

WCL/SEC/2016

July 28, 2016

To,

<b>Bombay Stock Exchange 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.
<b>Singapore Exchange Securities Trading Ltd.</b> 2 Shenton Way#19-00 SGX Centre I Singapore 068804.	

Dear Sirs/ Madam,


**Sub.: (1) Un-audited Financial Results for the quarter ended June 30, 2016 and  
(2) Press Release.**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith standalone as well as consolidated Un-audited Financial Results for the quarter ended June 30, 2016 ("UFR") as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today. Also attached is the Limited Review Report of the Statutory Auditors of the Company on the UFR.

Further, the press communication which is being released to the media is attached herewith.

Kindly take note of the above.

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

Sr. No.	Particulars	Consolidated Quarter Ended	
		30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
1	<b>Income from operations</b>		
a.	Net Sales / Income from operations	151,105	155,543
b.	Other operating income	4,531	5,398
	<b>Total Income from operations</b>	<b>155,636</b>	<b>160,941</b>
2	<b>Expenses</b>		
a.	Cost of materials consumed	80,209	116,492
b.	Purchase of stock-in-trade	34,947	-
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(10,091)	(27,350)
d.	Employee benefits expense	11,757	13,201
e.	Depreciation and amortisation expense	9,363	9,580
f.	Other expenses	29,093	46,305
	<b>Total expenses</b>	<b>155,278</b>	<b>158,228</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>358</b>	<b>2,713</b>
4	Other income	4,878	2,971
5	<b>Profit before finance costs (3+4)</b>	<b>5,236</b>	<b>5,684</b>
6	Finance costs	5,714	6,244
7	<b>Loss after finance costs but before tax (5-6)</b>	<b>(478)</b>	<b>(560)</b>
8	Tax expense	(758)	(133)
9	<b>Net Profit / (Loss) for the period before share of profit / (loss) of associates and joint ventures (7-8)</b>	<b>280</b>	<b>(427)</b>
10	Share of Profit / (Loss) of associates and joint venture	(1,337)	427
11	Non-controlling Interest	(118)	62
12	<b>Net Loss for the period (9+10-11)</b>	<b>(939)</b>	<b>(62)</b>
13	Other Comprehensive Income, net of income tax	2,533	3,009
14	<b>Total Comprehensive Income for the period (including Non-controlling Interest) (9+10+13)</b>	<b>1,476</b>	<b>3,009</b>
15	Paid up equity share capital (Face value of Rs.5/- each)	13,261	13,159
16	<b>Earnings Per Share (of Rs. 5/- each) (not annualised)</b>		
	-Basic	(0.35)	(0.02)
	-Diluted	(0.35)	(0.13)

**Notes:**

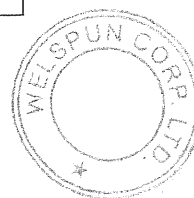
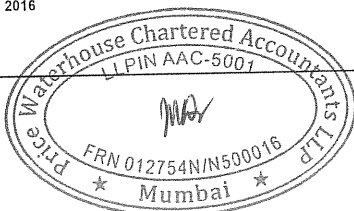
- The above financial results for the quarter ended June 30, 2016 were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on July 28, 2016. The Statutory Auditors have carried out a Limited Review of the above financial results for the quarter ended June 30, 2016. The IND AS compliant financial results pertaining to the relevant periods of the previous period have not been subjected to the Limited Review. However, the Company's Management has exercised necessary due diligence to ensure the financial results provide a true and fair view of its affairs.
- The Company is principally engaged in a single segment viz., Steel products based on nature of products, risks, returns and the internal business reporting system.
- The Standalone Financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on July 28, 2016 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 are given below :

