

WCL/SEC/2020

February 3, 2020

To,

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

Dear Sirs/ Madam,

- Sub.: (1) Un-audited Financial Results for the quarter and nine months ended December 31, 2019 and Limited Review Report thereon by the Auditors.**
(2) Declaration of Interim dividend and Fixation of Record date for the same.
(3) Re-opening of Trading Window
(4) Investors' Presentation and Business Update.

Unaudited Financial Statements for the quarter and nine month ended December 31, 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 nine months ended December 31, 2019 ("Q3UFR") 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.

Declaration of Interim Dividend and fixation of Record Date for the same

a) Declaration of Interim Dividend

The Board of Directors of the Company has declared an Interim dividend at the rate of 200% (i.e. Rs. 10/- per share) on 260,869,395 Equity Shares of Rs.5/- each fully paid-up, i.e. Rs. 2,608,693,950/-.

b) Fixation of Record Date for Interim Dividend

The Board of Directors of the Company has fixed **Thursday, February 13, 2020** as the "Record Date" for the purpose of determining the shareholders eligible for interim dividend as declared in the Board meeting held today. The Interim dividend shall be paid to all the eligible shareholders on and after **Thursday, February 20, 2020**.



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

Trading Window:-

The Trading Window under the SEBI (Prohibition of Insider Trading) Regulations, 2015 which was closed from January 1, 2020, will continue to remain closed till 48 hours after the declaration of the results. Accordingly, the Trading Window will open on and from **Thursday, February 6, 2020**.

Business Update / Investor Presentation:-

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

The Board meeting concluded at **20.55 p.m.**

Kindly take note of the above.

Thanking You.
For **Welspun Corp Limited**


Pradeep Joshi
Company Secretary
FCS - 4959**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

Price Waterhouse Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited consolidated financial results of Welspun Corp Limited (the “Parent”), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”) and its joint ventures for the quarter ended December 31, 2019 which are included in the accompanying ‘Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 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”), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and has been approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



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

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)

Price Waterhouse Chartered Accountants LLP

Review report on Consolidated results for the quarter ended December 31, 2019
Page 2 of 2

4. The Statement includes the results of the following entities:
- A) Parent:
Welspun Corp Limited
 - 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: 20103211AAAACP8896

Place: Mumbai
Date: February 03, 2020

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in lakhs except earnings per share)

Sr. No.	Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Continuing operations:						
1	Income						
a	Revenue from operations	284,467	222,461	229,868	707,193	598,891	867,506
b	Other operating revenue	4,317	3,834	10,432	12,596	20,844	27,841
c	Other income	1,887	3,886	4,002	9,950	12,474	13,465
	Total Income	290,671	230,181	244,302	729,739	632,209	908,812
2	Expenses						
a	Cost of materials consumed	224,296	212,554	184,568	577,293	477,248	628,746
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(26,653)	(68,259)	(11,598)	(102,295)	(50,893)	(1,071)
c	Employee benefit expense	15,605	15,952	14,940	47,546	40,784	57,196
d	Depreciation and amortisation expense	5,910	6,099	6,536	17,457	19,835	25,973
e	Other expenses	38,878	36,875	33,356	111,434	98,431	153,168
f	Finance costs	3,436	3,406	4,182	10,787	12,379	17,737
	Total expenses	261,472	206,627	231,984	662,222	597,784	881,749
3	Profit for the period before tax and share of profit/ (loss) of joint ventures (1-2)	29,199	23,554	12,318	67,517	34,425	27,063
4	Share of profit/ (loss) of joint venture	4,160	5,801	(2,356)	11,647	(8,310)	(8,853)
5	Profit before tax (3+4)	33,359	29,355	9,962	79,164	26,115	18,210
6	Tax expense						
a	Current tax	9,795	11,181	4,928	26,925	9,138	12,160
b	Deferred tax	(226)	289	(460)	(2,049)	(1,535)	65
	Total tax expense	9,569	11,470	4,468	24,876	7,603	12,225
7	Net profit for the period from continuing operations (5-6) (I)	23,790	17,885	5,494	54,288	18,512	5,985
	Discontinued operations:						
	Loss from discontinued operations	(1,641)	(1,639)	(4,158)	(4,431)	(8,874)	(21,962)
	Tax expense of discontinued operations	(572)	138	(1,453)	(835)	(3,100)	(13,813)
	Loss from discontinued operations, after tax (II)	(1,069)	(1,777)	(2,705)	(3,596)	(5,774)	(8,149)
	Profit/ (loss) for the period (I+II)	22,721	16,108	2,789	50,692	12,738	(2,164)
8	Other Comprehensive Income, net of income tax						
a	Items that will be reclassified to profit or loss	368	2,457	1,756	2,838	2,635	4,669
b	Items that will not be reclassified to profit or loss	(81)	(348)	(9)	(454)	79	(111)
	Total other comprehensive income, net of income tax	287	2,109	1,747	2,384	2,714	4,558
9	Total Comprehensive Income for the period (including non-controlling interest) (7+8)	23,008	18,217	4,536	53,076	15,452	2,394
10	Net profit/ (loss) attributable to:						
	-Owners	22,348	15,561	3,008	49,719	13,546	(1,325)
	-Non-controlling interest	373	547	(219)	973	(808)	(839)
11	Other comprehensive income attributable to:						
	-Owners	285	2,116	1,724	2,389	2,706	4,557
	-Non-controlling interest	2	(7)	23	(5)	8	1
12	Total comprehensive income attributable to:						
	-Owners	22,633	17,677	4,732	52,108	16,252	3,232
	-Non-controlling interest	375	540	(196)	968	(800)	(838)
13	Paid up equity share capital (Face value of Rs. 5/- each)	13,043	13,261	13,261	13,043	13,261	13,261
14	Other Equity						266,503
15	Earnings per share (of Rs. 5/- each) (not annualised in quarters)						
	(a) Basic (In Rs.) - continuing operations	8.98	6.53	2.16	20.44	7.29	2.57
	(b) Diluted (In Rs.) - continuing operations	8.96	6.52	2.16	20.40	7.29	2.57
	(c) Basic (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)
	(d) Diluted (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	8.57	5.86	1.14	19.06	5.11	(0.50)
	(f) Diluted (In Rs.) - continuing and discontinued operations	8.55	5.85	1.14	19.02	5.11	(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 February 03, 2020. The Statutory Auditors have carried out a Limited Review of the aforesaid consolidated financial results 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 February 03, 2020, and will be made available to BSE and NSE and will be posted on the Company's website www.welspuncorp.com. The key information related to the standalone financial results - continuing operations are given below. Information relating to discontinuing operations is given in note 7 below.

(Rs. in lakhs except earnings per share)

	Key financials	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
a	Total Income	147,205	87,009	89,353	317,463	304,108	426,206
b	Profit/ (loss) before tax	13,050	1,230	3,177	32,978	8,752	(17,366)
c	Profit/ (loss) after tax	7,965	937	1,985	25,031	6,132	(19,571)
d	Earnings per share (of Rs. 5/- each) (not annualised)						
	(a) Basic (In Rs.) - continuing operations	3.05	0.35	0.75	9.60	2.32	(7.38)
	(b) Diluted (In Rs.) - continuing operations	3.05	0.35	0.75	9.58	2.32	(7.38)
	(c) Basic (In Rs.) - continuing and discontinued operations	2.64	(0.32)	(0.27)	8.22	0.14	(10.45)
	(d) Diluted (In Rs.) - continuing and discontinued operations	2.64	(0.32)	(0.27)	8.20	0.14	(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. 250 lakhs) as on December 31, 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 2.81 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 nine months December 31, 2019, finance expense increased by Rs. 304 lakhs, Right-of-use asset depreciated by Rs. 1,115 lakhs and other expenses decreased by Rs. 1,197 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. During the quarter ended September 30, 2019 the Company sold 43MW plant and also recognised gain of Rs. 136 lakhs which was netted off under "loss from discontinued operations". The parties to the agreement for sale of PCMD plant have reiterated their commitment to consummate the transaction stipulated in the agreement and have mutually decided through an amendment to extend currently, the long stop date from December 31, 2019 to March 31, 2020. Subsequent to the quarter end, the Company has also received 50% of the advance amount stipulated in the agreement. The financial information relating to discontinued operations is given below:

(Rs. in lakhs except earnings per share)

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
a Total income	11,422	8,362	25,491	37,210	83,938	157,018
b Total expenses	13,063	10,001	29,649	41,641	92,812	178,980
c Loss before tax (a-b)	(1,641)	(1,639)	(4,158)	(4,431)	(8,874)	(21,962)
d Tax expense	(572)	138	(1,453)	(835)	(3,100)	(13,813)
e Loss from discontinued operations (c-d)	(1,069)	(1,777)	(2,705)	(3,596)	(5,774)	(8,149)
f Earnings per share (of Rs. 5/- each) (not annualised)						
(a) Basic (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)
(b) Diluted (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)

- The Company had 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 tendering period for the buyback offer opened on October 22, 2019 and closed on November 05, 2019. Total 4,356,714 equity shares were bought back at a price of Rs. 135 per equity share and total amount utilised in buy-back was Rs. 5,881.56 lakhs. Accordingly, 4,356,714 equity shares were extinguished and the number of equity shares in the issued, subscribed and paid up equity capital reduced from 265,226,109 of aggregate face value of Rs. 13,261.30 lakhs to 260,869,395 of aggregate face value of Rs. 13,043.47 lakhs.
- The Board of Directors have declared interim dividend of Rs. 10/- per equity share having nominal value of Rs. 5/-.
- 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

Vipul Mathur
Managing Director and Chief Executive Officer
DIN - 007990476

Place: Mumbai
Date: February 03, 2020



Price Waterhouse Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited standalone financial results of Welspun Corp Limited (the “Company”) for the quarter ended December 31, 2019 which are included in the accompanying ‘Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 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: 20103211AAAAC09407

Place: Mumbai
Date: February 03, 2020

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 NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in lakhs except earnings per share)

