

WCL/SEC/2019

October 22, 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 and half year ended September 30, 2019 and Limited Review Report thereon by the Auditors.**  
**(2) Change in the composition of the Board**  
**(3) Re-opening of Trading Window**  
**(4) Business Update.**

**Unaudited Financial Statements for the quarter and half year ended September 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 and half year ended September 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:-**

Kindly take note that at the recommendation of the Nomination and Remuneration Committee and subject to approval by the shareholders, Ms. Amita Misra (DIN: 07942122), aged 64 years has been recommended for appointment by the Board as an additional Independent Director of the Company for a period of 5 years w.e.f. the date of the meeting.

**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

**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



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.

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 October 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 Friday, October 25, 2019.

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

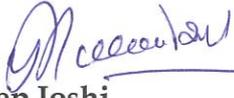
Also attached is the Business Update which is being released to the media.

The Board meeting concluded at 08:05 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

## Review Report

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 and the half year ended September 30, 2019 which are included in the accompanying ‘Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2019’, the Unaudited Consolidated Balance Sheet as on that date and the Unaudited Consolidated Cash Flow for the half year ended on that date (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”), which has been initialled by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the statement of cash flows for the period from April 01, 2018 to September 30, 2018, as reported in these financial results have been approved by the Parent’s Board of Directors, but have not been subjected to review.
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 Listing Regulations, to the extent applicable.



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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 half year ended September 30, 2019

Page 2 of 2

4. The Statement includes the results of the following entities:
- A) Parent:  
Welspun Corp Limited, India
  - B) Subsidiaries:
    - a) Welspun Tradings Limited, India
    - b) Welspun Pipes Inc., USA
    - c) Welspun Tubular LLC, USA
    - d) Welspun Global Trade LLC, USA
    - e) Welspun Mauritius Holdings Limited, Mauritius
    - f) Welspun Middle East DMCC, Dubai
  - 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, 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:19103211AAAACY6942

Place: Mumbai  
Date: October 22, 2019

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Consolidated					
		Quarter Ended (Unaudited)			Half Year ended (Unaudited)		Year Ended (Audited)
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	<b>Continuing operations:</b>						
1	<b>Income</b>						
	a Revenue from operations	222,461	200,265	210,003	422,726	369,022	867,506
	b Other operating revenue	3,834	4,445	5,242	8,279	10,412	27,841
	c Other income	3,886	4,177	4,705	8,063	9,311	13,465
	<b>Total Income</b>	<b>230,181</b>	<b>208,887</b>	<b>219,950</b>	<b>439,068</b>	<b>388,745</b>	<b>908,812</b>
2	<b>Expenses</b>						
	a Cost of materials consumed	212,554	140,443	157,975	352,997	292,679	628,746
	b Changes in inventories of finished goods, work-in-progress and stock-in-trade	(68,259)	(7,383)	(12,800)	(75,642)	(39,296)	(1,071)
	c Employee benefit expense	15,952	15,989	14,240	31,941	25,844	57,196
	d Depreciation and amortisation expense	6,099	5,448	6,619	11,547	13,299	25,973
	e Other expenses	36,875	35,681	36,348	72,556	65,915	153,168
	f Finance costs	3,406	3,945	4,537	7,351	8,197	17,737
	<b>Total expenses</b>	<b>206,627</b>	<b>194,123</b>	<b>206,919</b>	<b>400,750</b>	<b>366,638</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>23,554</b>	<b>14,764</b>	<b>13,031</b>	<b>38,318</b>	<b>22,107</b>	<b>27,063</b>
4	Share of profit/ (loss) of joint venture	5,801	1,686	(3,225)	7,487	(5,954)	(8,853)
5	<b>Profit/ (loss) before tax (3+4)</b>	<b>29,355</b>	<b>16,450</b>	<b>9,806</b>	<b>45,805</b>	<b>16,153</b>	<b>18,210</b>
6	<b>Tax expense</b>						
	a Current tax	11,181	5,949	2,237	17,130	4,210	12,160
	b Deferred tax	289	(2,112)	(483)	(1,823)	(1,075)	65
	<b>Total tax expense</b>	<b>11,470</b>	<b>3,837</b>	<b>1,754</b>	<b>15,307</b>	<b>3,135</b>	<b>12,225</b>
7	<b>Net profit/ (loss) for the period from continuing operations (5-6) (I)</b>	<b>17,885</b>	<b>12,613</b>	<b>8,052</b>	<b>30,498</b>	<b>13,018</b>	<b>5,985</b>
	<b>Discontinued operations:</b>						
	Loss from discontinued operations	(1,639)	(1,151)	(3,793)	(2,790)	(4,716)	(21,962)
	Tax expense of discontinued operations	138	(401)	(1,325)	(263)	(1,647)	(13,813)
	<b>Loss from discontinued operations, after tax (II)</b>	<b>(1,777)</b>	<b>(750)</b>	<b>(2,468)</b>	<b>(2,527)</b>	<b>(3,069)</b>	<b>(8,149)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>16,108</b>	<b>11,863</b>	<b>5,584</b>	<b>27,971</b>	<b>9,949</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	2,457	13	(693)	2,470	879	4,669
	b Items that will not be reclassified to profit or loss	(348)	(25)	115	(373)	88	(111)
	<b>Total other comprehensive income, net of income tax</b>	<b>2,109</b>	<b>(12)</b>	<b>(578)</b>	<b>2,097</b>	<b>967</b>	<b>4,558</b>
9	<b>Total Comprehensive Income for the period (including non-controlling interest) (7+8)</b>	<b>18,217</b>	<b>11,851</b>	<b>5,006</b>	<b>30,068</b>	<b>10,916</b>	<b>2,394</b>
10	<b>Net profit/ (loss) attributable to:</b>						
	-Owners	15,561	11,810	5,869	27,371	10,538	(1,325)
	-Non-controlling interest	547	53	(285)	600	(589)	(839)
11	<b>Other comprehensive income attributable to:</b>						
	-Owners	2,116	(12)	(561)	2,104	982	4,557
	-Non-controlling interest	(7)	-	(17)	(7)	(15)	1
12	<b>Total comprehensive income attributable to:</b>						
	-Owners	17,677	11,798	5,308	29,475	11,520	3,232
	-Non-controlling interest	540	53	(302)	593	(604)	(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>	<b>13,261</b>	<b>13,261</b>
14	<b>Other Equity</b>				<b>295,087</b>	<b>271,609</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	6.53	4.74	3.14	11.27	5.13	2.57
	(b) Diluted (In Rs.) - continuing operations	6.52	4.73	3.14	11.25	5.13	2.57
	(c) Basic (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)
	(d) Diluted (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	5.86	4.46	2.21	10.32	3.97	(0.50)
	(f) Diluted (In Rs.) - continuing and discontinued operations	5.85	4.45	2.21	10.30	3.97	(0.50)