Key Financials	30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
a Net Sales / Income from Operations / Other Operating Income (Rs. In Lacs)	118,140	140,866
b Profit / (Loss) Before Tax (Rs. In Lacs)	2,799	(2,177)
c Profit / (Loss) After Tax (Rs. In Lacs)	1,890	(1,944)
d Earnings Per Share (In Rs.) (not annualised for quarters)		
i) Basic (In Rs.)	0.71	(0.74)
ii) Diluted (In Rs.)	0.71	(0.74)

- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted IND AS with transition date of April 1, 2015.
- The listed Non-Convertible Debentures of the Company aggregating to Rs.1,293.80 Crores as on June 30, 2016 are secured by first charge ranking pari passu by way of mortgage / hypothecation of entire immovable and movable tangible assets of the Company both present and future and second / floating charge on current assets subject to prior charge in favour of banks for working capital facilities. 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 format for un-audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, IND AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with IND AS is given below:

Description	(Rs. In Lacs)
	Quarter ended June 30, 2015 (Unaudited)
Net profit as per Previous GAAP (Indian GAAP)	1,639
<b>Add / (Less):</b>	
Effects of measuring investments at Fair value through Profit and Loss	(1,992)
Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method.	(127)
Deferred tax impact on IND AS adjustments.	1,680
Effect of change in method of recognising grants	(1,012)
Others	(250)
<b>Net Loss as per IND AS</b>	<b>(62)</b>
Non-controlling Interest	62
Other Comprehensive Income, net of income tax (Hedging Reserve, Foreign Currency Translation Reserve, etc.)	3,009
<b>Total Comprehensive Income for the period</b>	<b>3,009</b>

For Welspun Corp Limited

Place : Mumbai  
Date : 28 July 2016Braja Mishra  
Managing Director  
DIN - 08050669

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Welspun Corp Limited  
5<sup>th</sup> Floor, Welspun House  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai-400013.

1. We have reviewed the unaudited consolidated financial results of Welspun Corp Limited (the "Company") and its subsidiaries and joint venture (hereinafter referred to as the "Group") for the quarter ended June 30, 2016 which are included in the accompanying Statement of Unaudited Consolidation Financial Results together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited consolidated Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, 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 Ind AS and other recognised accounting practices and policies, 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.
5. We draw attention to the following matters:
  - a. Note 4 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.



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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

Welspun Corp Limited  
Review report on financial results  
Page 2 of 2

- b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter ended June 30, 2015. As set out in note 1 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountant LLP  
Firm Registration Number (FRN 012754N/N500016)



Mehul Desai  
Partner  
Membership Number 103211

Place: Mumbai  
Date: July 28, 2016

Sr. No.	Particulars	Standalone Quarter Ended	
		30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
1	<b>Income from operations</b>		
a.	Net Sales / Income from operations	114,725	136,341
b.	Other operating income	3,415	4,525
	<b>Total Income from operations</b>	<b>118,140</b>	<b>140,866</b>
2	<b>Expenses</b>		
a.	Cost of materials consumed	58,415	78,429
b.	Purchase of stock-in-trade	27,295	27,388
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,965)	(1,523)
d.	Employee benefits expense	4,168	4,490
e.	Depreciation and amortisation expense	5,684	6,360
f.	Other expenses	20,880	25,164
	<b>Total expenses</b>	<b>114,477</b>	<b>140,308</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>3,663</b>	<b>558</b>
4	Other income	3,945	2,571
5	<b>Profit before finance costs (3+4)</b>	<b>7,608</b>	<b>3,129</b>
6	Finance costs	4,809	5,306
7	<b>Profit / (Loss) after finance costs but before tax (5-6)</b>	<b>2,799</b>	<b>(2,177)</b>
8	Tax expense	909	(233)
9	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>1,890</b>	<b>(1,944)</b>
10	Other Comprehensive Income, net of income tax	425	2,458
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>2,315</b>	<b>514</b>
12	Paid up equity share capital (Face value of Rs. 5/- each)	13,261	13,159
13	<b>Earnings Per Share (of Rs. 5/- each) (not annualised)</b>		
	-Basic (In Rs.)	0.71	(0.74)
	-Diluted (In Rs.)	0.71	(0.74)

