

WCL/SEC/2019

August 7, 2019

To,

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

- Sub.: (1) Un-audited Financial Results for the quarter ended June 30, 2019 and Limited Review Report thereon by the Auditors.**  
**(2) Change in the composition of Board**  
**(3) Re-opening of Trading Window**  
**(4) Business Update and Investor Presentation.**

**Unaudited Financial Statements for the quarter ended June 30, 2019:-**

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 ended June 30, 2019 (“UFR”) along with the Limited Review report as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today.

**Appointment of Ms. Amita Misra as an Independent Director:-**

Further, take note that at the recommendation of the Nomination and Remuneration Committee, Ms. Amita Misra (DIN: 07942122), aged 64 years has been appointed as an Independent Director of the Company.

**Brief Particulars of Ms. Misra are as under:**

Ms. Misra holds a post graduate degree in Economics from Jaipur and has obtained Certification from Harvard Business School (Boston), National Defense College (New Delhi), Indian Institute of Chartered Accountants (New Delhi), Indian School of Public Administration (New Delhi).

She has more than 38 years of experience in various government, international organizations like – Additional Secretary Level in Government Civil Services, Director in United Nations Industrial Development Organization (UNIDO) etc. She last served as Director of the Department of Regional Bureau and Field Operations from 2010 until 2017. Currently she is not on the board of any other company.

**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



Her areas of specialization includes – Finance, Oversight, Procurement, Governance, Technical Cooperation, Framing Policy, Advocacy, Resource Mobilization etc.

She has been member of Committees on Standards at UN, Chair and Member of various governance, HR, Procurement and technical project approved Committees. She has also written a Thesis for National Defense College, New Delhi.

Please note that there is no relationship between Ms. Amita Misra and other directors of the Company.

Further note that Ms. Misra is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

#### **Trading Window:-**

The Trading Window under the SEBI (Prohibition of Insider Trading) Regulations, 2015 which was closed from July 1, 2019, will continue to remain closed till 48 hours after the declaration of the results. Accordingly, the Trading Window will open on and from Saturday, August 10, 2019.

#### **Business Update / Investor Presentation:-**

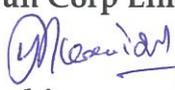
Also attached is the Business Update and Investor Presentation which is being released to the media.

The Board meeting concluded at 1:30 p.m.

Kindly take note of the above.

Thanking You.

For Welspun Corp Limited

  
**Pradeep Joshi**  
Company Secretary  
FCS - 4959



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# Price Waterhouse Chartered Accountants LLP

Date: August 07, 2019

The Board of Directors  
Welspun Corp Limited  
5<sup>th</sup> 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 June 30, 2019 which are included in the accompanying ‘Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019’ (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 initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and 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 Listing Regulations, 2015, to the extent applicable.



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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

## Independent Auditors' Report on Review of Consolidated Results for the quarter ended June 30, 2019

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4. The Statement includes the results of the following entities:
  - A) Parent:  
Welspun Corp Limited, India
  - B) Subsidiaries:
    - a) Welspun Pipes Inc., USA
    - b) Welspun Tradings Limited, India
    - c) Welspun Mauritius Holdings Limited, Mauritius
    - d) Welspun Middle East DMCC, Dubai
    - e) Welspun Tubular LLC, USA
    - f) Welspun Global Trade LLC, USA
  - C) Joint venture:  
Welspun Wasco Coatings Private Limited, India
  - D) Joint ventures of Welspun Mauritius Holdings Limited:
    - a) Welspun Middle East Pipes LLC, Kingdom of Saudi Arabia
    - b) Welspun Middle East Pipes Coating LLC, Kingdom of Saudi Arabia
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



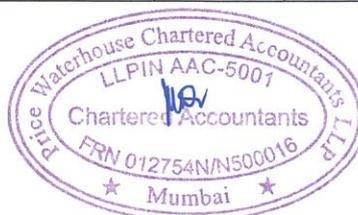
Mehul Desai  
Partner  
Membership Number 103211  
UDIN: 19103211AAAABN1503

Place: Mumbai  
Date: August 07, 2019

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Consolidated			
		Quarter Ended (Unaudited)			Year Ended (Audited)
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	<b>Continuing operations:</b>				
1	<b>Income</b>				
a	Revenue from operations	200,265	268,615	159,019	867,506
b	Other operating revenue	4,445	6,997	5,170	27,841
c	Other income	4,177	914	4,606	13,465
	<b>Total Income</b>	<b>208,887</b>	<b>276,526</b>	<b>168,795</b>	<b>908,812</b>
2	<b>Expenses</b>				
a	Cost of materials consumed	140,443	151,498	134,704	628,746
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,383)	49,822	(26,496)	(1,071)
c	Employee benefit expense	15,989	16,412	11,604	57,196
d	Depreciation and amortisation expense	5,448	6,138	6,680	25,973
e	Other expenses	35,681	54,660	29,567	153,168
f	Finance costs	3,945	5,358	3,660	17,737
	<b>Total expenses</b>	<b>194,123</b>	<b>283,888</b>	<b>159,719</b>	<b>881,749</b>
3	<b>Profit for the period before tax and share of profit/ (loss) of joint ventures (1-2)</b>	<b>14,764</b>	<b>(7,362)</b>	<b>9,076</b>	<b>27,063</b>
4	Share of profit/ (loss) of joint venture	1,686	(543)	(2,729)	(8,853)
5	<b>Profit/ (loss) before tax (3+4)</b>	<b>16,450</b>	<b>(7,905)</b>	<b>6,347</b>	<b>18,210</b>
6	<b>Tax expense</b>				
a	Current tax	5,949	3,022	1,973	12,160
b	Deferred tax	(2,112)	1,599	(592)	65
	<b>Total tax expense</b>	<b>3,837</b>	<b>4,621</b>	<b>1,381</b>	<b>12,225</b>
7	<b>Net profit/ (loss) for the period from continuing operations (5-6) (I)</b>	<b>12,613</b>	<b>(12,526)</b>	<b>4,966</b>	<b>5,985</b>
	<b>Discontinued operations:</b>				
	Profit/ (loss) from discontinued operations	(1,151)	(13,089)	(923)	(21,962)
	Tax expense of discontinued operations	(401)	(10,712)	(322)	(13,813)
	<b>Profit/(Loss) from discontinued operations, after tax (II)</b>	<b>(750)</b>	<b>(2,377)</b>	<b>(601)</b>	<b>(8,149)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>11,863</b>	<b>(14,903)</b>	<b>4,365</b>	<b>(2,164)</b>
8	<b>Other Comprehensive Income, net of income tax</b>				
a	Items that will be reclassified to profit or loss	13	2,034	1,572	4,669
b	Items that will not be reclassified to profit or loss	(25)	(190)	(27)	(111)
	<b>Total other comprehensive income, net of income tax</b>	<b>(12)</b>	<b>1,844</b>	<b>1,545</b>	<b>4,558</b>
9	<b>Total Comprehensive Income for the period (including non-controlling interest) (7+8)</b>	<b>11,851</b>	<b>(13,059)</b>	<b>5,910</b>	<b>2,394</b>
10	<b>Net profit/ (loss) attributable to:</b>				
	-Owners	11,810	(14,872)	4,669	(1,325)
	-Non-controlling interest	53	(31)	(304)	(839)
11	<b>Other comprehensive income attributable to:</b>				
	-Owners	(12)	1,851	1,543	4,557
	-Non-controlling interest	-	(7)	2	1
12	<b>Total comprehensive income attributable to:</b>				
	-Owners	11,798	(13,021)	6,212	3,232
	-Non-controlling interest	53	(38)	(302)	(838)
13	<b>Paid up equity share capital (Face value of Rs. 5/- each)</b>	<b>13,261</b>	<b>13,261</b>	<b>13,261</b>	<b>13,261</b>
14	<b>Other Equity</b>				<b>266,503</b>
15	<b>Earnings per share (of Rs. 5/- each) (not annualised in quarters)</b>				
	(a) Basic (In Rs.) - continuing operations	4.74	(4.71)	1.99	2.57
	(b) Diluted (In Rs.) - continuing operations	4.73	(4.71)	1.99	2.57
	(c) Basic (In Rs.) - discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)
	(d) Diluted (In Rs.)- discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	4.46	(5.61)	1.76	(0.50)
	(f) Diluted (In Rs.) - continuing and discontinued operations	4.45	(5.61)	1.76	(0.50)



**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 August 07, 2019. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended June 30, 2019 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 August 07, 2019, 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 standalone financial results - continuing operations are given below. Information relating to discontinuing operations is given in note 7 below.

(Rs. in lakhs except earnings per share)

	Key financials	Quarter Ended (Unaudited)			Year Ended (Audited)
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
a	Total Income	83,249	122,589	103,598	426,206
b	Profit/ (loss) before tax	18,698	(26,118)	3,865	(17,366)
c	Profit/ (loss) after tax	16,129	(25,702)	2,734	(19,571)
d	Earnings per share (of Rs. 5/- each) (not annualised)				
	(a) Basic (In Rs.) - continuing operations	6.08	(9.69)	1.03	(7.38)
	(b) Diluted (In Rs.) - continuing operations	6.07	(9.69)	1.03	(7.38)
	(c) Basic (In Rs.) - continuing and discontinued operations	5.80	(10.59)	0.80	(10.45)
	(d) Diluted (In Rs.) - continuing and discontinued operations	5.79	(10.59)	0.80	(10.45)

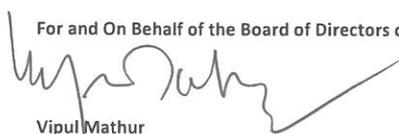
- These financial results of the Group and its joint ventures have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 54,000 lakhs (excludes transaction costs as per effective interest rate of Rs. 277 lakhs) as on June 30, 2019 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 2.97 times for total debts and the Credit rating by CRISIL for Secured Redeemable Non Convertible Debentures issue by the Company is "AA-". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.
- Effective April 01, 2019, the Group adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019. Accordingly, comparatives have not been retrospectively adjusted.  
On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 7,760 lakhs (including the reclassification of existing finance leases of Rs. 2,045 lakhs as at the date of transition) and outstanding lease liability of Rs. 6,866 lakhs (including the reclassification of existing finance leases of Rs. 1,682 lakhs as at the date of transition). Pursuant to the adoption of Ind AS 116, during the quarter ended June 30, 2019, finance expense increased by Rs. 105 lakhs, ROU depreciated by Rs. 375 lakhs and other expenses decreased by Rs. 408 lakhs.
- On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which were reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group were presented as held for sale as at March 31, 2019. The sale of PCMD is expected to be completed by December 31, 2019. Pursuant to the pending regulatory approvals for 43MW plant, the date for completion of sale has been extended from May 31, 2019 to December 31, 2019. The financial information relating to discontinued operations is given below:

(Rs. in lakhs except earnings per share)

Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)	
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19	
a Total income	17,426	73,157	39,756	157,018	
b Total expenses	18,577	86,246	40,679	178,980	
c Loss before tax (a-b)	(1,151)	(13,089)	(923)	(21,962)	
d Tax expense	(401)	(10,712)	(322)	(13,813)	
e Loss from discontinued operations (c-d)	(750)	(2,377)	(601)	(8,149)	
f Earnings per share (of Rs. 5/- each) (not annualised)					
	(a) Basic (In Rs.) - discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)
	(b) Diluted (In Rs.) - discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)

- The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation has been accounted on effective date of receipt of the Order. The said accounting has no impact on these financial results.
- Pursuant to resolution passed by the Board on May 15, 2019 and a special resolution passed by the shareholders on June 22, 2019, the Buyback Committee vide its resolution dated June 24, 2019 has approved the buyback of up to 28,888,888 Equity Shares at a buyback Price of Rs. 135/- per Equity Share aggregating up to Rs. 39,000 lakhs. The buyback is subject to regulatory approval.
- Fair valuation loss (net) on current investments in bonds for the quarter ended June 30, 2019 aggregating to Rs. 3,604 lakhs has been accounted by the Company. This is included under the head Other Expenses.
- The figures for the previous periods have been regrouped wherever necessary.

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



Vipul Mathur  
Managing Director and Chief Executive Officer  
DIN - 0007990476

Place: Mumbai  
Date: August 07, 2019



# Price Waterhouse Chartered Accountants LLP

Date: August 07, 2019

The Board of Directors  
Welspun Corp Limited  
5<sup>th</sup> Floor, Welspun House,  
Kamal 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 June 30, 2019 which are included in the accompanying ‘Unaudited Standalone Financial Results for the Quarter ended June 30, 2019’ (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 initialled 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



Mehul Desai  
Partner  
Membership Number 103211  
UDIN: 19103211AAAABM4907

Place: Mumbai  
Date: August 07, 2019

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**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone			
		Quarter Ended (Unaudited)			Year Ended (Audited)
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	<b>Continuing operations:</b>				
1	<b>Income</b>				
a	Revenue from operations	50,761	115,218	96,156	398,620
b	Other operating revenue	3,072	5,443	2,360	15,029
c	Other income	29,416	1,928	5,082	12,557
	<b>Total Income</b>	<b>83,249</b>	<b>122,589</b>	<b>103,598</b>	<b>426,206</b>
2	<b>Expenses</b>				
a	Cost of materials consumed	43,206	56,572	80,132	300,257
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,992)	43,875	(5,999)	20,495
c	Employee benefit expense	4,560	5,860	3,846	18,958
d	Depreciation and amortisation expense	2,774	2,520	3,044	11,295
e	Other expenses	16,121	36,757	16,251	80,770
f	Finance costs	2,882	3,123	2,459	11,797
	<b>Total expenses</b>	<b>64,551</b>	<b>148,707</b>	<b>99,733</b>	<b>443,572</b>
3	<b>Profit/ (loss) before tax (1-2)</b>	<b>18,698</b>	<b>(26,118)</b>	<b>3,865</b>	<b>(17,366)</b>
4	<b>Tax expenses</b>				
a	Current tax	4,260	(1,240)	1,107	1,344
b	Deferred tax	(1,691)	824	24	861
	<b>Total tax expense</b>	<b>2,569</b>	<b>(416)</b>	<b>1,131</b>	<b>2,205</b>
5	<b>Net profit/ (loss) for the period from continuing operations (3-4) (I)</b>	<b>16,129</b>	<b>(25,702)</b>	<b>2,734</b>	<b>(19,571)</b>
	<b>Discontinued operations:</b>				
	Profit/ (loss) from discontinued operations	(1,151)	(13,089)	(923)	(21,962)
	Tax expense of discontinued operations	(401)	(10,712)	(322)	(13,813)
	<b>Profit/(Loss) from discontinued operations, after tax (II)</b>	<b>(750)</b>	<b>(2,377)</b>	<b>(601)</b>	<b>(8,149)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>15,379</b>	<b>(28,079)</b>	<b>2,133</b>	<b>(27,720)</b>
6	<b>Other Comprehensive Income, net of income tax</b>				
a	Items that will be reclassified to profit or loss	142	1,070	287	764
b	Items that will not be reclassified to profit or loss	13	(37)	(27)	52
	<b>Total other comprehensive income, net of income tax</b>	<b>155</b>	<b>1,033</b>	<b>260</b>	<b>816</b>
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>15,534</b>	<b>(27,046)</b>	<b>2,393</b>	<b>(26,904)</b>
8	Paid up equity share capital (Face value of Rs. 5/- each)	13,261	13,261	13,261	13,261
9	Other Equity				150,440
10	<b>Earnings per share (of Rs. 5/- each) (not annualised in quarters)</b>				
	(a) Basic (In Rs.) - continuing operations	6.08	(9.69)	1.03	(7.38)
	(b) Diluted (In Rs.) - continuing operations	6.07	(9.69)	1.03	(7.38)
	(c) Basic (In Rs.) - discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)
	(d) Diluted (In Rs.) - discontinued operations	(0.28)	(0.90)	(0.23)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	5.80	(10.59)	0.80	(10.45)
	(f) Diluted (In Rs.) - continuing and discontinued operations	5.79	(10.59)	0.80	(10.45)