Sr. No.	Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Continuing operations:						
1	Income						
a	Revenue from operations	142,100	80,494	81,110	273,355	283,403	398,620
b	Other operating revenue	3,198	2,625	4,502	8,895	9,586	15,029
c	Other income	1,907	3,890	3,741	35,213	11,119	12,557
	Total income	147,205	87,009	89,353	317,463	304,108	426,206
2	Expenses						
a	Cost of materials consumed	116,003	112,498	82,469	271,707	243,685	300,257
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,099)	(55,887)	(19,356)	(73,978)	(23,380)	20,495
c	Employee benefit expense	5,005	5,120	4,548	14,685	13,098	18,958
d	Depreciation and amortisation expense	3,169	3,380	2,863	9,323	8,775	11,295
e	Other expenses	20,280	17,905	12,541	54,306	44,504	80,770
f	Finance costs	2,797	2,763	3,111	8,442	8,674	11,797
	Total expenses	134,155	85,779	86,176	284,485	295,356	443,572
3	Profit/ (loss) before tax (1-2)	13,050	1,230	3,177	32,978	8,752	(17,366)
4	Tax expenses						
a	Current tax	4,672	262	1,281	9,194	2,584	1,344
b	Deferred tax	413	31	(89)	(1,247)	36	861
	Total tax expense	5,085	293	1,192	7,947	2,620	2,205
5	Net profit/ (loss) for the period from continuing operations (3-4) (I)	7,965	937	1,985	25,031	6,132	(19,571)
	Discontinued operations:						
	Loss from discontinued operations	(1,641)	(1,639)	(4,158)	(4,431)	(8,874)	(21,962)
	Tax expense of discontinued operations	(572)	138	(1,453)	(835)	(3,100)	(13,813)
	Loss from discontinued operations, after tax (II)	(1,069)	(1,777)	(2,705)	(3,596)	(5,774)	(8,149)
	Profit/ (loss) for the period (I+II)	6,896	(840)	(720)	21,435	358	(27,720)
6	Other Comprehensive Income, net of income tax						
a	Items that will be reclassified to profit or loss	(506)	(494)	(577)	(858)	(306)	764
b	Items that will not be reclassified to profit or loss	(43)	(310)	(10)	(340)	89	52
	Total other comprehensive income, net of income tax	(549)	(804)	(587)	(1,198)	(217)	816
7	Total Comprehensive Income for the period (5+6)	6,347	(1,644)	(1,307)	20,237	141	(26,904)
8	Paid up equity share capital (Face value of Rs. 5/- each)	13,043	13,261	13,261	13,043	13,261	13,261
9	Other Equity						150,440
10	Earnings per share (of Rs. 5/- each) (not annualised in quarters)						
	(a) Basic (In Rs.) - continuing operations	3.05	0.35	0.75	9.60	2.32	(7.38)
	(b) Diluted (In Rs.) - continuing operations	3.05	0.35	0.75	9.58	2.32	(7.38)
	(c) Basic (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)
	(d) Diluted (In Rs.) - discontinued operations	(0.41)	(0.67)	(1.02)	(1.38)	(2.18)	(3.07)
	(e) Basic (In Rs.) - continuing and discontinued operations	2.64	(0.32)	(0.27)	8.22	0.14	(10.45)
	(f) Diluted (In Rs.) - continuing and discontinued operations	2.64	(0.32)	(0.27)	8.20	0.14	(10.45)



Notes:

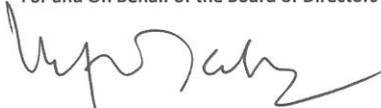
- The aforesaid standalone financial results of Welspun Corp Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on February 03, 2020. The Statutory Auditors have carried out a Limited Review of the aforesaid standalone financial results 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.
- 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. 250 lakhs) as on December 31, 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 2.81 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 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 nine months ended December 31, 2019, finance expense increased by Rs. 254 lakhs, Right-of-use asset depreciated by Rs. 681 lakhs and other expenses decreased by Rs. 737 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. During the quarter ended September 30, 2019 the Company sold 43MW plant and also recognised gain of Rs. 136 lakhs which was netted off under "loss from discontinued operations". The parties to the agreement for sale of PCMD plant have reiterated their commitment to consummate the transaction stipulated in the agreement and have mutually decided through an amendment to extend currently, the long stop date from December 31, 2019 to March 31, 2020. Subsequent to the quarter end, the Company has also received 50% of the advance amount stipulated in the agreement. The financial information relating to discontinued operations is given below:

(Rs. in Lakhs)

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
a Total income	11,422	8,362	25,491	37,210	83,938	157,018
b Total expenses	13,063	10,001	29,649	41,641	92,812	178,980
c Loss before tax (a-b)	(1,641)	(1,639)	(4,158)	(4,431)	(8,874)	(21,962)
d Tax expense	(572)	138	(1,453)	(835)	(3,100)	(13,813)
e Loss from discontinued operations (c-d)	(1,069)	(1,777)	(2,705)	(3,596)	(5,774)	(8,149)

- The Company had 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 tendering period for the buyback offer opened on October 22, 2019 and closed on November 05, 2019. Total 4,356,714 equity shares were bought back at a price of Rs. 135 per equity share and total amount utilised in buy-back was Rs. 5,881.56 lakhs. Accordingly, 4,356,714 equity shares were extinguished and the number of equity shares in the issued, subscribed and paid up equity capital reduced from 265,226,109 of aggregate face value of Rs. 13,261.30 lakhs to 260,869,395 of aggregate face value of Rs. 13,043.47 lakhs.
- The Board of Directors have declared interim dividend of Rs. 10/- per equity share having nominal value of Rs. 5/-.
- 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: February 03, 2020



Breaking Barriers

- WCL reports Highest Ever Quarterly and Nine Months Volumes and Profitability

- ✓ **Record Global Sales: Quarter (428 KMT) & 9M (1,084 KMT)**
- ✓ **Q3 Operating EBITDA at Rs. 3,712 mn, up 79% YoY**
- ✓ **Q3 PAT at Rs. 2,342 mn, up 310% YoY; EPS at Rs. 8.98, up 317% YoY**
- ✓ **Net Debt at Rs. 1,715 mn, lower by Rs. 1,141 mn vs. March'19**
- ✓ **9M ROCE (pre-tax) at 30.9%**
- ✓ **Current Order Book stands at 1,305 KMT valued at Rs. 108 bn**
- ✓ **Interim dividend declared @ Rs. 10 per share**

February 3, 2020, Mumbai: Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and nine months ended December 31, 2019.

Key Highlights of the quarter ended December 31 2019:

A) We are pleased to inform that all three geographies where we operate, continue to perform well simultaneously:

- 1) **US operations** – Sales volume at **106 KMT**, with significant improvement in profitability YoY
- 2) **Saudi operations** – Sales volume at **114 KMT**, with continued profitability on quarterly basis
- 3) **India operations** – **Substantial improvement in** Sales volume on YoY as well as sequential basis to **207 KMT**, with significant improvement in EBITDA. Currently executing one of the highest operating pressure pipeline - X80 (niche grade).

B) **Global Order book position:**

Current Global Order Book stands at **1,305 KMT** valued at **Rs. 108 billion (US \$1.51 billion)**.

C) **Financial Highlights (Consolidated) for Continuing operations (Ind AS): For the quarter ended 31st December, 2019:**

- *Pipes – Considered as Continuing operations & PCMD and 43 MW – Considered as discontinued operations*
- *Prior period figures are restated and reclassified wherever necessary*

1. Sales Volume:

- Pipe Sales (Total operations) at 428 KMT vs. 339 KMT, **up 26% YoY**

2. Total Income from operations:

- Rs. 28,878 mn, **up 20% YoY** on account of better volumes

BUSINESS UPDATE

3. EBITDA:

- **Operating EBITDA** (after adjusting for Treasury income) at Rs. 3,712 mn, **up 79% YoY**
- **Reported EBITDA** stands at Rs. 3,855 mn, **up 67% YoY**

Detailed reconciliation of Operating EBITDA is provided hereunder:

Figures in Rs. Million

Reconciliation of Operating EBITDA	Q3 FY20	Q2FY20	Q3 FY19	9M FY20	9M FY19
Reported EBITDA	3,855	3,306	2,304	9,576	6,664
<u>Less:</u> Items in Other income					
Treasury income	(143)	(153)	(245)	(487)	(736)
Gain on sale/Fair valn. of investments	-	-	(138)	-	(138)
<u>Add:</u> Items in Other expenses					
MTM loss/fair valuation on other bonds	-	17	110	377	389
Other Provisions	-	-	44	-	130
Operating EBITDA	3,712	3,169	2,075	9,466	6,310

4. Profit:

- PBT (before share of JVs) stands at Rs. 2,920 mn, **up 137% YoY**
- PAT (after Minorities & share of JVs) stands at Rs. 2,342 mn, **up 310% YoY**

5. Basic EPS:

- Rs. 8.98 vs. Rs. 2.16, **up 317% YoY** (on the reduced equity base post buyback)

6. Debt position:

- Net Debt stands at **Rs. 1,715 mn, lower** by Rs. 1,141 mn vs. March 2019
- Gross and Net Debt position is as per details below:

Figures in Rs. Million

Consolidated debt	31-Dec-2019	30-Sep-2019	31-Mar-19
Gross Debt	10,874	10,924	13,047
Cash & Cash Equivalents	9,159	8,955	10,191
Net Debt	1,715	1,969	2,856

7. Forex

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

Figures in Rs. Million

Transactional Forex impact	Q3FY20	Q2FY20	Q3FY19	9MFY20	9MFY19
Forex impact in Other income	6	203	-	414	-
Forex impact in Other Expense	135	(289)	(37)	(355)	11
Net gain/(loss)	141	(86)	(37)	59	11

BUSINESS UPDATE

8. Update on Saudi business:

The Saudi business has significantly turned around and continues to contribute towards profitability. With improved cash flows, the entity has started repaying shareholder's loans and is likely to pay it back completely by Q1 FY21. Majority of the external loans are project-specific working capital loans which are expected to be repaid fully as the projects get completed.