Notes:

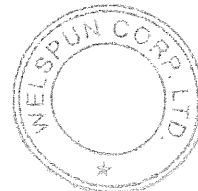
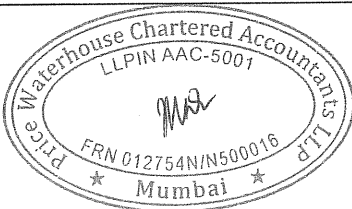
- The above financial results for the quarter ended June 30, 2016 were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on July 28, 2016. The Statutory Auditors have carried out a Limited Review of the above financial results for the quarter ended June 30, 2016. The IND AS compliant financial results pertaining to the relevant periods of the previous period have not been subjected to the Limited Review. However, the Company's Management has exercised necessary due diligence to ensure the financial results provide a true and fair view of its affairs.
- 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.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted IND AS with transition date of April 1, 2015.
- The listed Non-Convertible Debentures of the Company aggregating to Rs.1,293.80 Crores as on June 30, 2016 are secured by first charge ranking pari passu by way of mortgage / hypothecation of entire immovable and movable tangible assets of the Company both present and future and second / floating charge on current assets subject to prior charge in favour of banks for working capital facilities. 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 format for un-audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, IND AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with IND AS is given below:

Description	(Rs. In Lacs)
	Quarter ended June 30, 2015 (Unaudited)
Net profit as per Previous GAAP (Indian GAAP)	(330)
<b>Add / (Less):</b>	
Effects of measuring investments at Fair value through Profit and Loss	(1,514)
Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method.	(95)
Deferred tax impact on IND AS adjustments.	1,008
Effect of change in method of recognising grants	(1,012)
Others	(1)
<b>Net Loss as per IND AS</b>	<b>(1,944)</b>
Other Comprehensive Income, net of income tax (hedging reserve, etc.)	2,458
<b>Total Comprehensive Income for the period</b>	<b>514</b>

For Welspun Corp Limited

Place : Mumbai  
Date : 28 July 2016

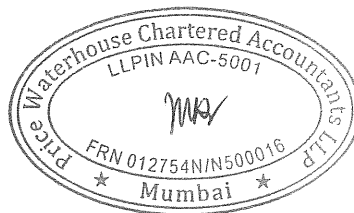
Brajendra Mishra  
Managing Director  
DIN - 00007089



# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Welspun Corp Limited  
5<sup>th</sup> Floor, Welspun House  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai-400013.

1. We have reviewed the unaudited financial results of Welspun Corp Limited (the "Company") for the quarter ended June 30, 2016 which are included in the accompanying Statement of 'Unaudited Standalone Financial Results for the quarter ended 30<sup>th</sup> June 2016' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 Ind AS and other recognised accounting practices and policies, 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.
5. We draw attention to the following matters:
  - a. Note 3 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
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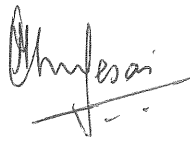
# Price Waterhouse Chartered Accountants LLP

Welspun Corp Limited  
Review report on financial results  
Page 2 of 2

- b. We were neither engaged to review, nor have we reviewed the comparative figures including the Reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and March 31, 2016 and for the year ended March 31, 2016, and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2015 and March 31, 2016 and for the year ended March 31, 2016. As set out in note 1 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountant LLP  
Firm Registration Number (FRN 012754N/N500016)



Mehul Desai  
Partner  
Membership Number 103211

Place: Mumbai  
Date: July 28, 2016

## **BUSINESS UPDATE**

July 28, 2016

# **Significant improvement in balance sheet; maintain healthy orderbook**

Welspun Corp Ltd. (WCL), the flagship company of the Welspun Group, announced its consolidated financial results for the first quarter ended June 30, 2016.

