INVESTOR PRESENTATION
Q3 - FY17

January, 2017

WELSPUN INDIA
HOME TEXTILES

Home Textiles

Welspun India Limited
Global Leader in Home Textiles

WELSPUN GROUP
LEADING TOMORROW TOGETHER

Pipes

Welspun Corp Limited

Global Leader in Large Diameter Pipes

Infra

Welspun Enterprises Limited

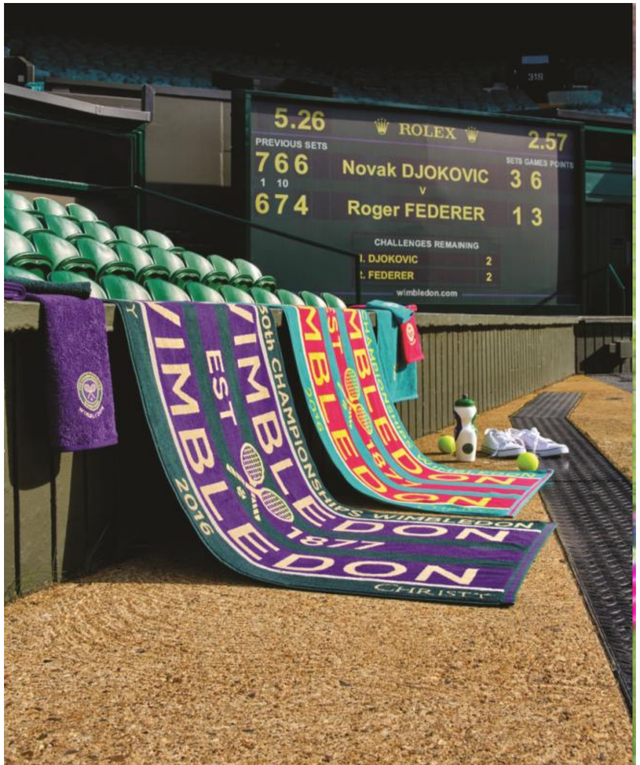
Infrastructure
Oil & Gas

Revenue : US$ 2.3 Billion; Asset Base : US$ 1.8 Billion; Employees: 25,000+

AGENDA

1. Company Overview
2. Industry Overview: Advantage India
3. Welspun India: Global Leader in Home Textiles
4. Q3 - FY17 & 9M - FY17 Highlights
5. Way forward

WIL - AN OVERVIEW



Global Home Textiles Leader

- Among the top three home textile manufacturers in the world and the largest home textile company in Asia
- Leading Home Textile exporter to the US for four years in a row (2012-15)
- Distribution network in more than 50 countries
- Centered on excellence and transparency, has emerged as the trusted partner to 17 of Top 30 global retailers like Bed Bath and Beyond, Macy’s, Wal-Mart and JC Penney among others
- State-of-the-art manufacturing facilities at Anjar and Vapi (Gujarat)

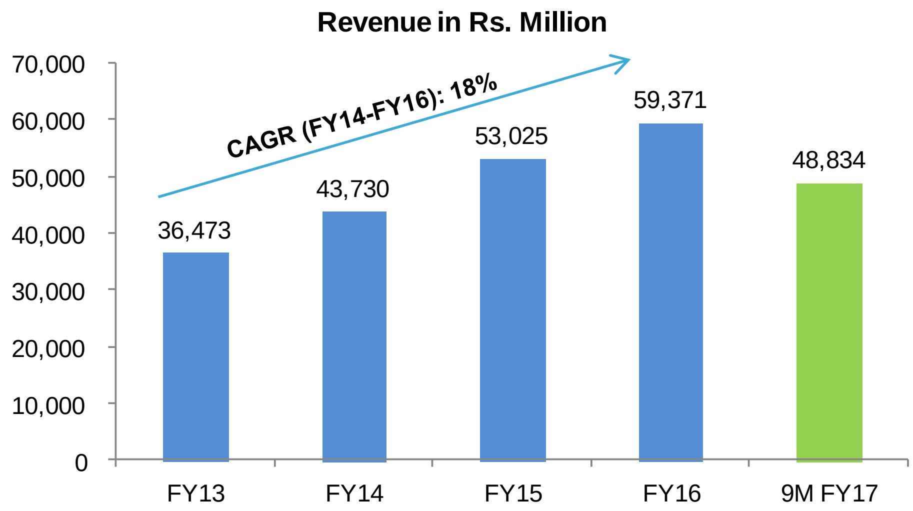
Commitment & Empowerment

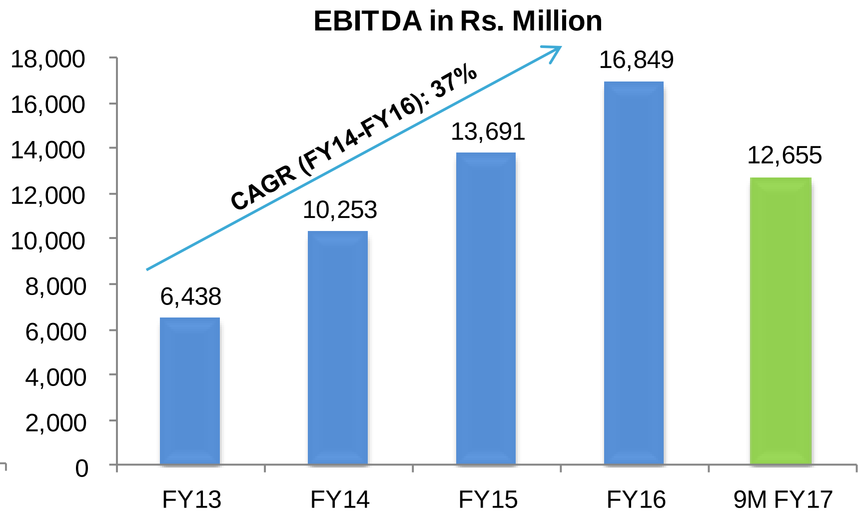
Creates opportunities for financial inclusion for women-through initiatives like Spun, Rags to Riches and Swasti