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

Particulars in US\$ MN	Q3FY20	Q2FY20	Q3FY19	9M FY20	9M FY19
Saudi Arabia Ops:					
- Pipe Prodn (KMT)	125	126	80	356	158
- Pipe Sales (KMT)	114	116	78	369	160
Revenue	107	112	63	345	138
EBITDA	20	27	(1)	60	(9)
PBT	14	21	(6)	42	(22)
PAT – Welspun share	5	8	(3)	15	(10)

9. Project Status:

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

10. Business outlook:

As per EIA Jan'20 report, U.S. Crude oil production has averaged 12.2 mn bpd in 2019 from 10.9 mn bpd in 2018 and is further expected to grow to 13.7 mn bpd in 2021, with the Permian basin accounting for most of the growth. The country is expected to overtake Russia and Saudi Arabia in terms of crude oil exports by 2024. U.S. Natural Gas production has witnessed a significant jump to 92 Bcf/d in 2019 from 83.8 Bcf/d in 2018 and 74.8 Bcf/d in 2017. It is expected to grow further to more than 94 Bcf/d in 2021. Natural gas net exports are expected to rise to 8.9 Bcf/d in 2021 from 2.0 Bcf/d in 2018, more than a four-fold increase. To cater to this demand, major pipeline operators are working on significantly raising pipeline capacity. With significant barriers existing on pipe imports, domestic US pipe manufacturers such as Welspun, are expected to benefit immensely.

India is targeting to increase share of gas in energy mix to 15% from current 6.5% over the next decade. As part of this plan, the government is working on expanding the National Gas Grid from 16,200 kms to 27,000 kms. This would be one of the key demand drivers for large-diameter pipes on the domestic O&G side. For instance, the government has already approved viability gap funding of 60% for the Indradhanush Gas Grid in the North East. Apart from this, oil grid development by IOCL will also add to the large-diameter pipe demand.

BUSINESS UPDATE

On the small-diameter segment, City Gas Distribution projects are expected to drive the demand with more than 400 districts already planned to be covered under the network. The Ministry of Petroleum and Natural Gas has released a draft city gas distribution policy that may be adopted by states to facilitate speedy implementation of CGD networks.

There has been a strong pickup in offshore activity since the lows in 2016, and spending on new offshore oil and gas projects is set to grow further this year. We expect this to translate into strong potential demand for LSAW pipe exports out of India, especially for regions such as Middle East, North & East Africa as well as Australasia. With our marquee global approvals and accreditations, we are well poised to capture this opportunity.

In the domestic water segment, irrigation projects across various states will continue to drive the demand. In addition, focus and allocation under 'Nal se Jal' is expected to boost demand in the water sector. In the medium term, river linking could also potentially add to pipe demand.

The JV in Saudi Arabia continues to have strong order backlog of around 3-4 quarters. Further, we are potentially in a favorable position in a few recent bids in the water segment, which should bring business visibility for additional 3-4 quarters. We are also seeing strong traction from Saudi Aramco on the Oil & Gas side with a few major projects on anvil.

Buyback of Shares

The Company had launched a share buyback to repurchase up to 28.89 million shares for an aggregate consideration of ~Rs. 3.9 billion. Against this, 4.36 mn shares aggregating to ~Rs. 588 mn were tendered by shareholders, which were bought back by the Company, thereby completing the buyback process during the quarter.

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

Both parties to the Business Transfer Agreement (BTA) for sale of PCMD, have reiterated their commitment to consummate the transaction and have mutually decided to extend, the long stop date till 31st March 2020. Further, 50% of the advance as stipulated in the BTA has been received by the Company.

Management Comments

Commenting on the results, **Mr. B. K. Goenka**, Chairman, Welspun Group said, "We continue to grow from strength to strength, with this quarter's performance breaking all our previous records on production, sales and profitability. With all three geographies firing on all cylinders, we expect this performance to sustain in the coming quarters. Our focus is on utilising our free cash flows for deleveraging and rewarding shareholders. To this effect, we have pre-paid loans, completed our share buyback and also declared a substantial interim dividend. We continue to strengthen our business through automation, digitisation and developing talent".

BUSINESS UPDATE

Consolidated Performance Snapshot

Figures in Rs. Million unless specified

Particulars	Q3FY20	Q2FY20	Q3FY19	9MFY20	9MFY19
Ex-Saudi Arabia/ CWC operations					
- Pipe Production (KMT)	348	317	263	856	788
- Pipe Sales (KMT)	313	221	261	715	750
Total operations					
- Pipe Production (KMT)	473	443	343	1,212	946
- Pipe Sales (KMT)	428	337	339	1,084	911
Continued Operations (Pipes)					
Total Income from Operations	28,878	22,630	24,030	71,979	61,974
Operating EBITDA	3,712	3,169	2,075	9,466	6,310
Reported EBITDA	3,855	3,306	2,304	9,576	6,664
Finance Cost	344	341	418	1,079	1,238
Depreciation and Amortisation	591	610	654	1,746	1,984
Profit before tax and share of JVs	2,920	2,355	1,232	6,752	3,443
Tax expense	957	1,147	447	2,488	760
Non-controlling interest	(37)	(55)	22	(97)	81
Share of profit/(loss) from Associates and JVs	416	580	(236)	1,165	(831)
PAT after Minorities, Associates & JVs (I)	2,342	1,734	571	5,332	1,932
Cash PAT	2,910	2,389	1,151	7,249	4,013
Discontinued Operations (PCMD & 43MW)					
Profit After Tax (II)	(107)	(178)	(271)	(360)	(577)
Profit for the Period (I +II)	2,235	1,556	301	4,972	1,355

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	31-Dec-2019	31-Mar-19
Net Fixed Assets (incl CWIP)	16,245	16,144
Net Current Assets #	15,142	10,460
Net Debt	1,715	2,856
Net Worth	32,523	27,976
Net Assets Held for Sale *	8,908	11,642
ROCE (pre-tax)	30.9%	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

Q3 & 9M FY20 Investor / Analyst conference call:

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

Date: Tuesday, 4th February 2020

Time: 11:00 AM IST

Dial in details:

- Primary Access: +91 22 6280 1145 / +91 22 7115 8046
- Local Access: 70456 71221
- International Toll Free numbers
 - Hong Kong: 800 964 448
 - Singapore: 800 1012 045
 - UK: 0808 101 1573
 - USA: 1866 746 2133

About Welspun Corp Ltd. (WCL)

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

About Welspun Group

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

For further information please visit www.welspuncorp.com

DISCLAIMER: *The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Corp Ltd. or any of its affiliates. Neither Welspun Corp Ltd., nor their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.*

Welspun Corp Ltd

Investor Presentation - February 2020



SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Welspun Corp Limited (the “Company” or “WCL”), 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.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

AGENDA

- 1. Q3 & 9M FY20 – KEY HIGHLIGHTS**
- 2. WCL - CORE COMPETENCE**
- 3. ANNEXURES:**
 - 1. About - Industry & WCL**
 - 2. Financials**

Q3 & 9M - FY20 KEY HIGHLIGHTS

Q3 FY20 - AT A GLANCE



473 KMT

Highest ever 3M Production;
Up **38%** YoY



428 KMT

Highest ever 3M Sales;
Up **26%** YoY



₹ 3,712 mn

Q3 Op EBITDA;
Up **79%** YoY



**₹ 11,900/
US \$170**

Q3 Op EBITDA / Ton;
Up **51%** YoY



₹ 2,342 mn

Q3 Profit After Tax;
Up **310%** YoY



₹ 9.0

Q3 EPS;
Up **317%** YoY

♀ Plate and Coil Mill: Divestment on Track

♀ Closure date extended to 31st March 2020

♀ Financial commitment (50% of advance) received as per agreement

9M FY20 - AT A GLANCE



1.21 mn MT

Highest ever 9M Production;
Up **28%** YoY



1.08 mn MT

Highest ever 9M Sales;
Up **19%** YoY



₹ 9,466 mn

9M Op EBITDA;
Up **50%** YoY



**₹ 13,250 /
US \$188**

9M Op EBITDA / Ton;
Up **57%** YoY



₹ 5,332 mn

9M Profit After Tax;
Up **176%** YoY



₹ 20.4

9M EPS;
Up **181%** YoY



30.9%

Return on Capital Employed*
vs 22.6% in FY19



25.2%

Return on Equity*
vs 11.7% in FY19



₹ 1,715 mn

Net Debt - Dec' 19;
Down Rs. 1,141 mn in 9M



₹ 10

Interim Dividend declared
(per share)