Please note all figures in this document, unless specified, are under IND AS basis. For I-GAAP comparison, please refer to our Q1FY17 presentation.

### **For the quarter ended 30<sup>th</sup> June, 2016 WCL consolidated reported:**

- Total income from operation of Rs. 15,564 mn, down 3% YoY
- Reported EBITDA at Rs. 1,460 mn, down 4% YoY
- Operating EBITDA at Rs. 1,048 mn, down 33% YoY
- Loss before tax of Rs. 48 mn vs. Rs. 56 mn in Q1FY16
- Net loss of Rs. 94 mn vs. Rs. 6 mn in Q1FY16
- Basic EPS at (Rs. 0.35) vs. (Rs. 0.02) in Q1FY16
- Production of pipes (ex-Saudi Arabia operations) was down 13% YoY, whereas sales was up 4%
- Production and sales of pipes (total operations) were down 17% / 1% YoY respectively

### **Order book position (including all operations):**

Current pipe order book position stands at 958K MTs (Rs. 55 billion). Large orders booked during the period include @ 184K MTs for a project in Americas.

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, “Turmoil in energy markets during second half of FY16 has impacted our Q1FY17 results besides affecting margin profile of the orderbook. Despite the challenges, we are pleased with our efforts in improving balance sheet and building a healthy orderbook. This has been made possible by our continuous endeavour to explore new opportunities across the global markets. Also, we remain committed to maintaining financial discipline with no additional project capex plan.”



## BUSINESS UPDATE

### Consolidated performance highlights:

Particulars	Figures in Rs. million unless specified	
	Q1-FY17	Q1-FY16
<b>Ex-Saudi Arabia operations</b>		
- Pipe Production (KMT)	193	223
- Pipe Sales (KMT)	200	193
<b>Total operations</b>		
- Pipe Production (KMT)	229	274
- Pipe Sales (KMT)	251	253
- Plates/ coils Production (KMT)	82	44
<b>Total Income from Operations</b>	<b>15,564</b>	<b>16,094</b>
Reported EBITDA	1,460	1,526
<b>Operating EBITDA</b>	<b>1,048</b>	<b>1,567</b>
Finance Cost	571	624
Depreciation and Amortisation	936	958
PBT	(48)	(56)
<b>PAT after Minorities, Associates &amp; JVs</b>	<b>(94)</b>	<b>(6)</b>
<b>Cash PAT</b>	<b>945</b>	<b>1,044</b>

Notes: a) Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/ (loss)

b) Cash PAT = PBT – Current tax + Depreciation - Post-tax Unrealised forex gain/ (loss)

c) Prior period figures have been restated, wherever necessary

Consolidated debt	Figures in Rs. million unless specified	
	30-Jun-2016	31-Mar-2016
Gross Debt	23,663	26,440
Cash & Cash Equivalents	14,509	12,862
<b>Net Debt</b>	<b>9,155</b>	<b>13,578</b>

Please note all figures in this document, unless specified, are under IND AS basis. For I-GAAP comparison, please refer to our Q1FY17 presentation.

## **BUSINESS UPDATE**

### **Business outlook:**

Equipped with best-in-class manufacturing/ R&D capabilities and global clientele, we remain positive on the long-term outlook. However, volatility in energy markets has led to some large projects getting delayed which coupled with higher competitive intensity makes the near term business environment challenging. On the positive side, opening up of new markets and strong domestic linepipe demand provides an upside.

Conducive regulatory environment coupled with higher volumes has benefitted Plate & Coil Mill operations – we maintain a positive outlook for this year.

