

WCL/SEC/2021

January 28, 2021

To,

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

Dear Sirs/ Madam,

- Sub.: (1) Un-audited Financial Results for the quarter and nine-months ended December 31, 2020 and Limited Review Report thereon by the Auditors.**
(2) Acquisition of Welspun Metallics Limited and Welspun DI Pipes Limited.
(3) Business Update and Investors' Presentation.
(4) Re-opening of Trading Window.

1. Unaudited Financial Statements for the quarter and the nine month ended December 31, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith standalone as well as consolidated Un-audited Financial Results for the quarter and nine months ended December 31, 2020 along with the Limited Review report thereon by the Auditors, as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today i.e. January 28, 2021.

2. Acquisition of Welspun Metallics Limited and Welspun DI Pipes Limited.

Further to our disclosure dated October 29, 2020 giving update of the Company's decision on foraying into Ductile Iron Pipe segment, please be informed that the Board of Directors of the Company in its meeting held today has approved the acquisition of Welspun Metallics Limited and Welspun DI Pipes Limited. The detail as provided in Annexure -1

Welspun Corp Limited

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

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com

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

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609

3. Business Update / Investor Presentation:-

Also attached is the Business Update and Investors' Presentation.

4. Trading Window:-

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, and the Company's Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, please be informed that the trading window for dealing in the securities of the Company shall re-open with effect from **Sunday, January 31, 2021**.

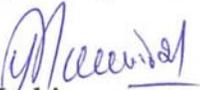
The Board meeting concluded at **02:00 p.m.**

Kindly take note of the above.

Thanking You.

Yours faithfully,

For Welspun Corp Limited



Pradeep Joshi
Company Secretary and Compliance Officer
FCS-4959

Welspun Corp Limited

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Annexure 1

Disclosure 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 of Welspun Metallica Limited | Detail of Welspun DI Pipes Limited |
|---------|---|--|---|
| 1 | Name of the target entity, details in brief such as size, turnover etc. | <p>Welspun Metallica Limited (wholly owned subsidiary of Welspun Steel Limited) incorporated on July 31, 2020. ("Target Company 1")</p> <p>The Company is a new incorporated Company and has paid-up equity share capital of Rs. 110,000 and 0% Compulsorily Convertible Debentures (CCDs) of Rs. 85 crores.</p> | <p>Welspun DI Pipes Limited (wholly owned subsidiary of Welspun Steel Limited) incorporated on August 6, 2020. ("Target Company 2")</p> <p>The Company is a new incorporated Company and has paid-up equity share capital of Rs. 110,000 and 0% Compulsorily Convertible Debentures (CCDs) of Rs. 9.5 crores.</p> |
| 2 | <p>Whether the transaction would fall within related party transactions?</p> <p>Whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?</p> | <p>Yes</p> <p>Welspun Steel Limited (WSL) holding company and Rank Marketing LLP (Debenture holders)</p> | <p>Yes</p> <p>Welspun Steel Limited (WSL) holding company and Rank Marketing LLP (Debenture holders) are part of the</p> |

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| | | | |
|---|--|---|---|
| | If yes, whether the same is done at "arms length". | are part of the promoter group of the listed entity (i.e. Welspun Group) Yes | promoter group of the listed entity (i.e. Welspun Group) Yes |
| 3 | Industry to which the entity being acquired belongs | Iron & Steel | Iron & Steel |
| 4 | Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity) | <p>Looking at an exponential growth in urbanization requiring creation of supporting water network, demand for Ductile Iron (DI) Pipes is projected to grow at CAGR of over 6% over the next 10 years as per market research. In order to capitalize on the widening demand-supply gap, Welspun Corp Ltd (WCL) Board had approved entry into the DI Pipes segment on 29th Oct'20.</p> <p>For WCL, DI Pipes would make a natural fit for product portfolio expansion. It would also have good synergies with the existing business and would bring in financial stability.</p> <p>The DI project envisaged to be taken over by WCL will in turn require a large quantity of Pig iron, preferably in liquid form to save on energy costs. This makes it imperative to have a Pig Iron manufacturing facility along with Ductile Iron Pipes.</p> <p>Target Companies 1 & 2 are setting up Greenfield projects at Anjar for manufacturing Pig Iron and DI Pipes respectively and these Target Companies have the necessary regulatory approvals in place for the same.</p> <p>Acquiring these two companies will enable WCL to foray into above business at a faster pace.</p> | |

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| | | | |
|----|--|---|--|
| 5 | Brief details of any governmental or regulatory approvals required for the acquisition | None | None |
| 6 | Indicative time period for completion of the acquisition | ~ 30 days | ~ 30 days |
| 7 | Nature of Consideration (whether cash consideration or share swap and details of the same) | Cash consideration | Cash consideration |
| 8 | Cost of acquisition or the price at which the shares are acquired; | Entire Equity Shares and CCDs at an aggregate consideration of Rs. 86.20 Cr ; | Entire Equity Shares and CCDs at an aggregate consideration of Rs. 9.57 Cr ; |
| 9 | Percentage of shareholding / control acquired and / or number of shares acquired | Purchase of 100% equity share capital along with entire CCDs of the Target Company 1 (also refer Point 8 above) | Purchase of 100% equity share capital along with entire CCDs of the Target Company 2. (Also refer Point 8 above) |
| 10 | Brief background about the entity acquired in terms of products/line of business acquired, Date of incorporation, Product / Line of business History of last 3 years turnover | July 31, 2020 Pig Iron Not Applicable, since it's a newly incorporated entity formed during the current financial year 2020-21. | August 6, 2020 Ductile Iron Pipes Not Applicable, since it's a newly incorporated entity formed during the current financial year 2020-21. |

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| | | | |
|----|---|---|---|
| | Country in which the acquired entity has presence and any other significant information (in brief); | India | India |
| 11 | Rationale of the acquisition | Refer to point 4 above | |
| 12 | Brief details of change in shareholding pattern (if any) of listed entity. | No change in the shareholding pattern of the listed entity. | No change in the shareholding pattern of the listed entity. |

For Welspun Corp Limited



Pradeep Joshi
Company Secretary and Compliance Officer
 FCS-4959

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(Rs. in Lakhs)

| Sr. No. | Particulars | Quarter ended (Unaudited) | | | Nine Months Ended (Unaudited) | | Year ended (Audited) |
|---------|---|---------------------------|----------------|----------------|-------------------------------|----------------|----------------------|
| | | 31-Dec-20 | 30-Sep-20 | 31-Dec-19 | 31-Dec-20 | 31-Dec-19 | 31-Mar-20 |
| | Continuing operations: | | | | | | |
| 1 | Income | | | | | | |
| a | Revenue from operations | 131,069 | 109,450 | 284,467 | 441,942 | 707,193 | 975,903 |
| b | Other operating revenue | 8,279 | 6,316 | 4,317 | 20,097 | 12,596 | 19,773 |
| c | Other income | 6,594 | 6,935 | 1,887 | 14,484 | 9,950 | 11,589 |
| | Total Income | 145,942 | 122,701 | 290,671 | 476,523 | 729,739 | 1,007,265 |
| 2 | Expenses | | | | | | |
| a | Cost of materials consumed | 91,447 | 77,559 | 224,296 | 219,748 | 577,293 | 735,829 |
| b | Purchase of stock-in-trade | (225) | (640) | - | 55,143 | - | - |
| c | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (5,510) | (5,734) | (26,653) | 35,211 | (102,295) | (82,349) |
| d | Employee benefit expense | 10,910 | 9,898 | 15,605 | 30,740 | 47,546 | 63,650 |
| e | Depreciation and amortisation expense | 5,415 | 5,201 | 5,910 | 15,959 | 17,457 | 23,329 |
| f | Other expenses | 24,091 | 17,606 | 38,878 | 66,761 | 111,434 | 162,550 |
| g | Finance costs | 1,339 | 1,486 | 3,436 | 5,635 | 10,787 | 14,402 |
| | Total expenses | 127,467 | 105,376 | 261,472 | 429,197 | 662,222 | 917,411 |
| 3 | Profit for the period before tax and share of profit of joint ventures (1-2) | 18,475 | 17,325 | 29,199 | 47,326 | 67,517 | 89,854 |
| 4 | Share of profit of joint venture | 8,350 | 4,692 | 4,160 | 15,325 | 11,647 | 20,603 |
| 5 | Profit before tax (3+4) | 26,825 | 22,017 | 33,359 | 62,651 | 79,164 | 110,457 |
| 6 | Tax expense | | | | | | |
| a | Current tax | 5,498 | 5,965 | 9,795 | 25,947 | 26,925 | 34,859 |
| b | Deferred tax | 1,119 | 372 | (226) | (5,169) | (2,049) | 6,386 |
| | Total tax expense | 6,617 | 6,337 | 9,569 | 20,778 | 24,876 | 41,245 |
| 7 | Net profit for the period from continuing operations (5-6) (I) | 20,208 | 15,680 | 23,790 | 41,873 | 54,288 | 69,212 |
| | Discontinued operations: | | | | | | |
| | Profit/ (loss) from discontinued operations | 614 | (569) | (1,641) | (864) | (4,431) | (5,484) |
| | Tax expenses/ (credit) of discontinued operations | 214 | (272) | (572) | (374) | (835) | (1,678) |
| | Profit/ (loss) from discontinued operations, after tax (II) | 400 | (297) | (1,069) | (490) | (3,596) | (3,806) |
| | Profit for the period (I+II) | 20,608 | 15,383 | 22,721 | 41,383 | 50,692 | 65,406 |
| 8 | Other Comprehensive Income, net of income tax | | | | | | |
| a | Items that will be reclassified to profit or loss | (1,112) | (2,102) | 368 | (2,573) | 2,838 | 11,611 |
| b | Items that will not be reclassified to profit or loss | (28) | (202) | (81) | (371) | (454) | (654) |
| | Total other comprehensive income, net of income tax | (1,140) | (2,304) | 287 | (2,944) | 2,384 | 10,957 |
| 9 | Total Comprehensive Income for the period (including non-controlling interest) (7+8) | 19,468 | 13,079 | 23,008 | 38,439 | 53,076 | 76,363 |
| 10 | Net profit attributable to: | | | | | | |
| | -Owners | 19,898 | 14,924 | 22,348 | 40,011 | 49,719 | 63,546 |
| | -Non-controlling interest | 710 | 459 | 373 | 1,372 | 973 | 1,860 |
| 11 | Other comprehensive income attributable to: | | | | | | |
| | -Owners | (1,104) | (2,248) | 285 | (2,844) | 2,389 | 10,898 |
| | -Non-controlling interest | (36) | (56) | 2 | (100) | (5) | 59 |
| 12 | Total comprehensive income attributable to: | | | | | | |
| | -Owners | 18,794 | 12,676 | 22,633 | 37,167 | 52,108 | 74,444 |
| | -Non-controlling interest | 674 | 403 | 375 | 1,272 | 968 | 1,919 |
| 13 | Paid up equity share capital (Face value of Rs. 5/- each) | 13,044 | 13,044 | 13,043 | 13,044 | 13,043 | 13,044 |
| 14 | Other Equity | | | | | | 308,480 |
| 15 | Earnings per share (of Rs. 5/- each) (not annualised in quarters) | | | | | | |
| | (a) Basic (In Rs.) - continuing operations | 7.48 | 5.83 | 8.98 | 15.53 | 20.44 | 25.56 |
| | (b) Diluted (In Rs.) - continuing operations | 7.46 | 5.82 | 8.96 | 15.49 | 20.40 | 25.50 |
| | (c) Basic (In Rs.) - discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |
| | (d) Diluted (In Rs.) - discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |
| | (e) Basic (In Rs.) - continuing and discontinued operations | 7.63 | 5.72 | 8.57 | 15.34 | 19.06 | 24.12 |
| | (f) Diluted (In Rs.) - continuing and discontinued operations | 7.61 | 5.71 | 8.55 | 15.30 | 19.02 | 24.06 |



Notes:

- The aforesaid consolidated financial results of Welspun Corp Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together hereinafter referred to as the "Group") and its joint ventures were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on January 28, 2021. The Statutory Auditors have carried out a Limited Review of the aforesaid consolidated financial results for the quarter ended December 31, 2020 and expressed an unmodified opinion on the aforesaid results.
- The Group and its joint ventures are principally engaged in a single segment viz., Steel products based on nature of products, risks, returns and the internal business reporting system.
- The Standalone financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on January 28, 2021, and will be made available to BSE and NSE and will be posted on the Company's website www.welspuncorp.com. The key information related to the standalone financial results - continuing operations are given below. Information relating to discontinuing operations is given in note 8 below.

(Rs. in lakhs except earnings per share)

| | Key financials | Quarter ended (Unaudited) | | | Nine Months Ended (Unaudited) | | Year ended (Audited) |
|---|---|---------------------------|-----------|-----------|-------------------------------|-----------|----------------------|
| | | 31-Dec-20 | 30-Sep-20 | 31-Dec-19 | 31-Dec-20 | 31-Dec-19 | 31-Mar-20 |
| a | Total Income | 137,531 | 112,473 | 147,205 | 416,835 | 317,463 | 465,523 |
| b | Profit before tax | 20,065 | 20,872 | 13,050 | 110,072 | 32,978 | 45,214 |
| c | Profit after tax | 13,612 | 13,808 | 7,965 | 83,324 | 25,031 | 30,620 |
| d | Earnings per share (of Rs. 5/- each) (not annualised) | | | | | | |
| | (a) Basic (In Rs.) - continuing operations | 5.22 | 5.29 | 3.05 | 31.94 | 9.60 | 11.62 |
| | (b) Diluted (In Rs.) - continuing operations | 5.21 | 5.27 | 3.05 | 31.86 | 9.58 | 11.59 |
| | (c) Basic (In Rs.) - continuing and discontinued operations | 5.37 | 5.18 | 2.64 | 31.75 | 8.22 | 10.18 |
| | (d) Diluted (In Rs.) - continuing and discontinued operations | 5.36 | 5.16 | 2.64 | 31.67 | 8.20 | 10.15 |

- The aforesaid consolidated financial results of the Group and its joint ventures have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

- Details of Secured, Redeemable, Non Convertible Debentures is as follows:

(Rs. in Lakhs)

| Particulars | Previous Due Date # | | Next Due Date | | | |
|---|---------------------|------------|----------------------|------------------|---------------|-----------------|
| | Principal | Interest | Next Instalment Date | Principal Amount | Interest Date | Interest Amount |
| 11.00% Secured Redeemable Non Convertible Debenture | 09.11.2020 | 09.11.2020 | November 2021 | 2,700 | 09.02.2021 | 176 |

Principal and interest has been paid on the due dates.

- The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 6,300 lakhs as on December 31, 2020 are secured by first charge ranking pari passu by way of mortgage of all movable and immovable property, plant and equipment situated at Anjar and Dahej plant locations of the Company. The Company has maintained hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The fixed assets cover is 26.43 times for total debts and the Credit rating by CARE for Secured Redeemable Non Convertible Debentures issue by the Company is "AA/stable". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.

- The details of Commercial Papers outstanding as at December 31, 2020 are as follows :

| S. No. | Security description and ISIN | (Rs. in Lakhs) | Previous due date | | Next due date for | |
|--------|-------------------------------|----------------|-------------------|------------|-------------------|----------|
| | | | Principal | Interest | Principal | Interest |
| 1 | CP- 4.30%, INE191B14432 | 2,000 | NA | 15.12.2020 | 12.02.2021 | NA |
| 2 | CP- 4.25%, INE191B14440 | 5,000 | NA | 22.12.2020 | 22.03.2021 | NA |
| 3 | CP- 4.25%, INE191B14457 | 5,000 | NA | 24.12.2020 | 22.06.2021 | NA |

The Commercial Papers of the Company outstanding as at December 31, 2020 were Rs. 12,000 lakhs. The Credit rating by CARE for Commercial Papers issued by the Company is "A1+".

- On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and entered into a Business Transfer Agreement dated March 31, 2019 (BTA).

The disposal group (i.e. PCMD) was reported as discontinued operations in the financial statements for the year ended March 31, 2019 and March 31, 2020. The assets of the disposal group and the liabilities directly associated with such disposal group are continued to be presented as held for sale from quarter ended as at March 31, 2019.

The parties to the BTA agreement had reiterated their commitment to consummate the transaction stipulated in the BTA agreement and had mutually decided to extend, the long stop date from March 31, 2020 to March 31, 2021 for Sale of PCMD. Further, the Company had received 50% of the advance, as stipulated in the BTA agreement in the year ended March 31, 2020. The financial information relating to discontinued operations is given below:

(Rs. in lakhs except earnings per share)

| Particulars | Quarter ended (Unaudited) | | | Nine Months Ended (Unaudited) | | Year ended (Audited) |
|---|---------------------------|-----------|-----------|-------------------------------|-----------|----------------------|
| | 31-Dec-20 | 30-Sep-20 | 31-Dec-19 | 31-Dec-20 | 31-Dec-19 | 31-Mar-20 |
| a Total income | 11,292 | 5,816 | 11,422 | 19,219 | 37,210 | 54,630 |
| b Total expenses | 10,678 | 6,385 | 13,063 | 20,083 | 41,641 | 60,114 |
| c Profit/ (loss) before tax (a-b) | 614 | (569) | (1,641) | (864) | (4,431) | (5,484) |
| d Tax expenses/ (credit) | 214 | (272) | (572) | (374) | (835) | (1,678) |
| e Profit/ (loss) from discontinued operations (c-d) | 400 | (297) | (1,069) | (490) | (3,596) | (3,806) |
| f Earnings per share (of Rs. 5/- each) (not annualised) | | | | | | |
| (a) Basic (In Rs.) - discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |
| (b) Diluted (In Rs.) - discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |



- 9 In light of the COVID-19 outbreak and based on the information available upto the date of the approval of the nine months financial results, the Group and its joint ventures has made detailed assessments of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at December 31, 2020 and on the basis of evaluation, has concluded that there is no significant impact on its financial results as at December 31, 2020. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with its nature and duration.
- 10 The Shareholders of Joint venture ('Welspun Middle East Pipes Coating Company' or 'WMEPC') signed an agreement on May 14, 2020 to merge its operations and all its assets, rights, liabilities and obligations with another Joint venture ('Welspun Middle East Pipes Company' or 'WMEP'), and which is effective from July 21, 2020. As both WMEPC and WMEP are under common control and have the same shareholders holding identical shareholding, there is no consideration and the carrying values of assets and liabilities of WMEPC have been transferred to WMEP on the effective date of merger. Based on the terms of this agreement the shareholding pattern remains identical in WMEP, post merger. This event does not have any material impact on the current quarter's consolidated financial results.
- 11 The Board of Directors of the Company at its meeting held on August 6, 2020 and the shareholders at their meeting held on August 31, 2020, approved listing of its joint venture Company viz. Welspun Middle East Pipes Company ("WMEP") at the local Stock Exchange, through divestment of 15% (at maximum) of the total issued shares of WMEP held by the Company through its overseas subsidiary, at a pro-rata consideration exceeding US\$ 30 million along with proportionate shares to be divested by the local partners. The listing and divestment is subject to regulatory approvals in the Kingdom of Saudi Arabia.
- 12 Other operating revenue for the quarter ended December 31, 2020 includes an amount of Rs. 2,745 lakhs (USD 37 lakhs) pertaining to fire insurance claim in Welspun Pipes Inc., a subsidiary of Welspun Corp Limited.
- 13 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group and its joint ventures is in process of evaluating the financial impact, if any.
- 14 The figures for the previous periods have been regrouped wherever necessary.

**MEHUL
HARSHAD
DESAI**

Digitally signed by
MEHUL HARSHAD
DESAI
Date: 2021.01.28
13:33:33 +05'30'

Place: Mumbai
Date: January 28, 2021

For and On Behalf of the Board of Directors of Welspun Corp Limited


**VIPUL
MATHUR**

Digitally signed by
VIPUL MATHUR
Date: 2021.01.28
13:15:27 +05'30'

Vipul Mathur
Managing Director and Chief Executive Officer
DIN - 007990476



Price Waterhouse Chartered Accountants LLP

Review Report

Date: January 28, 2021

The Board of Directors,
Welspun Corp Limited,
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.

1. We have reviewed the unaudited consolidated financial results of Welspun Corp Limited (the “Parent”), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”) and its joint ventures for the quarter ended December 31, 2020 which are included in the accompanying ‘Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020’ (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been digitally signed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and has been approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai – 400 028

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Review report on Consolidated results for the quarter ended December 31, 2020

Page 2 of 2

4. The Statement includes the results of the following entities:

| Relationship | Entity Name |
|---------------------------|--|
| Parent (Holding Company): | Welspun Corp Limited, India |
| Subsidiaries: | Welspun Tradings Limited, India |
| | Welspun Pipes Inc., USA |
| | Welspun Tubular LLC, USA |
| | Welspun Global Trade LLC, USA |
| | Welspun Mauritius Holdings Limited, Mauritius |
| Joint ventures: | Welspun Wasco Coatings Private Limited, India |
| | Welspun Middle East Pipes Company, a closed joint stock company, Kingdom of Saudi Arabia (formerly known as Welspun Middle East Pipes Company LLC till September 21, 2020) |
| | Welspun Middle East Pipes Coating LLC, Kingdom of Saudi Arabia (merged with Welspun Middle East Pipes Company LLC on July 21, 2020) |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

**MEHUL
HARSHAD
DESAI**

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Date: 2021.01.28
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Mehul Desai
Partner
Membership Number 103211
UDIN: 21103211AAAAAE4819

Place: Mumbai
Date: January 28, 2021

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

| Sr. No. | Particulars | (Rs. in Lakhs) | | | | | |
|---------|---|---------------------------|----------------|----------------|-------------------------------|----------------|----------------------|
| | | Quarter ended (Unaudited) | | | Nine Months Ended (Unaudited) | | Year ended (Audited) |
| | | 31-Dec-20 | 30-Sep-20 | 31-Dec-19 | 31-Dec-20 | 31-Dec-19 | 31-Mar-20 |
| 1 | Continuing operations: | | | | | | |
| | Income | | | | | | |
| a | Revenue from operations | 128,297 | 101,043 | 142,100 | 329,505 | 273,355 | 410,989 |
| b | Other operating revenue | 2,724 | 4,427 | 3,198 | 10,895 | 8,895 | 14,350 |
| c | Other income | 6,510 | 7,003 | 1,907 | 76,435 | 35,213 | 40,184 |
| | Total income | 137,531 | 112,473 | 147,205 | 416,835 | 317,463 | 465,523 |
| 2 | Expenses | | | | | | |
| a | Cost of materials consumed | 63,388 | 56,288 | 116,003 | 170,625 | 271,707 | 375,765 |
| b | Purchase of stock-in-trade | 96 | 259 | - | 611 | - | - |
| c | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 26,499 | 13,205 | (13,099) | 57,751 | (73,978) | (86,591) |
| d | Employee benefit expense | 4,217 | 4,265 | 5,005 | 12,874 | 14,685 | 19,919 |
| e | Depreciation and amortisation expense | 2,468 | 2,280 | 3,169 | 7,125 | 9,323 | 12,340 |
| f | Other expenses | 20,064 | 14,251 | 20,280 | 53,678 | 54,306 | 87,739 |
| g | Finance costs | 734 | 1,053 | 2,797 | 4,099 | 8,442 | 11,137 |
| | Total expenses | 117,466 | 91,601 | 134,155 | 306,763 | 284,485 | 420,309 |
| 3 | Profit before tax (1-2) | 20,065 | 20,872 | 13,050 | 110,072 | 32,978 | 45,214 |
| 4 | Tax expenses | | | | | | |
| a | Current tax | 6,007 | 6,350 | 4,672 | 25,424 | 9,194 | 13,001 |
| b | Deferred tax | 446 | 714 | 413 | 1,324 | (1,247) | 1,593 |
| | Total tax expense | 6,453 | 7,064 | 5,085 | 26,748 | 7,947 | 14,594 |
| 5 | Net profit for the period from continuing operations (3-4) (I) | 13,612 | 13,808 | 7,965 | 83,324 | 25,031 | 30,620 |
| | Discontinued operations: | | | | | | |
| | Profit/ (loss) from discontinued operations | 614 | (569) | (1,641) | (864) | (4,431) | (5,484) |
| | Tax expenses/ (credit) of discontinued operations | 214 | (272) | (572) | (374) | (835) | (1,678) |
| | Profit/ (loss) from discontinued operations, after tax (II) | 400 | (297) | (1,069) | (490) | (3,596) | (3,806) |
| | Profit for the period (I+II) | 14,012 | 13,511 | 6,896 | 82,834 | 21,435 | 26,814 |
| 6 | Other Comprehensive Income, net of income tax | | | | | | |
| a | Items that will be reclassified to profit or loss | 29 | 435 | (506) | 857 | (858) | (1,343) |
| b | Items that will not be reclassified to profit or loss | 32 | (69) | (43) | (138) | (340) | (505) |
| | Total other comprehensive income, net of income tax | 61 | 366 | (549) | 719 | (1,198) | (1,848) |
| 7 | Total Comprehensive Income for the period (5+6) | 14,073 | 13,877 | 6,347 | 83,553 | 20,237 | 24,966 |
| 8 | Paid up equity share capital (Face value of Rs. 5/- each) | 13,044 | 13,044 | 13,043 | 13,044 | 13,043 | 13,044 |
| 9 | Other Equity | | | | | | 142,997 |
| 10 | Earnings per share (of Rs. 5/- each) (not annualised in quarters) | | | | | | |
| | (a) Basic (In Rs.) - continuing operations | 5.22 | 5.29 | 3.05 | 31.94 | 9.60 | 11.62 |
| | (b) Diluted (In Rs.) - continuing operations | 5.21 | 5.27 | 3.05 | 31.86 | 9.58 | 11.59 |
| | (c) Basic (In Rs.) - discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |
| | (d) Diluted (In Rs.)- discontinued operations | 0.15 | (0.11) | (0.41) | (0.19) | (1.38) | (1.44) |
| | (e) Basic (In Rs.) - continuing and discontinued operations | 5.37 | 5.18 | 2.64 | 31.75 | 8.22 | 10.18 |
| | (f) Diluted (In Rs.) - continuing and discontinued operations | 5.36 | 5.16 | 2.64 | 31.67 | 8.20 | 10.15 |



Notes:

- The aforesaid standalone financial results of Welspun Corp Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on January 28, 2021. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended December 31, 2020 and expressed an unmodified opinion on the aforesaid results.
- The Company is principally engaged in a single segment viz., Steel products based on nature of products, risks, returns and the internal business reporting system.
- The aforesaid standalone financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

4 Details of Secured, Redeemable, Non Convertible Debentures is as follows: (Rs. in Lakhs)

| Particulars | Previous Due Date # | | Next Due Date | | | |
|---|---------------------|------------|----------------------|------------------|---------------|-----------------|
| | Principal | Interest | Next Instalment Date | Principal Amount | Interest Date | Interest Amount |
| 11.00% Secured Redeemable Non Convertible Debenture | 09.11.2020 | 09.11.2020 | November 2021 | 2,700 | 09.02.2021 | 176 |

Principal and interest has been paid on the due dates.

- The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 6,300 lakhs as on December 31, 2020 are secured by first charge ranking pari passu by way of mortgage of all movable and immovable property, plant and equipment situated at Anjar and Dahej plant locations of the Company. The Company has maintained hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The fixed assets cover is 26.43 times for total debts and the Credit rating by CARE for Secured Redeemable Non Convertible Debentures issue by the Company is "AA/stable". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.

6 The details of Commercial Papers outstanding as at December 31, 2020 are as follows :

| S. No. | Security description and ISIN | (Rs. in Lakhs) | Previous due date | | Next due date for | |
|--------|-------------------------------|----------------|-------------------|------------|-------------------|----------|
| | | | Principal | Interest | Principal | Interest |
| 1 | CP- 4.30%, INE191B14432 | 2,000 | NA | 15.12.2020 | 12.02.2021 | NA |
| 2 | CP- 4.25%, INE191B14440 | 5,000 | NA | 22.12.2020 | 22.03.2021 | NA |
| 3 | CP- 4.25%, INE191B14457 | 5,000 | NA | 24.12.2020 | 22.06.2021 | NA |

The Commercial Papers of the Company outstanding as at December 31, 2020 were Rs. 12,000 lakhs. The Credit rating by CARE for Commercial Papers issued by the Company is "A1+".

- On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and entered into a Business Transfer Agreement dated March 31, 2019 (BTA). The disposal group (i.e. PCMD) was reported as discontinued operations in the financial statements for the year ended March 31, 2019 and March 31, 2020. The assets of the disposal group and the liabilities directly associated with such disposal group are continued to be presented as held for sale from quarter ended as at March 31, 2019. The parties to the BTA agreement had reiterated their commitment to consummate the transaction stipulated in the BTA agreement and had mutually decided to extend, the long stop date from March 31, 2020 to March 31, 2021 for Sale of PCMD. Further, the Company had received 50% of the advance, as stipulated in the BTA agreement in the year ended March 31, 2020. The financial information relating to discontinued operations is given below:

| Particulars | (Rs. in Lakhs) | | | | | |
|---|---------------------------|-----------|-----------|-------------------------------|-----------|----------------------|
| | Quarter Ended (Unaudited) | | | Nine Months Ended (Unaudited) | | Year Ended (Audited) |
| | 31-Dec-20 | 30-Sep-20 | 31-Dec-19 | 31-Dec-20 | 31-Dec-19 | 31-Mar-20 |
| a Total income | 11,292 | 5,816 | 11,422 | 19,219 | 37,210 | 54,630 |
| b Total expenses | 10,678 | 6,385 | 13,063 | 20,083 | 41,641 | 60,114 |
| c Profit/ (loss) before tax (a-b) | 614 | (569) | (1,641) | (864) | (4,431) | (5,484) |
| d Tax expenses/ (credit) | 214 | (272) | (572) | (374) | (835) | (1,678) |
| e Profit/ (loss) from discontinued operations (c-d) | 400 | (297) | (1,069) | (490) | (3,596) | (3,806) |

- In light of the COVID-19 'outbreak and based on the information available upto the date of the approval of the nine months financial results, the Company has made detailed assessments of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at December 31, 2020 and on the basis of evaluation, has concluded that there is no significant impact on its financial results as at December 31, 2020. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with its nature and duration.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in process of evaluating the financial impact, if any.
- The figures for the previous periods have been regrouped wherever necessary.

**MEHUL
HARSHAD
DESAI**

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MEHUL HARSHAD DESAI
Date: 2021.01.28
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Place: Mumbai
Date: January 28, 2021

For and On Behalf of the Board of Directors of Welspun Corp Limited


Vipul Mathur
Managing Director and Chief Executive Officer
DIN - 007990476

**VIPUL
MATHUR**
Digitally signed
by VIPUL
MATHUR
Date: 2021.01.28
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Price Waterhouse Chartered Accountants LLP

Review Report

The Board of Directors,
Welspun Corp Limited,
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.

1. We have reviewed the unaudited standalone financial results of Welspun Corp Limited (the “Company”) for the quarter ended December 31, 2020 which are included in the accompanying ‘Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2020’ (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been digitally signed by us for identification purposes.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

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Date: 2021.01.28
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Mehul Desai
Partner
Membership Number 103211
UDIN: 21103211AAAAAD7716

Place: Mumbai
Date: January 28, 2021

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai – 400 028

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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Steady Performance & Growth

January 28th, 2021, Mumbai: Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and nine months ended December 31st, 2020.

- **Pipe Sales Volume up +14.3% QoQ**
- **Total Income from Operations up +20.4% QoQ**
- **EBITDA at Rs. 252 cr up +5.1% QoQ**
- **Profit at Rs. 195 cr up +28.1% QoQ (after Minorities & share of JVs)**
- **Cash Profit at Rs. 264 cr up +29.0% QoQ**
- **Substantial reduction in Net Finance cost**
- **Net Cash Position of Rs. 314 cr**
- **Healthy Balance Sheet: Net Debt / Equity of -0.09x, Net Debt / EBITDA of -0.31x**
- **Current Order Book stands at 612 KMT, active bid book of 1,496 KMT**

Note: Sales Volume, Order Book and Active Bid Book includes our Saudi operations

Key Highlights of the Quarter ended December 31st, 2020

- *Financial Highlights (Consolidated) for Continuing Operations (Ind AS):*
- *Pipes – Considered as continuing operations & PCMD – Considered as discontinued operations*
- *Prior period figures are restated and reclassified wherever necessary*

1. Global Order Book position:

- Current Global Order Book stands at 612 KMT valued at Rs. 5,500 cr (US \$757 mn)

2. Pipe Sales Volume (Total Operations):

- 285 KMT vs. 249 KMT, up 14.3% QoQ

3. Total Income from Operations:

- Rs. 1,393 cr vs. Rs. 1,158 cr, up 20.4% QoQ

4. Operating EBITDA:

- Rs. 189 cr up 1.0% QoQ

5. Reported EBITDA:

- Rs. 252 cr up 5.1% QoQ

6. Profit (Continuing Operations):

- PAT (after Minorities & share of JVs) stands at Rs. 195 cr vs. Rs. 152 cr, up 28.1% QoQ

BUSINESS UPDATE

7. Debt position:

Gross and Net Debt position is as per details below:

Figures in Rs. Cr

| Consolidated debt | Dec-20 | Sep-20 | Jun-20 |
|--------------------------|---------------|---------------|---------------|
| Gross Debt | 660 | 335 | 479 |
| Cash & Cash Equivalents | 974 | 990 | 677 |
| Net Debt / (Cash) | (314) | (655) | (198) |

Cash deployed in Q3FY21 on inventories - preparation for volume increase in subsequent quarters.

Free cash flow generation of Rs. 435 cr for 9M FY21.

8. Net Finance Costs

Steady deleveraging of our balance sheet has resulted in a substantial reduction in our overall interest costs.

Figures in Rs. Cr

| Impact of Lower Debt on Interest | Dec-20 | Sep-20 | Jun-20 |
|---|---------------|---------------|---------------|
| Interest Income on Surplus Cash | 13 | 8 | 6 |
| Less: Interest expense on Debt | 5 | 8 | 19 |
| Net Interest Income / (Expense) | 8 | 0 | (12) |

9. Forex

The Company follows a policy of hedging its steel and forex exposure. However, there are impacts due to the cost of forex hedging and timing mismatch. The impact for this quarter is as under:

Figures in Rs. Cr

| Transactional Forex impact | Q3FY21 | Q3FY20 | 9MFY21 | 9MFY20 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Forex gain in Other income | 5 | 1 | 14 | 41 |
| Forex loss in Other Expense | 3 | 14 | - | (36) |
| Net gain/(loss) | 8 | 14 | 14 | 6 |

BUSINESS UPDATE

10. Update on Saudi business:

The Saudi business continues to contribute strongly towards profitability.