1.31 mn MT

Order Book;
Valued at US \$1.51 bn



25.2 mn MT

Active + Potential Bids;
Future Outlook

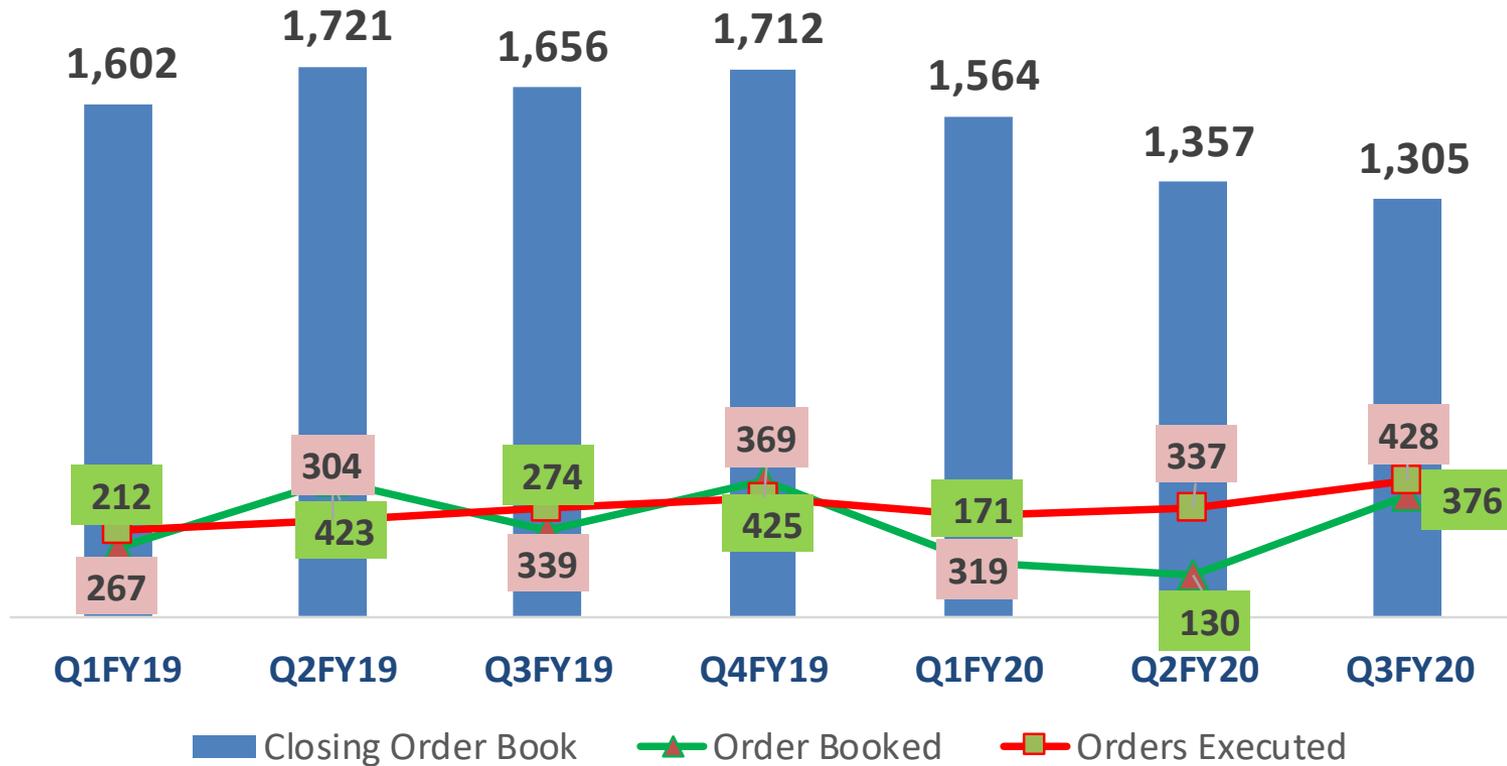
Note: Pipe Sales & Production volumes, Order Book and Future Bids include Saudi Arabia operations; All other figures pertain to IND-AS continuing operations

*Adjusted for MTM loss on bonds

ORDERBOOK – QUARTERLY TREND

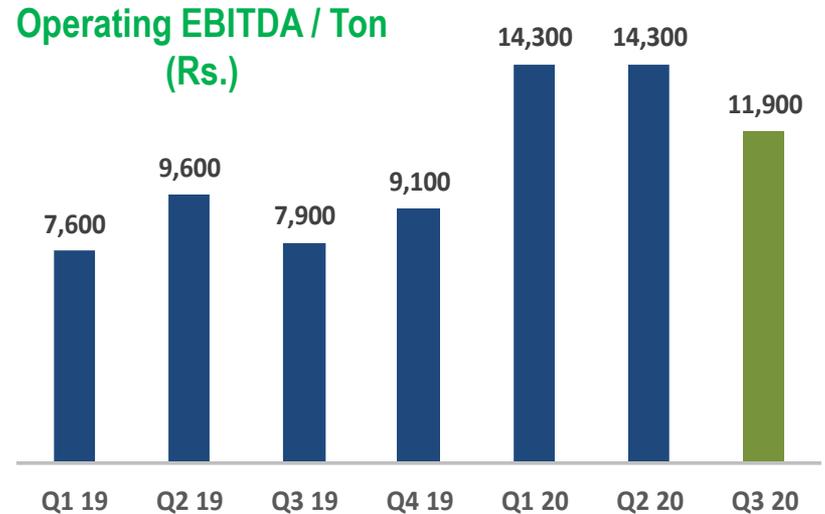
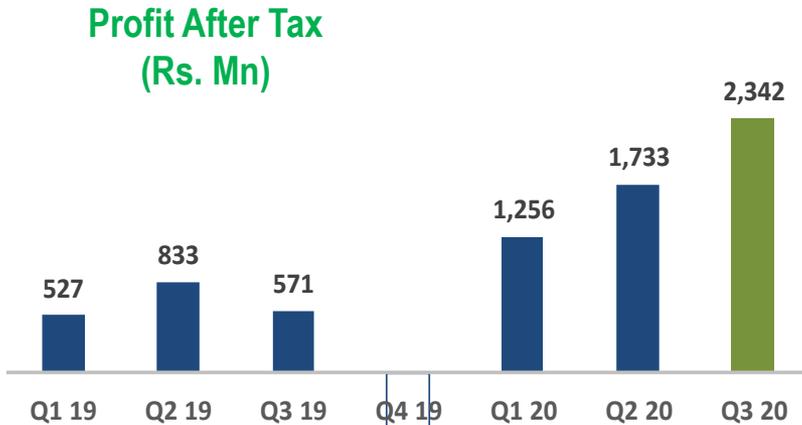
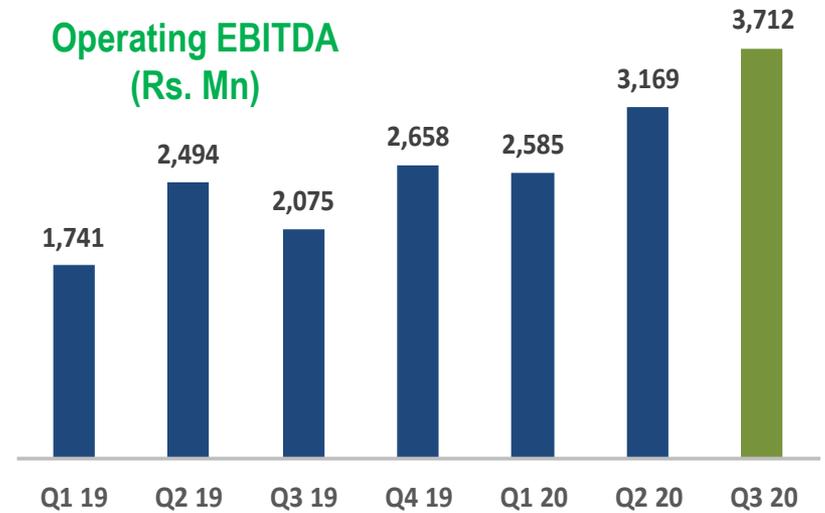
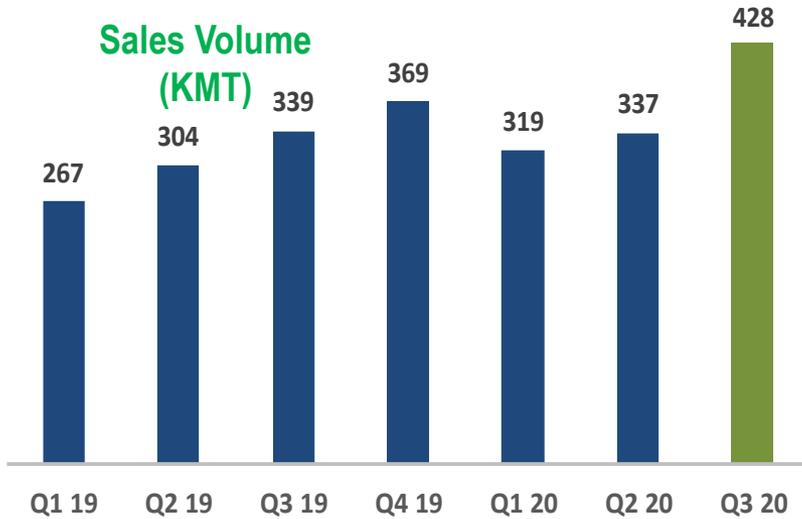
(Figures in KMT)

Order Book Valued at USD 1.51 Billion



Consistent level of >1 million tonnes for the last 7 Quarters

GROWING IN STRENGTH - QUARTERLY

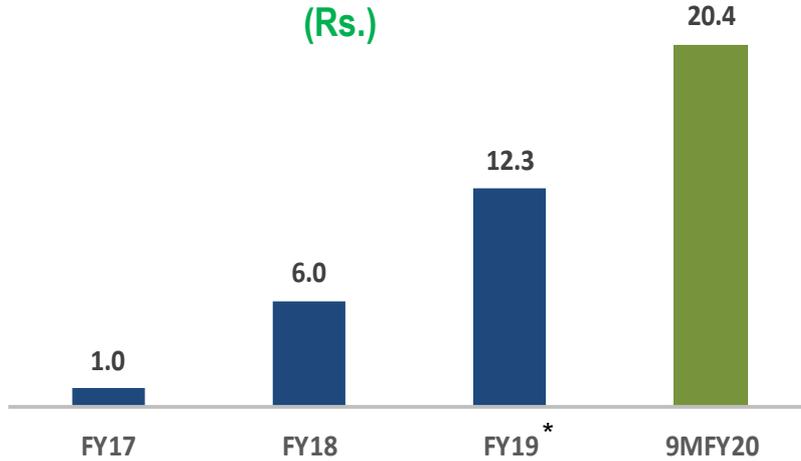


Rs. 2,185 mn MTM loss on bonds

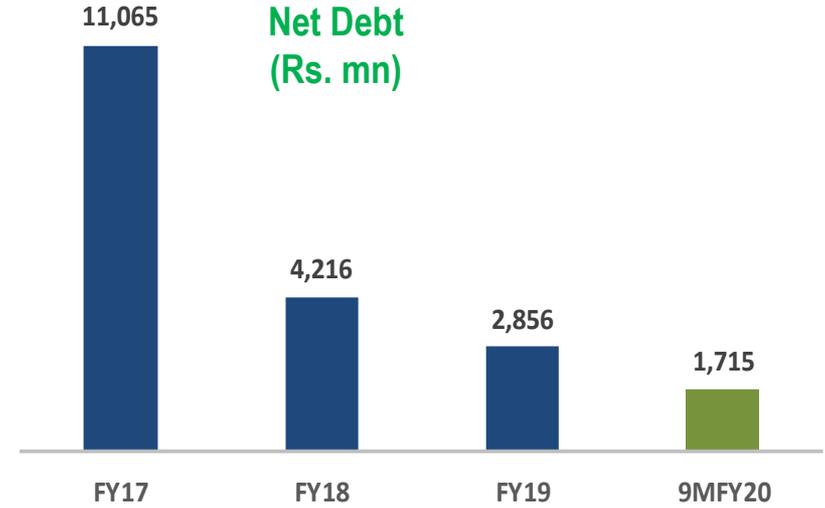
Note: Pipe Sales volumes includes Saudi Arabia operations; All other figures pertain to IND-AS continuing operations