### **Post Q1FY17 conference call:**

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

Date : Thursday, 28 July 2016

Time : 4:00pm IST (6:30pm HKT / 10:30 BST / 5:30am EST)

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

- India:
  - Primary +91 22 3960 0706
  - Secondary +91 22 6746 8309
- Other Local Access: Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune
  - 3940 3977 (Accessible from all carriers)
- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 080 8101 1573
- USA: 1866 746 2133

**For registration and more global access numbers kindly click on the link below:**

<http://services.choruscall.in/diamondpass/registration?confirmationNumber=9008674>

## **BUSINESS UPDATE**

### **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 ½ inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.425 million MTPA in Dahej, Anjar and Mandya in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

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

**Deepak Khetan, [ir\\_wcl@welspun.com](mailto:ir_wcl@welspun.com), +91 22 66136584**

**Harish Venkateswaran, [harish\\_venkateswaran@welspun.com](mailto:harish_venkateswaran@welspun.com)**

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# Welspun Corp Ltd (WCL)

## World's Leading Line Pipe Manufacturer

Investor Presentation

Q1FY17



# SAFE HARBOUR

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## PERFORMANCE HIGHLIGHTS Q1FY17

**Rs. 15,564 mn**

3% YoY



Income from Operations

**200\*\* KMT**

4% YoY



Pipe sales volume\*\*

**Rs. 1,460 mn**

4% YoY



Reported EBIDTA

**Rs. 1,048 mn**

33% YoY



Operating EBITDA\*

**Rs. (94) mn**

Vs. Rs. (6) mn YoY



Profit After Tax

**Rs. 945 mn**

9% YoY



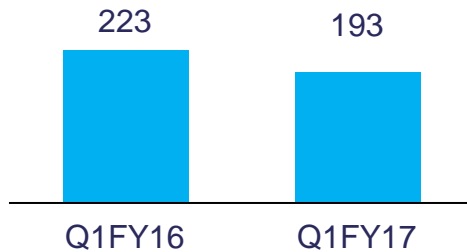
Cash PAT

*Note: \*Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; \*\* Excludes Saudi Arabia operations  
All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC*

# Q1FY17 OPERATING PERFORMANCE

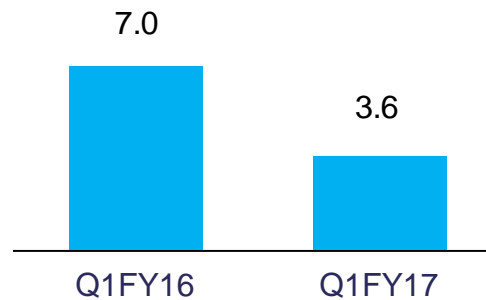
## Pipe production

(KMT)



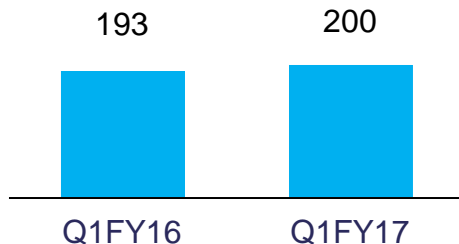
## EBITDA\*/Ton for Pipes

(Rs. '000)



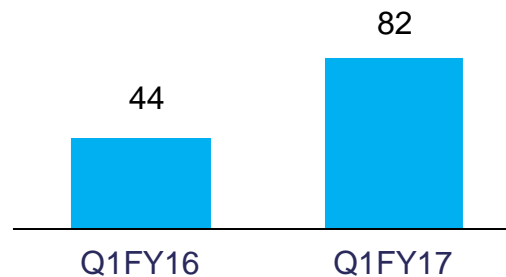
## Pipe sales

(KMT)



## Plate/ Coils production

(KMT)