**UNAUDITED CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2019**

(Rs. in Lakhs)

Particulars	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	151,869	155,180
Capital work-in-progress	3,117	4,647
Right-of-use asset	7,190	-
Investment property	494	506
Intangible assets	881	1,051
Intangible assets under development	86	50
Investments accounted for using the equity method	13,260	5,958
<b>Financial assets</b>		
Investments	6,749	6,729
Loans	19,901	22,838
Other financial assets	2,701	3,115
Deferred tax assets (net)	1	30
Other non-current assets	5,440	4,282
<b>Total non-current assets</b>	<b>211,689</b>	<b>204,386</b>
<b>Current assets</b>		
Inventories	339,586	222,276
<b>Financial assets</b>		
Investments	36,155	34,873
Trade receivables	62,385	118,069
Cash and cash equivalents	45,912	58,473
Bank balances other than cash and cash equivalents	7,483	8,570
Loans	36	48
Other financial assets	11,674	9,581
Current tax assets (net)	1	-
Other current assets	24,865	18,741
Assets or disposal groups classified as held for sale	106,574	144,986
<b>Total current assets</b>	<b>634,671</b>	<b>615,617</b>
<b>Total assets</b>	<b>846,360</b>	<b>820,003</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	13,261	13,261
<b>Other equity</b>		
Reserves and surplus	286,746	260,656
Other reserves	8,341	5,847
<b>Equity attributable to owners of Welspun Corp Limited</b>	<b>308,348</b>	<b>279,764</b>
Non-controlling interests	79	(507)
<b>Total equity</b>	<b>308,427</b>	<b>279,257</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	88,918	107,776
Lease liabilities	4,869	-
Other financial liabilities	22	23
Provisions	4,224	3,279
Deferred tax liabilities (net)	19,634	21,811
Government grants	12,155	13,179
<b>Total non-current liabilities</b>	<b>129,822</b>	<b>146,068</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	15,000	17,500
Trade payables		
total outstanding dues of micro and small enterprises	357	68
total outstanding dues other than above	156,354	157,898
Lease liabilities	1,475	-
Other financial liabilities	14,127	19,894
Provisions	2,748	2,588
Government grants	2,047	2,047
Current tax liabilities (net)	23,743	19,798
Other current liabilities	185,934	146,319
Liabilities directly associated with disposal groups classified as held for sale	6,326	28,566
<b>Total current liabilities</b>	<b>408,111</b>	<b>394,678</b>
<b>Total Liabilities</b>	<b>537,933</b>	<b>540,746</b>
<b>Total equity and liabilities</b>	<b>846,360</b>	<b>820,003</b>