**Notes:**

- 1 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 August 07, 2019. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended June 30, 2019 and expressed an unmodified opinion on the aforesaid results.
- 2 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.
- 3 These 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 The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 54,000 lakhs (excludes transaction costs as per effective interest rate of Rs. 277 lakhs) as on June 30, 2019 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 2.97 times for total debts and the Credit rating by CRISIL for Secured Redeemable Non Convertible Debentures issue by the Company is "AA-". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.
- 5 Effective April 01, 2019, the Company adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019. Accordingly, comparatives have not been retrospectively adjusted.  
On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 4,755 lakhs (including the reclassification of existing finance leases of Rs. 325 lakhs as at the date of transition) and outstanding lease liability of Rs. 3,899 lakhs. Pursuant to the adoption of Ind AS 116, during the quarter ended June 30, 2019, finance expense increased by Rs. 86 lakhs, ROU depreciated by Rs. 227 lakhs and other expenses decreased by Rs. 238 lakhs.
- 6 On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which were reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group were presented as held for sale as at March 31, 2019. The sale of PCMD is expected to be completed by December 31, 2019. Pursuant to the pending regulatory approvals for 43MW plant, the date for completion of sale has been extended from May 31, 2019 to December 31, 2019. The financial information relating to discontinued operations is given below:

Particulars	Quarter Ended (Unaudited)			(Rs. in Lakhs)	
				Year Ended (Audited)	
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19	
a Total income	17,426	73,157	39,756	157,018	
b Total expenses	18,577	86,246	40,679	178,980	
c Loss before tax (a-b)	(1,151)	(13,089)	(923)	(21,962)	
d Tax expense	(401)	(10,712)	(322)	(13,813)	
e <b>Loss from discontinued operations (c-d)</b>	(750)	(2,377)	(601)	(8,149)	

- 7 The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation has been accounted on effective date of receipt of the Order. The said accounting has no impact on these financial results.
- 8 Pursuant to resolution passed by the Board on May 15, 2019 and a special resolution passed by the shareholders on June 22, 2019, the Buyback Committee vide its resolution dated June 24, 2019 has approved the buyback of up to 28,888,888 Equity Shares at a buyback Price of Rs. 135/- per Equity Share aggregating up to Rs. 39,000 lakhs. The buyback is subject to regulatory approval.
- 9 Fair valuation loss (net) on current investments in bonds for the quarter ended June 30, 2019 aggregating to Rs. 3,604 lakhs has been accounted by the Company. This is included under the head Other Expenses.
- 10 The figures for the previous periods have been regrouped wherever necessary.

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

  
**Vipul Mathur**  
 Managing Director and Chief Executive Officer  
 DIN - 0007990476

Place: Mumbai

Date: August 07, 2019



## BUSINESS UPDATE

### Robust profitability, deleveraged balance sheet

**August 7, 2019, Mumbai:** Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the quarter ended June 30, 2019.

A) The Company continued on its robust performance during the quarter, and the **key highlights** are as under:

- 1) **US operations** – Recorded sales of **109 KMT**, delivering an EBITDA of **US\$ 36 mn** for the quarter, one of the highest quarterly figures in the last few years.
- 2) **Saudi Arabia operations** – Recorded highest ever quarterly sales of **138 KMT**, with operations turning both **EBITDA and PBT positive**.
- 3) **India operations** – **Bhopal plant commissioned** and has a strong order book of 86 KMT. All other manufacturing locations (Dahej, Mandya and Anjar) also enjoy a robust order book, taking the total India order book to **666 KMT**.
- 4) **Deleveraging - Net debt** reduced by additional Rs. 897 mn during the quarter and currently stands at **Rs. 1,959 mn**.

B) **Global Order book position:**

Current Global Order Book stands at **1,564 KMT** valued at **Rs. 133 billion (US\$ 1.92 billion)**.

The region-wise breakup is as follows:

- India 666 KMT
- USA 248 KMT
- Saudi Arabia 650 KMT

C) **Financial Highlights (Consolidated) for Continuing operations: For the quarter ended 30<sup>th</sup> June, 2019:**

*(Pipes – Considered as Continuing operations & PCMD and 43 MW – Considered as discontinued operations)*

#### 1. Sales Volumes

- Pipe Sales (Total operations), at 319 KMT (vs. 267 KMT), **up 19% YoY**
- Discontinued Operations: PCMD sales at 49 KMT vs. 128 KMT YoY.

#### 2. Total Income from operations

- Rs. 20,471 mn, **up 25% YoY** on account of better realisations

## BUSINESS UPDATE

### 3. EBITDA

- **Operating EBITDA** (after adjusting for Treasury income and MTM/fair valuation impact on bonds) stands at Rs. 2,585 mn, **up 49% YoY**
- **Reported EBITDA** stands at Rs. 2,416 mn, **up 24% YoY**

Detailed reconciliation of Operating EBITDA is provided hereunder:

*Figures in Rs. million*

<b>Reconciliation of Operating EBITDA</b>	<b>Q1 FY20</b>	<b>Q1 FY19</b>
Reported EBITDA	2,416	1,942
Less: Items in Other income		
Treasury income	(191)	(241)
Gain on sale/Fair valn. of investments		
Add: Items in Other expenses		
Fair valuation on IL&FS bonds incl. its SPVs		
MTM loss/fair valuation on other bonds (mainly DHFL bonds in Q1FY20)	360	(3)
Other provisions		43
<b>Operating EBITDA</b>	<b>2,585</b>	<b>1,741</b>

### 4. Profit

- PBT (before share of JVs) stands at Rs. 1,476 mn, **up 63% YoY**
- PAT after Minorities & share of JVs stands at Rs. 1,256 mn, **up 138% YoY**

### 5. Basic EPS

- Rs. 4.74 vs. Rs. 1.99, **up 138% YoY**

### 6. Debt position

- Net Debt stands at Rs. 1,959 mn
- Net debt **reduced by Rs. 897 mn** during the quarter
- Company has **pre-paid US\$ 25 mn** of loans in the US subsidiary during the quarter, in addition to the US\$ 25 mn prepayment in March 2019
- Gross and net debt position is as per details below

*Figures in Rs. million*

<b>Consolidated debt</b>	<b>30-Jun-2019</b>	<b>31-Mar-19</b>
Gross Debt	11,068	13,047
Cash & Cash Equivalent	9,109	10,191
<b>Net Debt</b>	<b>1,959</b>	<b>2,856</b>

## BUSINESS UPDATE

### 7. Forex

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

*Figures in Rs. million*

Transactional Forex impact	Q1FY20	Q1FY19
Forex gain in Other income	205	182
Forex loss in Other Expense	(200)	(155)
<b>Net gain/(loss)</b>	<b>5</b>	<b>27</b>

### 8. Update on Saudi business

The Saudi business has turned **PBT positive** during the quarter, with an EBITDA of US\$ 13 mn and PBT of US\$ 7 mn. Performance is expected to further improve in the coming quarters.

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

Particulars	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19
<b>Saudi Arabia Ops:</b>					
- Pipe Prodn (KMT)	105	105	80	44	35
- Pipe Sales (KMT)	138	77	78	44	38
EBITDA (US\$ MN)	13	3	(2)	(4)	(4)
EBITDA/MT (US\$)	94	43	(19)	(99)	(94)
PBT (US\$ MN)	7	(2)	(6)	(9)	(7)

### 9. Project Status

- Work on Phase-2 of the Bhopal project (coating plant) is on track and is likely to be commissioned by December 2019.
- Capex during the quarter was approximately Rs. 780 mn, primarily for the Bhopal project

### 10. Business outlook

Higher fracking in the Permian basin has resulted in bottlenecks for transporting the oil as well as the associated gas. Major pipeline operators have laid out plans to significantly raise pipeline capacity over the next few years to overcome this constraint. With restrictions placed on pipe imports, local US pipe players including Welspun, are expected to command good margins with higher volumes.

For the Indian market, the large-diameter pipe demand for oil and gas projects is primarily driven by gas grid development by GAIL and oil pipeline network by IOCL while the small-diameter segment will see significant demand from City Gas Distribution projects.

## **BUSINESS UPDATE**

In the domestic water segment, the formation of Jal Shakti Ministry is a major milestone and the goal of their theme 'Jal se Nal', is to provide drinking water access to all by 2024. Further, we expect to see momentum on the river-interlinking projects. These developments are expected to result in a huge potential opportunity for pipe manufacturers.

We are confident of an improved operational performance from Q2FY20, as the pace of project execution has picked up consequent to the formation of stable government at the center.

We are also seeing a strong outlook in both onshore and offshore oil and gas industry, resulting in robust demand for LSAW pipes across geographies. We are in a strong position to capitalize on the same owing to our global approvals and accreditations as well as an impeccable track record of supplying pipes for complex projects for Oil & Gas majors. There are some major export orders in our current order book, with execution starting from Q2FY20.

The JV in Saudi Arabia has a confirmed order book for close to two years. We see strong demand in oil & gas as well as water sectors, driven by Saudi Aramco and SWCC respectively.