Innovation & Brand Focus

Patents (Including Pending) : 27
34% of FY16 sales from innovative products
13% of FY16 sales from branded products

FINANCIAL OVERVIEW





Shareholding Pattern

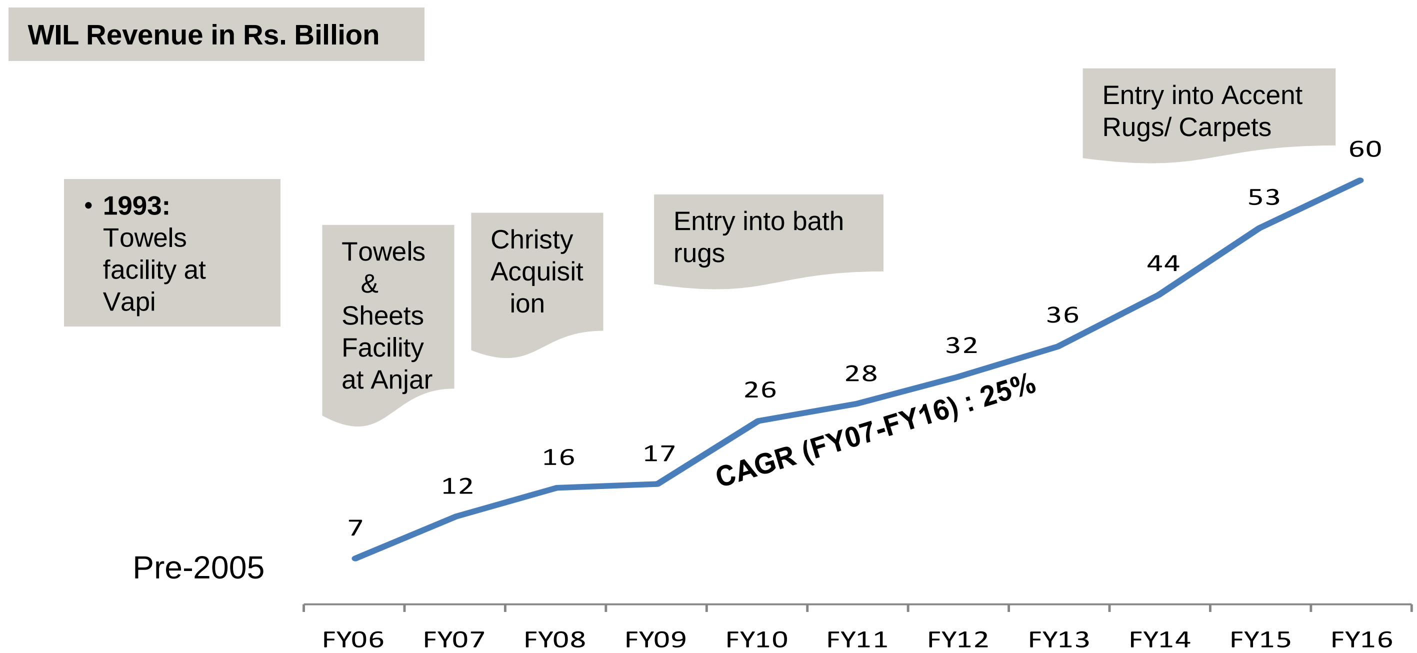
Particulars	31-Dec-16	31-Mar-16
Promoters	73.5%	73.5%
FIIs	11.6%	12.7%
Mutual Funds	1.9%	2.7%
Banks & Insurance Cos	0.5%	0.4%
Public	12.6%	10.7%
TOTAL	**100.0%**	**100.0%**

Market Statistics

As on Jan 30, 2016	Rs.	USD
Price per share	75.80	1.1
No: of Shares Outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	76,158	1,135
Daily Average Trading Volumes (Q3FY17) - No. of shares in Mn	4.0	4.0
Daily Average Trading Value (Q3FY17) - Mn	251	3.7

Note : All figures until FY15 are as per Indian GAAP and numbers for subsequent periods are as per Ind-AS

WIL - REVENUE MILESTONES



- Textiles business has been growing at a CAGR of 25% since the inception of the Anjar Facility
- Sustained growth indicates the potential of Home Textiles globally
- International operations majorly contribute to the revenue

INDUSTRY OVERVIEW: ADVANTAGE INDIA

GLOBAL HOME TEXTILE SCENARIO

Market Size

- Home textile market at US$45 bn
- Bath constitutes ~25%
- Bed constitutes ~35%

Key Consumers

- US , Europe and Japan are the largest consumers
- Global demand equally split between US, Europe and Rest of the World

Key Producers

- India, Pakistan and China are the largest producers; Account for 85% of cotton home textile trade to US
- India’s market share is substantially higher in cotton home textiles vis-a-vis other categories

STRUCTURAL CHANGE: ASIAN DOMINANCE IN HOME TEXTILES

Textiles and Clothing US$797 bn	• China : 37% • India : 5%
Textiles US$314 bn	• China : 36% • India : 6%
Home textiles US$45 bn	• China : 35% • India : 11%
US Cotton Home Textiles US$7.5 bn	• China : 39% • India : 31%