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

Vipul Mathur  
Managing Director and Chief Executive Officer  
DIN - 007990476



Place: Mumbai  
Date: October 22, 2019

**UNAUDITED CONSOLIDATED CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019**

	Half Year ended (Unaudited) 30-Sep-19	Half Year ended (Unaudited) 30-Sep-18
<b>A) Cash flow from operating activities</b>		
<b>Profit/ (loss) before tax</b>		
Continuing operations	45,805	16,153
Discontinued operations	(2,790)	(4,716)
<b>Profit/ (loss) before tax</b>	<b>43,015</b>	<b>11,437</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	11,547	19,119
Employee share-based expense	302	83
Profit (net) on sale or redemption of Current investments	(474)	(252)
Loss on disposal of property, plant and equipment (net)	184	112
Gain on sale of property, plant and equipment of disposal group	(136)	-
Share of net (gain)/ loss of joint ventures accounted for using the equity method	(7,487)	5,954
Fair valuation loss on investments (net)	3,669	1,463
Allowance for doubtful debts (net)	-	1,123
Provision for doubtful advances written back	-	(109)
Rental Expenses	272	74
Dividend income	(3)	(2)
Interest income and commission income	(2,455)	(4,396)
Interest expenses	4,494	5,787
Net exchange differences (unrealised)	(4,102)	(15,560)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>48,826</b>	<b>24,833</b>
<b>Changes in operating assets and liabilities</b>		
Movement in other non-current financial assets	393	(68)
Movement in other non-current assets	20	258
Movement in inventories	(93,033)	(112,602)
Movement in trade receivables	64,324	1,920
Movement in other current financial assets	2,526	939
Movement in other current assets	(6,640)	1,173
Movement in other non-current financial liabilities	5,692	1
Movement in trade payables	(23,692)	103,485
Movement in other current financial liabilities	516	1,308
Movement in other current liabilities	39,908	6,785
Movement in provisions	685	(166)
Movement in government grants	(1,024)	(2,317)
<b>Total changes in operating assets and liabilities</b>	<b>(10,325)</b>	<b>716</b>
<b>Cash flow from operations</b>	<b>38,501</b>	<b>25,549</b>
Income taxes paid (net of refund received)	(13,237)	(1,409)
<b>Net cash from operating activities</b>	<b>25,264</b>	<b>24,140</b>
<b>B) Cash flow used in investing activities</b>		
Payments for property, plant and equipment	(14,337)	(3,787)
Proceeds from property, plant and equipment	11	103
Proceeds from property, plant and equipment of disposal group	6,690	-
Purchase of current investments (net)	(4,456)	(52,278)
Proceeds from/ (Investments in) maturity of fixed deposits (net)	1,082	(3,001)
Interest and commission received	1,544	2,421
Dividend received	3	2
Loan to joint venture and other parties	12	5
<b>Net cash used in investing activities</b>	<b>(9,451)</b>	<b>(56,535)</b>
<b>C) Cash flow used in financing activities</b>		
Transactions with non-controlling interests	-	(13,235)
Repayment of/ (proceeds from) long term borrowings	(20,082)	9,875
Repayment of/ (proceeds from) short term borrowings (net)	(2,500)	231
Interest paid	(4,307)	(3,732)
Dividend paid (including dividend distribution tax)	(1,326)	(1,595)
Payment of Lease liabilities	(824)	-
<b>Net cash used in financing activities</b>	<b>(29,039)</b>	<b>(8,456)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(13,226)</b>	<b>(40,851)</b>
Cash and cash equivalents at the beginning of the financial year	58,602	55,263
Gain on exchange rate changes on cash and cash equivalents	540	704
<b>Cash and cash equivalents at the end of year</b>	<b>45,916</b>	<b>15,116</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(12,686)</b>	<b>(40,147)</b>
Cash and cash equivalents at the end of the year for continuing operations	45,912	15,112
Cash and cash equivalents at the end of the year for discontinued operations	4	4



**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 October 22, 2019. The Statutory Auditors have carried out a Limited Review of the results for the quarter and half year ended September 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 October 22, 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 8 below.

(Rs. in lakhs except earnings per share)

Key financials	Quarter Ended (Unaudited)			Half Year ended (Unaudited)		Year Ended (Audited)
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
a Total Income	87,009	83,249	112,884	170,258	216,482	426,206
b Profit/ (loss) before tax	1,230	18,698	1,710	19,928	5,575	(17,366)
c Profit/ (loss) after tax	937	16,129	1,413	17,066	4,147	(19,571)
d Earnings per share (of Rs. 5/- each) (not annualised)						
(a) Basic (In Rs.) - continuing operations	0.35	6.08	0.54	6.43	1.57	(7.38)
(b) Diluted (In Rs.) - continuing operations	0.35	6.07	0.54	6.42	1.57	(7.38)
(c) Basic (In Rs.) - continuing and discontinued operations	(0.32)	5.80	(0.39)	5.48	0.41	(10.45)
(d) Diluted (In Rs.) - continuing and discontinued operations	(0.32)	5.79	(0.39)	5.47	0.41	(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.
- Details of Secured, Redeemable, Non Convertible Debentures is as follows:

(Rs. in Lakhs)

Particulars	Previous Due Date #		Next Due Date			
	Principal	Interest	Next Installment Date	Principal Amount	Interest Date	Interest Amount
9.55% Secured Redeemable Non Convertible Debenture	NA	03.08.2019	August 2021	4,000	03.11.2019	481
11.00% Secured Redeemable Non Convertible Debenture	NA	09.08.2019	November 2020	2,700	09.11.2019	250
8.90% Secured Redeemable Non Convertible Debenture	NA	01.02.2019	January 2023	6,250	01.02.2020	2,225

# Interest and Principal have been paid on the due dates.

- 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. 263 lakhs) as on September 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 2.82 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. Pursuant to the adoption of Ind AS 116, during the half year June 30, 2019, finance expense increased by Rs. 205 lakhs, ROU depreciated by Rs. 752 lakhs and other expenses decreased by Rs. 824 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. During the quarter ended September 30, 2019 the Company has sold 43MW plant and also recognised gain of Rs. 136 lakhs which is included under "loss from discontinued operations". The financial information relating to discontinued operations is given below:

