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## [Apollo Management Completes \\$350M Investment In Welspun \(PRIVATE EQUITY\)](#)

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**Investment in Welspun Corp, Welspun Maxsteel finalised; Apollo** still in talks to invest \$150M in Welspun Infratech.

Private equity giant Apollo Global Management has concluded its \$350 million investment in two companies of BK Goenka-promoted Welspun Group – a \$3 billion group which has diversified interests in various segments, from pipelines to textiles to infrastructure.

The deal involves Apollo picking up a significant minority stake in the group's flagship Welspun Corp Ltd (for \$290 million) and Welspun Maxsteel Ltd (for \$60 million), Welspun has conveyed in a statement on Friday.

Talks for investment in its infrastructure business, which is expected to be a mix of debt and equity, still continue. Welspun Infratech Ltd has been actively pushing for expansion and has completed two acquisitions last year.

"Apollo and its affiliates are also in active discussions with Welspun Infratech Ltd (WITL), a subsidiary of WCL, to explore an additional investment of up to \$150 million in WITL and its subsidiaries, in the form of debt, equity or a combination of the two. The end use of the funds in WITL will be project-specific and the form of such investments is being actively reviewed and considered," the statement said.

The Board of Welspun Corp, the group's pipe manufacturing business, has approved an investment of \$175 million through FCD/CCD (Fully/Compulsorily Convertible Debentures) and another \$115 million by way of non-voting global depository receipts (GDRs). The FCD/CCD will carry 5 per cent coupon and will be mandatorily converted into equity shares of Rs 225 each in 18 months. The GDRs will also be issued at Rs 225 per share.

This represents 67 per cent premium to Welspun Corp's closing price on Thursday (August 18). The share price of Welspun Corp closed at Rs 134.35 on the BSE, falling 3.35 per cent.

Apollo is also picking up 12.5 per cent stake in Welspun Maxsteel Ltd from Welspun Steel Ltd for \$31 million. The PE firm is further investing \$29 million in Welspun Maxsteel, in which the Welspun Corp will buy the remaining 87.5 per cent stake for additional capital expenditures.

Sanjay Patel, head of international private equity and Senior Partner of Apollo Management International, and Mintoo Bhandari, managing director of AGM India Advisors Ltd, have been appointed to the Board of Welspun Maxsteel. Bhandari has also joined the Board of Welspun Corp.

For more on the transaction: