be and is hereby accorded to the Board to issue, offer and allot, in the course of one or more offering(s) such number of Equity Shares as may be required for issue of the aforesaid GDRs."

"**RESOLVED FURTHER** that the holder of the GDRs shall have no voting rights with respect to the Equity Shares underlying the GDRs, until such GDRs are surrendered for withdrawal of the Equity Shares underlying the GDRs."

"**RESOLVED FURTHER** that for the purpose of giving effect to the aforesaid and following resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the creation, offer, issue and allotment of the Securities and the Equity Shares required to be issued for issue of the Securities."

"**RESOLVED FURTHER** that without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally and the Company be and is hereby authorized to enter into and execute all such arrangements / agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges in India and/or outside India."

"**RESOLVED FURTHER** that the relevant date on the basis of which price of issuance of GDRs shall be determined

shall be the date of the meeting in which the Board or committee of the Board decides to open the proposed issue of Securities."

"**RESOLVED FURTHER** that subject to applicable laws and wherever required, the Board be and is hereby authorised to finalise and approve the offering circular or registration statement or placement document or term sheets or agreements or deeds or otherwise in respect of the proposed issue of the Securities and to authorise any Director or Directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorised person, be required from time to time, and to arrange for the submission of the offering circular or registration statement or placement document or term sheets or agreements or deeds or otherwise, and any amendments and supplements thereto, with any applicable Stock Exchanges, government and regulatory authorities, institutions or bodies, as may be required under applicable law."

"**RESOLVED FURTHER** that the Board, be and is hereby authorised to do all such acts, deeds and things as the Board, in its absolute discretion deems necessary or desirable in connection with the issue of the Securities and the Equity Shares to be issued for issue of the Securities and to give effect to these Resolutions, including, without limitation, the following:

- (i) sign, execute and issue all documents necessary in connection with the issue of the Securities, including listing applications to stock exchanges, in India and overseas, and various agreements, undertakings, deeds, declarations;
- (ii) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- (iii) settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit."

"**RESOLVED FURTHER** that the Board, be and is hereby authorized to delegate all the above powers and authorities to any person or persons or committee of the Board, as it in its absolute discretion deems fit to give effect to the above Resolutions."

3. TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S), AS A SPECIAL RESOLUTION:

"**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (the "**Act**") (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association ("**AOA**") of the Company be and are hereby altered as under:

- (i) After the definition of "The Act", under Article 2 (a) of the AOA, the definition of "Affiliate" shall be inserted as follows:

"**Affiliate**" means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, or any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person;

- (ii) After the newly inserted definition of "Affiliate", under Article 2 (a) of the AOA, the definition of "Annual Business Plan" shall be inserted as follows:

“**Annual Business Plan**” means the region-wise annual revenue plan and the annual project plan comprising, inter alia, the projected growth plan and the detailed expenditure and investment plan for the relevant Financial Year;

- (iii) After the newly inserted definition of “Annual Business Plan”, under Article 2 (a) of the AOA, the definition of “Applicable Law” shall be inserted as follows:

“Applicable Law”

“**Applicable Law**” means all applicable laws, bye-laws, statutes, rules, regulations, orders, ordinances, notifications, protocols, treaties, codes, guidelines, policies, notices, directions, writs, injunctions, judgments, decrees or other requirements or official directive of any court of competent authority or of any competent Governmental Authority, including any International Trade Governmental Authority, or Person acting under the authority of any competent Governmental Authority of the Republic of India, including any International Trade Governmental Authority.

- (iv) After the definition of “Company”, under Article 2 (a) of the AOA, the definition of “**Controlling**”, “**Controlled by**” or “**Control**” shall be inserted as follows:

“Controlling”, “Controlled by” or “Control”

“**Controlling**”, “**Controlled by**” or “**Control**” with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise, or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such Person;.

- (v) After the definition of “Document”, under Article 2 (a) of the AOA, the definition of “Equity Shares” shall be inserted as follows

“Equity Shares”

“**Equity Shares**” mean the equity shares of the Company, having a face value of Rs. 5 (Rupees Five) each;

- (vi) After the definition of the “Extra Ordinary General Meeting”, under Article 2 (a) of the AOA, the definition of the “Financial Statements” shall be inserted as follows:

“**Financial Statements**” shall mean, the financial statements of the Company prepared in accordance with Applicable Law and shall include without limitation, the balance sheet and profit and loss account, the notes to the financial statements, directors report, the auditor's report and all disclosures as prescribed in Schedule VI of the Act;

- (vii) After the definition of the “Financial Statements”, under Article 2 (a) of the AOA, the definition of the “GDRs” shall be inserted as follows:

“GDRs”

“**GDRs**” means global depository receipts issued by the Company;

- (viii) The definition of the “Persons”, under Article 2 (a) of the AOA be replaced with the definition of the “Person” as follows:

“Person”

“**Person**” includes any individual, partnership, corporation, company, Governmental Authority, unincorporated organization, association, trust or other entity (whether or not having a separate legal entity);

- (ix) After the existing Article 240 of the AOA of the Company, the following Articles shall be inserted as Article 241:

INVESTOR'S RIGHTS

- 241.(1) On and from the date of allotment of the Investor CCD (as defined below) to the Investor (as defined below) or its Affiliate (as defined below) (“**Effective Date**”) the provisions in this Article 241 shall prevail notwithstanding anything to the contrary in any other Article.

- (2) For the purposes of this Article 241 and Schedule 1, except where the context otherwise requires, the following terms shall have the following meanings:

- (i) “**Accounting Principles**” shall mean generally accepted accounting principles in India as set forth in pronouncements of the Institute of Chartered Accountants of India and in the Act and as in effect from time to time;
- (ii) “**Adjourned Meeting**” has the meaning ascribed to it in Article 241(5)(iii);
- (iii) “**Affirmative Vote Items**” means each of the items listed in Schedule 1;
- (iv) “**Anti-Corruption Laws**” shall mean laws, regulations or orders of any International Trade Governmental Authority or international organization prohibiting the provision of a financial or other advantage for a corrupt purpose or otherwise in connection with the improper performance of a relevant function, including without limitation the Indian Prevention of Corruption Act, 1998, U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, 2010, and similar laws governing corruption and bribery, whether public, commercial or both to the extent applicable to the Company;
- (v) “**Big Four Accounting Firms**” means KPMG, Ernst & Young, Deloitte, Haskins and Sells and Price Waterhouse & Co.;
- (vi) “**Board**” means the board of directors of the Company;
- (vii) “**Business Day**” means any day on which banks generally are open in India and Mauritius for the transaction of normal banking business but does not include Saturdays and Sundays;
- (viii) “**Business**” means the business of manufacturing or distribution of steel or steel pipes, plates and coils;
- (ix) “**CCDs**” means compulsorily convertible debentures issued by the Company;
- (x) “**Competitor**” means any Person who at the time of the Transfer, is engaged in any one or more of the Business, in India or outside India, and either, earns or has earned, during any of the 3 (Three) immediately preceding financial years, more than 50 (Fifty) % of its revenues from any one or more of the Business, or generates or has generated, during any of the 3 (Three) immediately preceding financial years, revenue of more than US\$ 200,000,000 (United States Dollars Two Hundred million) from any one or more of the Business, or an Affiliate of such Person. Provided, however, that a financial investor shall at no time be considered to be a Competitor;
- (xi) “**Effective Date**” shall have the meaning as ascribed to it in Article 241(1)
- (xii) “**Embargoed Person**” shall mean: (i) any entity or individual that is identified on any applicable official government asset freeze or economic sanctions list, including but not limited to the U.S. “Specially

Designated Nationals and Blocked Persons” List (SDN List), the EU Consolidated List, and the UN Consolidated List; and (ii) any entity that is owned or controlled by the foregoing, whether or not identified in any list;