Key figures of Saudi JV, which is not consolidated as per Ind-AS:

Figures in USD

| Particulars in US\$ MN | Q3FY21 | Q2FY21 | % |
|--------------------------|--------|--------|------|
| Saudi Arabia Ops: | | | |
| - Pipe Prodn (KMT) | 88 | 107 | -17% |
| - Pipe Sales (KMT) | 97 | 98 | -1% |
| Revenue | 106 | 96 | 10% |
| EBITDA | 34 | 25 | 37% |
| PBT | 29 | 19 | 51% |
| PBT – Welspun share | 14 | 9 | 51% |
| PAT – Welspun share | 11 | 6 | 76% |

We have also proposed the listing of our Saudi JV at the local Stock Exchange. The process of Listing would involve divestment of 30% of stake, split proportionately between the JV partners. WCL currently holds 50.01% in the JV through its overseas subsidiary. This divestment would further improve liquidity at WCL. The process is on track, and we target to complete the listing by H1 FY22.

11. Bhopal Project Status:

Bhopal project including expansion, stands successfully completed. Total capacity at Bhopal now stands at 305 KMT. This will cater to growing demand for Oil & Gas and Water infrastructure in Central and East India. We are also pleased to highlight that this facility was formally inaugurated by the Honorable Chief Minister of Madhya Pradesh, Shri Shivraj Singh Chouhan on 20th December, 2020.

12. Foray into Ductile Iron Pipe Segment:

As previously announced, given the attractive industry prospects and synergies with our existing business, we are in the process of setting up a Greenfield facility at Anjar to enter the high growth Ductile Iron (DI) Pipe segment. The project is moving at a steady pace and is expected to be commissioned by April 2022.

13. Update on Plate & Coil Mill Division (PCMD) Divestment:

Both parties to the Business Transfer Agreement (BTA) for sale of PCMD, have reiterated their commitment to consummate the transaction stipulated in the BTA on or before March 31, 2021. Further, the Company has already received an advance amount as per the understanding, for the aforesaid transaction. Considering the strong fundamentals, high demand growth and margins uplift, we stay very optimistic of this deal getting consummated in this financial year.

BUSINESS UPDATE

14. Business outlook:

Reduced economic activity and the various lockdowns imposed in response to the pandemic caused energy demand and supply to decline in 2020. In a stabilising environment, the rollout of vaccines and fiscal stimulus programs will help the global economy post a stronger-than-expected recovery which will result in an improved scenario for oil production and demand. EIA forecasts Brent crude oil spot prices to average \$53 per barrel in both 2021 and 2022 compared with an average of \$42 per barrel in 2020 which augurs well for us.

India

The Centre has asked the oil PSUs to make a quantum jump in their capital expenditure in the current financial year and the next to stimulate economic activity. The PMO has directed 13 petroleum-sector PSUs to double their capex to Rs. 2 lakh crore in FY21 from the initial target of Rs. 1 lakh crore and scale it up further to Rs. 3 lakh crore in FY22. The intent is to mitigate the blow to the economy from a sharp drop in private and state government investments due to the pandemic. As a result of this, we have seen increased tendering activity which has led to several order wins for us and we expect this trend to continue. The push for city gas expansion continues to be strong. This is part of the government plan for raising the share of natural gas in the country's energy basket to 15% by 2030 from the current 6.3%. The 11th city gas distribution authorisation round is being planned and is expected to be launched soon. 50-100 districts will join the city gas network adding to the existing coverage of 406 districts.

Demand in the domestic water segment across States has been muted as resources have been diverted in the fight against the pandemic. A significant increase in steel prices has created an additional disruption as project costs have considerably escalated. However, water remains a key focus area and momentum should pick up soon. There are 31 river interlinking projects planned in the country, of which Ken-Betwa is the first that has reached an advanced level of planning. There is also a strong resolve to provide drinking water to all households by 2024 under the ambitious Jal Jeevan Mission programme. These projects would require huge investments in creating the necessary infrastructure, both in line pipes as well as for ductile iron pipes.

Our prospects in the export market have significantly improved in a better global environment. Australia stands out as an attractive market where we bagged a highly prestigious order in the last quarter (Q2FY21) and see the potential to win a few more. There is also increased traction from Middle East, East Africa and Latin America where we are in close discussions with various customers and are in contention to bag new large orders. A further flare up in steel prices is a key risk as project costs significantly increase.

BUSINESS UPDATE

USA

The overall environment for Oil & Gas has improved with a pickup in oil prices and better than expected production and demand. However, many companies in the midstream sector are being cautious with spending on growth projects. In the next few months, we expect the prevailing uncertainty to settle down as the new President assumes office and there is more clarity around the energy policy. Based on our current order book for HSAW, we have visibility till Q1 FY22 and have almost completed production of a large order from one of our longstanding customer.

Saudi Arabia

We have an order book of 163 KMT that would be executed from our JV in Saudi, comprising orders both in the Oil & Gas and Water segment. The Saudi facility now has clear business visibility till Q2 FY22. We are also in a favourable position on a few large orders in the water segment. Moreover, with a pickup in oil prices, we are confident that further opportunities will arise, both in the Oil & Gas and the Water segment.

Management Comments:

Commenting on the results, **Mr. B. K. Goenka**, Chairman, Welspun Group said, “The company has shown resilience and has come out stronger with a consistent performance over the last nine months. The growth seems to be robust in the India and Saudi market and we expect US markets to also come back strongly in the later part of the year. Operational excellence, financial discipline and a sharp focus on emerging opportunities has resulted in a steady and strong order book position and a healthy balance sheet. This allows the company to chart out a future growth strategy in the attractive DI segment. We continue to strengthen our organisation and there is a strong focus to effectively embrace automation and digitalization for which several initiatives are in progress.”

BUSINESS UPDATE

Detailed reconciliation of Operating EBITDA is provided hereunder:

Figures in Rs. Cr

| Reconciliation of Operating EBITDA | Q3FY21 | Q2FY21 | Q3FY20 | 9MFY21 | 9MFY20 |
|---|------------|------------|------------|------------|------------|
| Reported EBITDA | 252 | 240 | 385 | 689 | 958 |
| Less: Treasury income | (16) | (12) | (14) | (41) | (49) |
| Less: Profit on sale of Land (incl. interest) | (20) | (42) | - | (62) | - |
| Less: Insurance Claims Received | (27) | - | - | (27) | - |
| Add: MTM loss/fair valuation on other bonds | - | 0 | - | (0) | 38 |
| Operating EBITDA | 189 | 187 | 371 | 559 | 947 |

Consolidated Performance Snapshot

Figures in Rs. Cr unless specified

| Particulars | Q3FY21 | Q2FY21 | Q3FY20 | 9MFY21 | 9MFY20 |
|---|--------------|--------------|--------------|--------------|--------------|
| Ex-Saudi Arabia/ CWC operations | | | | | |
| - Pipe Production (KMT) | 179 | 161 | 348 | 444 | 856 |
| - Pipe Sales (KMT) | 188 | 151 | 313 | 520 | 715 |
| Total operations | | | | | |
| - Pipe Production (KMT) | 268 | 268 | 473 | 665 | 1,212 |
| - Pipe Sales (KMT) | 285 | 249 | 428 | 756 | 1,084 |
| Continued Operations (Pipes) | | | | | |
| Total Income from Operations | 1,393 | 1,158 | 2,888 | 4,620 | 7,198 |
| Operating EBITDA | 189 | 187 | 371 | 559 | 947 |
| Reported EBITDA | 252 | 240 | 385 | 689 | 958 |
| Depreciation and Amortisation | 54 | 52 | 59 | 160 | 175 |
| Finance Cost | 13 | 15 | 34 | 56 | 108 |
| Profit before tax and share of JVs | 185 | 173 | 292 | 473 | 675 |
| Tax expense | 66 | 63 | 96 | 208 | 249 |
| Non-controlling interest | (7) | (5) | (4) | (14) | (10) |
| Share of profit/(loss) from Associates and JVs | 84 | 47 | 42 | 153 | 116 |
| PAT after Minorities, Associates & JVs (I) | 195 | 152 | 234 | 405 | 533 |
| Discontinued Operations | | | | | |
| (PCMD & 43MW) | | | | | |
| Profit After Tax (II) | 4 | (3) | (11) | (5) | (36) |
| Profit for the Period (I + II) | 199 | 149 | 223 | 400 | 497 |

Prior period figures have been restated, wherever necessary

BUSINESS UPDATE

Figures in Rs. Cr

| Consolidated Balance Sheet - Key figures | Dec-20 | Sep-20 |
|---|---------------|---------------|
| Net Fixed Assets (incl CWIP) | 1,558 | 1,567 |
| Net Current Assets # | 1,191 | 1,040 |
| Net Debt / (Net Cash) | (314) | (655) |
| Net Worth | 3,575 | 3,387 |
| Net Assets Held for Sale * | 834 | 881 |
| ROCE (pre-tax) | 19.2% | 26.8% |