GROWING IN STRENGTH - YEARLY

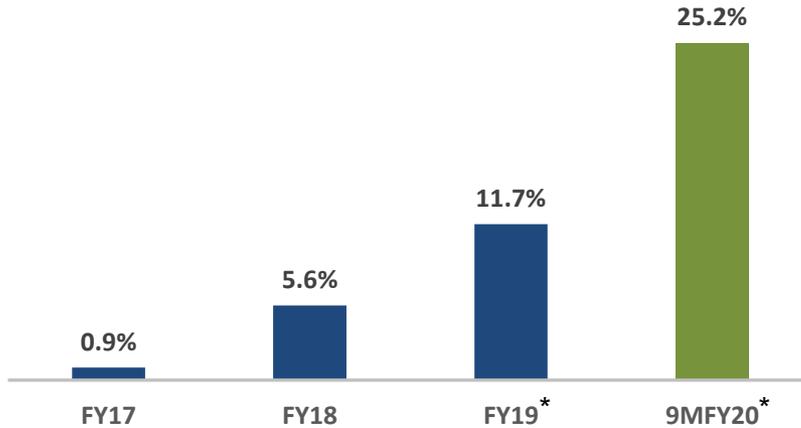
Earnings Per Share (Rs.)



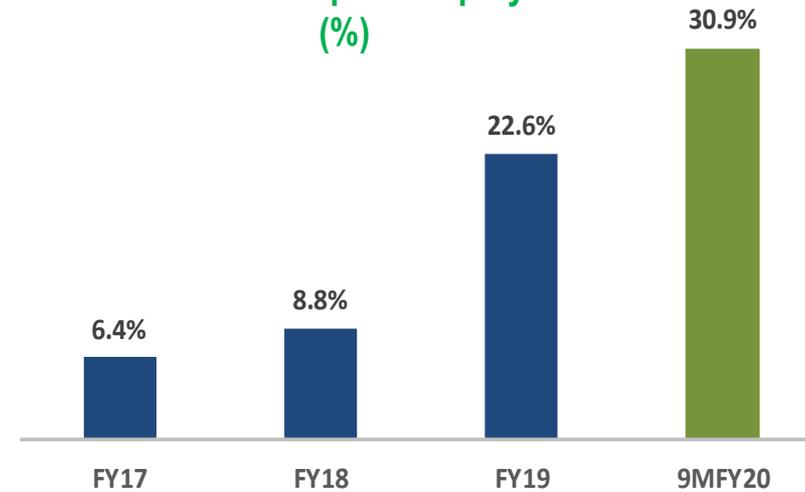
Net Debt (Rs. mn)



Return on Equity (%)



Return on Capital Employed (%)

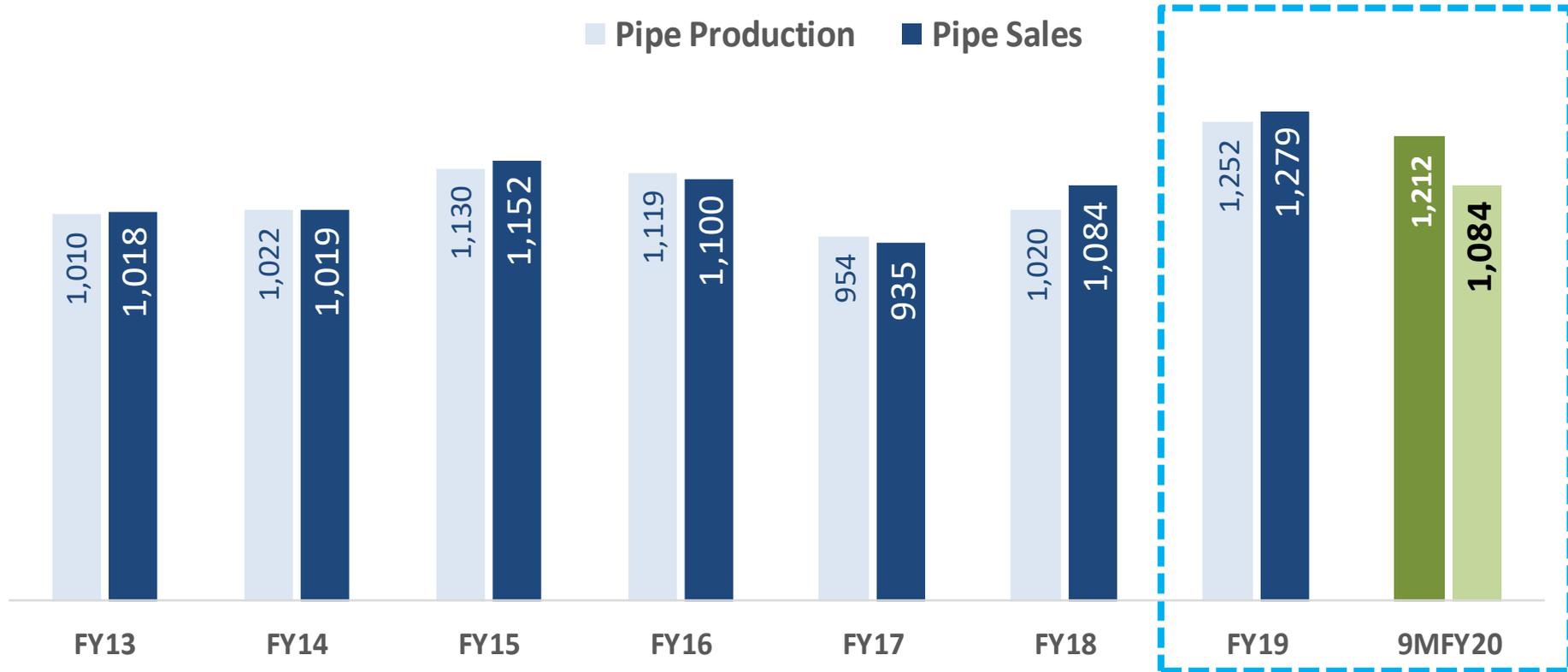


Note: Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures; FY19 onwards figures pertain to continuing operations (Pipes) only

*FY19 EPS & ROE and 9M FY20 ROE figures are adjusted for Rs 2,578 mn MTM loss on bonds and Rs 377 mn respectively

VOLUME – YEARLY TREND

Production and Sales in KMT – Pipes (including Saudi JV)



Breaking out from the earlier consistent level of 1 million tonnes per annum

RESULTS – Q3 & 9M FY20

Particulars (Rs Mn)	Q3 FY20	Q2 FY20	QoQ	Q3 FY19	YoY	9M FY20	9M FY19	YoY
Pipe Sales Volume (KMT)	428	337	26.9%	339	26.1%	1,084	911	18.9%
Revenue	28,878	22,630	27.6%	24,030	20.2%	71,979	61,974	16.1%
Operating EBITDA	3,712	3,169	17.1%	2,075	78.9%	9,466	6,310	50.0%
EBITDA	3,855	3,306	16.6%	2,304	67.3%	9,576	6,664	43.7%
Depreciation	591	610	-3.1%	654	-9.6%	1,746	1,984	-12.0%
Finance cost	344	341	0.9%	418	-17.8%	1,079	1,238	-12.9%
Profit before tax and share of JV	2,920	2,355	24.0%	1,232	137.0%	6,752	3,443	96.1%
Tax	(957)	(1,147)		(447)		(2,488)	(760)	
Non Controlling Interest	(37)	(55)		22		(97)	81	
Share of profit/(loss) from associates & JVs	416	580		(236)		1,165	(831)	
Net Profit	2,342	1,734	35.1%	571	309.9%	5,332	1,932	176.0%
EPS	9.0	6.5	37.3%	2.2	316.7%	20.4	7.3	180.6%

Note:

- Prior period figures have been restated, wherever necessary
- Figures are pertaining to continuing operations only (Pipes)

DRIVING TOWARDS VALUE CREATION

No Pledge of shares by Promoters



All three geographies simultaneously performing;
Strong future growth visibility

Dividend –
Track record of paying for last 15 years



Visible improvement in Operational and Financial Performance

Strong Free Cash Flow generation



Leaner B/S & Value Unlocking through sale of Plate & Coil Mill

EPS, ROCE, ROE
→ A quantum improvement



Saudi business –
Operational & Financial Turnaround

WCL CORE COMPETENCE

FLAGSHIP COMPANY OF WELSPUN GROUP



Global Leader in Home Textiles

Ranked #1 Home Textile Supplier to USA 5 Times in Last 6 Years



Global Leader in Large Diameter Pipes

Manufacturing facilities in India, Saudi Arabia & USA



Specialised HAM Infra player

Completed India's 1st 14 lane Expressway in record time of 19 months vs scheduled 30 months