- (xiii) **“Encumbrance”** means any mortgage, pledge, options, equitable interest, assignment by way of security, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same;
- (xiv) **“Equity Securities”** means Equity Shares or preference shares of the Company or rights or options to acquire the Equity Shares or preference shares of the Company or securities convertible into or exchangeable for Equity Shares or preference shares of the Company, including, GDRs and CCDs;
- (xv) **“Export Control and Economic Sanctions Laws”** shall mean laws, regulations, and orders imposing trade sanctions on countries, individuals or entities and/or regulating the export, re-export, transfer, disclosure or provision of commodities, software, technology or services including, without limitation, (i) US restrictions pursuant to the Foreign Assets Control Regulations, 30 C.F.R. Parts 500-599, the Iran Sanctions Act of 1996, (Public Law 104-172, 50 U.S.C. 1701 note, as amended most recently by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195)) the Export Administration Regulations (EAR), 15 C.F.R. parts 730-774, the International Traffic in Arms Regulations (ITAR), 22 C.F.R. parts 120-130; (ii) EU and EU Member State export controls administered pursuant to Council Regulation (EC) 428/2009, economic and financial sanctions or restrictive measures imposed pursuant to EC Regulations, and similar national export control and sanctions measures of member states; and (iii) similar export control and sanctions laws, regulations and orders of India and other jurisdictions to the extent applicable to the Company;
- (xvi) **“Financial Year”** shall mean the accounting year of the Company commencing each year on 1st April and ending on 31st March of the following year;
- (xvii) **“First Investor Nominee”** shall mean the individual nominated by the Investor for appointment to the Board and committees thereof with effect from the Effective Date;
- (xviii) **“Governmental Authority”** means any government authority, statutory authority, government department, ministry, secretariat, agency, commission, board, tribunal, court or other law, rule or regulation making entity having jurisdiction on behalf of the Republic of India, or any state or other subdivision thereof or any municipality, district or other subdivision thereof, and includes the Stock Exchanges;
- (xix) **“International Trade Governmental Authority”** shall mean any legislature, agency, bureau, branch, department, division, commission, court, tribunal, public international organization or other government body charged with administering or with authority to impose penalties under, International Trade Laws;
- (xx) **“International Trade Laws”** shall mean Export Control and Economic Sanctions Laws and Anti-Corruption Laws;
- (xxi) **“Investor”** means Insight Solutions Limited, a company incorporated under the laws of Mauritius having the address C/o International Management (Mauritius) Limited, Floor 4, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius and unless it be repugnant to the subject or context thereof, means and includes its successors, permitted assigns and Affiliates including, Granele Limited, a company incorporated under the laws of Cyprus;
- (xxii) **“Investor CCD”** means the CCD to be subscribed by the Investor and issued by the Company;
- (xxiii) **“Investor Nominees”** has the meaning ascribed to it in Article 241(5)(i)(a);
- (xxiv) **“Investor Ownership Percentage”** means the percentage of Equity Securities held by the Investor in the fully diluted issued and paid up equity capital of the Company (excluding Equity Shares to be issued upon exercise of employee stock options, issued by the Company and outstanding as on 29 June 2011, and conversion of foreign currency convertible bonds issued by the Company and outstanding as on 29 June 2011);
- (xxv) **“Material Adverse Effect”** means an event or state of facts, including any change in Applicable Laws which has or is reasonably likely to have a material adverse effect on:
- the business, property, operations, prospects, assets (including intangible assets), liabilities, results of operations or condition (financial or otherwise) of the Company; or
 - the validity or enforceability of (a) the agreement dated 29 June 2011 or any of the documents executed pursuant hereto; and/ or (b) the rights or remedies of the Investor thereunder or the transactions contemplated thereunder or the ability of the Company to comply with the obligations thereunder;
- (xxvi) **“New Equity Securities Subscription Proposal”** has the meaning ascribed to it in Article 241(8)(i);
- (xxvii) **“New Investor”** shall mean any third Person to whom the Investor has transferred any of the Equity Securities;
- (xxviii) **“Observer”** has the meaning ascribed to it in Article 241(5)(i)(e);
- (xxix) **“Percentage Threshold”** shall mean 7.5 (Seven point Five) % of the fully diluted issued and paid up equity share capital of the Company;
- (xxx) **“Pre-emptive Equity Securities”** has the meaning ascribed to it in Article 241(8)(i);
- (xxxi) **“Pre-emptive Subscription Notice”** has the meaning ascribed to it in Article 241(8)(i);
- (xxxii) **“Pre-emptive Subscription Offer”** has the meaning ascribed to it in Article 241(8)(i);
- (xxxiii) **“Pre-emptive Offer Period”** has the meaning ascribed to it in Article 241(8)(ii);
- (xxxiv) **“Pre-emptive Subscription Response Notice”** has the meaning ascribed to it in Article 241(8)(ii);
- (xxxv) **“Related Party”** in relation to any Person, means any other Person who is treated as a related party of the first Person under the Accounting Principles other than such Person’s wholly owned subsidiaries;
- (xxxvi) **“Second Investor Nominee”** shall mean the individual nominated by the Investor for appointment to the Board and committees thereof, as soon as reasonably practicable but in any event, within 9 (Nine) months of the Effective Date;
- (xxxvii) **“Stock Exchanges”** means the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, where the Equity Shares of the Company are listed;

(xxxviii) “**Subsidiaries**” means, for the purposes of Article 241(10) and (11), entities controlled in fact, by ownership or otherwise, directly or indirectly by the Company;

(xxxix) “**Termination Date**” means, the date of the termination of the Investor's rights under the Article 241 as determined pursuant to Article 241(12)

(xl) “**Transfer**” means, with respect to any security, including the CCD, Equity Shares or GDRs, to directly or indirectly: (i) sell such security; or (ii) enter into an agreement or commitment providing for the sale of such security or any right or interest therein, or (iii) creation of an Encumbrance thereon, provided however, in the context of the Investor, Transfer shall not include any statutory lock-in prescribed under Applicable Laws; and

(xli) “**Welspun Maxsteel Limited**” means Welspun Maxsteel Limited, a company incorporated under the provisions of the Act and having its registered office at Welspun City, Village Versamedi, Taluka Anjar 370 110, District Kutch, Gujarat, India or any successor thereof.

(3) The Company shall not amend the terms of the agreement for the supply of steel slabs between the Company and Welspun Maxsteel Limited without the prior written consent of the Investor.

(4) If the Company or any Affiliate of the Company intends to acquire any iron-ore mine, the Company shall and the Company shall ensure that its Affiliates shall, acquire such iron-ore mine on an arms-length basis, in a manner acceptable to, and with the prior written consent of, the Investor.

(5) Constitution of the Board and Committees of the Board

(i) The Investor shall be entitled to:

(a) nominate for appointment 2 (two) individuals being the First Investor Nominee and the Second Investor Nominee as directors on the Board (“**Investor Nominees**”). One of the Investor Nominees shall be a retiring director and the other shall be a non-retiring director.

(b) nominate 1 (one) of the Investor Nominees for appointment to each committee of the Board, including without limitation, the budget committee, the audit committee, the international trade practices and governance committee and the remuneration committee.

(c) require the removal/reappointment of the Investor Nominees from/to the Board or any committee thereof and to nominate other individuals as the Investor Nominees and upon receipt of any such request by the Company, the Company shall immediately take all necessary actions to cause such removal/appointment/re-appointment to be duly made.

(d) subject to Applicable Law, nominate alternate directors to the Investor Nominees to attend any meetings of the Board or committees thereof during the absence of the Investor Nominees.

(e) nominate, from time to time, observers to attend any Board or committee meeting at which both the Investor Nominees cannot be present (“**Observer**”).

(f) nominate any one of the Investor Nominees for appointment to the Board of Welspun Maxsteel Limited.

(ii) The Investor Nominees shall be entitled to attend and vote in any meeting of the Board. The Investor Nominee shall be entitled to attend and vote in any meeting of all committees of the Board.

(iii) A valid quorum of any Board or committee meeting shall require the presence of at least one of the Investor Nominees. In the event at least one of the Investor Nominees is not present at any Board or committee meeting, then such meeting shall be automatically adjourned to the same time on the day falling 15 (Fifteen) days after the date of such meeting which has been

adjourned pursuant to this provision or such other date as may be agreed to by an Investor Nominee in writing (“**Adjourned Meeting**”). In the event one of the Investor Nominees is not present at the Adjourned Meeting, then the directors then present shall constitute a quorum (provided that the directors present would otherwise constitute a quorum under these Articles) and subject to Article 241(7), shall have the right to discuss and decide all matters.

(iv) The Investor Nominees shall have other rights at par with other non-executive directors of the Company and shall receive all such benefits as received by such other non-executive directors of the Company.

(v) The Company shall constitute committees of the Board to be called (i) the 'budget committee'; and (ii) the 'international trade practices and governance committee'. One of the Investor Nominees shall be appointed as a member of the budget committee and the international trade practices and governance committee. The budget committee shall approve the annual budget and the Annual Business Plan of the Company and shall review the monthly production schedule, monthly plant-wise sales and the monthly order book of the Company. The 'international trade practices and governance committee' shall oversee the development of the Company's ethics and compliance policies and procedures and their implementation on an ongoing basis.

(vi) At least 10 (Ten) days before the end of any Financial Year the Company shall formulate the Annual Business Plan and the annual budget of the Company for the next Financial Year and the same shall be approved by the budget committee of the Company in accordance with Article 241(7).

(vii) The Company shall send the notice and agenda of all Board meetings to all the Directors at least 15 (Fifteen) days before the scheduled date of any Board meeting, provided that with the consent of an Investor Nominee, a Board meeting may be held with shorter notice. Further, the Company shall forward all the relevant papers to all the Directors at least 7 (Seven) days before the scheduled date of any Board meeting except financial results which shall be provided at least 48 (Forty eight) hours before the scheduled date of any Board meeting, unless otherwise consented to by an Investor Nominee.

(6) Management Information Rights

(I) The Company shall provide the following information to the Investor (on a standalone and consolidated basis with respect to the Company):-

(a) Financial results on a quarterly basis within 45 (Forty five) days of the end of each quarter;

(b) Audited Financial Statements at the end of the Financial Year within 90 (Ninety) days of the end of each Financial Year;

(c) Remuneration, or alteration thereof, of a key managerial personnel of the Company as required for the purposes of the board report under Section 217 of the Act, within 7 days of the finalization of the board report;

(d) Details of any litigation (including any winding up proceedings or notices under any Applicable Law), proceedings or disputes that if determined adversely may have a Material Adverse Effect;

(e) Details of any events, including events of force majeure, that are likely to have a Material Adverse Effect; and

(f) Any other information relating to the Company and/or the business that the Investor reasonably requires for any regulatory reasons.

(ii) The Company shall provide the above information to the Investor after making the necessary disclosures to the Stock Exchanges, to the extent required by Applicable Law.

(7) Affirmative Rights

- (i) Subject to sub-clause (ii) below, unless approved in its Annual Business Plan, no decisions on any matter listed as an Affirmative Vote Item in **Schedule 1** shall be taken or implemented by the Company and its subsidiaries (other than implementation of those decisions which had already been approved by the shareholders, or the board of directors or a committee thereof, prior to 29 June 2011), whether at a meeting (including resolutions by circulation or postal ballot) of shareholders or board of directors or committees thereof, or otherwise, in each case, without the affirmative vote of the Investor or Investor Nominee, as the case may be or, if a person nominated by the Investor has not been appointed on the board of directors or committees thereof of the relevant company or the Investor does not hold any equity shares in the relevant company, without the prior written consent of the Investor.
- (ii) In the event, in respect of any of the Affirmative Vote Items listed in **Part B of Schedule 1**, at 2 (Two) consecutive meetings each (including resolutions by circulation or postal ballot) of the board of directors or any committee thereof or shareholders, of the Company or its subsidiaries, as the case may be, or otherwise wherever such Affirmative Vote Item is presented, the Investor or the Investor Nominee does not vote in favour of the decision to approve the said Affirmative Vote Item or, in the event, a person nominated by the Investor has not been appointed on the board of directors or committees thereof of the relevant company or the Investor does not hold any equity shares in the relevant company, if the Investor does not give its prior written consent for such decision, prior to 2 (Two) such consecutive meetings, notwithstanding sub-clause (i) above, a decision in respect of such Affirmative Vote Item may be taken and implemented if approved, in accordance with Applicable Law, at the next meeting of the board of directors or any committee thereof or the shareholders of the Company or the subsidiaries, as the case may be.

(8) Pre-Emptive Subscription Rights

- (i) In the event the Company proposes to issue any Equity Securities (except in connection with any stock split or subdivision of shares), as a result of which the Investor Ownership Percentage is likely to be diluted from its then existing level ("**New Equity Securities Subscription Proposal**"), within 5 (Five) Business Days of the date of the Board meeting at which the New Equity Securities Subscription Proposal has been approved, the Company shall, send a notice in writing, together with a certified true copy of the resolution of the Board approving the New Equity Securities Subscription Proposal, to the Investor ("**Pre-emptive Subscription Notice**"), setting out the terms and conditions of the New Equity Securities Subscription Proposal (including price), and offering the Investor a right to subscribe to such number of Equity Securities as would enable it to maintain its Investor Ownership Percentage (prior to such dilution) ("**Pre-emptive Equity Securities**"), on such identical terms (including price) as the New Equity Securities Subscription Proposal ("**Pre-emptive Subscription Offer**").
- (ii) The Investor shall have the right to respond to the Pre-emptive Subscription Notice by serving a notice in writing ("**Pre-emptive Subscription Response Notice**") on the Company within 9 (Nine) Business Days of the date of receipt of the Pre-emptive Subscription Notice ("**Pre-emptive Offer Period**") accepting or rejecting all or part of the Pre-emptive Subscription Offer. It is hereby clarified that the Investor shall at all times comply with all the restrictions stipulated under 241(13)(i).
- (iii) In the event, any approvals or consents are required for the subscription of the Pre-emptive Equity Securities, the Company and the Investor shall make their best efforts to obtain all such approvals within the Pre-emptive Offer Period and the Pre-emptive Offer Period shall stand

extended by such period as may be required to obtain any such approvals or consents.

- (iv) In the event the Investor does not deliver a Pre-emptive Subscription Response Notice to the Company prior to the expiry of the Pre-emptive Offer Period, then, upon the expiry of the Pre-emptive Offer Period, the Company shall be entitled to offer the Equity Securities proposed to be issued by it pursuant to the New Equity Securities Subscription Proposal on the same terms and conditions and for the same consideration as is specified in the Pre-emptive Subscription Notice to any other Person. If the issue and allotment of such Equity Securities does not take place within a period of 60 (Sixty) days following the expiry of the Pre-emptive Offer Period, the provisions of this Article 241(8) shall once again apply.
- (v) The above mentioned process shall not apply in the case of a rights issue by the Company, in which case the process prescribed under Applicable Law shall be complied with by the Company. Provided however, in the event of a rights issue, the Company shall ensure that the Investor, in addition to the right to subscribe to its entitlement in the rights issue, has, subject to such restrictions as have been stipulated under 241(13)(ii), the right along with such other shareholders who have been approved by the Board (which approval of the Board shall not require consent of the Investor or the Investor Nominee), to subscribe to the portion unsubscribed by the shareholders, on a pro rata basis.

(9) Transfer of Investor Rights

- (i) Subject to lock-in provisions under Applicable Law, the Investor shall be entitled to freely Transfer all or part of the Equity Securities held by it to any New Investor, including a Competitor or an Affiliate of the Investor. Provided however, the Investor shall not be entitled to Transfer to any Competitor, Equity Securities, in one or more tranches, in excess of 14.99 % of the fully diluted issued and paid up voting equity share capital of the Company.
- (ii) Subject to Article 241(12), so long as the Investor has not Transferred any of the Equity Securities held by it to any other Person, the Investor shall be solely entitled to exercise all the rights granted to the Investor under this Article 241.
- (iii) In the event the Investor Transfers all or part of the Equity Securities held by it to any of its Affiliates, the Investor shall exercise its rights under this Article 241 on behalf of itself and such Affiliates.
- (iv) In the event, the Investor Transfers all or part of the Equity Securities held by it to the New Investor, not being a Competitor:
 - (a) if the Investor continues to hold Equity Securities (excluding GDRs) constituting at least the Percentage Threshold, the Investor shall be solely entitled to exercise all of the rights granted to the Investor under this Article 241 on behalf of both, itself and the New Investor; or
 - (b) if the Investor does not hold Equity Securities (excluding GDRs) constituting at least the Percentage Threshold but the New Investor holds Equity Securities (excluding GDRs) constituting at least the Percentage Threshold, the rights of the Investor under this Article 241 shall be transferred to the New Investor and all references to the Investor in Article 241 (5) to (9) shall stand replaced by references to the New Investor; or
 - (c) if neither the Investor nor the New Investor hold Equity Securities (excluding GDRs) constituting at least the Percentage Threshold, all rights granted to the Investor under Article 241 (5) to (9) shall fall away.
- (v) In the event the Investor Transfers all or part of the Equity Securities held by it to a Competitor, all rights granted to the Investor under Article 241 (5) to (9) shall fall away.
- (vi) The restriction under this Article 241(9)(v) or 241(13)(i) shall not be capable of being avoided, and shall not be avoided, by the Investor selling the entity that holds the Equity Securities to a Competitor.