(Rs. in lakhs except earnings per share)

Particulars	Quarter Ended (Unaudited)			Half Year ended (Unaudited)		Year Ended (Audited)
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
a Total income	8,362	17,426	24,053	25,788	63,809	157,018
b Total expenses	10,001	18,577	27,846	28,578	68,525	178,980
c Loss before tax (a-b)	(1,639)	(1,151)	(3,793)	(2,790)	(4,716)	(21,962)
d Tax expense	138	(401)	(1,325)	(263)	(1,647)	(13,813)
e Loss from discontinued operations (c-d)	(1,777)	(750)	(2,468)	(2,527)	(3,069)	(8,149)
f Earnings per share (of Rs. 5/- each) (not annualised)						
(a) Basic (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)
(b) Diluted (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)

- The Company has made an offer for buy-back of fully paid-up equity shares of Rs. 5 each of the Company, not exceeding 28,888,888 equity shares (representing approximately 10.89% of the total number of equity shares in the issued, subscribed and paid up equity capital) at a price of Rs. 135 per equity share, not exceeding Rs. 39,000 Lakhs on a proportionate basis by way of tender offer in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The offer for buyback shall remain open from October 22, 2019 to November 05, 2019.
- Final Dividend of Rs. 0.50 per share proposed for the year ended March 31, 2019, was approved by the Shareholders at the Annual General Meeting held on August 12, 2019, and paid subsequently during the quarter.
- 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 - 007990476



Place: Mumbai  
Date: October 22, 2019



# Price Waterhouse Chartered Accountants LLP

## Review Report

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 standalone financial results of Welspun Corp Limited (the “Company”) for the quarter and the half year ended September 30, 2019 which are included in the accompanying ‘Unaudited Standalone Financial Results for the Quarter and Half year ended September 30, 2019’, the Unaudited Standalone Balance Sheet as on that date and the Unaudited Standalone Cash Flow for the half year ended on that date (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 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. Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in the Statement have been approved by the Company’s Board of Directors, but have not been subjected to review.
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 and Regulation 52 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: 19103211AAAACX2062

Place: Mumbai  
Date: October 22, 2019

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Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

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)

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone					
		Quarter Ended (Unaudited)			Half Year ended (Unaudited)		Year Ended (Audited)
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	<b>Continuing operations:</b>						
1	<b>Income</b>						
a	Revenue from operations	80,494	50,761	106,136	131,255	202,292	398,620
b	Other operating revenue	2,625	3,072	2,724	5,697	5,084	15,029
c	Other income	3,890	29,416	4,024	33,306	9,106	12,557
	<b>Total income</b>	<b>87,009</b>	<b>83,249</b>	<b>112,884</b>	<b>170,258</b>	<b>216,482</b>	<b>426,206</b>
2	<b>Expenses</b>						
a	Cost of materials consumed	112,498	43,206	81,083	155,704	161,215	300,257
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(55,887)	(4,992)	1,974	(60,879)	(4,025)	20,495
c	Employee benefit expense	5,120	4,560	4,704	9,680	8,550	18,958
d	Depreciation and amortisation expense	3,380	2,774	2,868	6,154	5,912	11,295
e	Other expenses	17,905	16,121	17,441	34,026	33,692	80,770
f	Finance costs	2,763	2,882	3,104	5,645	5,563	11,797
	<b>Total expenses</b>	<b>85,779</b>	<b>64,551</b>	<b>111,174</b>	<b>150,330</b>	<b>210,907</b>	<b>443,572</b>
3	<b>Profit/ (loss) before tax (1-2)</b>	<b>1,230</b>	<b>18,698</b>	<b>1,710</b>	<b>19,928</b>	<b>5,575</b>	<b>(17,366)</b>
4	<b>Tax expenses</b>						
a	Current tax	262	4,260	196	4,522	1,303	1,344
b	Deferred tax	31	(1,691)	101	(1,660)	125	861
	<b>Total tax expense</b>	<b>293</b>	<b>2,569</b>	<b>297</b>	<b>2,862</b>	<b>1,428</b>	<b>2,205</b>
5	<b>Net profit/ (loss) for the period from continuing operations (3-4) (I)</b>	<b>937</b>	<b>16,129</b>	<b>1,413</b>	<b>17,066</b>	<b>4,147</b>	<b>(19,571)</b>
	<b>Discontinued operations:</b>						
	Loss from discontinued operations	(1,639)	(1,151)	(3,793)	(2,790)	(4,716)	(21,962)
	Tax expense of discontinued operations	138	(401)	(1,325)	(263)	(1,647)	(13,813)
	<b>Loss from discontinued operations, after tax (II)</b>	<b>(1,777)</b>	<b>(750)</b>	<b>(2,468)</b>	<b>(2,527)</b>	<b>(3,069)</b>	<b>(8,149)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>(840)</b>	<b>15,379</b>	<b>(1,055)</b>	<b>14,539</b>	<b>1,078</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	(494)	142	(16)	(352)	271	764
b	Items that will not be reclassified to profit or loss	(310)	13	126	(297)	99	52
	<b>Total other comprehensive income, net of income tax</b>	<b>(804)</b>	<b>155</b>	<b>110</b>	<b>(649)</b>	<b>370</b>	<b>816</b>
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>(1,644)</b>	<b>15,534</b>	<b>(945)</b>	<b>13,890</b>	<b>1,448</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	13,261	13,261
9	Other Equity				163,430	177,908	150,440
10	<b>Earnings per share (of Rs. 5/- each) (not annualised in quarters)</b>						
	(a) Basic (In Rs.) - continuing operations	0.35	6.08	0.54	6.43	1.57	(7.38)
	(b) Diluted (In Rs.) - continuing operations	0.35	6.07	0.54	6.42	1.57	(7.38)
	(c) Basic (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)
	(d) Diluted (In Rs.) - discontinued operations	(0.67)	(0.28)	(0.93)	(0.95)	(1.16)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	(0.32)	5.80	(0.39)	5.48	0.41	(10.45)
	(f) Diluted (In Rs.) - continuing and discontinued operations	(0.32)	5.79	(0.39)	5.47	0.41	(10.45)
11	Debenture Redemption Reserve				7,458	5,058	5,058
12	Net Worth				176,691	191,169	163,701
13 a.	Debt - Equity Ratio (Refer note no. 6)				0.41	0.37	0.46
b.	Debt Service Coverage Ratio (DSCR) (No of times) (Refer note no. 6)				6.81	1.23	(0.48)
c.	Interest Service Coverage Ratio (ISCR) (No of times) (Refer note no. 6)				6.81	1.23	(1.38)



