

WCL/SEC/2019

March 31, 2019

To,

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| <b>BSE Ltd.</b><br><b>(Scrip Code-532144)</b><br>Listing Department,<br>P. J. Towers, Dalal Street,<br>Mumbai - 400 001. | <b>National Stock Exchange of India Ltd.</b><br><b>(Symbol: WELCORP, Series EQ)</b><br>Exchange Plaza,<br>Bandra-Kurla Complex,<br>Bandra (E), Mumbai - 400 051. |
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Dear Sirs/ Madam,

**Subject: Welspun Corp announces value unlocking of approx. Rs. 940 crores**

Welspun Corp announces value unlocking of approx. Rs. 940 crores through the divestment of its Plate and Coil Mill Division (PCMD) and its 43 MW Power Division.

The sale consideration for PCMD is Rs. 848.5 crores, and closing adjustments pertaining to Net Current Assets as of Closing Date (expected to be approx. Rs. 25 crores), taking the total expected consideration to Rs. 873.5 crores. The 43 MW Power Division is being sold at Rs. 66.9 crores.

The Company periodically reviews its business strategy and as a part of that, has decided to focus on its core assets and look at strategic options for non-core assets, so as to keep its operations asset-light. PCMD and 43 MW Power Division have been identified as non-core assets and the Company has entered into agreements to divest these. By selling these divisions, the Company is expected to move towards an asset-light model, thus achieving improvement in its profitability ratios and return ratios. Further, the transaction will strengthen the balance sheet by providing significant liquidity to the Company and deleveraging the balance sheet.

DETAILS ARE AS BELOW:

**A. Sale of PCMD**

The Board of Directors of the Company at its meeting held on March 30, 2019, subject to approval of the shareholders and other statutory and contractual approvals, if any,

**Welspun Corp Limited**

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

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E-mail : companysecretary\_wcl@welspun.com Website : www.welspun.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

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Corporate Identity Number: L27100GJ1995PLC025609

approved the slump sale of the business undertaking of the Company viz. Plates and Coils Mill Division (“PCMD Division”) to Laptev Finance Pvt. Ltd. (the “Buyer”). The Business Transfer Agreement (BTA) was executed on 31<sup>st</sup> March 2019 between the two parties.

In terms of the Regulation 30 of the LODR and the SEBI Circular No. CIR/ CFD/ CMD/4/2015 dated September 9, 2015, the details of sale of the above unit are as under:

| Sr. No. | Particulars  | Detail  |
|---------|--|---|
| 1       | The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year. | <p>Turnover of the PCMD is Rs. 1,230 crores comprising of 16.90% of the Consolidated Revenues as of 31<sup>st</sup> March 2018.</p> <p>EBITDA of PCMD is Rs. 126 crores comprising of 15.40% of the Consolidated EBITDA as of 31<sup>st</sup> March 2018.</p> <p>Net worth of the PCMD is Rs. 835 crores comprising 28.70% of the Consolidated Net Worth of the Company as of 31<sup>st</sup> March 2018.</p> |
| 2       | Date on which the agreement for sale has been entered into.  | 31 <sup>st</sup> March 2019.  |
| 3       | The expected date of completion of sale/disposal.  | On completion of Condition Precedents as mentioned in the agreement including approval of the Competition Commission of India but not later than 31 <sup>st</sup> December 2019.  |
| 4       | Consideration receivable from such sale/disposal.  | Rs. 848.5 crore, and closing adjustments pertaining to Net Current Assets as of Closing Date.   |
| 5       | Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.                                 | Buyer is Laptev Finance Private Limited (CIN: U74110GJ1995PTC074345) incorporated in the year 1995 under the Companies Act, 1956 with its registered office at Gujarat.   |

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|    |  | The Buyer does not belong to the promoter / promoter group / group companies of the listed entity i.e. Welspun Group.  |
| 6  | Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.  | No.  |
| 7  | Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale. | Please refer point 8 to 13 below.  |
| 8  | Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc..   | Plates and Coils Mill Division of the Company.<br><br>Turnover of the PCMD is Rs. 1,230 crores comprising of 16.90% of the Consolidated Revenues as of 31 <sup>st</sup> March 2018.<br><br>EBITDA of PCMD is Rs. 126 crores comprising of 15.40% of the Consolidated EBITDA as of 31 <sup>st</sup> March 2018.<br><br>Net Asset block of the PCMD is Rs. 1,343 crores comprising 42.3% of the Consolidated Net Asset block of the Company as of 31 <sup>st</sup> March 2018. |
| 9  | Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”.   | No   |
| 10 | Area of business of the entity(ies).   | The Company is engaged in production, marketing and sales of steel plates, coils, pipes, bends and coating of pipes.   |

