



### **Welspun to Acquire Vikram Ispat, the Sponge Iron Unit of Grasim**

**Mumbai, June 11, 2008:** Welspun Power and Steel Ltd. (Welspun Power), part of the USD 3 billion Welspun Group, is acquiring Vikram Ispat, the Sponge Iron Business of Grasim Industries Ltd., for a total purchase consideration of Rs. 1,030 crores.

The transaction was approved by the Board of Directors of Welspun Power at a meeting held in Mumbai on the 10<sup>th</sup> June.

Under a court approved scheme of arrangement, Grasim would transfer Vikram Ispat into a new special purpose vehicle (SPV), to be incorporated by Grasim for this purpose. Welspun Power will effect the acquisition through infusion of Debt and Equity in the SPV. The funds so infused will be used by the SPV to discharge the consideration to Grasim..

Vikram Ispat, commissioned in 1993 as a division of Grasim, had a turnover of Rs.950 cores for the financial year ended 31st March, 2008. The plant, situated in the Raigad district of Maharashtra has an installed capacity of 9 lacs TPA.

The acquisition of the Sponge iron unit is in line with the long term vision of the Welspun Group to become an integrated player in the entire iron ore to steel value chain.

Welspun Power is a closely held unlisted company is already engaged in the business of, amongst others, manufacturing sponge iron at its plant situated at Anjar, Gujarat.

It may be worth mentioning that this transaction is strictly between Welspun Power and Grasim Industries Ltd. and none of the Welspun Groups listed companies are a party to this transaction.

Enam Securities Private Limited acted as the exclusive financial advisor and J Sagar & Associates acted as the legal advisor to Welspun on the transaction.

#### **About Welspun ([www.welspun.com](http://www.welspun.com))**

Welspun, a USD 3 billion group, is one of the fastest growing Indian conglomerates. With presence in over 50 Countries and over 20,000 employees and 50,000 shareholders, Welspun represents an amalgamation of expertise, resources, opportunities and engineering excellence.