### **Buyback of Shares**

The Company's proposed buyback of shares was approved by shareholders on 22<sup>nd</sup> June 2019. Consequently, in the recent Union Budget on July 5<sup>th</sup> 2019, buyback tax was proposed. Accordingly, the Company has sought clarity from SEBI and is awaiting clarifications/revised guidelines on the same.

### **Management Comments**

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, "We have started seeing a significant improvement in our financial results as envisaged. With all three geographies showing traction, we are confident that our performance will further improve in the subsequent quarters from the current levels.

We are continuously focussed on deleveraging our balance sheet and are moving towards becoming a debt-free company. We will continue our unrelenting focus on free cash flow generation and return on capital employed, through an asset-light model.

As an organisation, we are strongly focussed on next level of automation of our operations across geographies. Also, giving back to the society is one of our core themes and we are continuously enlarging our scope of our corporate social values viz. Education, Empowerment and Environment".

## BUSINESS UPDATE

### Consolidated Performance Snapshot

Figures in Rs. Million unless specified

Particulars	Q1FY20	Q1FY19
<b>Ex-Saudi Arabia/ CWC operations</b>		
- Pipe Production (KMT)	191	254
- Pipe Sales (KMT)	181	229
<b>Total operations</b>		
- Pipe Production (KMT)	296	288
- Pipe Sales (KMT)	319	267
- Plates/coils Sales (KMT) (Discontinued)	49	128
<b>Continued Operations (Pipes)</b>		
<b>Total Income from Operations</b>	<b>20,471</b>	<b>16,419</b>
<b>Operating EBITDA</b>	<b>2,585</b>	<b>1,741</b>
MTM/Fair valuation loss/(gain) on bonds	360	(3)
Reported EBITDA	2,416	1,942
Finance Cost	395	366
Depreciation and Amortisation	545	668
Profit before tax and share of JVs	1,476	908
<b>PAT after Minorities, Associates &amp; JVs (I)</b>	<b>1,256</b>	<b>527</b>
<b>Cash PAT</b>	<b>1,786</b>	<b>1,378</b>
<b>Discontinued Operations (PCMD &amp; 43MW)</b>		
Profit After Tax (II)	(75)	(60)
<b>Profit for the Period (I +II)</b>	<b>1,181</b>	<b>467</b>

Notes: a) Prior period figures have been restated, wherever necessary

b) Cash PAT = PBT excluding one-time non cash items – Current tax + Depreciation

Figures in Rs. million

Consolidated Balance Sheet - Key figures	30-Jun-2019	31-Mar-19
Net Fixed Assets (incl CWIP)	16,526	16,144
Net Current Assets #	8,784	10,460
Net Debt	1,959	2,856
Net Worth	29,179	27,976
Net Assets Held for Sale *	12,470	11,642

# 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

## **BUSINESS UPDATE**

### **Q1FY20 Investor / Analyst conference call:**

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

Date: Thursday, 8<sup>th</sup> August 2019

Time: 11:00 AM IST

#### **Dial in details:**

- Primary Access: +91 22 6280 1325, +91 22 7115 8226
- Local Access: 7045671221
- International Toll Free numbers
  - Hong Kong: 800964448
  - Singapore: 8001012045
  - UK: 08081011573
  - USA: 18667462133

#### **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 close to 2.5 million MTPA in Dahej, Anjar and Mandya 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 26,000 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.

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For further information please visit [www.welspuncorp.com](http://www.welspuncorp.com)

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# WELSPUN CORP LTD

World's Leading Line Pipe Manufacturer

## Q1FY20 INVESTOR PRESENTATION



# SAFE HARBOUR

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This presentation and the accompanying slides (the “Presentation”), which have been prepared by Welspun Corp Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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# WELSPUN GROUP