Net Current Assets excludes Net Asset Held for Sale

* Net Assets Held for Sale = Assets classified as held for sale less Liabilities of assets held for disposal

ROCE (pre-tax) = TTM EBIT adj. for one-offs/ Avg. Capital Employed; both taken for continuing operations

BUSINESS UPDATE

Q3 FY21 Investor / Analyst conference call:

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

Date: Thursday, 28th January 2021

Time: 4:30 PM IST

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About Welspun Corp Ltd. (WCL)

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from 1½ inches to 140 inches, along with specialized coating, double jointing and bending. With current capacity of more than 2.5 million MTPA in Dahej, Anjar, Mandya and Bhopal in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

About Welspun Group

A US\$ 2.7 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with more than 25,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

For further information please visit www.welspuncorp.com

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Welspun Corp Limited

Investor Presentation | January 2021



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Q3 FY21 at a Glance



268 KMT

Global Production



285 KMT

Global Sales



612 KMT

Global Order Book



₹ 252 crs

EBITDA



10,050 /
US \$135

Op EBITDA / Ton



₹ 195 crs

Profit After Tax



₹ 314 crs

Net Cash Position



₹ 7.5

EPS



1.496 Mn
MT

Active Bids Future Outlook

Note: Pipe Sales & Production volumes, Order Book and Future Bids include Saudi Arabia operations; All other figures pertain to IND-AS continuing operations

Financial Results for Q3

| Particulars (Rs Cr) | Q3FY21 | Q2FY21 | QoQ |
|--|--------------|--------------|--------------|
| Pipe Sales Volume (KMT) | 285 | 249 | 14.3% |
| Total Income from Operations | 1,393 | 1,158 | 20.4% |
| Operating EBITDA | 189 | 187 | 1.0% |
| EBITDA | 252 | 240 | 5.1% |
| Depreciation | 54 | 52 | 4.1% |
| Finance cost | 13 | 15 | -9.9% |
| Profit before tax and share of JV | 185 | 173 | 6.6% |
| Tax | 66 | 63 | 4.4% |
| Non Controlling Interest | (7) | (5) | 54.7% |
| Share of profit/(loss) from associates & JVs | 84 | 47 | 78.0% |
| Net Profit | 195 | 152 | 28.1% |
| EPS | 7.5 | 5.8 | 28.3% |

Note:

- Consolidated Financials pertaining to continuing operations (Pipes) only
- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume
- Sales volumes are based on total operations including Saudi and are for Pipes

Inauguration of the Bhopal Pipe & Coating Plant by The Hon. CM of Madhya Pradesh on 20th Dec 2020



- Total capacity stands at 305 KMT (HSAW)
- State of the art manufacturing facility spread across 150 acres in the Raisen district
- Will cater to growing demand for Water and Oil & Gas infrastructure in Central and East India

The Way Forward

Extracting maximum value from Assets

- Pipe business – Maximizing Asset Utilisation
- Divestment of non-core businesses - Asset Light Approach
- IPO of Saudi JV

Strengthening Competitive Advantage

- Automation & Digitisation
- Talent development
- Quality control
- Introduce niche product basket



Converting adversity into opportunity

- Leaner cost structure
- Leveraging strength of Balance Sheet, Human Capital, Customer Relationships & Technical know-how
- Entry into Ductile Iron Pipes

Strong Balance Sheet

- Focus on FCF: Optimizing capex and working capital
- Efficient utilization of cash
- Mobilising funds for future growth

Welspun Corp at a glance



Top
3

Among Line Pipe Manufacturers globally



50+

Approvals from O&G majors; Qualifies for global bidding



14+
MN MT

Pipes delivered since inception with multiple repeat orders

2.55 mn MT Pipes Capacity

**6 manufacturing facilities
in 3 countries**

**Used in Oil & Gas and
Water industry**

Our Manufacturing Facilities



INDIA



UNITED STATES



SAUDI ARABIA

| Capacity (in KMT) | India | | | | US | Saudi Arabia | Total |
|----------------------|-------|-------|--------|--------|-------------|--------------|--------------|
| | Anjar | Dahej | Mandya | Bhopal | Little Rock | Dammam | |
| LSAW | 350 | 350 | - | - | - | - | 700 |
| HSAW | 250 | 50 | 150 | 305 | 350 | 375 | 1,480 |
| ERW/ HFIW | 200 | - | - | - | 175 | - | 375 |
| Total (KMT) | 1,655 | | | | 525 | 375 | 2,555 |



Port based facilities



All major accreditations



Best in class equipment & practices

Our Business Moat

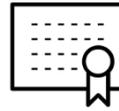
Global Leadership

Among Top 3 Line Pipe Manufacturers globally



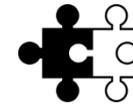
Accreditations

Approvals: 50+ O&G majors; Qualifies for global bidding



Expertise

Executed critical & complex projects worldwide



Customer Centricity

Delivered 14+ mn MT Pipes with multiple repeat orders



Supplier Relationship

Long term association with global Steel & other vendors



Innovation

Patented technology leading to higher productivity



Global but Local

Domestic presence in key demand areas: USA | KSA | India



One-Stop Shop

Steel sourcing to ROW / Laying Site – Managing complete SCM



ESG

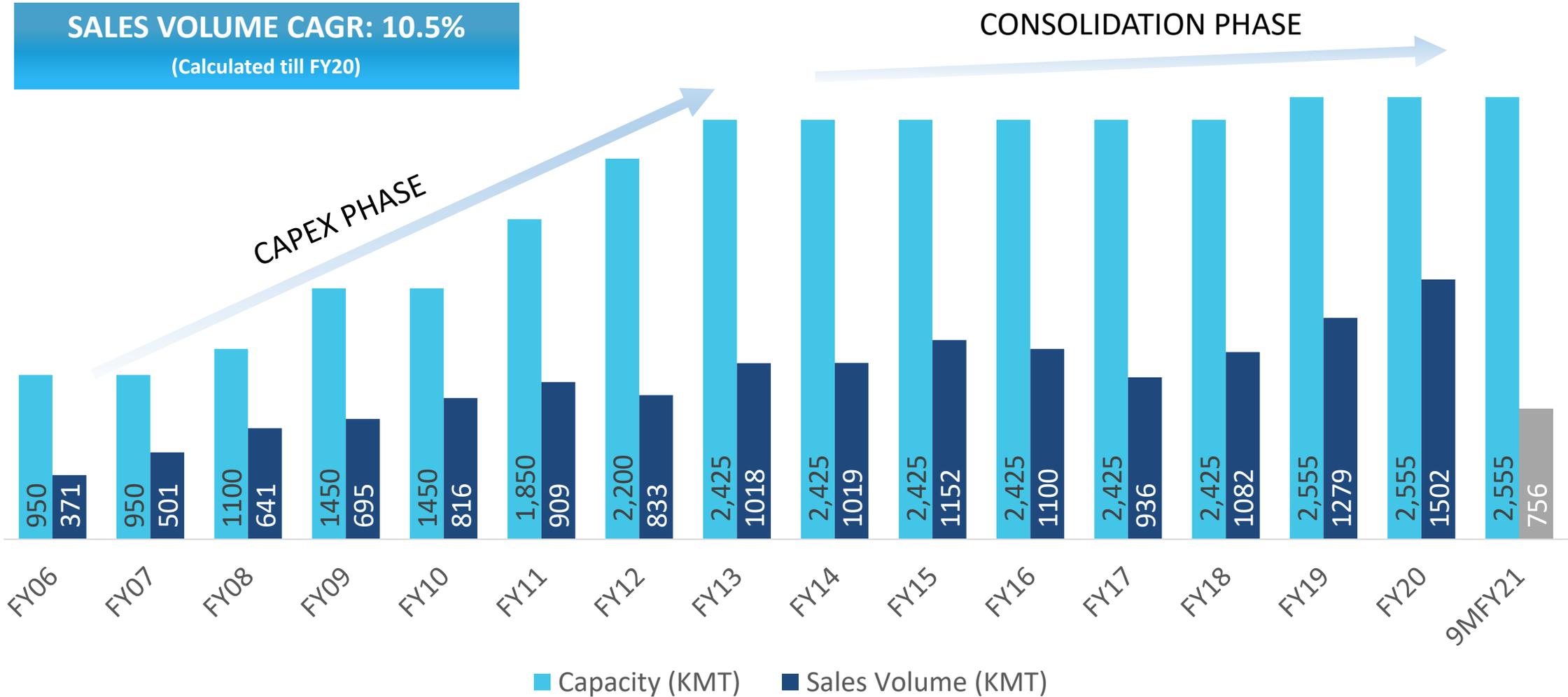
Independent Board | Focus on Diversity, CSR & Sustainability