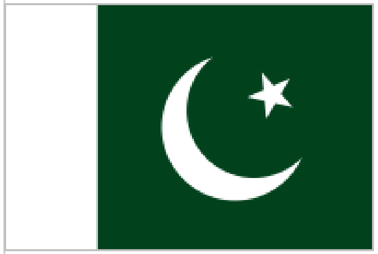
India has emerged as a significant player in Home Textiles

Source : WTO - 2014 data, Texprocil, OTEXA, Company estimates

ADVANTAGE INDIA

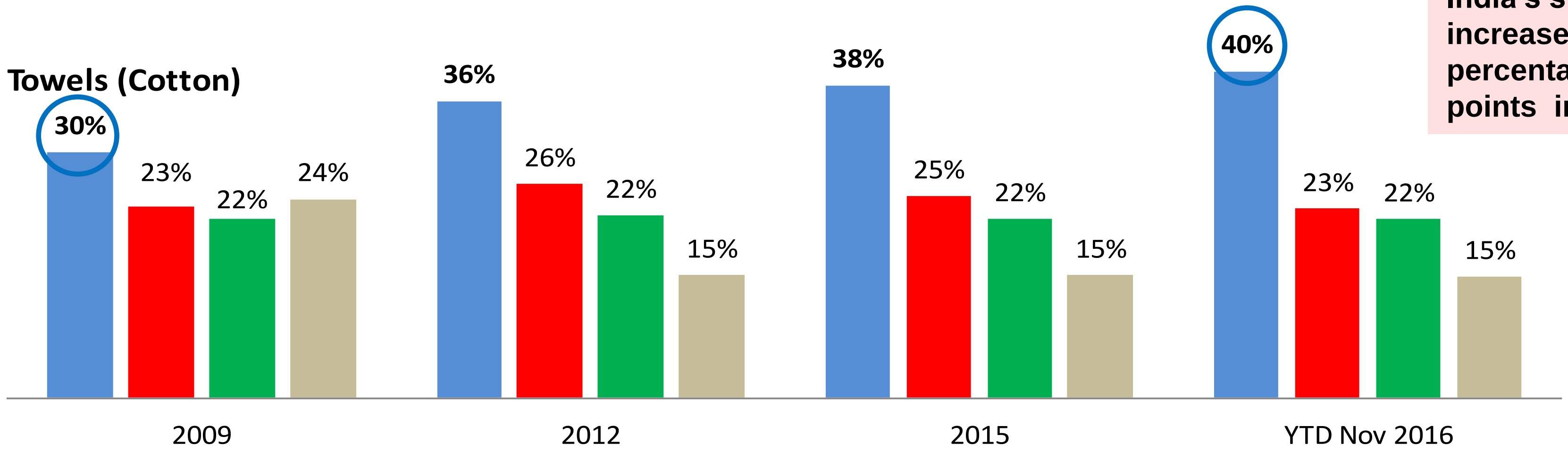
- Largest producer of cotton
- 25% surplus available for export as cotton/yarn
- Exporter of yarn
- Competitive costs
- Robust ecosystem for textiles
- Democracy with stable government
- Better environmental and labor law compliance
- Huge domestic market potential

- Major importer of cotton and yarn
- Losing export Competitiveness
- Wage inflation
- Rising power costs
- Increasing costs for environmental compliance
- Focus on domestic consumption

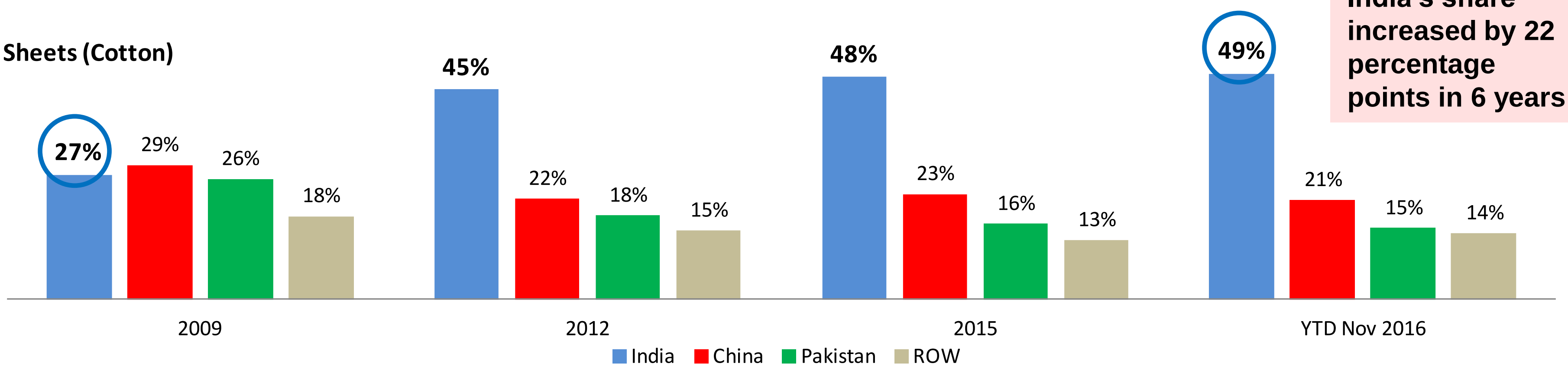


- Cotton Importer
- Energy issues
- Geopolitical issues
- Compliance issues

REFLECTION OF COUNTRY ADVANTAGE



India's share increased by 10 percentage points in 6 years



India's share increased by 22 percentage points in 6 years

US market share.