**Global Leader in  
Home Textiles**



**Global Leader in  
Large Diameter Pipes**



**Infrastructure  
Investments in Oil & Gas**

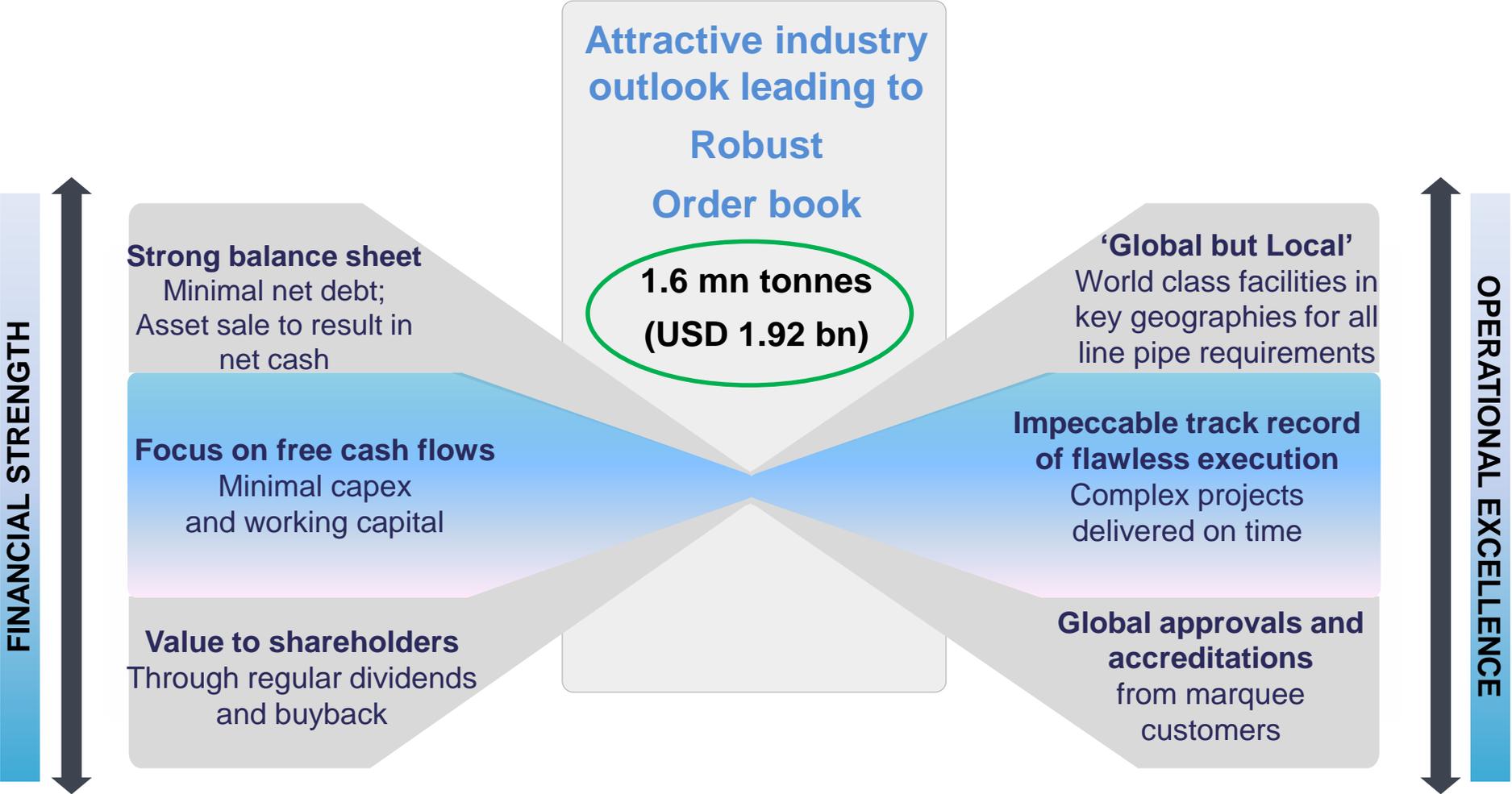


**Group Revenue  
US\$ 2.7 Billion**

**Fixed Asset Base  
US\$ 0.9 Billion**

**Employees  
25,000+**

# WELSPUN CORP: KEY HIGHLIGHTS



**FCF generating business with focus on shareholder value creation**

# WORLD'S LEADING LINE PIPE MANUFACTURER...

...focussed on midstream segment of Oil & Gas industry value chain

## Upstream



## Midstream



## Downstream

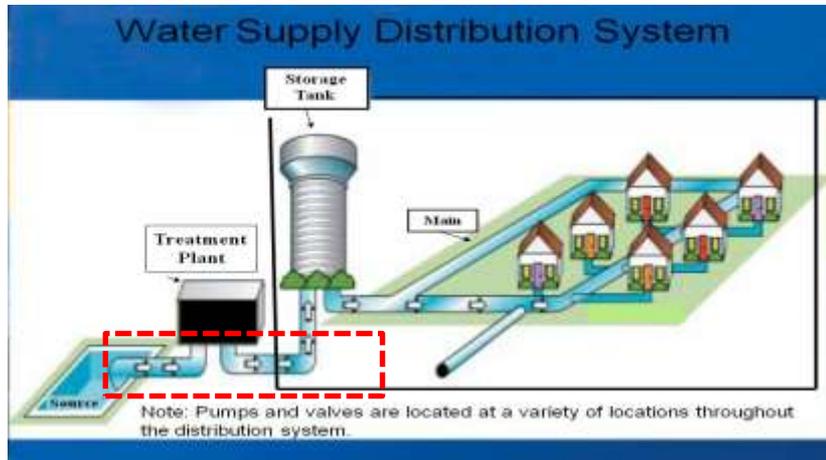


Exploration / Production

Transportation

Distribution / Retail Sale

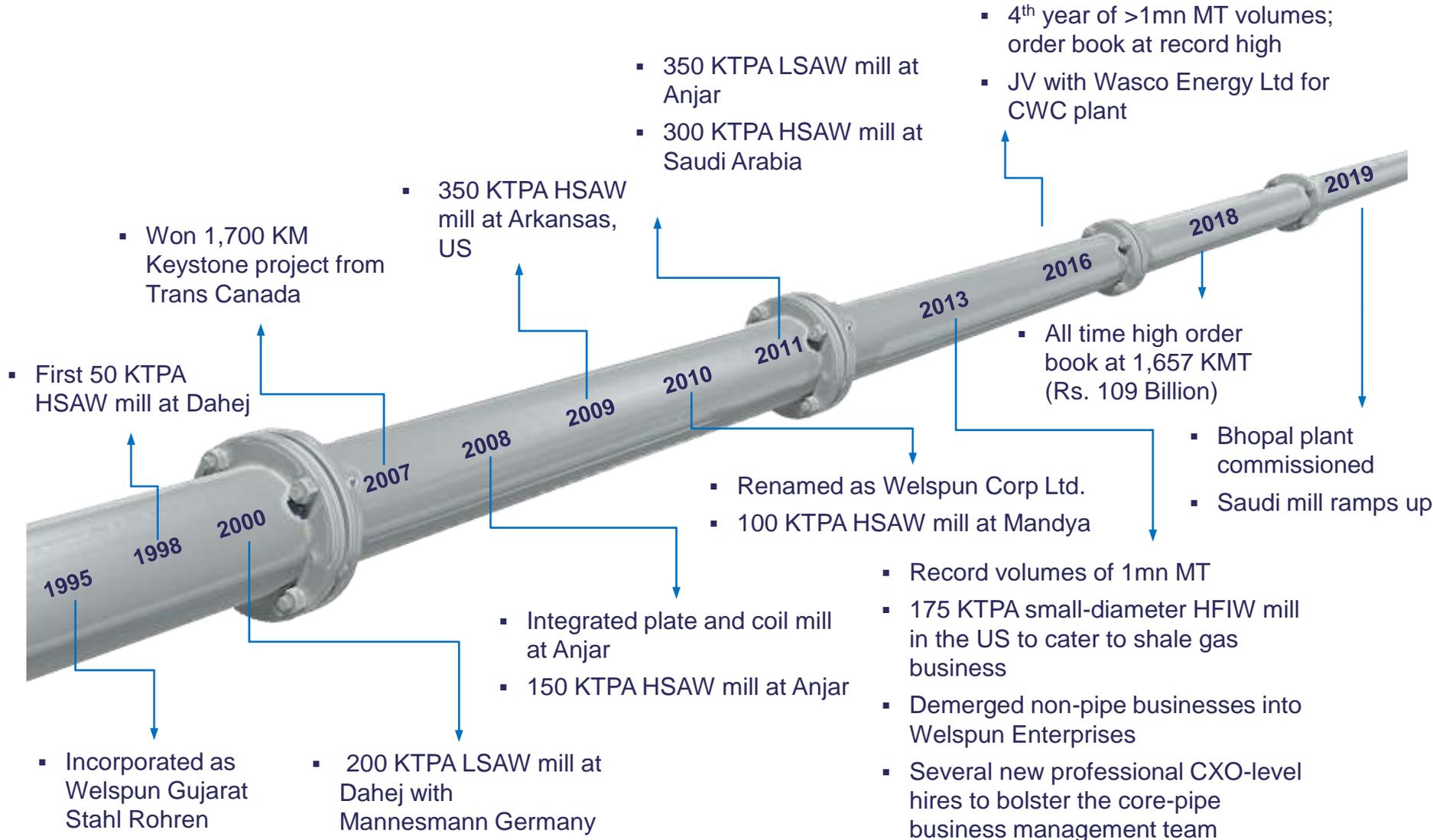
...and Water transmission value chain



*Denotes WCL's presence*

Line pipes are used for transporting oil, gas or water over long distances (interstate or from offshore/ under-sea) or as gathering lines (from well to processing centre)

# EMERGED TO BECOME LEADER



# KEY STRENGTHS

**End-to-end products & solutions**

**Advanced technological prowess**

**Focus on R&D and pipeline technology**

**Diversified global presence**

**Expertise in complex projects**

**Partnerships with global giants**

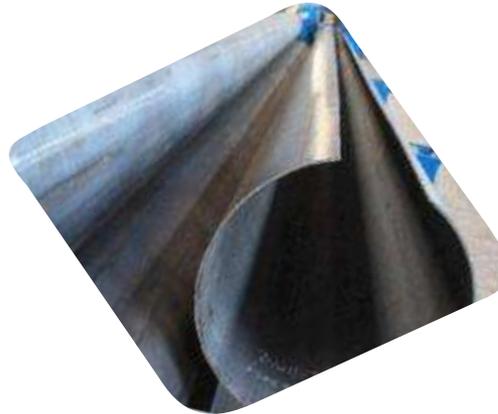
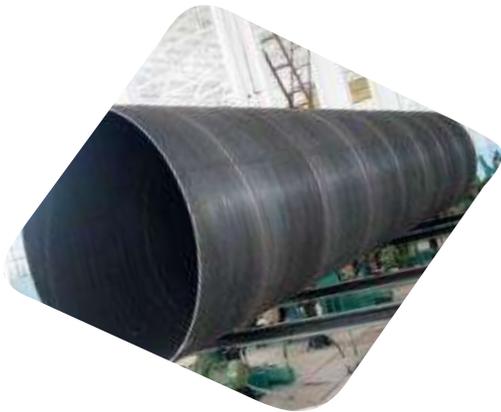
**Experienced professional team**



# END-TO-END PRODUCTS & SOLUTIONS

## HSAW Pipes

- Helically welded pipes made from HR coils; used for on-shore oil, gas & water transmission
- 18 – 140 inch diameter, moderate wall thickness

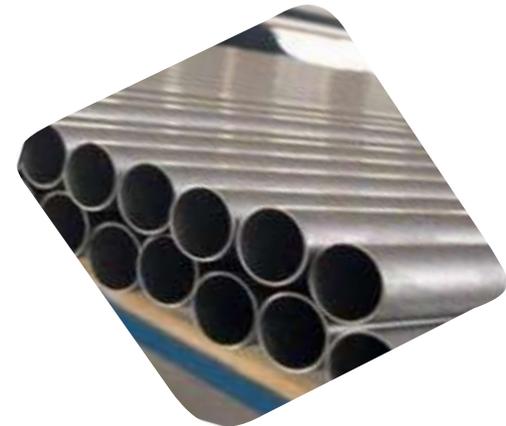


## LSAW Pipes

- Longitudinally welded pipes made from HR plates; used for onshore / off-shore oil & gas transmission
- 16 – 60 inch diameter, high wall thickness

## ERW/HFIW Pipes

- High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas & water
- 1.5 – 20 inch diameter, low/moderate wall thickness



**Coating Systems:** Concrete Weight Coating, Double Jointing, 3LPE, 3LPP, DJ, Internal Solvent /Solvent free coating, Coal Tar Enamel, Inside Cement Mortar Lining