UNAUDITED STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2019

(Rs. in Lakhs)

Particulars	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,264	75,747
Capital work-in-progress	1,045	3,993
Right-of-use asset	4,487	-
Investment property	494	506
Intangible assets	881	1,051
Intangible assets under development	86	50
Equity investments in subsidiaries and joint ventures	6,038	6,038
<b>Financial assets</b>		
Investments	6,749	21,884
Loans	2,470	2,470
Other financial assets	2,282	2,706
Other non-current assets	5,340	4,099
<b>Total non-current assets</b>	<b>107,136</b>	<b>118,544</b>
<b>Current assets</b>		
Inventories	176,301	30,083
<b>Financial assets</b>		
Investments	35,779	33,629
Trade receivables	45,480	72,266
Cash and cash equivalents	23,135	10,565
Bank balances other than cash and cash equivalents	7,442	6,591
Loans	35	46
Other financial assets	10,150	10,252
Other current assets	22,853	12,795
Assets or disposal groups classified as held for sale	106,563	144,965
<b>Total current assets</b>	<b>427,738</b>	<b>321,192</b>
<b>Total assets</b>	<b>534,874</b>	<b>439,736</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	13,261	13,261
<b>Other equity</b>		
Reserves and surplus	162,906	149,564
Other reserves	524	876
<b>Total equity</b>	<b>176,691</b>	<b>163,701</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	53,737	53,710
Lease liabilities	3,066	-
Other financial liabilities	22	23
Provisions	4,223	3,251
Deferred tax liabilities (net)	7,581	9,853
Government grants	12,155	13,179
<b>Total non-current liabilities</b>	<b>80,784</b>	<b>80,016</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	15,000	17,500
Trade payables		
total outstanding dues of micro and small enterprises	357	68
total outstanding dues other than above	137,623	101,433
Lease liabilities	714	-
Other financial liabilities	8,582	11,994
Provisions	2,741	2,550
Government grants	2,047	2,047
Current tax liabilities (net)	18,383	17,639
Other current liabilities	85,626	14,222
Liabilities directly associated with disposal groups classified as held for sale	6,326	28,566
<b>Total current liabilities</b>	<b>277,399</b>	<b>196,019</b>
<b>Total Liabilities</b>	<b>358,183</b>	<b>276,035</b>
<b>Total equity and liabilities</b>	<b>534,874</b>	<b>439,736</b>