Source: Otexa, Nov 2016 data update

WELSPUN INDIA

LEADERSHIP: FOCUS AND EXCELLENCE

- A differentiated End-to-end Solutions Provider in Home Textiles
- Widest product range in the Home Textiles segment

Bath	Bedding	Flooring
Towels	Sheets	Carpets
Bath robes	TOB	Rugs
	Basic and Fashion Bedding	

- Uniquely positioned for cross-selling due to
  - Customer reach
  - Competitive manufacturing
  - Global delivery model
- Higher wallet share due to multi-product portfolio
- Strong track record of customer satisfaction and repeat business from them; 80% revenue from replenishment

Wide product range in Home textiles

LEADERSHIP: STRATEGIC PARTNERSHIP WITH GLOBAL RETAIL GIANTS

- Bed Bath & Beyond
- Macy’s
- J C Penney
- Kohl’s
- Wal Mart
- Costco
- Home Depot
- ….. and many more

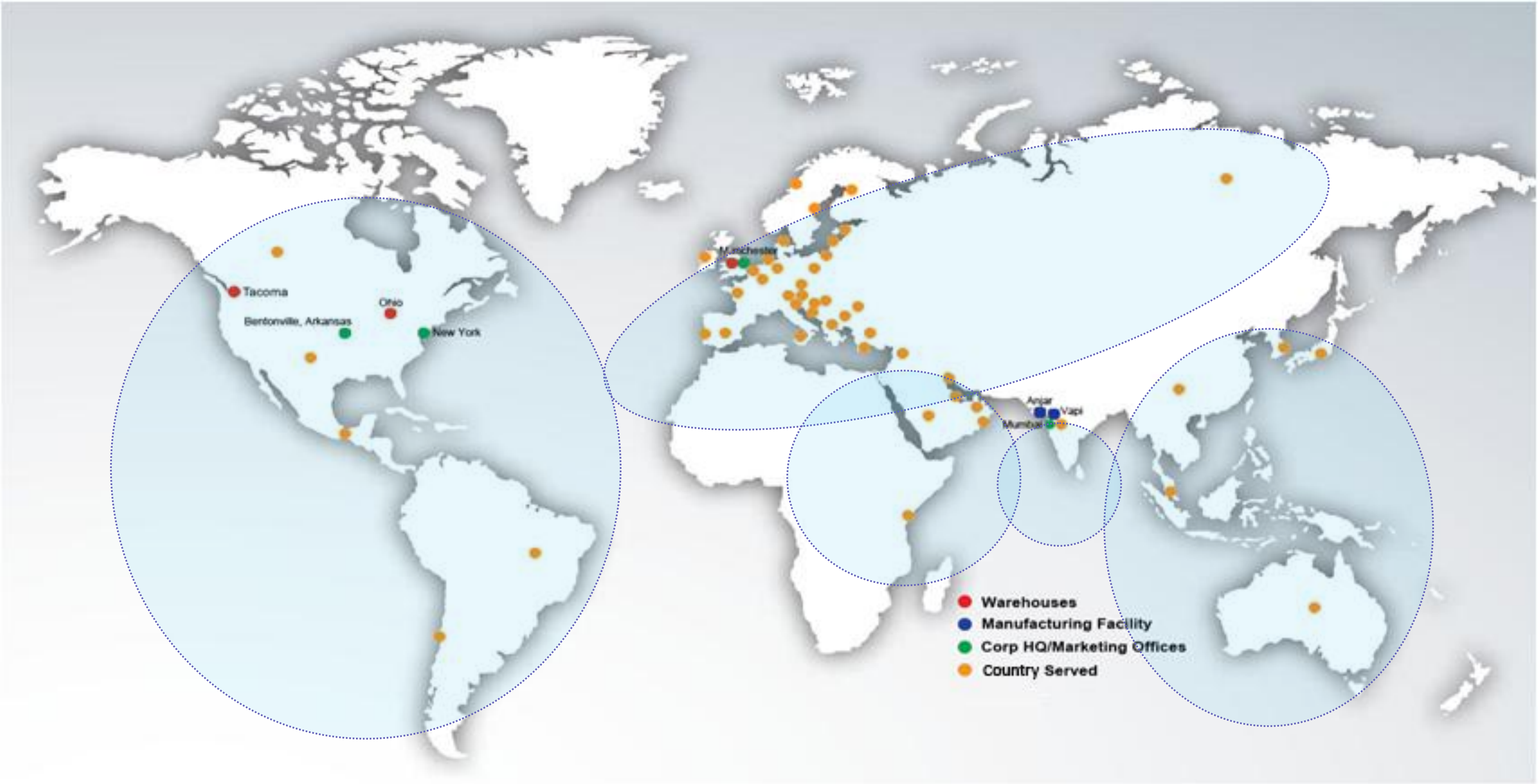
- Carrefour
- JYSK
- Auchan
- Kaufland
- Rusta
- … and many more

- ASDA
- Tesco
- Sainsbury
- John Lewis
- House of Fraser
- Debenhams
- ….. and many more

- Shopper’s Stop
- Lifestyle
- HomeTown
- @Home
- ….. and many more

Strategic Partnership with Marquee clients across geographies

LEADERSHIP: GLOBAL REACH & DELIVERY MODEL



Delivery & Reach in over 50 countries

LEADERSHIP: SCALE

Product	Unit	End-FY16 Capacity	Sales volume FY16	Utilisation %	Expected Capacity FY17
Towels	MT	60,000	55,400	92%	72,000
Sheets	'000 Mtrs	72,000	66,500	92%	90,000
Rugs & Carpets	'000 Sq. mtrs.	8,000	6,100	76%	10,000

Capacities running at high level of utilisation in towels and sheets

Investment of Rs. 8 bn planned in FY17; 9MFY17 capex of Rs. 5.6 bn

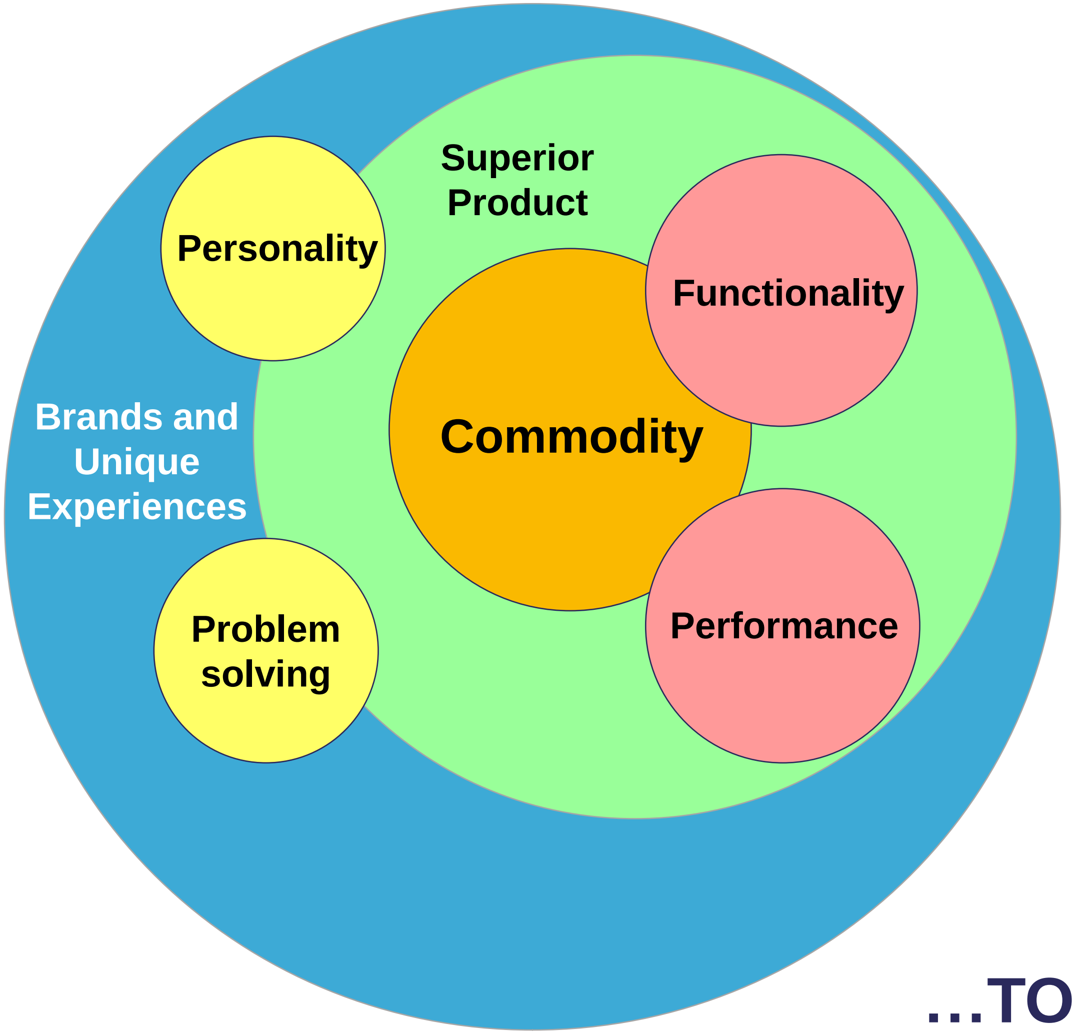
New investment of Rs. 6 bn planned in flooring solutions; to be invested over FY18 and FY19

High utilisation of world-class capacities

FLOORING SOLUTIONS TO DRIVE GROWTH

- Flooring solution to be the next growth driver for international as well as domestic market
- Consists of rugs, decorative carpets, tile carpets, accent rugs
- Capex of Rs. 6 bn earmarked for flooring facility
- Capacity of 7 million square meters per annum
- Facility to be located at Anjar
- To be done over FY18 and FY19

WELSPUN: BEYOND MANUFACTURING…



- Evolved from being a commodity manufacturer to a creator of unique customer experiences
- Experiences created through brands, product and technologies and new channels

…TO CUSTOMER CENTRIC

DELIVERING UNIQUE EXPERIENCES…

INNOVATION FOCUS | **Consumer Needs** | **BRAND AND DELIVERY FOCUS**

CONSUMER INSIGHTS

Continuous Idea Generation

- Welspun Innovation Lab
- Product Development

Certifications

Innovation

- Innovation Partners
- Global patents: 27 (including pending)

Brands

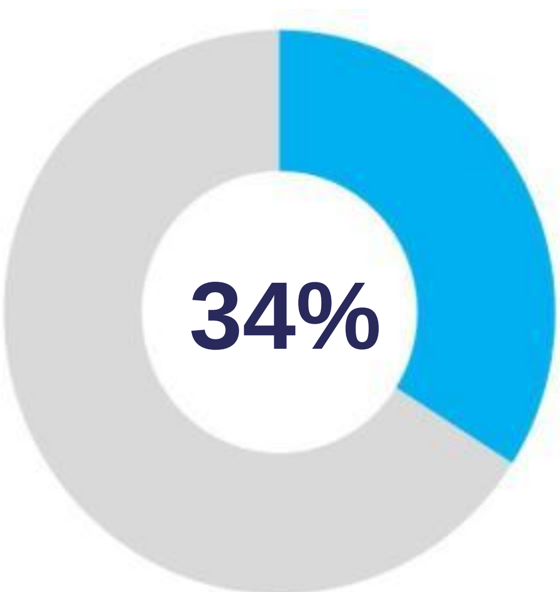
- **Ingredient /Technology**
- **Owned**
- **Licensed**

Technology and Product Delivery

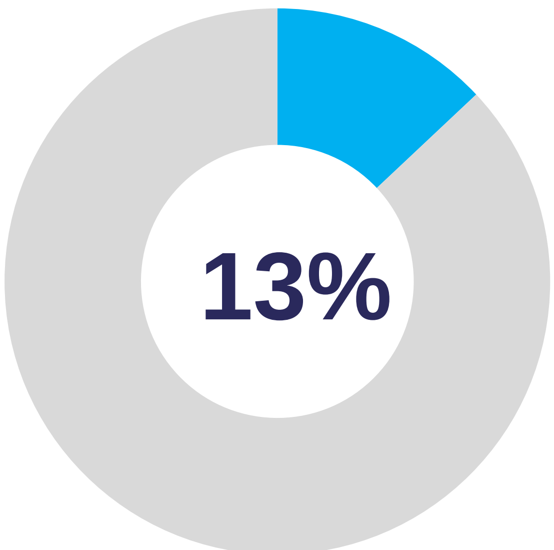
- B2C/ B2B Connect
- Data Analytics and VMI Support

...LEADING TO A UNIQUE REVENUE MIX

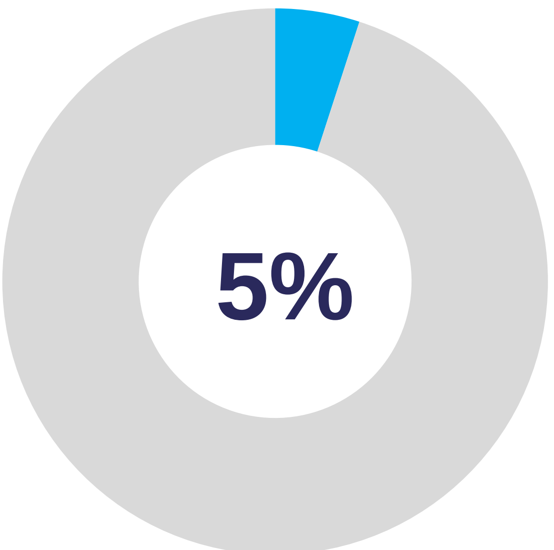
INCREASED SHARE OF INNOVATIVE PRODUCTS



INCREASED SHARE OF BRANDED PRODUCTS



INCREASED SHARE OF NEW CHANNELS



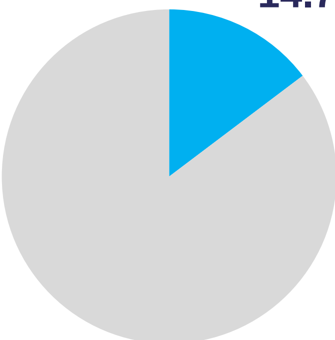
Note: Figures of FY16

WELSPUN'S IMPROVED MARKET SHARE

Towels

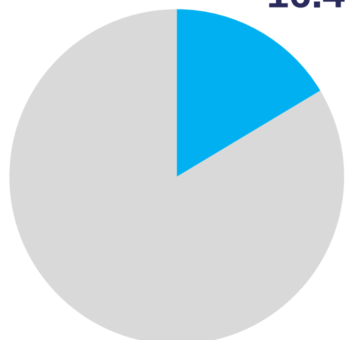
CY13

14.7%



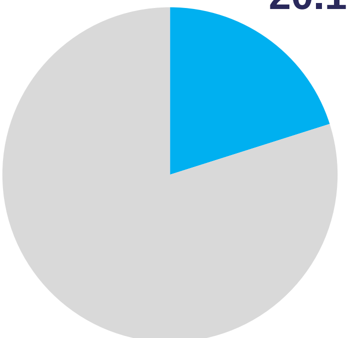
CY14

16.4%



CY15

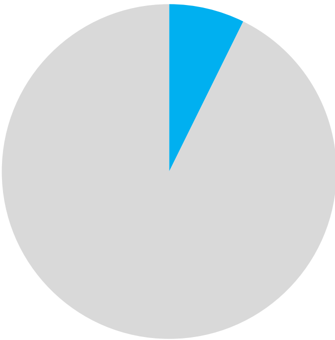
20.1%



Bed Linen

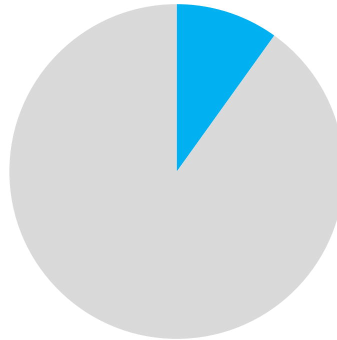
CY13

7.3%



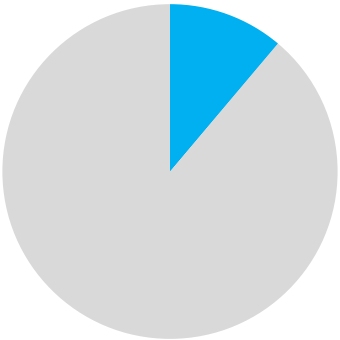
CY14

9.9%



CY15

11.3%



US Market-Source OTEXA

BRANDING OUR INNOVATION

- Launched nation-wide campaign in the US in FY16 to introduce patented Hygrocotton® technology to consumers
- First ever such campaign in textiles in the past 15 years

FOCUS ON INCLUSIVE GROWTH

Virtuous Cycle of Social Development at Welspun

- Sustainability Focus
- Need based Health Camps
- Mobile Medical Vans

- Quality Education at Govt. Schools
- Adult Literacy Education for women

- Natural/ Recycled Products
- Over 320K Trees Planted
- Rain Water Harvesting
- Bio gas plant

- Vocational Training for women and youth
- Employability

FOCUS ON INCLUSIVE GROWTH (Contd.)

Girls Hostel

Vocational Centers for SPUN

Skill Development

Global Women Economic Empowerment Initiative

Education: Students and Govt. Schools Covered

Smart Village

FINANCIAL HIGHLIGHTS

KEY HIGHLIGHTS – Q3 FY17

Robust Volume growth in Terry Towels and Rugs	Christy sales growth at 35% YoY	Tie-ups with Coveted Global Brands including Disney, Minions, FC Barcelona
Operating EBITDA at 23.1% (24.7% adj.) in increasing raw material cost environment	Net debt to Op.EBITDA at 1.75x (Vs 1.6x at FY16-end)	Net Debt to Equity at 1.3x (Vs 1.3x at FY16 –end)
ROCE (pre-tax) at 21.5%	Innovative sales share at 36%	Branded sales share at 16%

FINANCIAL PERFORMANCE – Q3 FY17

(Rs. Million)

Particulars	Q3FY17	Q3FY16	Change YoY	Q2FY17
Revenue	**15,009**	**14,451**	**3.9%**	**17,899**
Operating EBITDA	**3,463**	**4,070**	**-14.9%**	**4,318**
Op. EBITDA Margin	*23.1%*	*28.2%*	*-509 bps*	*24.1%*
EBITDA	**3,673**	**4,251**	**-13.6%**	**4,569**
EBITDA Margin	*24.5%*	*29.4%*	*-495 bps*	*25.5%*
Finance Cost	480	593	-19.0%	320
Depreciation	1,305	989	31.9%	1,264
PBT before exceptional	**1,888**	**2,669**	**-29.3%**	**2,985**
PAT after min. & assoc. (before exceptional)	1,324	1,783	-25.7%	1,999
EPS (Rs.)# (before exceptional)	1.32	1.77	-25.7%	1.99
Exceptional Gain / (Loss)	239	-	-	(4,895)
PBT (after exceptional)	2,127	2,669	-20.3%	(1,910)
PAT after min. & assoc. (after exceptional)	1,494	1,783	-16.2%	(1,475)
Cash Profit*	3,002	3,111	-3.5%	(746)
EPS (Rs.)# (after exceptional)	1.49	1.77	-16.2%	(1.47)

Adjusted Operating EBITDA Margin^ at 24.7%

* PBDT - Tax Outflow
#Adjusted for stock split ^ Adjusted for insurance claim related to power plant
Note: Prior-period figures have been restated according to Ind-AS accounting standards

FINANCIAL PERFORMANCE – 9M FY17

(Rs. Million)

Particulars	9MFY17	9MFY16	Change %
Revenue	**48,834**	**43,077**	**13.4%**
Operating EBITDA	**12,005**	**11,574**	**3.7%**
Op. EBITDA Margin	*24.6%*	*26.9%*	*-228 bps*
EBITDA	**12,655**	**12,246**	**3.3%**
EBITDA Margin	*25.9%*	*28.4%*	*-251 bps*
Finance Cost	1,153	1,700	-32.2%
Depreciation	3,689	2,683	37.5%
PBT before exceptional	**7,813**	**7,863**	**-0.6%**
PAT after min. & assoc. (before exceptional)	5,342	5,406	-1.2%
EPS (Rs.)# (before exceptional)	5.32	5.38	-1.2%
Exceptional Gain / (Loss)	(4,656)	-	-
PBT (after exceptional)	3,157	7,863	-59.8%
PAT after min. & assoc. (after exceptional)	2,037	5,406	-62.3%
Cash Profit*	5,860	8,792	-33.4%
EPS (Rs.)# (after exceptional)	2.03	5.38	-62.3%

Volume Driven Revenue Growth

* PBDT – Tax Outflow
#Adjusted for stock split
Note: Prior-period figures have been restated according to Ind-AS accounting standards

PROFITABILITY TREND

(Rs. Million)

Particulars	FY15	FY16	9M FY17
Revenue	**53,025**	**59,371**	**48,834**
Revenue growth %	*21.3%*	*12.0%*	*13.4%*
Operating EBITDA	**12,742**	**15,899**	**12,005**
Op EBITDA Margin	*24.0%*	*26.8%*	*24.6%*
EBITDA	**13,691**	**16,849**	**12,655**
EBITDA Margin	*25.8%*	*28.4%*	*25.9%*
Depreciation	3,329	3,718	3,689
Finance cost	2,829	2,368	1,153
PBT before exceptional	**7,533**	**10,763**	**7,813**
PAT after min. & assoc. (before exceptional)	5,398	7,400	5,342
EPS (Rs.)# (before exceptional)	5.4	7.4	5.3
Exceptional Gain / (Loss)	-	-	(4,656)
PBT (after exceptional)	7,533	10,763	3,157
PAT after min. & assoc. (after exceptional)	5,398	7,400	2,037
Cash Profit	9,095	12,088	5,860
EPS (Rs.)# (after exceptional)	5.4	7.4	2.0