(10) High Risk Trade Partners

With respect to all applicable International Trade Laws:

- (a) The Company and its Subsidiaries shall not undertake any future business directly or indirectly with or for the benefit of the Islamic Republic of Iran or the Republic of Sudan, or individuals or entities located in the Islamic Republic of Iran or the Republic of Sudan, without the explicit written consent of the Investor.
- (b) Further to paragraph (a), the Company and its Subsidiaries are winding down pre-existing business obligations in the Islamic Republic of Iran and the Republic of Sudan, and by 31st December, 2011, the Company and its Subsidiaries shall have completed all despatches from its factory under its pre-existing contracts with or for the benefit of the Islamic Republic of Iran or the Republic of Sudan, or individuals or entities located in the Islamic Republic of Iran or the Republic of Sudan.

(11) Export Control and Economic Sanctions Laws

- (i) The Company and its Subsidiaries shall, comply with applicable Export Control and Economic Sanctions Laws, and take no action that would knowingly subject the Investor to penalties under Export Control and Economic Sanctions Laws applicable to the Investor.
- (ii) The Company and its Subsidiaries shall provide a written notice to the Investor promptly, and in any event no later than 3 (three) Business Days after the earlier of its receipt of notice that the Company or any of its Subsidiaries has been or may be designated as an Embargoed Person or is or may be subject to a denial of export privileges or other trade sanctions under Export Control and Sanctions Laws.

(12)(i) The rights under this Article 241 shall terminate:

- (a) vis a vis the Investor, in the event the percentage of Equity Securities (excluding GDRs) held by the Investor in the fully diluted equity share capital of the Company falls below the Percentage Threshold or the Investor Transfers any of the Equity Securities (excluding GDRs) held by it to a Competitor, and vis a vis the New Investor, in the event the percentage of Equity Securities (excluding GDRs) held by the New Investor in the fully diluted equity share capital of the Company falls below the Percentage Threshold or the New Investor Transfers any of the Equity Securities (excluding GDRs) held by it to a Competitor; or
- (b) in the event, (i) the Investor's shareholding (together with the shareholding of its Affiliates) in the voting equity share capital of the Company has increased beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company on account of its voluntary action (other than on account of buy-back of Equity Securities by the Company) or the amalgamation of Welspun Maxsteel Limited with the Company or participation by the Investor in a rights issue by the Company subject to such restrictions as have been agreed to by the Investor) and the Investor makes a declaration to the Company or to the Stock Exchanges under Applicable Laws to such effect, or (ii) the Investor's shareholding (together with the shareholding of its Affiliates) in the voting equity share capital of the Company has increased beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company on account of its voluntary action (other than on account of buy-back of Equity Securities by the Company) and the Investor makes an open offer for the Equity Shares in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; or (iii) the Investor makes a voluntary open offer for the Equity Shares despite not being required to do so under Applicable Laws;
- (ii) In the event of termination of the rights under this Article 241 in accordance with the provision of sub-clause (b) above, the Company shall within 30 (Thirty) days of the termination, have the right to require the Investor to reduce its shareholding in the voting equity share capital of the Company to 14.99 % of the fully diluted issued and paid up equity share capital of the Company. In the event the

Investor does reduce its shareholding in the voting equity share capital of the Company to 14.99 % of the fully diluted issued and paid up equity share capital of the Company within a period of 90 (Ninety) days from the termination of the rights under this Article 241, the rights under this Article 241 shall automatically, without any further action, revive and the Investor shall be entitled to exercise all its rights provided in this Article 241. In the event the Investor does not reduce its shareholding in the voting equity share capital of the Company to 14.99 % of the fully diluted issued and paid up equity share capital of the Company within the abovementioned period of 90 (Ninety) days, the rights under this Article 241 shall remain terminated. Provided however, notwithstanding any such termination, for the limited purpose of enforcing the breach of Article 241(13)(ii) committed by the Investor prior to the termination of rights under this Article 241, the Company shall have the right to cause the Investor to reduce its shareholding in the Company to 14.99 % of the fully diluted voting equity share capital of the Company and seek specific performance of such right within 90 (Ninety) days of the termination of rights under this Article 241. For the avoidance of doubt the Company shall not have a general right to seek specific performance of the provisions of Article 241(13)(ii) after the termination of this rights under this Article 241 for any other purpose.

- (13)(i) The Investor agrees and undertakes that at no time during the period between the Effective Date and until the Termination Date, it shall take any voluntary action which results in its shareholding (together with the shareholding of its Affiliates) in the voting equity share capital of the Company increasing beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company, whether by exchange of the Investor GDRs or the conversion of the Investor CCD or by any other means whatsoever. The Investor agrees and undertakes that at no time during the period from the Effective and until the Termination Date, it shall enter into any written agreement comprising of voting arrangements with any other shareholder of the Company, as a result of which its voting rights in the voting equity share capital of the Company increases beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company. Provided however, the Investor shall be permitted to hold shareholding in excess of the thresholds prescribed under this Article 241(13)(i) and shall not be liable for any breach of this Article 241(13)(i) in the event the thresholds prescribed under this Article 241(13)(i) are exceeded on account of (i) a buy-back of the Equity Securities by the Company; or (ii) subject to Article 241(13)(ii), an amalgamation of Welspun Maxsteel Limited with the Company; or (iii) subject to Article 241(13)(ii), a rights issue by the Company. However once the Investor acquires Equity Shares in excess of the thresholds prescribed in this Article 241(13)(i), the Investor shall not be permitted to transfer all its Equity Shares to any one New Investor if the same will result in the shareholding of the New Investor (together with its Affiliates) in the voting equity share capital of the Company increasing beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company.

- (ii) The Investor further agrees and undertakes that it shall not at any time during the period between the Effective Date and until the Termination Date take any voluntary action which results in triggering the open offer requirements under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Investor shall not be liable for any breach of this Article 241(13)(ii) in the event the requirement of an open offer gets triggered on account of a buy-back of the Equity Securities by the Company.

Schedule 1 Affirmative Vote Items Part A

- (I) Any new (a) acquisition of substantial fixed assets and

- intellectual property rights; or (b) direct or indirect purchase or acquisition of shares, debentures, bonds, obligations or any other securities or interest of whatsoever nature of, or making a capital contribution to, any other Person; or (c) provision of any guarantee outside the ordinary course of business; or (d) provision of any indemnity outside the ordinary course of business; or (e) provision of loan or security in respect of any obligations, in respect of any other Person; or (f) any other capital expenditure of whatsoever nature; in the aggregate exceeding US\$ 20,000,000 (United States Dollars Twenty million) in any Financial Year by the Company or any of its direct subsidiaries, except investment of US\$ 50,000,000 (United States Dollars Fifty million) in Welspun Infratech Limited, US\$ 25,000,000 (United States Dollars Twenty Five million) in Welspun Energy Limited and US\$ 35,000,000 (United States Dollars Thirty Five million) in Adani Welspun Exploration Limited by the Company and except deployment of surplus funds in fixed deposits or debt mutual funds;
- (ii) Availing of any new debt by the Company or any of its direct subsidiaries such that the aggregate amount of the new debt is in excess of US\$ 50,000,000 (United States Dollars Fifty million) in any Financial Year; availing of any new debt, or alteration of terms and conditions of, any debt by the indirect subsidiaries of the Company, other than in the ordinary course of business;
- (iii) (Entering into any new transactions with any Related Party by the Company or any of its direct or indirect subsidiaries (other than transactions in the ordinary course of business with Adani Welspun Exploration Limited or Welspun Middle East Pipe LLC or Welspun Middle East Pipe Coating LLC or other than sale of power or scrap by the Company on an arms-length basis at market prices) which in the aggregate exceed US\$ 5,000,000 (United States Dollars Five million) in any Financial Year;
- (iv) Terminating, enforcing or making any change to any transactions with any Related Party by the Company or any of its direct or indirect subsidiaries (other than transactions in the ordinary course of business with Adani Welspun Exploration Limited or Welspun Middle East Pipe LLC or Welspun Middle East Pipe Coating LLC or other than sale of power or scrap by the Company on an arms-length basis at market prices) which in the aggregate exceeds US\$ 5,000,000 (United States Dollars Five million) in any Financial Year;
- (v) Merger, amalgamation, de-merger, voluntary dissolution, liquidation, winding up, reconstruction, re-organization, buy-back, reduction in capital, change in capital structure (including, without limitation, any fresh issuance except in a rights issue or a bonus issue, consolidation, sub-division, reconstruction or conversion of the share capital) or re-capitalization of any nature; or (b) entering into any material joint venture or strategic partnership with any Person or the setting up or establishment of any subsidiary company, or the termination or modification of any term of any material existing joint venture, strategic partnership or the dissolution or winding-up of any existing subsidiary company, by the Company or any of its direct subsidiaries;
- (vi) Approval of and change or modification (other than any under performance or variance in performance) of the Annual Business Plan and the annual budget of the Company or any of its direct subsidiaries;
- (vii) Sale, transfer or other disposal of any fixed assets, financial assets and intellectual property rights by the Company or any of its direct subsidiaries, other than fixed deposits and debt mutual funds, (a) in any one transaction in excess of US\$ 50,000,000 (United States Dollars Fifty million); and (b) in the aggregate exceeding US\$ 75,000,000 (United States Dollars Seventy five million) in any Financial Year;
- (viii) New appointment or dismissal of the auditors except for the Big Four Accounting Firms by the Company or any of its direct subsidiaries; and
- (ix) Any substitution or modification of the main objects of the Company or any of its direct subsidiaries or a material alteration of the nature of the business conducted or entry into any new business other than the present business by the Company or any of its direct subsidiaries.