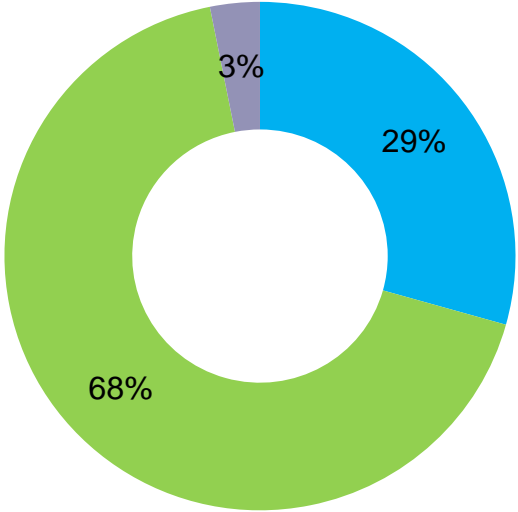


- Total pipe production excludes 51 KMT/ 36 KMT for Dammam, Saudi Arabia plant in Q1FY16 and Q1 FY17
- Total pipe sales excludes 60 KMT/ 51 KMT for Dammam, Saudi Arabia plant in Q1FY16 and Q1 FY17

Note: \* Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains  
 All numbers on this page excludes all JV operations – Saudi Arabia and CWC

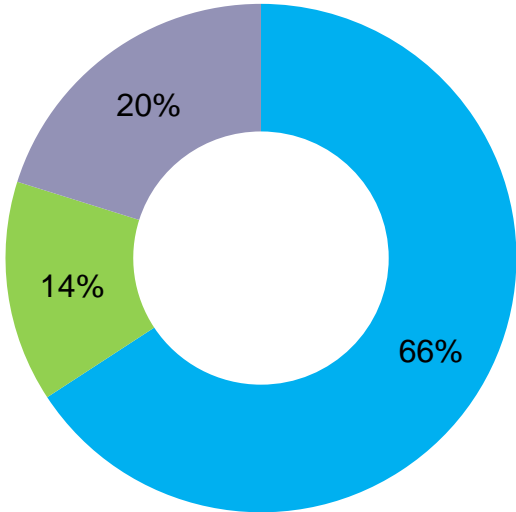
# DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

**Q1FY17 Pipe Sales Volume : 251 KMT**  
(including Saudi Arabia operations)



■ LSAW ■ HSAW ■ ERW

**Sales by Type**



■ India ■ US ■ Saudi Arabia

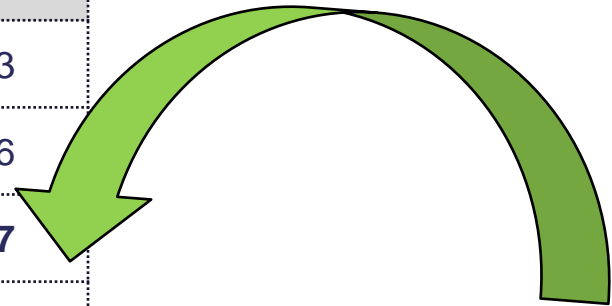
**Sales by Plant**

*Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC*



# HEALTHY BALANCE SHEET TO SUPPORT GROWTH

Rs mn	Q1FY17	
	IND AS	I-GAAP
Gross Debt	23,663	30,093
Cash & Equivalent	14,509	15,056
<b>Net Debt</b>	<b>9,155</b>	<b>15,037</b>
Current Ratio	1.54x	1.62x
Net Debt/ Reported EBITDA	1.03x	1.57x
<b>Net Debt/ Equity</b>	<b>0.33x</b>	<b>0.49x</b>