**Ancillary services:** Pipe bending, Dump Site & Inventory management

# FOCUS ON R&D AND PIPELINE TECHNOLOGY

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## Technical knowhow with optimal solutions

Experience of delivering pipe with stringent specifications gives us the edge for prestigious and challenging projects like Keystone Pipeline, Peru LNG, Wasit Gas Program, Independence Trail, IGAT-IV, Master Gas - I

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## Dedicated R&D facility

Fully equipped Growth Workshop facilities to facilitate capability enhancement, capacity expansion, de-bottlenecking, automation and product development programs

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## Continuous research

Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems

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## Technical expert team

Technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for line pipe durability

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# DIVERSIFIED GLOBAL PRESENCE



## Plant Locations

- Anjar, India
- Dahej, India
- Mandya, India
- Bhopal, India
- Little Rock, USA
- Dammam, Saudi Arabia

## Marketing Offices

- Mumbai, India
- Houston, USA
- Dammam, Saudi Arabia

● Manufacturing Plants

■ Countries Served

# EXPERTISE IN COMPLEX PROJECTS

## Independence Trail

233 Kms, 24" deep sea gas transmission pipeline in Gulf of Mexico  
**Complexity:** High collapse resistance

**Deepest**

**Heaviest**

## IGAT- IV

100 Kms, 56" of high pressure gas transmission pipeline in Persian Gulf  
**Complexity:** Large diameter high wall thickness, X70 grade of steel

## Peru LNG

118 Kms, 34" gas transmission pipeline  
**Complexity:** Pipeline in service at very high altitude

**Highest**

**Longest**

## Keystone Pipeline

Sole Supplier, Canada to USA Crude Oil Pipeline (~1700 kms, 36")  
**Complexity:** Very long distance hydrocarbon pipeline supplied by a single manufacturer

## Arabiyah-Hasbah (Wasit Gas Program)

100 kms, 36" of gas pipeline in Saudi Arabia  
**Complexity:** Highly sour gas

**Offshore**

**Stringent tolerance level**

## Stampede Oil Export SCR\* Pipeline

~32 kms, 18" oil pipeline in Gulf of Mexico  
**Complexity:** Only WCL could match specifications

Note: \*SCR = Steel Catenary Riser

# PARTNERSHIP WITH GLOBAL GIANTS

## Oil & gas



## Transportation



## Others



Approvals & accreditations from marquee customers across the globe

# ADEQUATE CAPACITIES FOR GROWTH

## US Facility



## Saudi Facility



## India Facility



Products (KMT)	US	Saudi Arabia	India
LSAW	-	-	700
HSAW	350	375	755
ERW/ HFIW	175	-	200
Coating Systems	✓	✓	✓

**Total combined installed capacity @ 2.55 mn MT**

**Modern manufacturing facilities leads to minimum maintenance capex**

- Port based facilities
- All major accreditations
- Best in class equipment & practices

# AWARDS & RECOGNITIONS

**OHS category in  
engineering sector : Anjar  
(2018)**



**Best energy  
practices**

**Golden Peacock National  
Quality Award : Anjar  
(2017)**



**Golden Peacock  
Award**

**By The Martin Luther King  
Jr Commission of AR  
(2017)**



**Salute to  
Greatness Award  
2017**

**DL Shah Quality Award  
Quality Council of India  
(2016)**



**“Gold Award”  
Anjar pipes**

**Pretreatment Excellence  
Award  
(2016)**



**Environment  
Excellence Award**

**International Safety Award  
Anjar  
(2016)**



**International  
Safety Award  
With merit**

**Quality Systems Excellence  
Award for Manufacturing  
(Large Size Category)  
(2016)**



**Excellence  
Award First Prize**

**Best Customer Award  
(2015)**



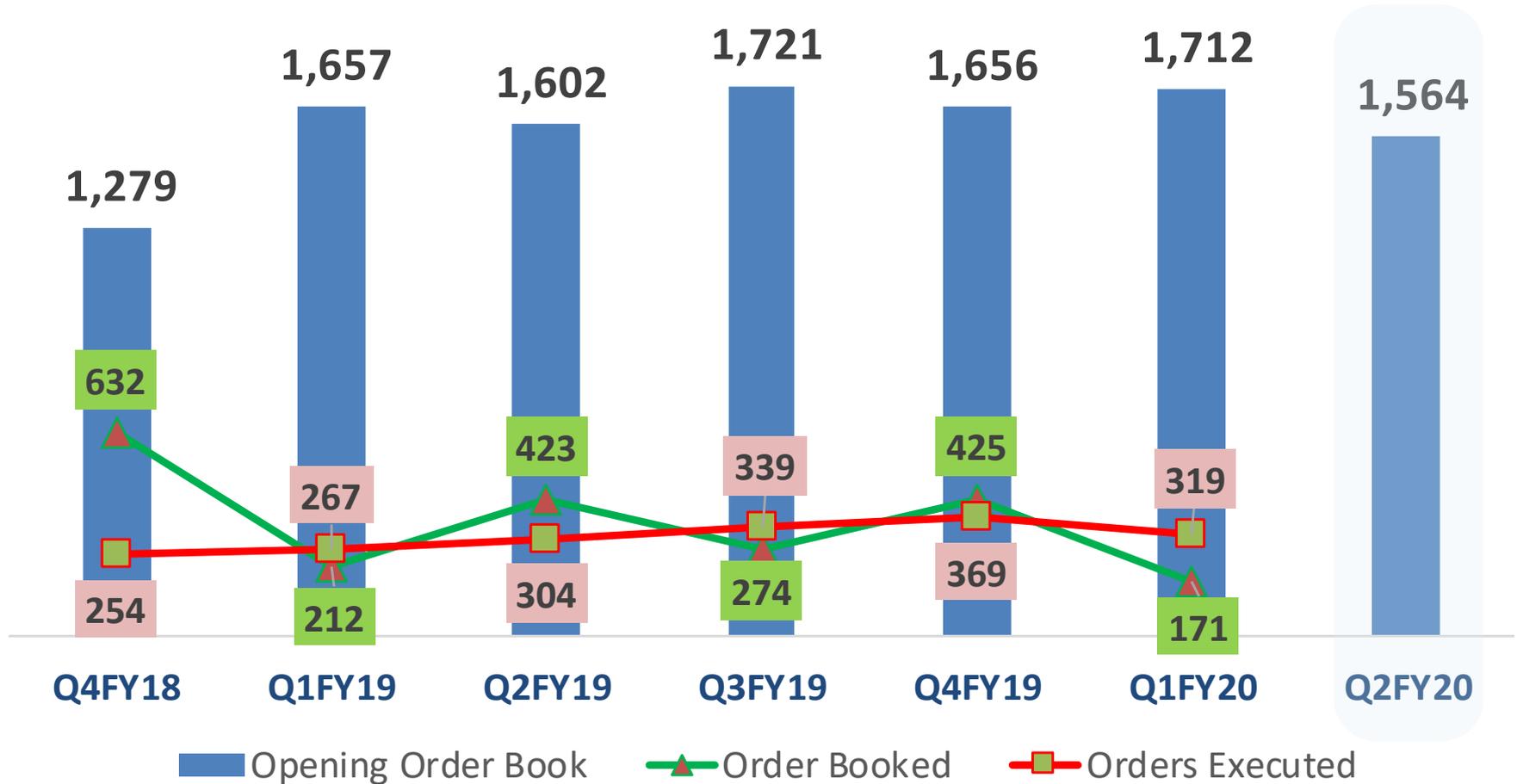
**Best Customer**

*and many more....*

# ORDER BOOK TREND

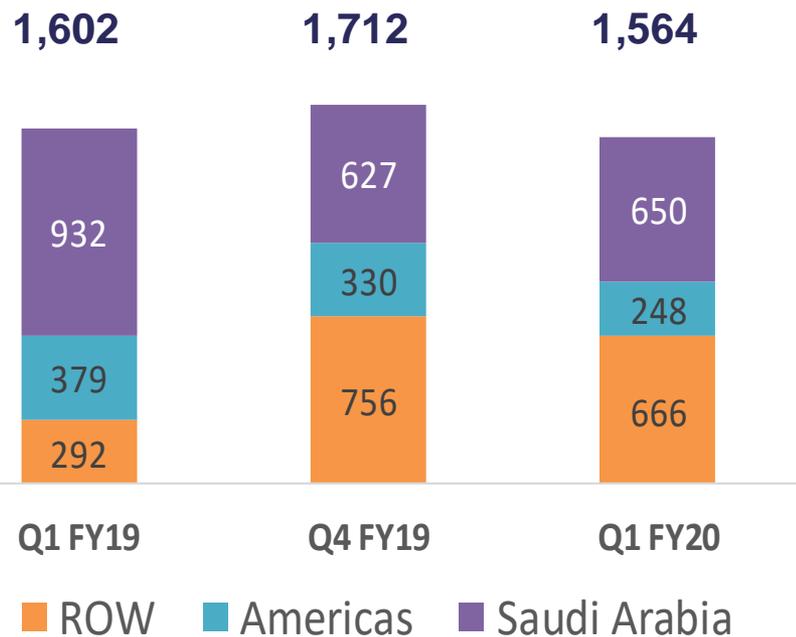
(Figures in KMT)