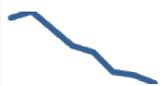
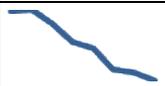
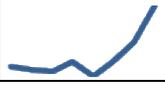
Approvals & accreditations from marquee customers is a significant entry barrier



Pipes: Capacity and Volumes



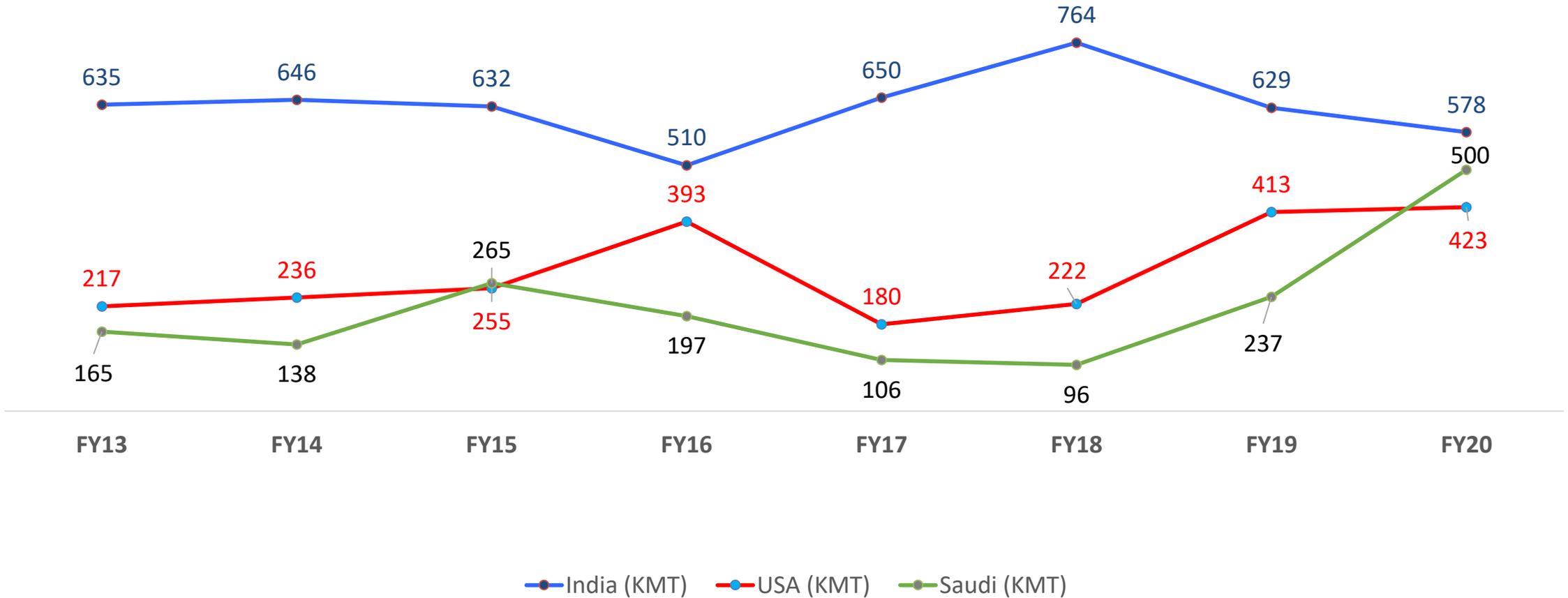
Long Term Financial Performance

| Particulars | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | 9MFY21 | CAGR % |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---|
| Sales Volume (KMT) | 1,018 | 1,019 | 1,152 | 1,100 | 936 | 1,082 | 1,279 | 1,502 | 756 | 5.7% |
| Revenue (INR cr) | 9,083 | 7,705 | 8,451 | 7,380 | 6,035 | 7,587 | 8,954 | 9,957 | 4,620 | 1.3% |
| EBITDA (INR cr) | 919 | 844 | 951 | 891 | 737 | 815 | 708 | 1,276 | 689 | 4.8% |
| EPS | 6.1 | 2.8 | 2.6 | 5.8 | 1.0 | 6.0 | 2.6 | 25.6 | 15.5 | 22.8% |
| Net Worth (INR cr) | 2,750 | 2,957 | 2,799 | 2,799 | 2,809 | 2,854 | 2,798 | 3,215 | 3,575 | 2.3% |
| Net Debt / (Cash) (INR cr) | 2,314 | 2,568 | 1,910 | 1,355 | 1,106 | 422 | 286 | 32 | (314) |  |
| Net debt/Equity | 0.84x | 0.87x | 0.68x | 0.48x | 0.39x | 0.15x | 0.10x | 0.01x | -0.09x |  |
| ROCE (pre-tax) | 8.2% | 7.4% | 8.7% | 8.0% | 6.4% | 8.8% | 22.6% | 32.1% | 19.2% |  |
| ROE | 3.7% | 2.6% | 2.4% | 5.2% | 0.9% | 5.6% | 11.7% | 23.7% | 16.0% |  |

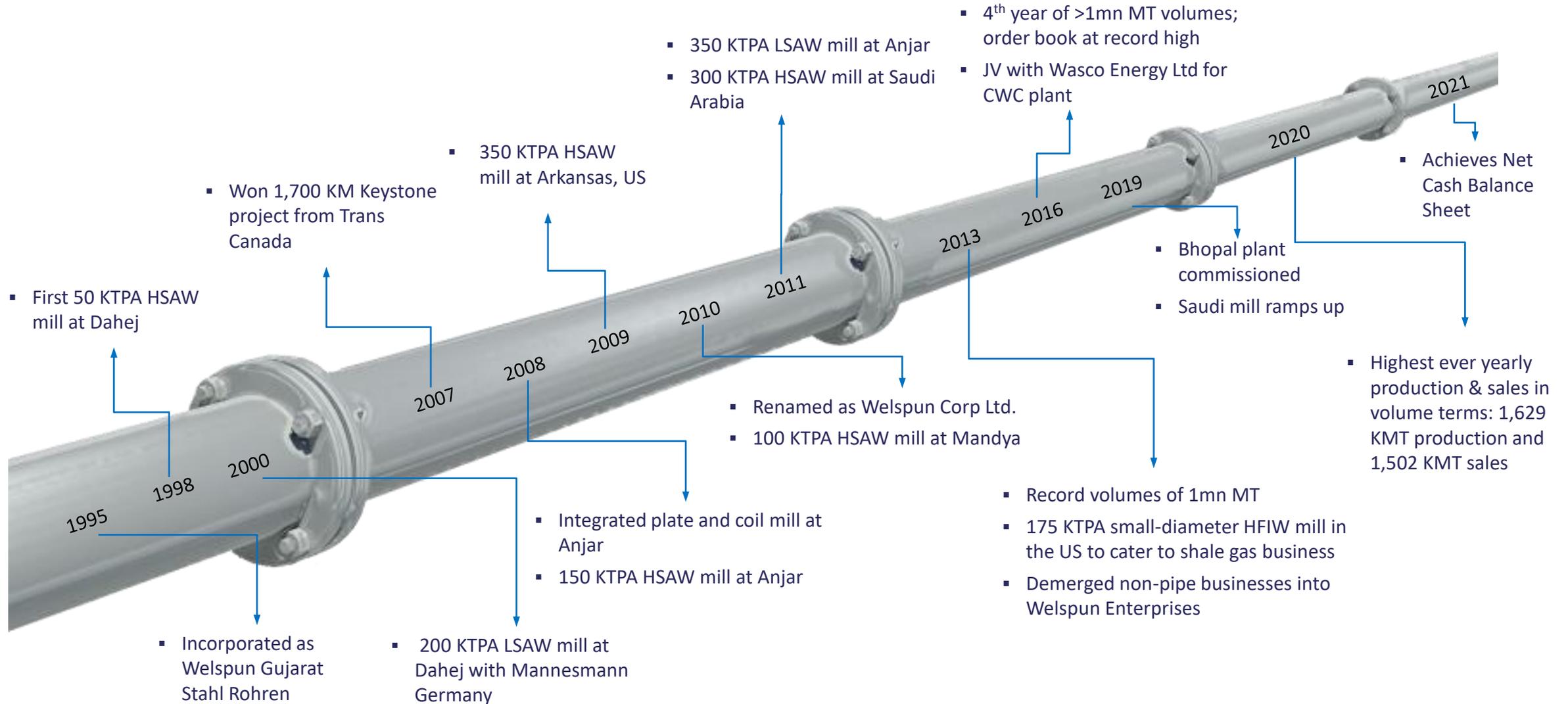
Note:

- Consolidated Financials
- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume
- Sales volumes are based on total operations including Saudi and are for Pipes
- From FY19 figures are pertaining to continuing operations (Pipes) only
- CAGR calculated till FY20