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

Vipul Mathur  
Managing Director and Chief Executive Officer  
DIN - 007990476

Place: Mumbai  
Date: October 22, 2019



	Half Year ended (Unaudited) 30-Sep-19	Half Year ended (Unaudited) 30-Sep-18
<b>A) Cash flow (used in)/ from operating activities</b>		
Profit/ (loss) before tax		
Continuing operations	19,928	5,575
Discontinued operations	(2,790)	(4,716)
Profit/ (loss) before tax	17,138	859
<b>Adjustments for:</b>		
Depreciation and amortisation expense	6,154	11,732
Employee share-based expense	302	83
Loss on disposal of property, plant and equipment (net)	54	105
Gain on sale of property, plant and equipment of disposal group	(136)	-
(Gain)/ Loss on sale/ redemption of		
Current investments	(426)	(161)
Non-current investments	(47)	-
Fair valuation loss/ (gain) on investment (net)	3,598	(248)
Provision no longer required written back	-	(109)
Provision doubtful advances written back	-	1,126
Rental Expenses	141	105
Dividend income	(25,404)	(2)
Interest income and commission income	(2,397)	(4,471)
Interest expenses	3,375	3,706
Net exchange differences (unrealised)	(4,469)	(1,307)
	(19,255)	10,559
<b>Operating profit before changes in operating assets and liabilities</b>	<b>(2,117)</b>	<b>11,418</b>
<b>Changes in operating assets and liabilities</b>		
Movement in other non-current financial assets	428	(17)
Movement in other non current assets	(120)	13
Movement in inventories	(121,942)	(34,075)
Movement in trade receivables	35,426	26,260
Movement in other current financial assets	4,652	(908)
Movement in other current assets	(10,212)	(2,205)
Movement in other non-current financial liabilities	3,548	1
Movement in trade payables	14,044	50,335
Movement in other current financial liabilities	(4,830)	2,404
Movement in other current liabilities	71,699	(1,365)
Movement in provisions	743	(174)
Movement in government grants	(1,024)	(2,317)
Total changes in operating assets and liabilities	(7,588)	37,952
<b>Cash flow (used in)/ from operations</b>	<b>(9,705)</b>	<b>49,370</b>
Income taxes paid (net of refund received)	(3,778)	(101)
<b>Net cash (used in)/ from operating activities (A)</b>	<b>(13,483)</b>	<b>49,269</b>
<b>B) Cash flow from/ (used in) investing activities</b>		
Payments for property, plant and equipment	(11,369)	(2,245)
Proceeds from property, plant and equipment	133	65
Proceeds from property, plant and equipment of disposal group	6,690	-
Proceeds from/ (purchase of) other long term investments (net)	15,274	-
Purchase of current investments (net)	(5,396)	(50,152)
(Investment in)/ proceeds from maturity of fixed deposit (net)	(856)	(2,911)
Interest and commission received	2,770	2,875
Dividend received	25,404	2
Loan to others	12	4
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>32,662</b>	<b>(52,362)</b>
<b>C) Cash flow used in financing activities</b>		
Proceeds from/ (repayment of) long term borrowings	91	1,798
(Repayment of)/ proceeds from short term borrowings (net)	(2,500)	(78)
Interest paid	(2,517)	(2,478)
Dividend paid (including dividend distribution tax)	(1,326)	(1,595)
Payment of Lease liabilities	(482)	-
<b>Net cash used in financing activities (C)</b>	<b>(6,734)</b>	<b>(2,353)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>12,445</b>	<b>(5,446)</b>
Cash and cash equivalents at the beginning of the year	10,694	12,953
<b>Cash and cash equivalents at the end of the year</b>	<b>23,139</b>	<b>7,507</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>12,445</b>	<b>(5,446)</b>
Cash and cash equivalents at the end of the year for continuing operations	23,135	7,503
Cash and cash equivalents at the end of the year for discontinued operations	4	4



**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 October 22, 2019. The Statutory Auditors have carried out a Limited Review of the results for the quarter and half year ended September 30, 2019 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.
- 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 Details of Secured, Redeemable, Non Convertible Debentures is as follows: (Rs. in Lakhs)

Particulars	Previous Due Date #		Next Due Date			
	Principal	Interest	Next Installment Date	Principal Amount	Interest Date	Interest Amount
9.55% Secured Redeemable Non Convertible Debenture	NA	03.08.2019	August 2021	4,000	03.11.2019	481
11.00% Secured Redeemable Non Convertible Debenture	NA	09.08.2019	November 2020	2,700	09.11.2019	250
8.90% Secured Redeemable Non Convertible Debenture	NA	01.02.2019	January 2023	6,250	01.02.2020	2,225

# Interest and Principal have been paid on the due dates.

- 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. 263 lakhs) as on September 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 2.82 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.

6 Formula for computation of ratios are as follows:

a	Debt – Equity Ratio	Debts / ( paid up equity Capital + Reserve & Surplus )
b	Debt Service Coverage Ratio (DSCR) (No of times)	Earning before Interest and Tax / (Interest Expenses + Principal payment due on long term borrowing during the period)
c	Interest Service Coverage Ratio (ISCR) (No of times)	Earning before Interest and Tax / Interest Expenses

\* The above mentioned ratios are computed for continuing operations

- 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. Pursuant to the adoption of Ind AS 116, during the half year ended September 30, 2019, finance expense increased by Rs. 170 lakhs, Right-of-use asset depreciated by Rs. 461 lakhs and other expenses decreased by Rs. 482 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. During the quarter ended September 30, 2019 the Company has sold 43MW plant and also recognised gain of Rs. 136 lakhs which is included under "loss from discontinued operations". The financial information relating to discontinued operations is given below:

Particulars	(Rs. in Lakhs)					
	Quarter Ended (Unaudited)			Half Year ended (Unaudited)		Year Ended (Audited)
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
a Total income	8,362	17,426	24,053	25,788	63,809	157,018
b Total expenses	10,001	18,577	27,846	28,578	68,525	178,980
c Loss before tax (a-b)	(1,639)	(1,151)	(3,793)	(2,790)	(4,716)	(21,962)
d Tax expense	138	(401)	(1,325)	(263)	(1,647)	(13,813)
e Loss from discontinued operations (c-d)	(1,777)	(750)	(2,468)	(2,527)	(3,069)	(8,149)