Order Book Valued at USD 1.92 Billion

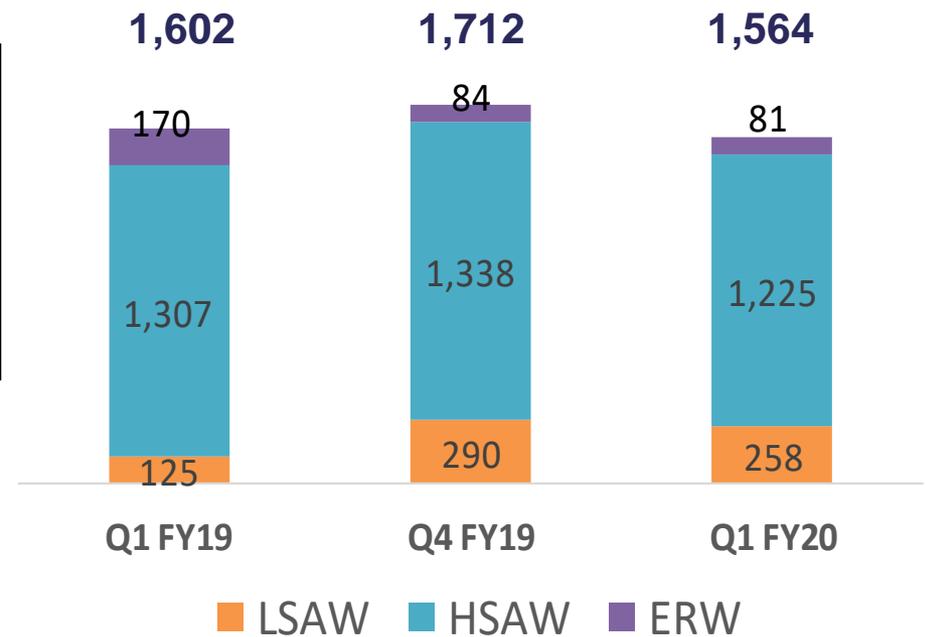


# ORDERBOOK ANALYSIS (including Saudi Arabia operations)

## Order book by Region



## Order book by Type

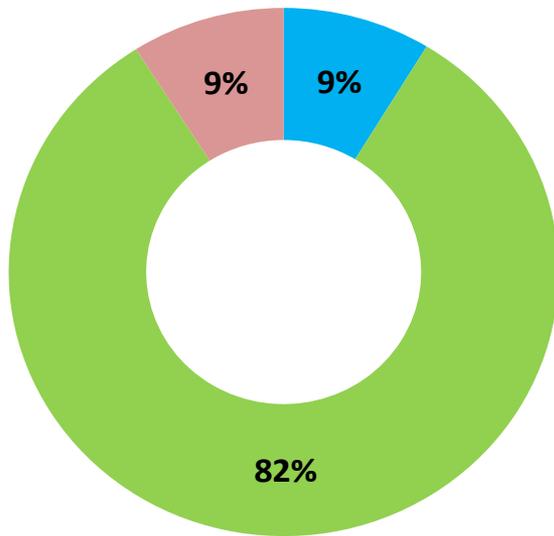


Note: All numbers on this page includes the Saudi Arabian JV

**(Figures in KMT)**

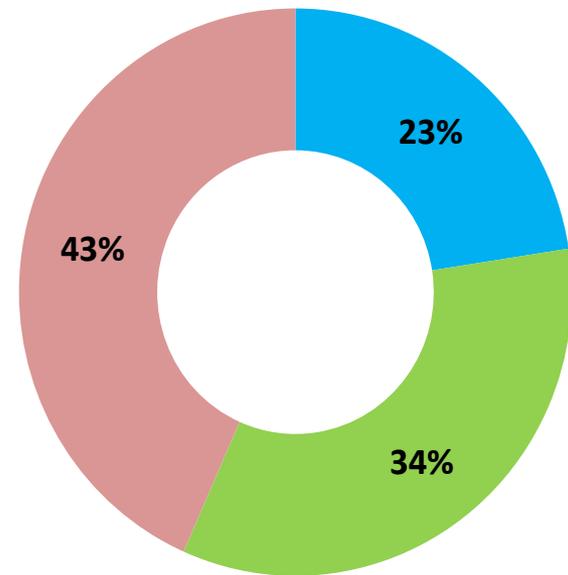
# SALES VOLUME BREAK-UP

**Q1FY20 Pipe Sales Volume : 319 KMT**  
(including Saudi Arabia operations – 138KMT)



■ LSAW ■ HSAW ■ ERW

**Sales by Type**

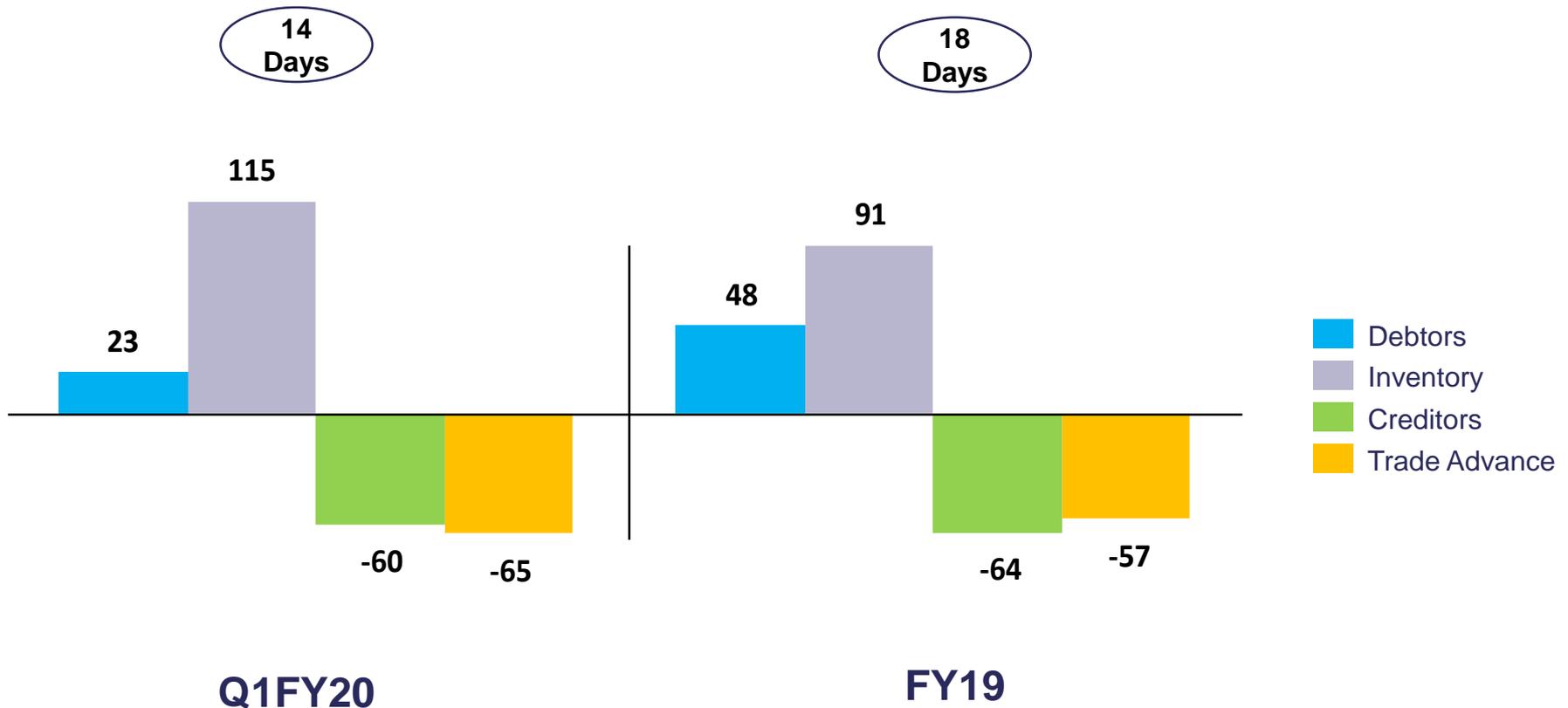


■ India ■ US ■ Saudi Arabia

**Sales by Plant**

# NET WORKING CAPITAL UNDER CONTROL

## Cash conversion cycle at 14 days vs. 18 days in FY19



\*Includes Debtors + Inventory – Creditors – Trade Advance; Figures are only for continuing operations on IndAS basis