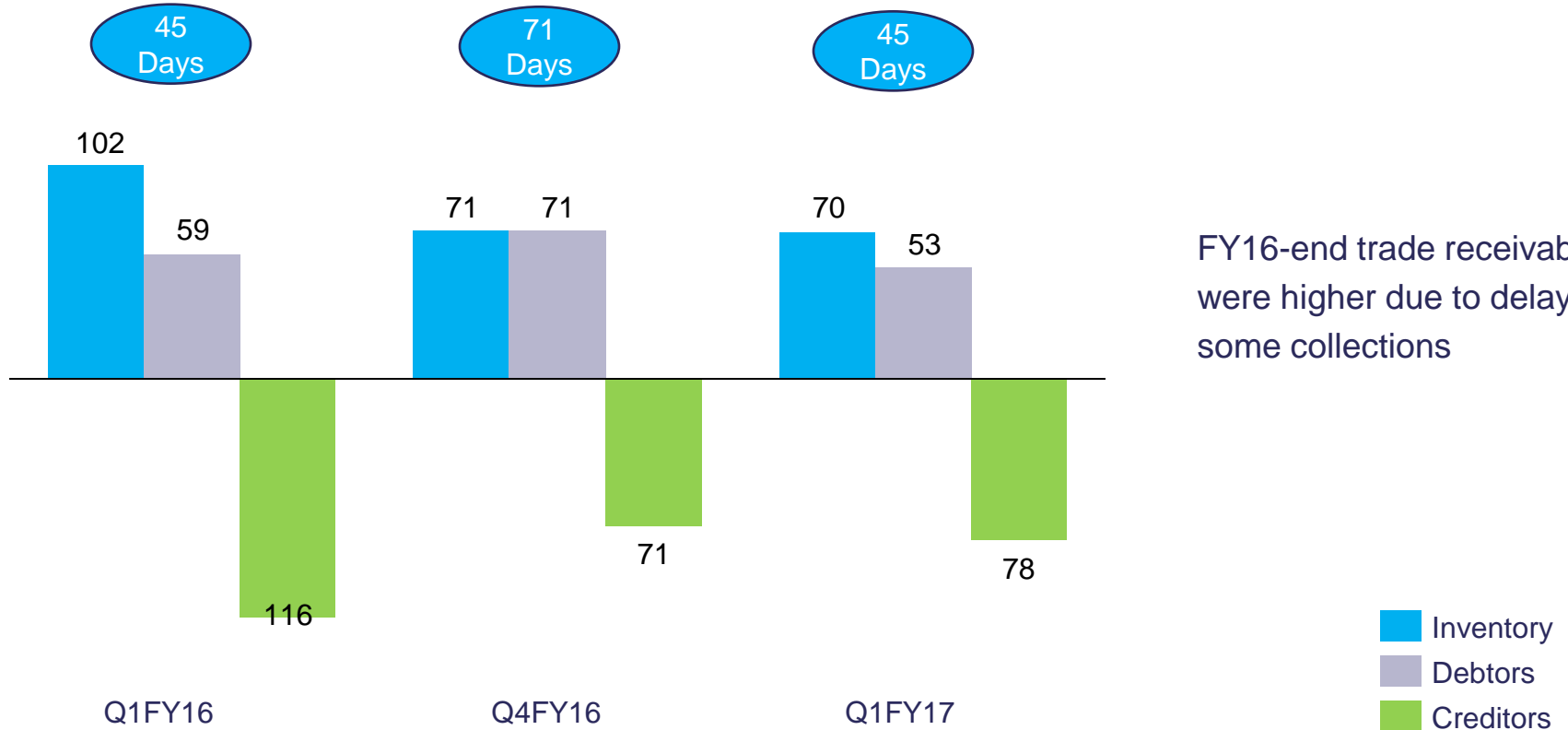


- Net debt (including all operation) as on 30 June 2016 was down Rs. 5,206 mn Q-o-Q largely due to reduction in working capital

**Significant reduction in net debt led by...**

# ...REDUCTION IN NET WORKING CAPITAL

I-GAAP basis cash conversion cycle has reduced by 26 days Q-o-Q



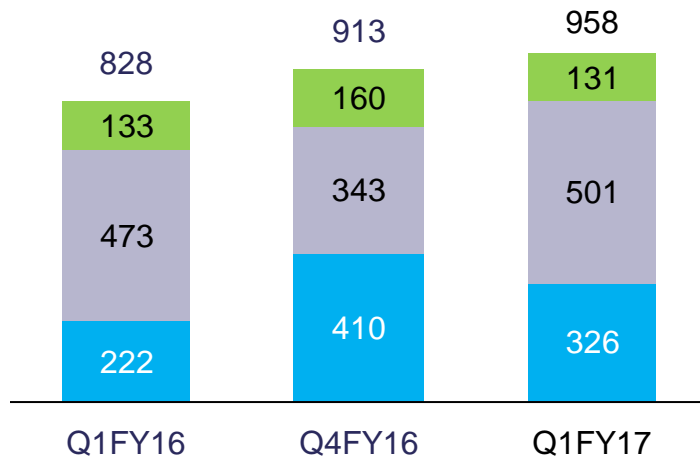
**FY17 cash conversion cycle is expected in the region of 50-55 days**