Group Revenue
US\$ 2.7 Billion

Fixed Asset Base
US\$ 1 Billion

Employees
25,000+

BUSINESS MOAT

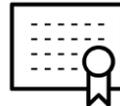
Global Leadership

Among Top 3 Line Pipe Manufacturers globally



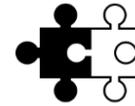
Accreditations

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



Expertise

Executed critical & complex projects worldwide



Customer Centricity

Delivered 14+ mn MT Pipes with multiple repeat orders



Supplier Relationship

Long term association with global Steel & other vendors



Innovation

Patented technology leading to higher productivity



Global but Local

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



One-Stop Shop

Steel sourcing to ROW / Laying Site – Managing complete SCM



ESG

Independent Board | Focus on Diversity, CSR & Sustainability



END TO END PRODUCTS & SOLUTIONS

HSAW Pipes

(Helically welded)

18 – 140 inch diameter,
6mm to 25 mm

→ Used for Onshore oil, gas & water transmission

LSAW Pipes

(Longitudinally welded)

16 – 60 inch diameter,
6 mm to 43 mm

→ Used for Onshore / Offshore oil & gas transmission

ERW/HFIW Pipes

(Electric Resistance Welded / High-frequency Induction Welded)

1.5 – 20 inch diameter,
4 mm to 14 mm

→ Used for Onshore O&G transmission and Downstream O&G distribution

Coating Systems

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

Value Added services

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

GLOBAL BUT LOCAL MANUFACTURING PRESENCE

INDIA



UNITED STATES



SAUDI ARABIA



Capacity (in KMT)	India				US	Saudi Arabia	Total
Products / City	Anjar	Dahej	Mandya	Bhopal	Little Rock	Dammam	
LSAW	350	350	-	-	-	-	700
HSAW	380	50	150	175	350	375	1,480
ERW/ HFIW	200	-	-	-	175	-	375
Total (KMT)	1,655				525	375	2,555

Modern manufacturing facilities at Key Demand Areas

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

EXPERTISE IN EXECUTING CRITICAL PROJECTS

AMONG THE



Deepest

Independence Trail

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

Water Depth
 2,420m (7,940 ft)



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

Wall Thickness
 35.56 mm



Highest

Peru LNG

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

Altitude
 > 9,000 feet

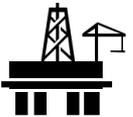


Longest

Keystone Pipeline

One of the largest Supplier for Canada to USA, 36" Crude Oil Pipeline
Complexity: Long distance hydrocarbon pipeline

Length
 ~1,450 kms

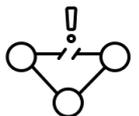


Sour Service

Arabiyah-Hasbah (Wasit Gas Program)

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

Wall Thickness
 42.9 mm



Stringent tolerance level

Stampede Oil Export SCR* Pipeline

~32 kms, 18" oil, 25.40 mm wall thickness pipeline in Gulf of Mexico
Complexity: Only WCL could match specifications

OOR* at pipe ends:
 2 mm maximum

Now, manufacturing one of the highest operating pressure pipeline - X80 (niche grade)

ESTABLISHED RELATIONSHIP WITH GLOBAL GIANTS

Oil & gas



Transportation



Others



Approvals & accreditations from marquee customers across the globe
 Acts as an Entry Barrier

CORPORATE CONDUCT & GOVERNANCE



- ♀ **Independent Board Structure with Majority Outside Directors**
- ♀ **No cross holdings with other group companies**
- ♀ **Zero Pledge of shares by Promoters**



- ♀ **Big Four as Statutory and Internal Auditors**
 - ♀ **Statutory Auditors:** Price Waterhouse Chartered Accountants LLP
 - ♀ **Internal Auditors:** Ernst & Young LLP



- ♀ **Strong Credit Rating (CRISIL):**
 - ♀ Long Term: AA(-) with Positive Outlook
 - ♀ Short Term: A1+



- ♀ **Focus on Distribution**
 - ♀ Clearly defined Dividend Policy
 - ♀ Track record of paying dividend to shareholders for last 15 years
 - ♀ Buyback completed in November 2019

FOCUS ON SUSTAINABILITY & CSR

3Es @ WELSPUN GROUP

ENVIRONMENT.



Clean water, improved sanitation and development of green spaces

EMPOWERMENT.



Economic independence to women through Spun centers and Smart Villages

EDUCATION.



Improve the quality of education in over 55 schools with 500 teachers and 10,000 students

SUSTAINABILITY



2,25,000 Trees planted in facilities in India with 635 acre of green cover; 8,500 tons of CO2 sequestered per year



Minimizing Water consumption and avoid Water wastage; Reuse of Water through ETP and 30 MLD STP

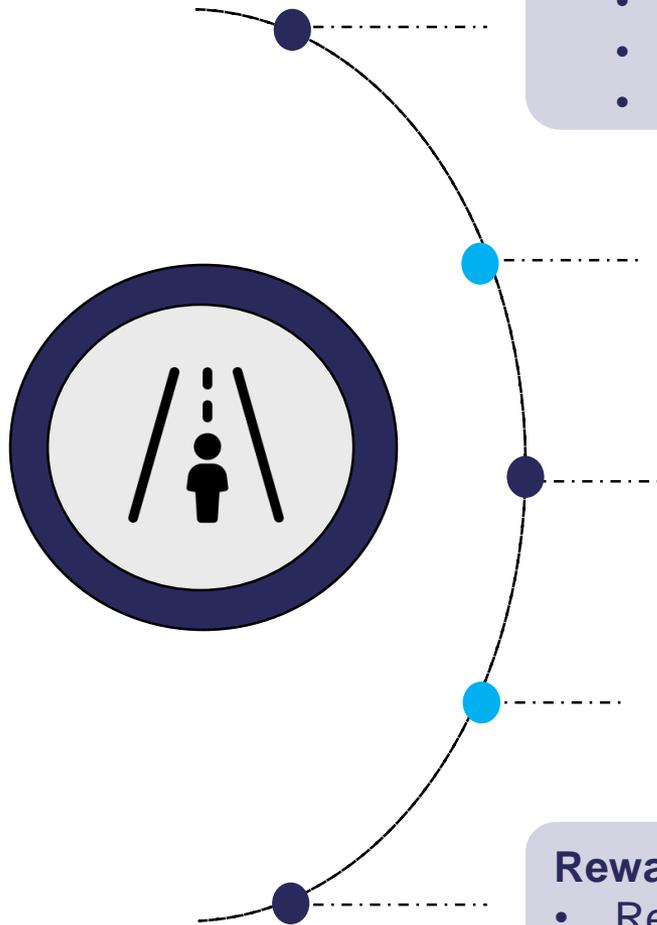


Recycling e-waste from landfills to reduce methane emissions. Disposed 1,020 kg in the year 2018-19 of E-Waste to Registered Recycler



45,536 kwh/annum /year saved by efficient usage; Natural gas is being utilized for processes by replacing coal

WAY FORWARD



Strengthening Business Moat through:

- Automation & Digitisation
- Talent development
- Quality control

Higher Profitability:

- Strong visibility through order book and Bid Book
- Profitability trend to continue in future
- Sharp focus on Cost control

Focus on Core Assets:

- Focus on Pipe business – Optimizing Asset Utilisation
- Divestment of non-core businesses - Asset Light Approach

Leaner Balance Sheet:

- Focus on FCF: Optimising Capex and working capital
- Deleveraging: Targeting Zero Net Debt by Q4FY20

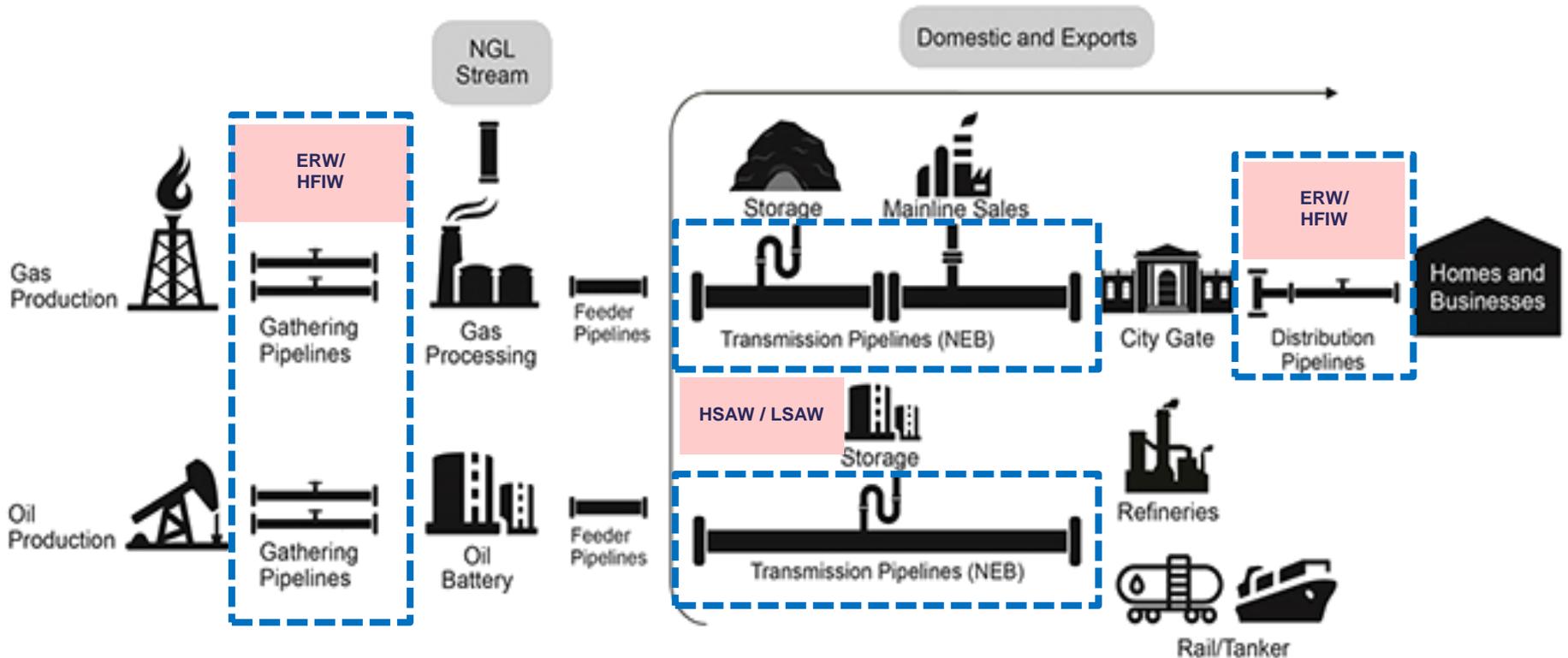
Rewarding Shareholders:

