



Apollo Global to invest Rs 2,250 crore in Welspun Group
Andhra Business Bureau

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HYDERABAD: Private equity firm Apollo Global Management will invest upto Rs 2,250 crore in the Mumbai-based Welspun Group that owns leading pipe manufacturer Welspun Corp Limited (WCL). The deal, which is one of the biggest private equity investments in the recent times, is expected to close before August 12, 2011.



"The Board of Directors of WCL, Welspun Maxsteel Limited (WMSL) and Welspun Infratech Limited (WITL) have carefully considered and agreed to accept Apollo's investment proposals in meetings held on June 29, 2011 and these boards have universally viewed this transaction as a positive, landmark event in the trajectory of the Welspun Group," said Welspun Corp in a statement.

As per the plan, Apollo will invest Rs 1,305 crores, including Rs 788 crores by way of a preferential allotment of FCD/CCD (Fully/Compulsorily Convertible Debentures). The equity firm will also buy entire promoter stake in WMSL for a total consideration of Rs 140 crore and make an additional investment of Rs 130 crore in it for capital expenditure.

Besides, Apollo and its affiliates are also in active discussions with WITL, a subsidiary of WCL, to explore an additional investment of up to Rs 675 crore in WITL in the form of debt, equity or a combination of both.

B K Goenka, Chairman, Welspun said: "We are extremely delighted to have Apollo as one of our largest stakeholders. Apollo is one of the largest private equity fund managers in the world. Apollo's investment in Welspun is a landmark transaction for the Indian capital markets and demonstrates trust and confidence in Welspun's management team, the firm's global reach in servicing some of the largest oil and gas companies in the world, and our collective vision for the future of the industry".

Keywords: Apollo Global Management, WCL, Welspun Corp Limited



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