*\*Includes Debtors + Inventory – Creditors*  
All numbers on this page includes all operations

# ORDERBOOK ANALYSIS (including Saudi Arabia operations)

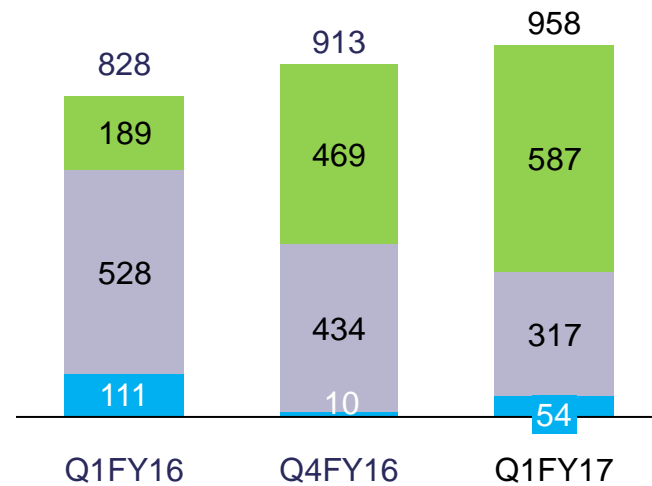
## Order book by Region

(KMT)



## Order book by Type

(KMT)



India & A-Pac Americas EU & MENA

LSAW HSAW ERW

Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

# IND AS IMPLEMENTATION

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## Implemented IND AS accounting w.e.f. 1<sup>st</sup> April 2016

- **Key changes applicable to WCL**
  - Joint Ventures Vs. Subsidiary - Saudi business & CWC
  - Change in recognizing grants
  - Measuring investments at Fair Value through Profit and Loss
  - Accounting of transaction cost on borrowings as per Effective Interest Rate method
  - Deferred Tax on accounting effect of IND AS adjustments
  
- **Q1 FY17 impact**
  - **Income statement:**
    - Revenue is higher by Rs 836 mn
    - EBITDA is higher by Rs 44 mn
  - **Balance Sheet:**
    - Net debt is lower by Rs 5,882 mn

Note: Figures for last year have been restated to make them comparable

## REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	Q1FY16	Q1FY17
Reported EBITDA	1,526	1,460
Less : Other Income	297	488
Add : Unrealized FX (Loss)/Profit	(338)	(76)
Operating EBITDA	1,567	1,048

# PROFIT & LOSS – QUARTERLY

Rs mn	Q1FY16	Q1FY17
<b>Income from operations</b>	<b>16,094</b>	<b>15,564</b>
<b>Reported EBIDTA</b>	<b>1,526</b>	<b>1,460</b>
<b>Operating EBITDA*</b>	<b>1,567</b>	<b>1,048</b>
Depreciation/Amortization	958	936
Finance Cost	624	571
<b>Profit Before Tax</b>	<b>(56)</b>	<b>(48)</b>
Tax	(13)	(76)
<b>PAT before minority interest, Associates &amp; JVs</b>	<b>(43)</b>	<b>28</b>
Minority Interest	6	(12)
Share of Profit/ (Loss) from Associates & JVs	43	(134)
<b>Profit after minority interest &amp; associates</b>	<b>(6)</b>	<b>(94)</b>

Note: \*Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

# THANK YOU

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