- The Company has made an offer for buy-back of fully paid-up equity shares of Rs. 5 each of the Company, not exceeding 28,888,888 equity shares (representing approximately 10.89% of the total number of equity shares in the issued, subscribed and paid up equity capital) at a price of Rs. 135 per equity share, not exceeding Rs. 39,000 Lakhs on a proportionate basis by way of tender offer in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The offer for buyback shall remain open from October 22, 2019 to November 05, 2019.
- Final Dividend of Rs. 0.50 per share proposed for the year ended March 31, 2019, was approved by the Shareholders at the Annual General Meeting held on August 12, 2019, and paid subsequently during the quarter.
- 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 - 007990476



Place: Mumbai

Date: October 22, 2019



## BUSINESS UPDATE

### Robust performance continues

#### - Quarterly Operating EBITDA crosses Rs. 3bn milestone

- ✓ All-time high quarterly production volume of 443 KMT
- ✓ H1 Operating EBITDA at Rs. 5,754 mn, up 36% YoY
- ✓ H1 PAT\* at Rs. 2,990 mn, up 120% YoY
- ✓ H1 EPS stands at Rs. 11.27, up 120% YoY
- ✓ H1 ROCE (pre-tax) at 29.1%
- ✓ Current Order Book stands at 1,357 KMT valued at Rs. 116 bn

\* PAT is after taking impact of Rs. 426 million pertaining to tax on dividend from overseas subsidiary

**October 22, 2019, Mumbai:** Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and half year ended September 30, 2019.

A) WCL continues on its robust performance, and the **key highlights** of the quarter are as under:

- 1) **Volume (including Saudi Arabia) – Highest ever quarterly production in the company's history (443 KMT).**
- 2) **US operations** – Sales of **102 KMT**, with significant improvement in profitability YoY
- 3) **Saudi Arabia operations** – Sales of **116 KMT**, with a significant turnaround in profitability
- 4) **India operations** – **Substantial improvement in Sales volume** on a sequential basis to **119 KMT**, with improvement in EBITDA.

B) **Global Order book position:**

Current Global Order Book stands at **1,357 KMT** valued at **Rs. 116 billion (US\$ 1.64 billion)**.

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

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

#### 1. Sales Volumes:

- Pipe Sales (Total operations), at 337 KMT vs. 304 KMT **up 11% YoY**

#### 2. Total Income from operations:

- Rs. 22,630 mn, **up 5% 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. 3,169 mn, **up 27% YoY**
- **Reported EBITDA** stands at Rs. 3,306 mn, **up 37% YoY**

Detailed reconciliation of Operating EBITDA is provided hereunder:

*Figures in Rs. million*

Reconciliation of Operating EBITDA	Q2 FY20	Q1FY20	Q2 FY19	H1 FY20	H1 FY19
Reported EBITDA	3,306	2,416	2,419	5,722	4,361
Less: Items in Other income					
Treasury income	(153)	(191)	(250)	(344)	(491)
Add: Items in Other expenses					
MTM loss/fair valuation on other bonds	17	360	282	377	279
Other Provisions	-	-	43	-	86
<b>Operating EBITDA</b>	<b>3,169</b>	<b>2,585</b>	<b>2,494</b>	<b>5,754</b>	<b>4,235</b>

### 4. Profit:

- PBT (before share of JVs) stands at Rs. 2,355 mn, **up 81% YoY**
- PAT after Minorities & share of JVs stands at Rs. 1,734 mn, **up 108% YoY**

### 5. Basic EPS:

- Rs. 6.54 vs. Rs. 3.14, **up 108% YoY**

### 6. Debt position:

- Net Debt stands at **Rs. 1,969 mn**
- Gross and net debt position is as per details below:

*Figures in Rs. million*

Consolidated debt	30-Sep-2019	30-Jun-2019	31-Mar-19
Gross Debt	10,924	11,068	13,047
Cash & Cash Equivalents	8,955	9,109	10,191
<b>Net Debt</b>	<b>1,969</b>	<b>1,959</b>	<b>2,856</b>

### 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	Q2FY20	Q1FY20	Q2FY19
Forex gain in Other income	203	205	193
Forex loss in Other Expense	(289)	(200)	(172)
<b>Net gain/(loss)</b>	<b>(86)</b>	<b>5</b>	<b>21</b>

## BUSINESS UPDATE

### 8. Update on Saudi business:

The Saudi business has significantly turned around with substantial improvement in realisation as well as profitability. Key figures of Saudi JV, which is not consolidated as per Ind-AS:

Particulars in US\$ MN	Q2FY20	Q1FY20	Q2FY19	H1FY20	H1FY19
<b>Saudi Arabia Ops:</b>					
- Pipe Prodn (KMT)	126	105	44	231	78
- Pipe Sales (KMT)	116	138	44	254	82
Revenue	112	125	36	238	75
EBITDA	27	13	(4)	40	(8)
PBT	21	7	(9)	28	(16)
PBT – Welspun share	11	3	(4)	14	(8)
PAT – Welspun share	8	3	(4)	11	(8)

### 9. Project Status

Work on Phase-2 of the Bhopal project (coating plant) is on track and is expected to be commissioned in this financial year.

