

Friday, July 1, 2011

[Home](#) [Classified](#) [Jobs](#) [Matrimonials](#) [Blog](#) [Archives](#) [Advertise](#) [Feedback](#) [About Us](#)

Last Updated: 01 Jul 05:25 AM IST

The Statesman
136 YEARS IN PRINT
Because we are different.

search...

The Statesman

Search

[News](#) [Page-One](#) [World](#) [Editorial](#) [Perspective](#) [Business](#) [Sport](#) [Bengal Plus](#) [India](#) [Bengal](#) [Kolkata Plus](#)

[Features](#) [Marquee](#) [Evolve](#) [8th Day](#) [Voices](#) [North East](#) [Page](#) [NB Extra](#) [Viewpoint](#) [Notebook](#) [Campus](#) [Career](#) [Science](#)

Hasan: Mumbai court rejects bail plea of Pune stud farm-owner Mr Hassan



Submit a
Letter to the Editor

e - PAPER
- READ IT ONLINE >

Internships at
The Statesman >



[Print](#) [E-mail](#)

Welspun plans `5,300-cr expansion

29 June 2011

press trust of india

MUMBAI, 29 JUNE: Welspun Maxsteel (WMSL) today announced a Rs 5,300-crore expansion plan, including raising DRI capacity to 1.7 million tons per annum, even as Welspun Group said the US-based private equity fund Apollo Global has agreed to pump in Rs 2,250 crore into various group companies.

"We are planning to invest Rs 5,300 crore towards raising our direct reduced iron (DRI) capacity from 0.9 million tons to 1.7 million tons per annum. A part of this proposed investment will also be spent for entering the high-end steel slabs segment, and set up a 330-MW captive power plant," WMSL executive director and chief executive, Mr VS Bapna told reporters here.

"We are hopeful to begin the expansion work on our DRI plant as early as October," Mr Bapna further said, and added that the proposed high-end steel slabs unit will come up near the WMSL's existing natural gas-based DRI plant in Maharashtra.

Earlier, the company announced that the US-based PE fund Apollo Global Management has agreed to invest up to \$500 million or about Rs 2,250 crore into the Welspun Group.

"Apollo will invest up to \$500 million in various Welspun units, mainly in WCL, Welspun Infratech and Welspun Maxsteel," Welspun Group chairman, Mr BK Goenka said, adding this transaction is expected to be completed by 12 August.

This capital infusion, which is the largest direct investment by the American PE fund into any domestic firm so far, will help Welspun Corp (WCL) become a leading global oil and gas pipe firm, Mr Goenka informed.

"This is our largest and the second direct private equity investment so far. India has been high on our priority list and we are looking at opportunities in the country. We are looking at great companies with good management team and the right opportunities," Apollo Global Management managing director, Mr Mintoo Bhandari said.

After this PE infusion, the debt-equity ratio of WMSL will stand at 35:65, Mr Bapna said.

On raising funds for the Rs 5,300-crore expansion, Mr Bapna said WMSL will raise a part of this fund by selling 87.5 per cent (worth about Rs 805 crore) equity to Welspun Corp (WCL), and 12.5 per cent of the entire promoter stake will be acquired by Apollo for Rs 140 crore.

The US firm has also agreed to make an additional Rs 130 crore investment toward capital expenditure in WMSL.

The rest of the funds would be raised via debt. Apollo will also make an additional Rs 130 crore towards capital expenditure for WMSL.

The company is already in talks with a consortium of nine banks led by IDBI Bank in this regard.

Mr Bapna however, clarified that the proposed additional infusion of Rs 130 crore by Apollo is part of the overall Rs 2,250 crore it has agreed to pump into the group. The company is also planning to divide its captive jetty into two arms for catering separately to steel and coal, Mr Bapna said.

Out of the total Rs 2,250 crore investment, Apollo will invest Rs 1,305 crore in WCL out of which Rs 788 crore will be invested by way of preferential allotment of fully or compulsorily convertible debentures and Rs 517 crore by way of non-voting global depository receipts (GDRs).

Apollo is also in discussion with WITL, a subsidiary of WCL, to explore an additional investment of up to Rs 675 crore, in the form of debt and equity or a combination of both, the company official said.

The US-based private equity fund's first direct PE exposure in the country was with the Subash Chandra-promoted DishTV in November 2009.

Comments (0)

Other Related News

[Exports jump 56.9% to US\\$ 25.9b in May](#)

[Core industry growth down 2%](#)

User Login Section

username

Login

[Forgot](#)

[Password?](#) [Sign up now!](#)

[Food inflation falls to 6-wk low](#)
[Balance inquiry to be included in free ATM transactions](#)
[India, Malaysia CECA comes into effect](#)
[Equities against capital goods imports allowed](#)
[Fortis to open 25 low-cost hospitals](#)
[Biz Briefs](#)



[Home](#) [Classified](#) [Jobs](#) [Matrimonials](#) [Blog](#) [Archives](#) [Advertise](#) [Feedback](#) [About Us](#)

Copyright © 2011 The Statesman Limited. All Rights Reserved.

Page Views Since January 15, 2010 : 14658990



[Oto Yedek Parça](#) [Kia Yedek Parça](#) [Hyundai Yedek Parça](#) [JailBreak Server film izle](#) [film izle ofis mobilyaları](#)
Security By DeadMaster

Like