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|    |  | PCMD of the Company is engaged in Production, Marketing and Sales of Hot rolled Steel Plates and Coils.   |
| 11 | Rationale for slump sale.  | PCMD has been identified as a non-core asset and the Company has entered into an agreement to divest it. By selling this division, the Company is expected to move towards an asset-light model, thus achieving improvement in its profitability ratios and return ratios. Further, the transaction will strengthen the balance sheet by providing significant liquidity to the Company and deleveraging the balance sheet. |
| 12 | In case of cash consideration – amount or otherwise share exchange ratio.  | Rs. 848.5 crore, and closing adjustments pertaining to Net Current Assets as of Closing Date.   |
| 13 | Brief details of change in shareholding pattern (if any) of listed entity. | No change in the shareholding pattern of the listed entity.   |

## B. Sale of 43 MW Power Division

Further, the Board of Directors of the Company at its meeting held on 30<sup>th</sup> March, 2019, subject to statutory and contractual approvals, if any, approved the slump sale of the business undertaking of the Company viz. 43 MW power plant to Welspun Captive Power Generation Ltd (“WCPGL”). The Business Transfer Agreement (BTA) was executed on 30<sup>th</sup> March 2019 between the two parties.

In terms of the Regulation 30 of the LODR and the SEBI Circular No. CIR/ CFD/ CMD/4/2015 dated September 9, 2015, the details of sale of the above unit are as under:

| Sr. No. | Particulars  | Detail  |
|---------|--|---|
| 1       | The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or | Turnover of the 43MW Power Division is Rs. 9 crores comprising of 0.12% of the Consolidated Revenues as of 31 <sup>st</sup> March 18. |

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|   | division of the listed entity during the last financial year.  | EBITDA is Rs. -1 crore comprising of -0.14% of the Consolidated EBITDA as of 31 <sup>st</sup> March 18.<br><br>Net worth is Rs. 77 crores comprising 2.65 % of the Consolidated Net Worth of the Company as of 31 <sup>st</sup> March 2018.                    |
| 2 | Date on which the agreement for sale has been entered into.  | 30 <sup>th</sup> March 2019.   |
| 3 | The expected date of completion of sale/disposal.  | On completion of Condition Precedents as mentioned in the agreement but not later than 31 <sup>st</sup> May 2019.  |
| 4 | Consideration receivable from such sale/disposal.  | Rs. 66.9 crores.   |
| 5 | Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof.                                    | Welspun Captive Power Generation Ltd ("WCPGL") owns an 80MW power plant at Anjar for captive consumption of its shareholders. It is a part of the Welspun group and the Company already owns 19.75% interest in WCPGL.   |
| 6 | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".  | Yes; and the transaction is done at arm's length basis.  |
| 7 | Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale. | Please refer point 8 to 13 below   |
| 8 | Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.  | 43 MW Power Division of the Company. Turnover is Rs. 9 crores comprising of 0.12% of the Consolidated Revenues as of 31 <sup>st</sup> March 18.<br><br>EBITDA is Rs. -1 crore comprising of -0.14% of the Consolidated EBITDA as of 31 <sup>st</sup> March 18. |

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|    |  | Net Asset block is Rs. 72 crores comprising 2.28 % of the Consolidated Net Asset block of the Company as of 31 <sup>st</sup> March 18   |
| 9  | Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”. | Yes; and the transaction is done at arm’s length basis.   |
| 10 | Area of business of the entity(ies).   | The Company is engaged in production, marketing and sales of steel plates, coils, pipes, bends and coating of pipes.<br><br>43 MW Power Division of the Company operates a 43 MW coal-based power plant.  |
| 11 | Rationale for slump sale.  | <ul style="list-style-type: none"> <li>• Exit of a non-core asset for the Company and effective &amp; better utilization of the asset at group level. The Company holds 19.75% interest in WCPGL.</li> <li>• Optimization &amp; effective utilization of resources.</li> <li>• Monetization of an under-utilized asset.</li> <li>• Ease of operation of running &amp; maintaining similar assets under a single entity.</li> <li>• Synergy benefits that will be derived in terms of common services.</li> <li>• The Company continues to have the flexibility to draw power from 80MW as well as 43MW power plants.</li> </ul> |
| 12 | In case of cash consideration – amount or otherwise share exchange ratio.  | Rs. 66.9 crores.  |
| 13 | Brief details of change in shareholding pattern (if any) of listed entity.   | No change in the shareholding pattern of the listed entity.   |

The meeting commenced at 3:30 pm and concluded at 4:40 pm.

Kindly take note of the above.

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**Business Updates Conference Call:**

WCL management would be happy to answer investor queries on a conference call.  
Please find details below:

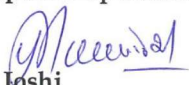
**Date:** Monday, 1 April 2019

**Time :** 12:00 PM IST

**Dial in details:**

- India: +91 22 7115 8242, +91 22 6280 1341
- International Toll Free numbers
  - Hong Kong: 800 964 448
  - Singapore: 800 101 2045
  - UK: 080 8101 1573
  - USA: 1866 746 2133

Thanking You,  
For Welspun Corp Limited

  
**Pradeep Joshi**  
Company Secretary and Compliance Officer  
FCS-4959

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