

Business Standard

Welspun Corp rallies on stake sale in Leighton Welspun JV Mumbai December 30, 2013

The stock has zoomed 83% in past eight trading sessions from Rs 35 on December 17, against 3% rise in Sensex.

[Welspun Corp](#) is locked in upper circuit of 10% at Rs 64.40 after the company said it has sold entire stake in Leighton Welspun Contractors India Private Limited (LWIN) for \$ 99 million.

The company's subsidiary Welspun Infra Projects Pvt. Ltd. (WIPPL) has entered into a share sale agreement with Leighton Group to sell Welspun's entire 39.88% stake in LWIN for the net cash consideration of \$99 million (approx Rs 600 crore), Welspun Corp said in a statement.

The transaction between Welspun Corp Ltd and Leighton Group shall be completed in the first quarter of 2014 once the procedural conditions are met. The net proceeds received by Welspun will primarily be utilized to deleverage its balance-sheet, it added.

The company said it has decided to exit LWIN to enable Welspun to redirect its efforts and reposition itself in the infrastructure space which has synergies with its other businesses.

To streamline the structure, Welspun Infratech has also entered into an agreement with Welspun Infra Developers Private Limited to acquire its 40% stake in WIPPL, it added.

The stock opened at Rs 60.30 and touched a low of Rs 55.05 on the BSE. A combined 2.7 million shares have changed hands on the counter so far on the BSE and NSE.

Meanwhile, shares of [construction](#) and engineering company has zoomed 83% in past eight trading sessions from Rs 35 on December 17, after promoter acquired over one million through open market. The benchmark S&P BSE Sensex has gained 2.7% during the same period.