- Regular Dividend through defined policy
- Periodic Buyback

ANNEXURES

LINE PIPE APPLICATIONS

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)



WCL US – OUTLOOK

Attractive Industry Fundamentals Driving Strong Demand

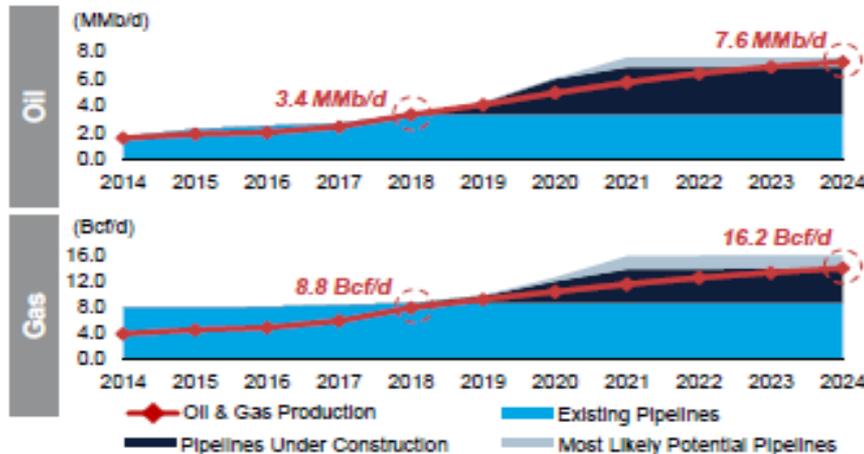
Pipeline Capacity Constraints

- USA Oil production: ~14 mn b/d by 2021 (est.) from ~11 mn b/d in 2018 led by Permian basin
- USA Gas production: >94 Bcf/d in 2021 (est.) from 84 Bcf/d in 2018
- Production boom creating pipeline shortage

Favorable structural changes in U.S. trade policy

“Melt in USA”; Anti-dumping duty, CVD & Section 232 tariffs

Permian Basin production forecast: Need for pipelines



WCL: DOMINANT PLAYER IN US

- Largest and most modern spiral (HSAW) mill
- Patented manufacturing technologies
- Strategic location, west of the Mississippi river
 - Close proximity: Oil basins & LNG terminals
- Robust logistics infrastructure:
 - Easy access to Arkansas river and New Orleans port
 - In-house rail connectivity
- Healthy relationship with key steel & logistic suppliers

Proximity to Shale Basins



WCL SAUDI ARABIA – OUTLOOK

Attractive Industry Dynamics

Oil & Gas: Strong traction from Saudi Aramco

- Saudi Aramco working on expansion of four major fields: Marjan, Zuluf, Berri and Safaniyah
- Increasing gas production for domestic usage under Master Gas System
- Recent discoveries (one gas field, seven reservoirs) to boost future growth

Water: Saline Water Conversion Corporation (SWCC) driving demand

- Desalination projects at the coastline to produce fresh water
- Key cities: Distance of 200–500 km from coast
- API pipe demand for Water Transportation over such long distances at high pressure

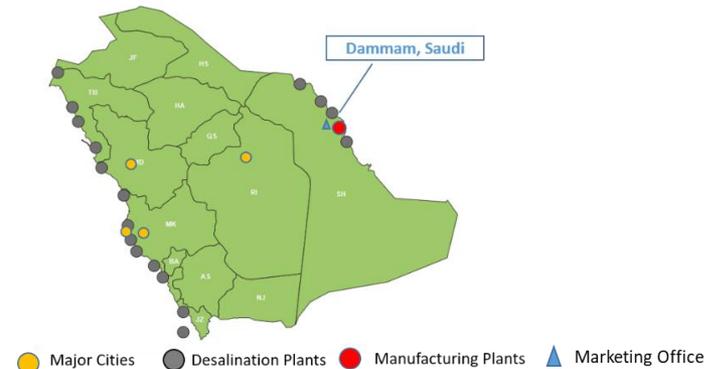
Favorable Protectionism Policies

- Royal decree to encourage local manufacturing companies
- In-Kingdom Total Value Add(IKTVA) Program favors domestic pipe industry

WCL : ONE OF THE LARGEST PIPE PLANTS

- Location Advantage:
 - Proximity to Dammam Port
 - Closer to major business destinations
- Approved and accredited by both Saudi Aramco and SWCC
- Experience of executing multiple complex projects in O&G and water
- Current order book provides good visibility for next 3-4 quarters
- Healthy relationship with key steel suppliers

Location Advantage



WCL INDIA – OUTLOOK

Oil & Gas: Domestic and Exports

- **Domestic:**
 - Large-dia demand driven by National Gas grid expansion (from 16,200 kms to 27,000 kms) by GAIL & Oil Pipeline network by IOCL
 - Small-dia demand driven by CGD Projects
- **Exports:**
 - Offshore drilling activity picking up
 - Middle East, North & East Africa as well as Australasia look extremely promising

Domestic Water Opportunity

- **Irrigation** projects across various states continue to drive the demand
- Focus & Allocation under ‘**Nal se Jal**’ Scheme:
 - Targetting 100% piped water to all households by 2024 (from current 18%)
- River linking to add to pipe demand

Entry Barriers

- MoPNG requirement: Domestic value addition should be at least 35% of the cost

WCL: 20+ YEARS OF EXPERTISE

- All-round capability: Pipes, bends, internal and external coating, Concrete Weight Coating
- Location advantage: Ideal to cater to export and domestic businesses
 - Proximity to the key demand centres in West, South and Central India
- Heaviest LSAW Mill in India
- Approvals from all major domestic and Global O&G companies
- Healthy relationships with international and domestic steel suppliers

Strategically Located Plants

...to cover West, South and Central India



EXPERIENCED BOARD AND MANAGEMENT

Board of Directors

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

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

Rajesh Mandawewala, Promoter Director

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

Amita Misra – Independent Director

- Ex-IAS with 38+ years of experience in various government & international organizations.
- Area of specialization includes - Finance, Governance, Policy, etc

Desh Raj Dogra - Independent Director

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

K. H. Viswanathan - Independent Director

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

Raj Kumar Jain – Independent Director

- Qualified Chartered Accountant with over 30 years of experience
- Advisor to companies in the matters relating to accounts and internal control.

Revathy Ashok - Independent Director

- Gold medalist from IIM, Bangalore and Member of Indian Angel Network.
- Independent consulting practice, working with mid and early stage companies, helping them scale
- Advisor on Public Policy Research in social sectors such as Water, etc

Management Team

Vipul Mathur, Managing Director & CEO, Member of Board

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

Percy Birdy, Chief Financial Officer

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

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

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

Rusty Fisher, SVP –Sales and Marketing (USA)

- 33+ years of experience in the industry
- Has previously worked with Tubular Synergy Group, US Steel, Lone Star
- Served as Chairman, Line Pipe Manufacturers Group (National Association of Pipe Coating Applicators)

Hisham Abdullatif Mohammed Allhmil, CEO (Middle East)

- Well-known figure in the Saudi steel and pipe industry
- Previously worked with esteemed organizations in Saudi Arabia such as Saudi Steel Pipe, SABIC, Saudi Iron and Steel Co. (HADEED)

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

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

AWARDS & ACCOLADES – TESTIMONY TO EXCELLENCE

**Bechtel Supplier
Excellence Award**
(2018-19)



**Supply chain
Excellence**

**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**

**Vipul Mathur
Hall of Fame Steel CEO of
the year**
(2018)



CEO of the Year

**CII National 5S Excellence
award**
(2018)



Confederation of Indian Industry

**“Gold Award”
Anjar pipes**

**International Safety Award
Anjar**
(2016)



**International
Safety Award
With merit**

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



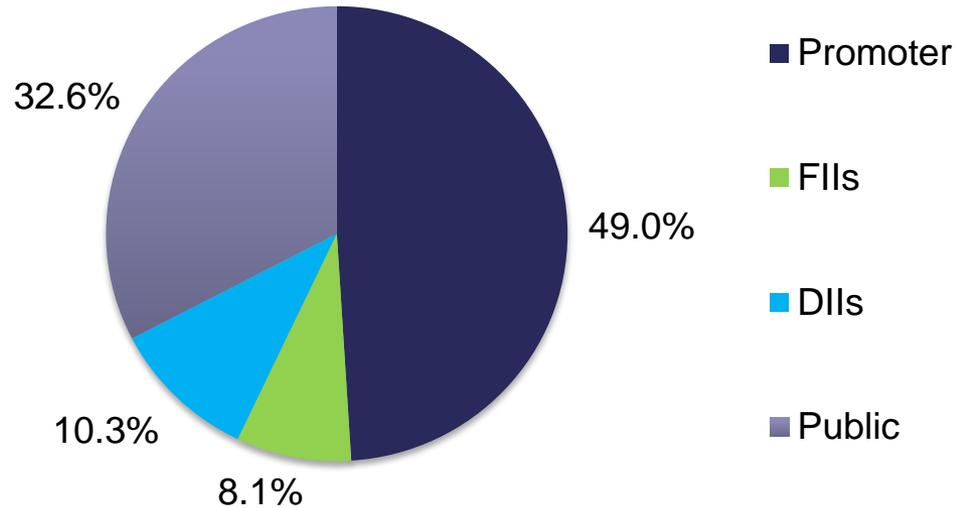
**Excellence
Award First Prize**

and many more....

