

THE HINDU Business Line

Welspun Corp gets shareholders, creditors' nod for demerger

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NEW DELHI, OCT 22:

Welspun Corp Ltd (WCL) today said it has received approvals from shareholders and creditors to demerge "other business" into Welspun Enterprises Ltd (WEL).

"Post demerger, WEL shall comprise steel, infrastructure, oil & gas exploration and energy businesses while WCL will now solely focus on pipe and plates business in India and globally," WCL said in a statement.

The company said its shareholders and creditors have unanimously approved the "scheme of arrangement" under which the "other businesses" undertaking is being demerged into WEL.

WCL, the flagship company of the \$3.5 billion Welspun Group, is a global giant in the large diameter line pipe segment. It has a capacity of 2.2 million tonnes per annum (mtpa) pipe making capacity.

The "other businesses" of the Group are also significant.

"Through this demerger, Welspun Group aims to create two focused, independently run companies — WCL and WEL — with enhanced value creation across each business," it said.

The demerger will also better enable the management team to protect, grow and nurture each line of business in a more distinct manner.

It would also bring more clarity on each business to pursue its strategic objectives and enhance shareholder value, the company said.

The demerger scheme is subject to the sanction by the Gujarat High Court.