Part B

- (i) Creation of any new Encumbrance by the Company or any of its direct subsidiaries on its substantial assets (including any, fixed and/or financial assets and intellectual property rights), other than for working capital loans, (a) in any one transaction exceeding US\$ 50,000,000 (United States Dollars Fifty million); and (b) in the aggregate exceeding US\$ 75,000,000 (United States Dollars Seventy five million) in any Financial Year. An automatic creation of an unpaid vendor's lien under Applicable Law is not included in the above;
- (ii) Approval and adoption of dividend declaration policy by the Company or any of its direct subsidiaries or any declaration of dividends (including interim dividends) or distribution of profits by the Company or any of its direct subsidiaries;
- (iii) Any material change to the accounting standards or tax policies employed by the Company or any of its direct subsidiaries other than as required by Applicable Law;
- (iv) Granting or entering into any license, sub-license, agreement or similar arrangement concerning any of the Company's intellectual property rights excluding any logo not owned by the Company other than in favour of a service provider of the Company for the purpose of Business in the usual course;
- (v) Any change to the name or the registered office of the Company or any of its direct subsidiaries;
- (vi) Any alteration in the memorandum or articles of association of the Company or any of its direct subsidiaries other than in respect of matters contemplated in clause (ix) of Part A of this Schedule; and
- (vii) Commencement, institution, settlement, compromise or abandonment of any new legal proceedings, actions or suits by the Company or any of its direct subsidiaries exceeding in the aggregate the monetary equivalent of US\$ 25,000,000 (United States Dollars Twenty Five million) in any Financial Year except any proceedings, actions or suits against the Investor.

4. TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S), AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association (“AOA”) of the Company be and is hereby altered as under:

- (i) After the existing definition of “Capital”, under Article 2 (a) of the AOA, the definition of “Charter Documents” shall be inserted as follows:

“Charter Documents”

“Charter Documents” means the Memorandum of Association and the Articles of Association of the Company.

- (ii) After the definition of the “Gender”, under Article 2 (a) of the AOA, the definition of the “INR or Rs” shall be inserted as follows:

“INR or Rs”

“INR or Rs” means the Indian Rupees.

- (iii) After the definition of the “Plural Number”, under Article 2 (a) of the AOA, the definition of the “Promoters” shall be inserted as follows:

“Promoters”

“Promoters” means Mr. B. K. Goenka, Mr. Rajesh Mandawewala, Mrs. Deepali Goenka, B. K. Goenka Family Trust, Welspun Wintex Ltd, Welspun Mercantile Ltd, Welspun Fintrade Ltd, Krishiraj Trading Ltd, Welspun Investments & Commercial Ltd, Methodical Investment & Trading Company Pvt. Ltd., Welspun Syntex Ltd, Welspun Zuchhi Textile Ltd and/or Welspun Steel Ltd and shall

include any Affiliate of any of the foregoing persons or any entity within the same "group" as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

- (iv) After the definition of the "Promoters", under Article 2 (a) of the AOA, the definition of the "Promoters' Affirmative Vote Items" shall be inserted as follows:

"Promoters' Affirmative Vote Items"

"Promoters' Affirmative Vote Items" means the following:

- a. Undertaking any new line of business or causing or permitting the cessation of carrying on a material part of business or Amending the Memorandum or AOA;
- b. Issuance, sale, buy-back, redemption, alteration, or reorganisation of share capital or otherwise any action that results in a change in the equity structure or any change to the terms of any equity or convertible securities or undertaking any listing or de-listing of the equity or other securities on any stock exchange;
- c. Approve, adopt, alter, revise the business plan or budget, incur any capital expenditure where the amount involved (whether in cash or otherwise), individually exceeds) INR 250,000,000 (Indian Rupees two hundred fifty million) or in the aggregate, in any financial year , exceeds INR 1,000,000,000 (Indian Rupees one billion) or invest in shares or securities or interest in any other entity or granting any loans or advances or giving any guarantees or indemnities other than, in the ordinary course of business, or investment in fixed deposits and debt mutual funds;
- d. Any sale, transfer, mortgage, creation of a charge, pledge or other disposal of all or any of the assets (including fixed, financial, shares, securities and intellectual property) or undertakings except those which are undertaken in the ordinary course of business consistent with past practice or except where the book value is less than (i) INR 50,000,000 (Indian Rupees fifty million) in case of individual sale, transfer, mortgage, creation of a charge, pledge or other disposal and: (ii) INR 250,000,000 (Indian Rupees two hundred fifty million) in the aggregate in any financial year or any transfer of or license any brand name, trade mark or any other intellectual property, other than licensing to service providers in the usual course of business;
- e. Incurring any indebtedness or amending the terms of any indebtedness of an amount in excess of INR 250,000,000 (Indian Rupees two hundred fifty million) or in excess of INR 1,000,000,000 (Indian Rupees one billion) in any financial year or entering into, amending or terminating any derivatives, foreign exchange contracts, swaps, options or similar financial instruments, except in accordance with the approved business plan;
- f. Enter into, transfer, modify, sell, vest, sub-contract, terminate any (a) material contract including any contract of a value exceeding INR 100,000,000 (Indian Rupees one hundred million) or period exceeding of 1 (one) year or more or (b) license or permit granted, or creation of any material right, title, or interest in favour of any third person or commence, institute, settle, compromise, abandon or defend any legal proceeding, action, suit, arbitration, or other legal action exceeding the monetary equivalent of INR 50,000,000 (Indian Rupees fifty million);
- g. Merger, de-merger, amalgamation, reconstruction, voluntary dissolution, liquidation, winding up or re-organisation or enter into, terminate or amend any material joint venture or strategic partnership with any person;
- h. Appointing, removing, terminating, amending the terms of the Managing Director or CEO and/or Chairman and/or any key employee being any of the departmental heads and the ten highest paid employees; and

- i. Approval of financial statements, declaration of dividends or making any distributions, changing the financial year, accounting standards or tax policies or practices other than as required under applicable law or, any change termination, appointment or amendment to the material terms of, the statutory or internal auditors.

- (v) After the definition of "Promoters' Affirmative Vote Items", under Article 2 (a) of the AOA, the definition of "Promoters' Representative" shall be inserted as follows:

"Promoters' Representative"

"Promoters' Representative" means the representative of the Promoters who shall be entitled to exercise the voting and other rights on behalf of the Promoters and shall be B K Goenka Family Trust or such other person(s) agreed between the Promoters.

- vi) After the definition of "Promoters' Representative", under Article 2 (a) of the AOA, the definition of "Promoters' Threshold Shareholding" shall be inserted as follows:

"Promoters' Threshold Shareholding"

"Promoters' Threshold Shareholding" means 12% (Twelve percent) of the issued and paid up equity share capital of the Company.

- (vii) In the Article 103(a), before the words 'Five members personally present' the words and numbers 'Subject to Article 103-A' shall be inserted.

- (viii) After the existing Article 103 of the AOA of the Company the following Article shall be inserted as Article 103-A:

Quorum

Article 103-A.: A valid quorum of any meeting of the shareholders of the Company shall require the presence of the Promoters' Representative.

- (ix) After the existing Article 113 of the AOA of the Company, the following Articles shall be inserted as Article 113-A:

Promoters Affirmative Vote Items

Article 113-A: Notwithstanding anything contained in these Articles, no decision on any of the Promoters' Affirmative Vote Items shall be taken or implemented or agreement entered into by the Company or its subsidiaries at a meeting of shareholders, by postal ballot or otherwise, without the affirmative vote or written consent of the Promoters' Representative.