CAPITAL MARKET UPDATE

Shareholding Pattern

Quarter ending December 2019



Market Statistics

As on February 3, 2020	INR	USD
Price Per Share	173.3	2.4
No of Shares outstanding (mn)	260.9	260.9
Market Capitalization (mn)	45,200	631
Daily Avg Trading Volumes - Q3FY20 (mn)	1.2	
Daily Avg Trading Value – Q3FY20 (mn)	172.8	2.4

INCOME STATEMENT – ANNUAL TREND

Rs mn	FY17	FY18	FY19	9M FY20
Pipe Sales Volume (KMT)	935	1,084	1,279	1,084
Revenue	60,355	75,873	89,535	71,979
Operating EBITDA	5,935	7,054	8,968	9,466
<i>MTM Loss on Bonds</i>			(2,578)	-
EBITDA	7,370	8,147	7,077	9,576
Depreciation	3,861	3,793	2,597	1,746
Finance cost	2,357	1,853	1,774	1,079
Profit before tax and share of JV	1,152	2,501	2,706	6,752
Tax	(258)	(112)	(1,223)	(2,488)
Non Controlling Interest	163	53	84	(97)
Share of profit/(loss) from associates & JVs	(793)	(859)	(885)	1,165
Net Profit	264	1,583	682	5,332
EPS	1.0	6.0	2.6	20.4

Note:

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume
- Pipe sales volumes are based on total operations including Saudi
- From FY19 figures are pertaining to continuing operations (Pipes) only

INCOME STATEMENT – QUARTERLY TREND

Rs mn	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20
Pipe Sales Volume (KMT)	267	304	339	369	319	337	428
Revenue	16,419	21,525	24,030	27,561	20,471	22,630	28,878
Operating EBITDA	1,741	2,494	2,075	2,658	2,585	3,169	3,712
<i>MTM Loss on Bonds</i>		(282)	(110)	(2,185)	(360)	(17)	-
EBITDA	1,942	2,417	2,304	414	2,416	3,306	3,855
Depreciation	558	771	654	614	545	610	591
Finance cost	366	454	418	536	395	341	344
Profit before tax and share of JV	908	1,302	1,232	(736)	1,476	2,355	2,920
Tax	(138)	(176)	(447)	(462)	(384)	(1,147)	(957)
Non Controlling Interest	30	29	22	3	(5)	(55)	(37)
Share of profit/(loss) from associates & JVs	(273)	(322)	(236)	(54)	169	580	416
Net Profit / (Loss)	527	833	571	(1,249)	1,256	1,733	2,342
EPS	2.0	3.1	2.2	(4.7)	4.7	6.5	9.0

Note:

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume
- Pipe sales volumes are based on total operations including Saudi

BALANCE SHEET – ANNUAL TREND

Rs mn	31-Mar-17	31-Mar-18	31-Mar-19	31-Dec-19
Net Worth	28,094	28,540	27,976	32,523
Short Term Loans	2,203	126	1,750	1,773
Long Term Loans	16,227	13,738	11,297	9,101
Gross Debt	18,430	13,864	13,047	10,874
Cash & Cash Equiv.	7,365	9,649	10,191	9,159
Net Debt	11,065	4,216	2,856	1,715
Net Fixed Assets (incl CWIP)	33,877	30,619	16,144	16,245
Net Current Assets	12,746	13,596	10,460	15,142
Net Assets Held for Sale	-	-	11,642	8,908
Total Assets	82,469	76,933	82,000	83,108

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 & 31-Dec-2019 excludes Net Asset Held for Sale
- FY19 onwards, figures are pertaining to continuing operations (Pipes) only

KEY FINANCIAL RATIOS – ANNUAL TREND

		FY17	FY18	FY19	9M FY20
Solvency ratios	Net debt/Equity	0.39	0.15	0.10	0.05
	Net debt/EBITDA	1.50	0.52	0.40	0.17
	EBIT/Interest	1.49	2.35	2.53	7.26
Operational ratios	Current Ratio	1.42	1.49	1.56	1.63
	Fixed Asset Coverage	1.84	2.23	1.43	1.79
	Total Asset turnover	0.73	0.99	1.09	1.15
	Inventory days	107	73	91	103
	Debtor days	89	63	48	42
	Payable days incl. Advances	143	107	121	107
	Cash conversion cycle	53	29	18	38
Return ratios	ROE	0.9%	5.6%	11.7%	25.2%
	ROCE (pre-tax)	6.4%	8.8%	22.6%	30.9%

Significant improvement in Return Ratios due to potential sale of PCMD

Note:

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
- From FY19 figures are pertaining to continuing operations (Pipes) only
- $ROCE = EBIT \text{ (excl. MTM Loss on Bonds)} / \text{Average Capital Employed}$ | $ROE = \text{Profit After Tax (excl. MTM Loss on Bonds)} / \text{Average Net Worth}$
- MTM loss on bonds in FY19 and 9M FY20 was Rs 2,578 mn and Rs 377 mn respectively

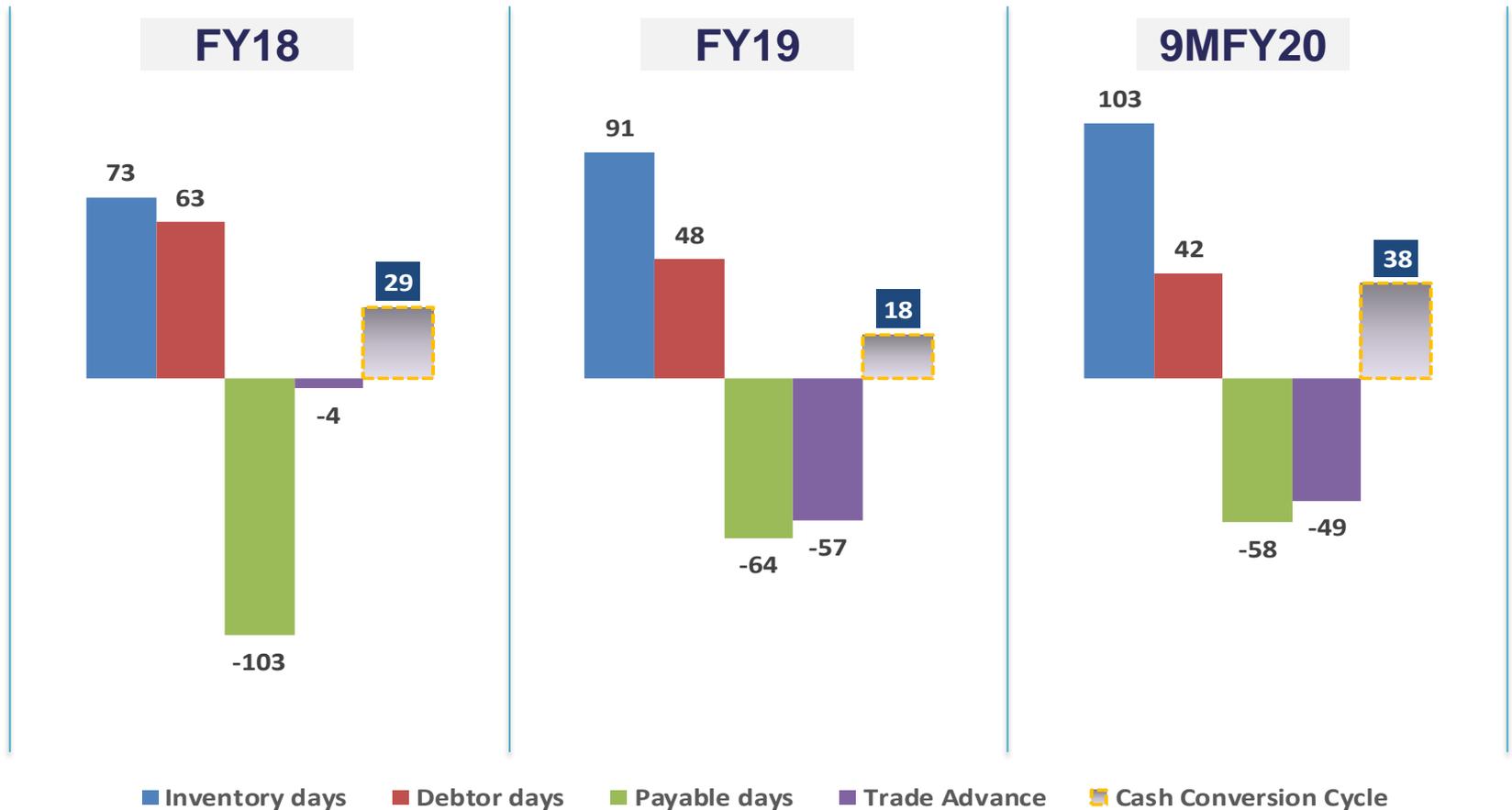
WCL – SAUDI JV FINANCIAL SNAPSHOT

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

Particulars in US\$ MN	Q3FY20	Q2FY20	Q3FY19	9M FY20	9M FY19
Saudi Arabia Ops:					
- Pipe Prodn (KMT)	125	126	80	356	158
- Pipe Sales (KMT)	114	116	78	369	160
Revenue	107	112	63	345	138
EBITDA	20	27	(1)	60	(9)
PBT	14	21	(6)	42	(22)
PAT – Welspun share	5	8	(3)	15	(10)

NET WORKING CAPITAL UNDER CONTROL

Cash conversion cycle at comfortable levels



*Includes Debtors + Inventory – Creditors – Trade Advance; Figures from FY19 are only for continuing operations on IndAS basis

**THANK
YOU**

Welspun Corp Limited

CIN: L27100GJ1995PLC025609

www.welspuncorp.com

For further information, please contact:

Mr. Harish Venkateswaran

harish_venkateswaran@welspun.com