

Welspun Enterprises sells its stake in Energy

Mumbai, Dec 24, 2016 : Welspun Enterprises Ltd. (WEL), formerly Welspun Projects Ltd., part of the US\$ 2.3 billion Welspun Group, announced its plans to divest its stake in Welspun Energy.

Post sale of its renewable business, WEL's 15.49% minority stake in Welspun Energy does not contribute to the consolidated results of the Company. In order to unlock value for the Company, the Board of WEL authorised the monetization of this stake, subject to shareholders' approval.

As against its investment of Rs. 911 million, the stake is proposed to be sold to Welshop Trading Pvt. Ltd., for a consideration of approximately Rs. 2.9 billion plus contingent consideration, thereby implying more than 3x returns to the Company on its investment.

In addition to buying out WEL's stake, Welshop Trading Pvt. Ltd., part of Welspun Group, has agreed to buy out the stake of other shareholders in Welspun Energy at equivalent consideration.

The services of both PwC and EY were engaged for this transaction. Khaitan & Co was the joint legal advisor.

Management comments

Commenting on the stake sale, Mr Sandeep Garg, Managing Director, Welspun Enterprises Ltd, said, "With this transaction, the Company continues its journey of consolidation and value creation for all its stakeholders by enhancing focus on core businesses. This deal will further improve our balance sheet and cash reserve, which has set a stronger platform for future growth."

About Welspun Enterprises Ltd. (www.welspunenterprises.com)

Welspun Enterprises Ltd. (WEL), formerly Welspun Projects Ltd., part of the Welspun Group, is an operating Company in the infrastructure business. The Company also has investments in Oil & Gas Exploration. The company, in its current form was created through the merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. with Welspun Projects Ltd through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.

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