- (x) After the newly inserted Article 113-A of the AOA of the Company, the following Articles shall be inserted as Article 113-B:

Voting Rights of GDRs holders

Neither the holder of the GDRs nor the custodian in whose favor the Equity Shares underlying the GDRs shall have voting rights with respect to the Equity Shares underlying the GDRs, until such GDRs are surrendered for withdrawal of the Equity Shares underlying the GDRs.

- (xi) After sub-clause (c) of Article 145 of the AOA the following Articles shall be inserted:

Promoters Nominee Directors

Article 145(d): The Promoters shall have the right to nominate, appoint, remove or re-elect at least 4 (four) individuals as directors on the Board of Directors of each of the Company and its subsidiaries ("Board") ("Promoters Nominees"), from time to time. Subject to applicable law, out

of the 4 (four) Promoters Nominees, 1 (one) director shall not be liable to retire by rotation.

Article 145(e): The Promoters shall have the right to nominate, appoint, remove or re-elect at least 1 (one) of the Promoter Nominees for appointment to each committee of the Board of the Company and its subsidiaries, including without limitation, the audit committee, the remuneration committee, the budget committee and any other committee, whether now existing or formed at any time in the future.

- (xii) The existing Article 182 of the AOA of the Company be substituted and replaced with the following Article:

Appointment of Chairman:

Article 182

The Promoters shall have the right to nominate, appoint, remove or re-elect the Chairman of the Board of the Company and its subsidiaries.

- (xiii) The existing Article 183 of the AOA of the Company be substituted and replaced with the following Article:

Quorum

Article 183

A valid quorum of any Board meeting or meeting of the committee of the Board of the Company and its subsidiaries or any adjournment thereof, subject to Section 287 of the Act, shall require the presence of at least 1 (one) of the Promoter Nominees.

- (xiv) The existing Article 184(a) of the AOA of the Company be substituted and replaced with the following Article:

Appointment of Managing Director:

Article 184(a)

In addition to the Promoters Nominees, the Promoters shall have the right to nominate, appoint, remove or re-appoint the Managing Director and/or Chief Executive Officer of the Company and its subsidiaries.

- (xv) After the existing Article 193 of the AOA of the Company, the following Article shall be inserted as Article 193-A:

Promoters Affirmative Vote at Board and Committee

Article 193-A

Notwithstanding anything contained in these Articles, no decision on any Promoters' Affirmative Vote Item shall be taken or implemented or agreement entered into by the Company or its subsidiaries, at a meeting of Board or any committee of the Board of directors (including resolutions by circulation), in each case, without the affirmative vote of at least 1 (one) of the Promoter Nominees or the written consent of the Promoters' Representative.

- (xvi) After the newly inserted Article 193-A of the AOA of the Company, the following Articles shall be inserted as Article 193-B:

193-B. The rights of the Promoters as contained in Articles 103(a), 113-A, 145(d), 145(e), 182, 184(a), 183 and 193-A shall continue so long as the Promoters shareholding in the Company is not less than the Promoters' Threshold Shareholding.

- (xvii) After the newly inserted Article 193-B of the AOA of the Company, the following Articles shall be inserted as Article 193C:

Article 193-C

The Company shall provide the option to its shareholders and directors to participate in meetings of the shareholders, Board and committees of the Board through electronic mode, in compliance with Applicable Laws.

5. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S), AS AN SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 ((including any amendments thereto or re-enactment thereof) (the "Act")) and, Schedule XIII to the Act and subject to approval of Banks and Financial Institutions and such other approvals as may be required under the Act or otherwise, remuneration of Mr. B. K. Goenka, Chairman of the Company be and is hereby increased w.e.f. April 1, 2011 to Rs. 1 crore p.a. and that in addition, he shall be entitled to 1% commission on profits as computed u/s. 349 & 350 of the Companies Act, 1956 and that the term of appointment of Mr. Goenka be for a period from 1st April, 2011 to 31st March, 2016 and that Mr. Goenka be not liable to retire by rotation and that in case of inadequacy of profits as computed u/s 349 and 350 of the Act, subject to the limit of the maximum remuneration payable in terms of this resolution, Mr. Goenka shall be entitled for the maximum permissible remuneration payable under Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of the remuneration, to the extent specified in Schedule XIII to the Act as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase the aforesaid ceiling w.e.f. April 1, 2012 and thereafter at the end of every 12 months by not more than 35% of the ceiling of the remuneration drawn in the preceding financial year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enter into an agreement /issue a letter for increase in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

6. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S), AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Article 241 (5) of the Articles of Association Mr. Mintoo Bhandari, for whose appointment notice under Section 257 of the Companies Act, 1956 has been received from a shareholder of the Company, be and is hereby appointed as a Director of the Company (a nominee of the Investor), not liable to retire by rotation, and that the appointment be effective from the Effective Date as defined under Article 241 of the Articles of Association."

**By Order of the Board
For Welspun Corp Limited**

Place: Mumbai

Date: July 20, 2011

M.L. MITTAL
Executive Director - Finance

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PROXY FORM IS ENCLOSED FOR THIS PURPOSE.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and SEBI Regulations is annexed herewith.
3. Shareholders / Proxy Holders are requested to bring the Attendance Slip duly completed and signed to the meeting.
4. Corporate shareholders intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. All the queries / complaints / grievances may be addressed to CompanySecretary_WGSRL@welspun.com
6. All future shareholder communications would be sent in electronic form to the e-mail addresses registered with the Company. Please inform any changes in your e-mail address to the Depository through your Depository Participant.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS:

Item No. 1

Compulsorily Convertible Debentures:

In terms of the Investment Agreement entered in to between Insight Solutions Limited and the Company on June 29, 2011 (“**Investment Agreement**”), the Company proposes to issue and allot 1 (One) Compulsorily Convertible Debenture (“**CCD**”) or such other convertible instruments as may be decided by the Board (the “**Securities**”) which may be issued subject to applicable law to Granele Limited, a company incorporated in Cyprus and an Affiliate of Insight Solutions Limited, a company incorporated under the laws of Mauritius having the address C/o International Management (Mauritius) Limited, Floor 4, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (the “**Investor**”), subject to applicable law convertible in to 35,038,889 (Thirty Five million Thirty Eight thousand Eight hundred and Eighty Nine) Equity Shares of face value Rs. 5/-each fully paid-up for cash aggregating to the issue amount of Rs. 7,883,750,025 (Rupees Seven billion Eight Hundred Eighty Three million Seven Hundred Fifty thousand and Twenty Five).

The CCD shall have the following terms and conditions:

1. Conversion Ratio and Convertibility

- (i) The CCD shall be convertible into 35,038,889 (Thirty Five million Thirty Eight thousand Eight hundred and Eighty Nine) Equity Shares of the Company at a price of Rs. 225 (Rupees Two Hundred Twenty Five) per Equity Share.
- (ii) The CCD may be converted, in whole or in part, into the Equity Shares (which are listed and admitted to trading on the stock exchanges) of the Company, by the Investor, at anytime during a period of 18 months from the date of issue

of the CCD.

- (iii) If not already fully converted in accordance with point (ii) above, at the expiry of a period of 18 months from the date of issue of the CCD, the unconverted part of the Investor CCD shall be deemed to be automatically converted into Equity Shares, which are listed and admitted to trading on the Stock Exchanges.
- (iv) Within 15 (Fifteen) days of (i) the Investor exercising its option to convert, whether in whole or in part, the CCD into the underlying Equity Shares or (ii) the expiry of 18 (Eighteen) months from the date of issue of the CCD, whichever is earlier, the Company shall take all necessary actions for the issue, allotment, listing and admission to trading of the Equity Shares to be issued upon conversion of the Investor CCD and shall deliver to the Investor, Equity Shares which are listed and admitted to trading.

2. Form & Listing

- (i) The CCD shall be issued by the Company in dematerialised form.
- (ii) The CCD shall not be listed.

3. Coupon Rate

- (i) The CCD shall carry a coupon of 5 (Five) % annually until issue of Equity Shares which are listed and traded on the stock exchanges to the Investor upon conversion of the CCD.
- (ii) The coupon shall be payable to the Investor (a) in one installment within 3 (Three) business days of the date of issue of the Equity Shares upon conversion of the CCD, in the event conversion of the CCD takes place prior to the expiry of 17 (Seventeen) months and 2 (Two) weeks from the date of issue of the CCD; or (b) in 2 (Two) installments, the first payable, on the date which falls at the expiry of 17 (Seventeen) months and 2 (Two) weeks and the second payable, on the date which falls at the expiry of 18 (Eighteen) months from the date of issue of the CCD.

4. Indian Withholding Tax

The Company shall deduct tax at source on coupon payments to the Investor, such that all coupon payments shall be made net of such withholding tax. The Company shall issue a withholding tax certificate to the Investor within the time prescribed by Applicable Law to enable the Investor to claim a credit for such withholding tax.

The following disclosure for the preferential issue of CCD is made in accordance with the provisions of Regulation 73 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) relating to the Preferential Issue, and the Companies Act, 1956:

1) Objects of the preferential issue:

The Company intends to use the proceeds for its capital expenditure and for implementing future growth plans of the Company and its subsidiaries / joint venture companies.

2) Proposal of Promoters, Directors or key managerial personnel of the Company to subscribe to the offer:

None of the current Promoters of the Company or Directors or key management persons will participate in the proposed preferential issue of CCD.

3) Equity shareholding pattern before and after the preferential issue:

Since CCD and GDRs are proposed to be allotted to the Investor and its Affiliates, the post issue number and percentage of shares is based on the following

assumptions that (a) the CCD and GDRs are converted in entirety into Equity Shares of the Company. Also it should be noted that the Investor has contractually agreed that its shareholding (together with the shareholding of its Affiliates) in the voting Equity Share capital of the Company shall not exceed 14.99% of the fully diluted issued and paid up share capital of the Company;

and (b) Conversion of outstanding Foreign Currency Convertible Bonds and dilution on account of outstanding Employee Stock Option Plans (ESOPs) has not been accounted for in the determination of the number and percentage of shares. Further, please note that the Proposed Allottees may purchase Equity Shares of the Company from the secondary market between the date hereof and the date of allotment / conversion / redemption

Category	Before Offer		Proposed preferential allotment #	After offer	
	No. of Equity Shares	%	No. of Equity Shares	No. of Equity Shares	%
Promoters	69,492,970	33.94	-	69,492,970	26.44
Foreign Co-Promoters	14,565,523	7.11	-	14,565,523	5.54
Indian Institutional Investors	26,035,743	12.72	-	26,035,743	9.91
Foreign Institutional Investors	47,876,666	23.38		47,876,666	18.22
Proposed Allottee :\$ -Granele Limited	-	-	35,038,889	35,038,889	13.33
Proposed Allottee: \$ -Insight Solutions Limited			23,026,000**	23,026,000	8.76
Public	46,784,133	22.85	-	46,784,133	17.80
Total Paid-up capital	204,755,035	100.00	58,064,889	262,819,924	100.00

\$ Insight Solutions Limited and Granele Limited are affiliates of each other.

* The rate of exchange has been considered US\$1 = INR 45.05.

** Equity Shares underlying the GDRs.

As 23,026,000 Equity Shares for GDRs (non-voting) will be issued before conversion of CCD being issued under Preferential Issue, they have been included for determining post offer shareholding pattern. It should be noted that the number of Equity Shares is based on the assumption that the CCD and GDRs are converted in entirety into Equity Shares of the Company although the Investor has contractually agreed that its shareholding (together with its Affiliates) in the voting Equity Share capital of the Company shall not exceed 14.99% of the fully diluted issued and paid up share capital of the Company. As the proposed Allottee's shareholding in the voting Equity Share capital of the Company shall not exceed 14.99% of the fully diluted issued and paid-up share capital of the Company, there shall be no change in control of the Company pursuant to the Preferential Issue nor the issue of Securities or any Equity Share resulting from CCD and GDR shall trigger open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

4) **Proposed time within which the allotment shall be complete:**

Allotment shall be completed within 15 days of the Extra

Ordinary General Meeting. Provided that in the event the approval of any regulatory authority or the Central Government is required to undertake the allotment, the allotment shall be completed within 15 days from the date of receipt of such approval.

5) **Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:**

Name	Size of the offer of securities not to exceed	Post Offer Shareholding	Percentage
Granele Limited (an Affiliate of Insight Solutions Limited, Mauritius), a company incorporated under laws of Republic of Cyprus having address at 11 Lemesou Avenue, Galatiotus Building, 2nd Floor, 2112 Nicosia, Cyprus.	1 CCD	1 CCD convertible into 35,038,889 Equity Shares	Individually: 13.33 Together with Affiliates: 22.09 Refer to point 3 above.

- 6) Relevant Date for pricing and conversion: In accordance with applicable law and as stated above.
- 7) The Company undertakes that it shall re-compute the price of the specified Securities in terms of the provision of the SEBI Regulations where it is required to do so.
- 8) The Company further undertakes that if the amount payable on account of the re-computation of price as aforesaid is not paid within the time stipulated in the SEBI Regulations, the specified Securities shall continue to be locked- in till the time such amount is paid by the Investor.

The Special Resolution seeks to empower the Board of Directors to undertake a Preferential Issue as defined by SEB Regulations. The Board, may in their discretion adopt this mechanism, as prescribed under Chapter VII of the SEBI Regulations in order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company / its subsidiarieto and to meet any exigencies including pursuing new opportunities, without the need for fresh approval from the shareholders. The pricing of the Securities to be issued to the Investor pursuant to Chapter VII of the SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VII of the SEBI Regulations.

Item No. 2

Global Depository Receipts:

In terms of the Investment Agreement entered in to between Insight Solutions Limited and the Company on June 29, 2011 ("**Investment Agreement**"), the Company proposes to issue and allot Global Depository Receipts ("**GDR**"), for an amount of US\$115,002,205.70 (United States Dollars One Hundred Fifteen million Two Thousand Two Hundred and Five and Cents Seventy) at the proposed price of US\$ 4,994.45 (United States Dollars Four Thousand Nine Hundred and Ninety Four and Cents Forty Five), subject to applicable law (hereinafter referred to as "**Securities**"), to be denominated in foreign currency, which, at the option the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying Equity shares of the Company to Insight Solutions Limited, a company incorporated under the laws of Mauritius having the address C/o International Management (Mauritius) Limited, Floor 4, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (the "**Investor**") in one or more tranche(s).

The GDRs shall have the following terms and conditions:

1. Conversion Ratio and Convertibility

- (i) Each GDR shall be issued by the Depository in respect of 1000

(One Thousand) underlying Equity Shares, held by the Custodian, for the benefit of the Depository.

- (ii) The GDRs may be surrendered for withdrawal of the underlying Equity Shares corresponding to such GDRs at anytime subject to condition stated below.
- (iii) The Depository shall not permit any holder of any GDRs to exercise the right of withdrawal of the underlying Equity Shares, if, as a result thereof, its shareholding (together with the shareholding of its affiliates) in the voting equity share capital of the Company increases beyond 14.99 % of the fully diluted issued and paid up equity share capital of the Company.

2. Form & Listing

- (i) The GDRs shall be issued by the Depository in dematerialised form.
- (ii) The GDRs shall be listed on the Singapore Exchange Limited immediately upon issuance. In the event of any delay or inability to list on the Singapore Exchange Limited, at the discretion of the Investor, the same shall be listed on the Luxembourg Stock Exchange.

3. Voting Rights

- i) The holder of the GDRs shall have no voting rights with respect to the Equity Shares underlying the GDRs, until such GDRs are surrendered for withdrawal of the Equity Shares underlying the GDRs.
- ii) The Depository shall undertake not to exercise any voting rights in respect of the Equity Shares underlying the GDRs.

4) Dividend and other Distributions

The holder of a GDR shall be entitled to receive the dividend declared in respect of the Equity Shares underlying the GDRs, as well as other distributions made in respect of the Equity Shares underlying the GDRs.

Common Provisions applicable to Item No. 1 & 2

Section 81(1) of the Companies Act, 1956 ("the Act") provides, inter alia, that whenever a public company proposes to increase its subscribed capital by further issue/ offer and allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise by a special resolution passed under Section 81(1A) of the Act. Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Act, authorizing the Board to issue CCD and GDRs, as stated in the Resolution, which would result in issuance of Equity Shares of the Company upon conversion to persons other than the existing shareholders of the Company.

None of the directors except Mr. B.K.Goenka, Mr. Rajesh Mandawewala, Mr. Asim Chakraborty to the extent of their shareholding are anyway concerned or interested in the said Resolutions.