Volume Mix



Key Milestones



Product Information

HSAW Pipes

(Helically welded)

18 – 140 inch diameter,
6mm to 25 mm
thickness

**Onshore oil, gas & water
transmission**

LSAW Pipes

(Longitudinally welded)

16 – 60 inch diameter,
6 mm to 43 mm
thickness

**Onshore / Offshore oil & gas
transmission**

ERW/HFIW Pipes

(Electric Resistance Welded /
High-frequency Induction
Welded)

1.5 – 20 inch diameter, 4
mm to 14 mm
thickness

**Onshore O&G transmission and
Downstream O&G distribution**

Coating Systems

3LPE, FBE, 3LPP, Concrete Weight Coating,
Internal Epoxy, Coal Tar Enamel, Inside
Cement Mortar Lining

Value Added services

Double Jointing, Pipe bending, ID Machining,
Dump Site & Inventory management

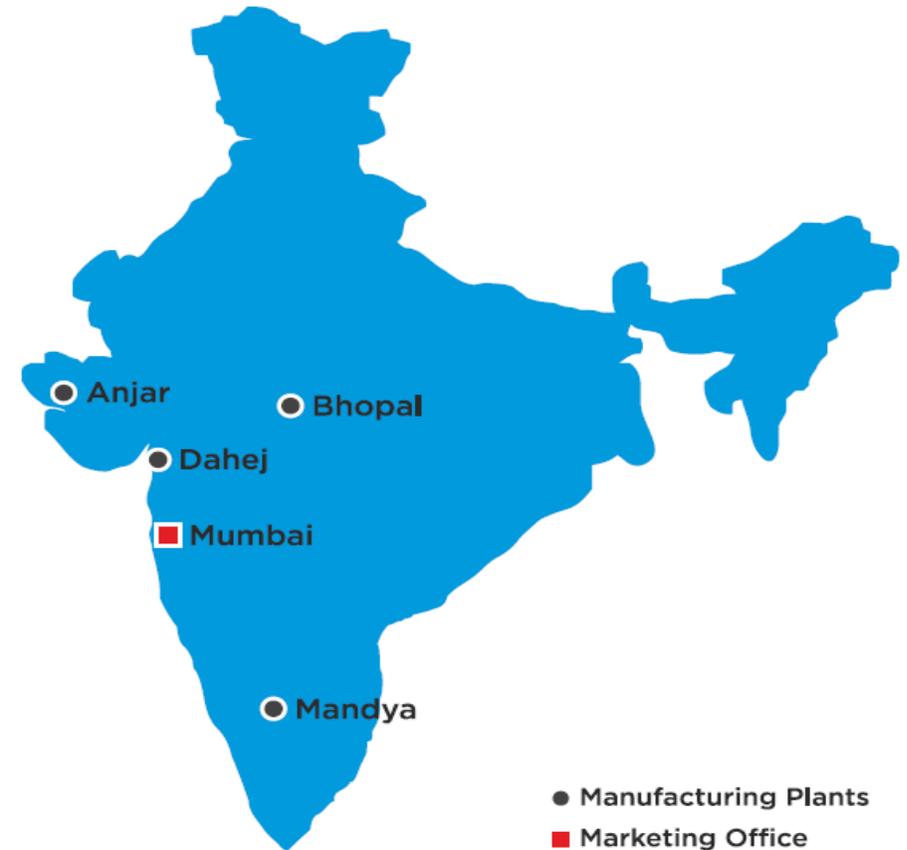
Unique Manufacturing Advantage: India

INDIA : 20+ YEARS OF EXPERTISE

- All-round capability: Pipes, bends, internal and external coating, Concrete Weight Coating
- Location advantage: Ideal to cater to export and domestic businesses
- Proximity to the key demand centres in West, South and Central India
- Heaviest LSAW Mill in India
- Approvals from all major domestic and Global O&G companies
- Healthy relationships with international and domestic steel suppliers
- Entry Barriers (India):
 - MoPNG requirement: Domestic value addition should be at least 35% of the cost

Strategically Located Plants

...to cover West, South and Central India



Unique Manufacturing Advantage: US & Saudi

US: DOMINANT PLAYER IN LINE PIPES

- Largest and most modern spiral (HSAW) mill
- Patented manufacturing technologies
- Strategic location, west of the Mississippi river
 - Close proximity: Oil basins & LNG terminals
- Robust logistics infrastructure:
 - Easy access to Arkansas river and New Orleans port
 - In-house rail connectivity
- Healthy relationship with key steel & logistic suppliers
- Favorable trade policies - “Melt in USA”; Anti-dumping duty, CVD & Section 232 tariffs

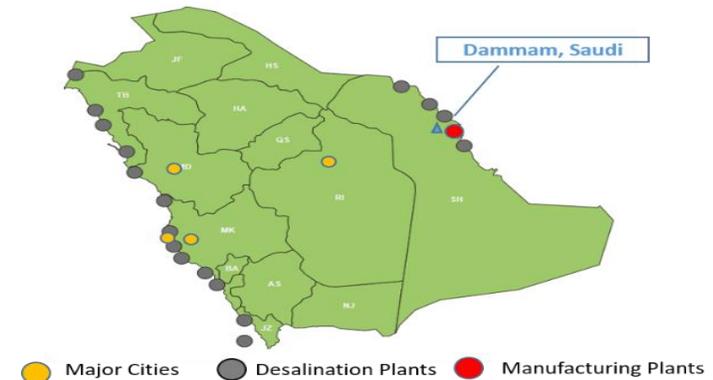
Proximity to Shale Basins



SAUDI: ONE OF THE LARGEST PIPE PLANTS

- Location Advantage:
 - Proximity to Dammam Port
 - Closer to major business destinations
- Approved and accredited by both Saudi Aramco and Saline Water Conversion Corporation (SWCC)
- Experience of executing multiple complex projects in O&G and water
- Healthy relationship with key steel suppliers
- IKTVA Program favors domestic pipe industry

Location Advantage



Board of Directors & Management Profile

Board of Directors

B.K.Goenka - Non-Executive Chairman & Promoter Director

- Amongst India's most dynamic businessmen
- Past President ASSOCHAM (2019)
- Recipient of Asian Business Leadership (ABLF) Award, 2019

Rajesh Mandawewala, Promoter Director

- Qualified Chartered Accountant; Played an instrumental role in establishing Welspun's Textile & Pipe business
- Leading new strategic initiatives of the Group
- Authorization of investment decisions for Welspun

Dipali Goenka - Non Executive Non Independent Director

- Graduate in Psychology & completed Management Program from Harvard
- Has been instrumental in transforming Welspun India into a global leader in home textiles

Amita Misra - Non Executive Independent Director

- Ex-IAS with 38+ years of experience in various government & international organizations.
- Area of specialization: Audit, Financial Management, Procurement, Industrial and Development Projects involving International Cooperation & Governance

Desh Raj Dogra - Non Executive Independent Director

- Retired Managing Director & CEO of Credit Analysis and Research Limited.
- MBA, CAIIB with over 38 years of experience in banking and credit rating.

K. H. Viswanathan - Non Executive Independent Director

- Qualified cost and works accountant with over 34 years of experience
- Expert in Audit, Tax & Legal, Structuring, Business Strategy, M&A

Revathy Ashok - Non Executive Independent Director

- Gold medalist from IIM, Bangalore and Member of Indian Angel Network.
- Independent consulting practice, working with mid and early stage companies, helping them scale
- Former MD of Tishman Speyer Private Equity and Global CFO of Syntel Inc

Management Team

Vipul Mathur - Managing Director & CEO, Member of Board

- Well-known figure in the global pipe industry; Associated with Welspun since 2001
- Led the company to historic high order book & profitability
- Recipient of Hall of Fame Steel CEO of the year (2018) by SUFI

Percy Birdy - Chief Financial Officer

- Member of ICAI and ICWAI with 25+ years of experience in the areas of Corporate Finance & Accounting, Costing, Budgeting, Direct & Indirect Tax, Banking, etc.
- Has previously worked with Allansons Group, Glenmark, Essel Propack

Godfrey John - Business Head - INDIA /APAC/MENA & EUROPE

- 25+ years of experience in the industry.
- Expertise in pipes across applications such as Oil & Gas, Water, Ports and Terminals as well as structural pipes

Todd Phillips - Vice President Sales - AMERICAS

- Rich and varied experience of nearly 30 years
- Has previously worked with Borusan USA, Gulf Interstate Engineering, Pe Ben USA, MTS USA, United Spiral Pipe and other companies of repute

T.S. Kathayat - President & Chief - Corporate Quality & Technical Services

- 23+ years of Work Experience in the manufacturing Industry
- Conferred with "Quality leadership Award" and "Corporate Excellence Leader of the Year" by World Quality Congress

Thank You

Welspun Corp Limited

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www.welspuncorp.com

For further information, please contact:

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