### 10. Business outlook

US is now the largest producer of oil and gas, primarily driven by fracking in the Permian basin. Major pipeline operators are working on significantly raising pipeline capacity over the next few years to overcome the constraints associated with transporting this oil as well as gas. We are also seeing increased interest from customers in Bakken basin where development activities are picking up. Further, robust outlook for export of gas is also expediting the need for pipeline infrastructure. Local US manufacturing entities such as Welspun's US plant, are expected to command higher volumes, both for the HSAW and HFIW operations.

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. Recent decision by the Government to pitch in for viability gap funding for North East region pipeline network, is another positive news. The small-diameter segment is expected to witness significant demand from City Gas Distribution projects.

With oil prices remaining stable and range-bound, LSAW demand continues to be strong across geographies. The Company has already commenced exporting pipes to North America for the world's highest operating pressure pipeline. Demand in Middle East, North & East Africa as well as Australasia looks extremely promising and with our approvals and accreditations, we see a great potential emerging in these markets.

## **BUSINESS UPDATE**

In the domestic water segment, the entire pipe industry is expected to benefit from 'Jal se Nal' scheme to provide drinking water access to all by 2024. Activity in the irrigation segment is expected to further pick up in the coming quarters.

The JV in Saudi Arabia continues to have strong backlog as well as visibility of around 18 to 24 months. While the current order book is driven mainly by water orders from SWCC, we are seeing strong traction from Saudi Aramco on the oil & gas side also.

### **Buyback of Shares**

The Company is proposing to buyback up to 28.89 million shares at a price of Rs. 135 per share. The Company completed dispatch of the Letter of Offer to its equity shareholders on 15<sup>th</sup> October, 2019. Buyback window has opened on 22<sup>nd</sup> October 2019 and closes on 5<sup>th</sup> November 2019.

### **Update on PCMD business transfer agreement**

The parties to the agreement are in the advanced stage of seeking statutory and regulatory approvals, customary to such transactions.

### **Management Comments**

Commenting on the results, **Mr. B. K. Goenka**, Chairman, Welspun Group said, "This quarter was an excellent one, both operationally and financially. With all three geographies firing on all cylinders, demand & price for oil staying strong and demand for gas growing exponentially, we are likely to see an overall growth in the segment. With our strong credentials, approvals and accreditations, we are well-poised for growth. Our emphasis will continue on improving our free cash flow, which will be utilized to further deleverage our balance sheet and reward our shareholders. As an organisation, we are focussed on sustainability and inclusive growth, in addition to continuing our journey of operational excellence".

## BUSINESS UPDATE

### Consolidated Performance Snapshot

Figures in Rs. Million unless specified

Particulars	Q2FY20	Q1FY20	Q2FY19	H1FY20	H1 FY19
<b>Ex-Saudi Arabia/ CWC operations</b>					
- Pipe Production (KMT)	317	191	271	508	525
- Pipe Sales (KMT)	221	181	260	402	489
<b>Total operations</b>					
- Pipe Production (KMT)	443	296	314	739	603
- Pipe Sales (KMT)	337	319	304	656	571
- Plates/coils Sales (KMT) (Discontinued)	40	49	63	65	186
<b>Continued Operations (Pipes)</b>					
<b>Total Income from Operations</b>	<b>22,630</b>	<b>20,471</b>	<b>21,525</b>	<b>43,101</b>	<b>37,943</b>
<b>Operating EBITDA</b>	<b>3,169</b>	<b>2,585</b>	<b>2,490</b>	<b>5,754</b>	<b>4,234</b>
Reported EBITDA	3,306	2,416	2,419	5,722	4,360
Finance Cost	341	395	454	735	820
Depreciation and Amortisation	610	545	662	1,155	1,330
Profit before tax and share of JVs	2,355	1,476	1,303	3,832	2,211
Tax expense	1,147	384	176	1,531	314
Non-controlling interest	(55)	(5)	29	(60)	59
Share of profit/(loss) from Associates and JVs	580	169	(322)	749	(595)
<b>PAT after Minorities, Associates &amp; JVs (I)</b>	<b>1,734</b>	<b>1,256</b>	<b>834</b>	<b>2,990</b>	<b>1,361</b>
<b>Cash PAT</b>	<b>2,389</b>	<b>1,950</b>	<b>1,718</b>	<b>4,339</b>	<b>2,854</b>
<b>Discontinued Operations (PCMD &amp; 43MW)</b>					
Profit After Tax (II)	(178)	(75)	(247)	(253)	(307)
<b>Profit for the Period (I +II)</b>	<b>1,556</b>	<b>1,181</b>	<b>587</b>	<b>2,737</b>	<b>1,054</b>

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

b) Cash PAT = PBT (excluding one-time non-cash items) + share of JVs and minorities – Current tax + Depreciation

Figures in Rs. million

Consolidated Balance Sheet - Key figures	30-Sep-2019	31-Mar-19
Net Fixed Assets (incl CWIP)	16,364	16,144
Net Current Assets #	12,631	10,460
Net Debt	1,969	2,856
Net Worth	30,835	27,976
Net Assets Held for Sale *	10,025	11,642
ROCE (pre-tax)	29.1%	22.6%

# 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) = EBIT adj. for one-offs/ Avg. Capital Employed; both taken for continuing operations

## **BUSINESS UPDATE**

### **Q2FY20 Investor / Analyst conference call:**

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

Date: Wednesday, 23<sup>rd</sup> October 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 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.

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

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