A copy of the existing Memorandum of Association and Articles of Association is available for inspection of the members on any working day between 10.00 am and 12.00 noon at the Registered Office of the Company. The Company shall place a copy of the certificate of the statutory auditor before the extra ordinary general meeting of the members.

The Board recommends the Special Resolution set out at Item No. 1 & 2 for approval by the shareholders.

Item No. 3

In terms of the Investment Agreement entered in to between Insight Solutions Limited and the Company dated June 29, 2011, the Articles of Association of the Company are required to be amended by way of insertion of new articles or replacement of existing articles.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, approval of the shareholders of the Company by special resolution at the general meeting is required for the amending the Articles of Association and accordingly, the approval of the members is being sought for the proposed adoption of the amended Articles of Association.

None of the directors except Mr. B.K.Goenka, Mr. Rajesh Mandawewala, Mr. Asim Chakraborty to the extent of their shareholding are anyway concerned or interested in the said Resolutions.

The amended Articles of Association to be adopted by the Company is available for inspection at the Registered Office of the Company on all working days except public holidays, Saturdays and Sundays between 11.00 am to 1:00 pm.

The Board recommends the Special Resolutions set out at Item No. 3 for approval by the shareholders.

Item 4

As would be observed, the Articles of Association of the Company are proposed to be amended to provide for certain rights to the Promoters in terms of the resolution set out in the Notice. The Board has considered the aforesaid, in light of proposed developments in the Company and recommends amendment to the Articles of Association as per resolution set out in the Notice.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, approval of the shareholders of the Company by special resolution at the general meeting is required for the amending the Articles of Association and accordingly, the approval of the members is being sought for the proposed adoption of the amended Articles of Association.

The amended Articles of Association to be adopted by the Company is available for inspection at the Registered Office of the Company on all working days except public holidays, Saturdays and Sundays between 11.00 am to 1:00 pm.

The Board recommends the Special Resolutions set out at Item No. 4 for approval by the shareholders.

None of the directors except Mr. B.K.Goenka, Mr. Rajesh Mandawewala, Mr. Asim Chakraborty to the extent of their shareholding are anyway concerned or interested in the said Resolutions.

Item No. 5

Mr. Goenka is at the helm of the affairs of the Company since inception of the Company. He was instrumental in conceiving the projects and their expansions and negotiating with machinery suppliers, technology consultants and arranging for necessary resources including project finance for attainment of the business plans from time to time. The success of growth is attributable to him to a great extent. Under his guidance and supervision, the operations have reached highest efficiency level as well as economy of operations, which has contributed to a great extent to the profitability of the Company. With the challenges ahead in the global competitive environment warranting shouldering of additional responsibilities, it is imperative to consider re-appointment and enhancement of remuneration of Mr. Goenka.

In view of the above, the Board recommends the Special Resolution set out at Item No. 5 for approval by the shareholders. The Board has considered and approved that with the increase in the size of business of the Company, the remuneration of Rs. 55 lacs p.a. plus commission @ 1% of the profit for the relevant year determined u/s 349 and 350 of the Act, approved in the year 2007, should be revised to Rs. 100 lacs p.a. plus commission @ 1% of the profit for the relevant year determined u/s 349 and 350 of the Act. Besides this, the appointment shall be for a period of 5 years with effect from 1st April, 2011 and that as Mr. Goenka being a non-retiring director, his appointment is not subject to retirement by rotation.

Brief Resume of Mr. B.K. Goenka

Other Directorship, Membership/Chairmanship in the Committees of the Board of Directors held by Mr. Goenka are as under :

Directorship:

Adani Welspun Exploration Limited, Giant Realty Pvt Ltd., MGN Agro Properties Pvt Ltd (Formerly MGN Builders & Dvlprs), Refined Salts Private Limited, Remi Metals Gujarat Limited, Welspun Developers and Infrastructure Private Limited, Welspun Energy Ltd., Welspun Enterprise (Cyprus) Ltd., Welspun Global Brands Limited, Welspun Global Trade LLC, Welspun Corp Limited (Formerly Welspun Gujarat Stahl Rohren Limited), Welspun India Ltd., Welspun Infratech Ltd., Welspun Investments & Commercials Ltd., Welspun Logistics Ltd., Welspun Maxsteel Limited (Formerly Vikram Sponge Iron Limited), Welspun Pipes Inc, Welspun Steel Ltd. (Formerly Welspun Power and Steel Ltd.), Welspun Syntex Ltd., Welspun Tubular LLC, Welspun Projects Limited (Formerly) MSK Projects India Limited, Alspun Infrastructure Limited, Welspun Middle East Pipe Coatings Company LLC (Formerly Al Tanmiah For Pipe Coating Company), Welspun Middle East Pipe Company LLC (Formerly Pipe Manufacturing for Pipe Development Company), Welspun Home Textiles UK Limited, Leighton Contractors (India) Private Limited

Membership of Committees:

Mr. Goenka is a member of the Share Transfer and Grievance Committee of the Company, Welspun India Limited, Welspun Syntex Limited and Welspun Global Brands Limited and Chairman of Share Transfer and Grievance Committee of Welspun Investments and Commercials Limited and a member of the Audit Committee and the Remuneration Committee of Welspun Steel Limited,

He holds 140 shares in the Company.

None of the directors except Mr. B.K. Goenka himself is in any way concerned or interested in the said Resolution.

The above explanatory statement may be considered as a statement under Section 302 of the Companies Act, 1956

Item No. 6

In terms of the Investment Agreement entered in to between Insight Solutions Limited and the Company dated June 29, 2011, the Board has proposed to appoint Mr. Mintoo Bhandari as a director, not liable to retire by rotation. Hence, the resolution at Item No. 6 is proposed as

an Ordinary Resolution..

BRIEF RESUME OF MR. MINTOO BHANDARI PROPOSED TO BE APPOINTED AS A DIRECTOR

Mr. Bhandari is the Managing Director of AGM India Advisors Private Ltd, an affiliate of Apollo Global Management LLC ("Apollo"), responsible for the development and oversight of transactions which relate to India. Insight Solutions Limited and Granele Limited are affiliates of Apollo. Prior to Apollo, Mr. Bhandari was managing director of The View Group, an India-focused private equity firm. He was an early participant in the sourcing, execution and development of transactions and enterprises which leveraged operating resources in India and has been integrally involved with approximately twenty such transactions, several of which were pioneering in their structure, strategy and timing. Mr. Bhandari was also previously a member of the private equity team and later a manager of hedge fund capital at the Harvard Management Company which manages the endowment of Harvard University. Mr. Bhandari graduated with distinction in Mechanical Engineering from MIT (S.B. '87) and the Harvard Business School (MBA '92).

Mr. Bhandari is Managing Director of AGM India Advisors Pvt Ltd and a director in Dish TV India Limited. He is also member of the Audit Committee and the Budget committee of Dish TV India Ltd.- Committee and the Budget Committee Dish TV India Ltd.

He does not hold any share in the Company.

None of the directors of the Company is in any way concerned or interested in the said resolution.

**By Order of the Board
For Welspun Corp Limited**

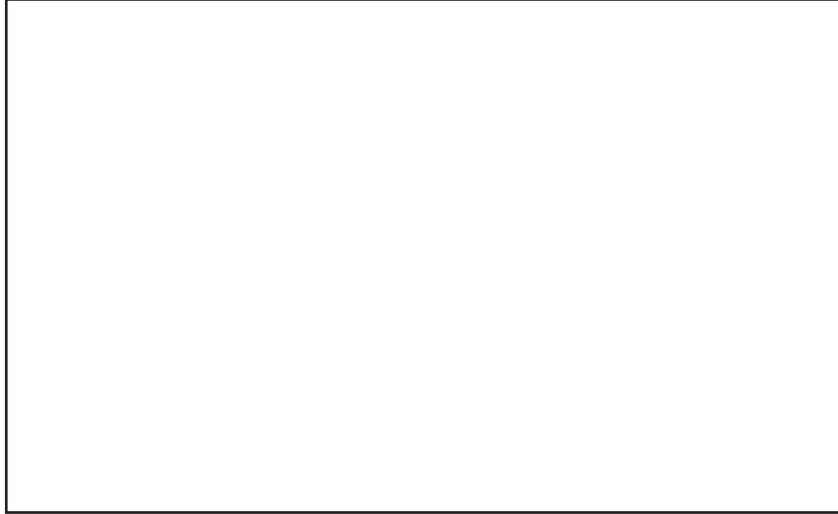
Place: Mumbai

Date: July 20, 2011

M.L. MITTAL
Executive Director - Finance

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