# PERFORMANCE SNAPSHOT – Q1FY20

Particulars (Rs Mn)	Q1FY20	Q1FY19
<b>Ex-Saudi Arabia/ CWC operations</b>		
- Pipe Production (KMT)	191	254
- Pipe Sales (KMT)	181	229
<b>Total operations</b>		
- Pipe Production (KMT)	296	288
- Pipe Sales (KMT)	319	267
<b>Continued Operations (Pipes)</b>		
<b>Total Income from Operations</b>	<b>20,471</b>	<b>16,419</b>
<b>Operating EBITDA</b>	<b>2,585</b>	<b>1,741</b>
MTM loss/(gain) on bonds	360	(3)
<b>Reported EBITDA</b>	<b>2,416</b>	<b>1,942</b>
Finance Cost	395	366
Depreciation and Amortisation	545	668
<b>Profit before tax and share of JVs</b>	<b>1,476</b>	<b>908</b>
<b>PAT after Minorities, Associates &amp; JVs (I)</b>	<b>1,256</b>	<b>527</b>
<b>Cash PAT</b>	<b>1,786</b>	<b>1,378</b>

Note:

- a) Prior period figures have been restated, wherever necessary
- b) Cash PAT = PBT excluding one-time non cash items – Current tax + Depreciation

# INCOME STATEMENT

Rs mn	FY16	FY17	FY18	FY19	Q1 FY20
<b>Pipe Sales Volume (KMT)</b>	<b>1,100</b>	<b>935</b>	<b>1,084</b>	<b>1,279</b>	<b>319</b>
<b>Revenue</b>	<b>73,801</b>	<b>60,355</b>	<b>63,633</b>	<b>89,535</b>	<b>20,471</b>
<b>Operating EBITDA</b>	<b>7,777</b>	<b>5,935</b>	<b>6,008</b>	<b>8,968</b>	<b>2,585</b>
EBITDA	8,908	7,370	7,101	7,077	2,416
Depreciation	3,865	3,861	2,582	2,597	545
Finance cost	2,411	2,357	1,702	1,774	395
<b>Profit before tax and share of JV</b>	<b>2,632</b>	<b>1,152</b>	<b>2,818</b>	<b>2,706</b>	<b>1,476</b>
Tax	792	258	202	1,223	384
Non Controlling Interest	275	(163)	(53)	(84)	5
Share of profit/(loss) from associates & JVs	(47)	(793)	(859)	(885)	169
<b>Net Profit / (loss) (Continuing Operations)</b>	<b>1,518</b>	<b>264</b>	<b>1,810</b>	<b>683</b>	<b>1,256</b>
Net Profit / (loss) (Discontinued Operations)	-	-	(227)	(815)	(75)
<b>Net Profit / (loss) for the period</b>	<b>1,518</b>	<b>264</b>	<b>1,583</b>	<b>(132)</b>	<b>1,181</b>

**Note:**

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
- FY18 / FY19 & Q1FY20 figures are reclassified and regrouped as continuing operations (Pipes) and discontinued operations (PCMD and 43 MW power)
- Pipe sales volumes are based on total operations including Saudi

# BALANCE SHEET – ANNUAL TREND

Rs mn	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	30-Jun-19
<b>Net Worth</b>	<b>27,989</b>	<b>28,094</b>	<b>28,540</b>	<b>27,976</b>	<b>29,179</b>
Short Term Loans	5,680	2,203	126	1,750	1,750
Long Term Loans	20,757	16,227	13,738	11,297	9,318
<b>Gross Debt</b>	<b>26,437</b>	<b>18,430</b>	<b>13,864</b>	<b>13,047</b>	<b>11,068</b>
Cash & Cash Equiv.	12,883	7,365	9,649	10,191	9,109
<b>Net Debt</b>	<b>13,554</b>	<b>11,065</b>	<b>4,216</b>	<b>2,856</b>	<b>1,959</b>
Net Fixed Assets (incl CWIP)	37,646	33,877	30,619	16,144	16,526
Net Current Assets #	13,944	12,746	13,596	10,460	8,784
Net Assets Held for Sale *	-	-	-	11,642	12,470
Total Assets	86,385	82,469	76,933	82,000	80,828
Net Debt to Equity	0.48	0.39	0.15	0.10	0.07
Net Debt to EBITDA	1.52	1.50	0.59	0.40	0.26

**Note:**

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
- \* Net Assets Held for Sale = Assets or disposal groups classified as held for sale less Liabilities directly associated with disposal groups classified as held for sale
- # Net Current Assets as on 31-Mar-19 & 30-June-2019 excludes Net Asset Held for Sale

# MARKET OUTLOOK

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## USA

- **Rising fracking in the Permian basin** → Booming oil & gas production.
- Constrained oil & gas evacuation pipeline capacity driving pipeline demand.
- **Local US players incl. WCL, will continue to command good margins & higher volumes due to:**
  - Current oil prices profitable for shale drilling.
  - Pipeline infrastructure bottlenecks.
  - Restrictions placed on pipe imports in US.

## Saudi Arabia

- Strong demand in both oil & gas as well as water sectors: Big projects by Saudi Aramco and SWCC.
- **Big potential in the medium term with**
  - the recent find of shale gas in Saudi Arabia.
  - the intent to connect the entire GCC and Middle East nations through a pipeline network.
- WCL Saudi **confirmed order book for close to two years**; favourable order mix translating to significantly better profit margins .
- WCL Saudi operations **has turned PBT positive during the quarter**
  - Profitability expected to further improve in the coming quarters.

# MARKET OUTLOOK....cont.

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## India

### Oil & Gas:

- **Large-diameter pipe demand** driven by gas grid development by GAIL & oil pipeline network by IOCL.
- **Small-diameter pipe demand** from City Gas Distribution projects.
- New government policy to grant pricing freedom to new gas discoveries → Increase in exploration activities in the country → higher pipeline demand.

### Water:

- Government focus on issues surrounding water scarcity & stress → Significant demand from water projects is expected across states. The formation of Jal Shakti Ministry is a major milestone and the goal of their theme 'Jal se Nal', is to provide drinking water access to all by 2024.
- **WCL Bhopal Facility:** Geared to meet local demand & become a sizeable player in Central India.

### Exports:

- **WCL well-placed to service LSAW pipes demand across geographies with:**
    - its global approvals and accreditations.
    - an impeccable track record of supplying pipes for complex projects for Oil & Gas majors.
  - With oil and gas demand remaining strong, the export business from India plants is expected to benefit.
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## Near Term Potential for Further Growth

**Global Bid Book: 2.04 million tons ; Global Upcoming Bids: 20.47 million tons**

# WELSPUN CORP - WAY FORWARD

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## Higher Profitability

- ❑ Order Book: 1,564 KMT; provides strong visibility for the future across geographies.
- ❑ Profitability associated with these orders is significantly better than recent profitability trends.
- ❑ Likely to continue in the medium term.



## Focus on Core Assets

- ❑ Rich legacy & expertise of delivering pipes for many prestigious & challenging projects, thus **focus on pipe business**.
- ❑ **Divestment of non-core businesses** - Plate & Coil Mill Division (PCMD) and 43MW power plant.
- ❑ Unlocking significant value for shareholders.



## Leaner Balance Sheet

- ❑ Focus on free cash flows by calibrating capex and effective management of working capital.
- ❑ Excess cash being used for **pre-paying debt** and to **buyback shares**, thus making the balance sheet leaner.
- ❑ Asset-light approach to further improve Return ratios.



## Buyback of Shares

- ❑ Utilising the Company's surplus cash reserves and in order to enhance shareholder value.

# THANK YOU

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