Consistent double digit growth in revenues

1. Cash Profit = PBDT – Tax Outflow ; 2. 9MFY17 EPS not annualised

BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	31-Dec-15	31-Dec-16
Net Worth	14,318	19,739	18,931	21,692
Short Term Loans	10,034	7,716	14,039	11,869
Long Term Loans	20,817	18,945	17,836	22,575
Gross Debt	**30,851**	**26,661**	**31,875**	**34,443**
Cash & Cash Equiv.	4,297	1,386	4,548	6,436
Net Debt	**26,554**	**25,275**	**27,327**	**28,008**
Capital Employed#	45,451	47,936	49,750	54,061
Net Fixed Assets (incl CWIP)	26,049	33,508	29,737	35,450
Net Current Assets*	13,155	10,726	13,810	14,314
Total Assets	56,953	61,462	62,643	73,525

Capital Employed (Average) = Total assets - Current liabilities (excl short-term debt and long-term debt repayable in one year)

* Net Current Assets does not include Cash & Cash Equivalents

FINANCIAL RATIO TREND

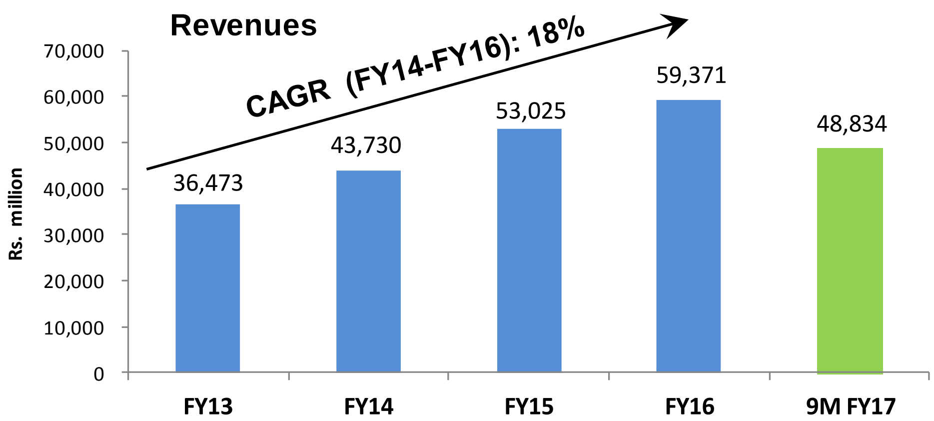
		FY15	FY16	9M FY17*
Solvency ratios	**Net debt/Op. EBITDA**	**2.08**	**1.59**	**1.75**
	Net debt/Equity	**1.85**	**1.28**	**1.29**
	EBIT/Interest	3.66	5.55	7.78
Operational ratios	Current Ratio	1.10	1.15	1.26
	Fixed Asset turnover	2.04	1.77	1.84
	Total Asset turnover	0.93	0.97	0.89
	Inventory days	76	69	71
	Debtor days	31	36	42
	Payable days	48	62	51
	Cash conversion cycle	59	43	62
Return ratios	ROE	42.5%	43.5%	31.8%
	ROCE (pre-tax)	22.8%	27.4%	21.5%

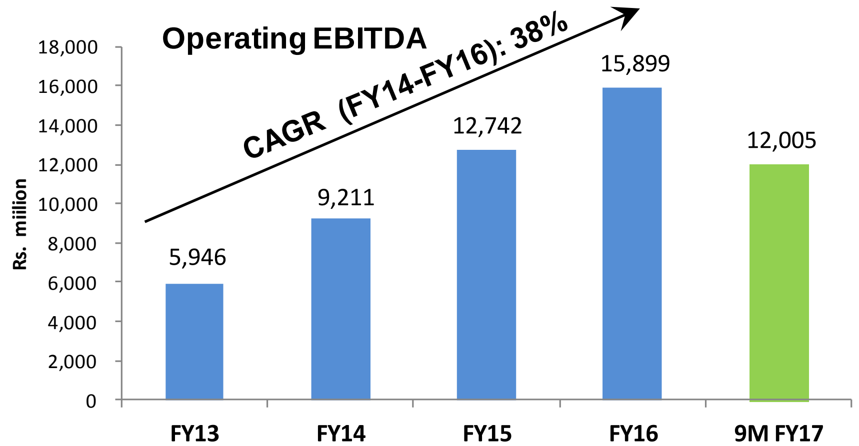
Net Debt/Equity maintained

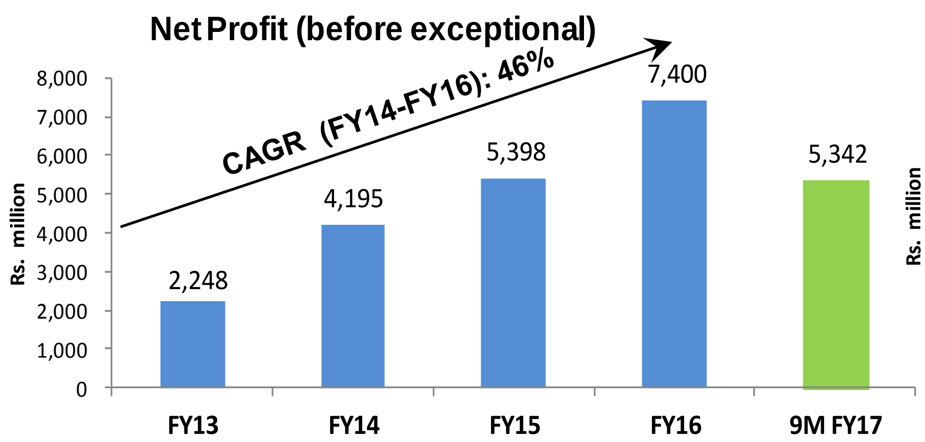
1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. 9M FY17 figures are excluding one time impact of Exceptional item of Rs. 4,656 Mn

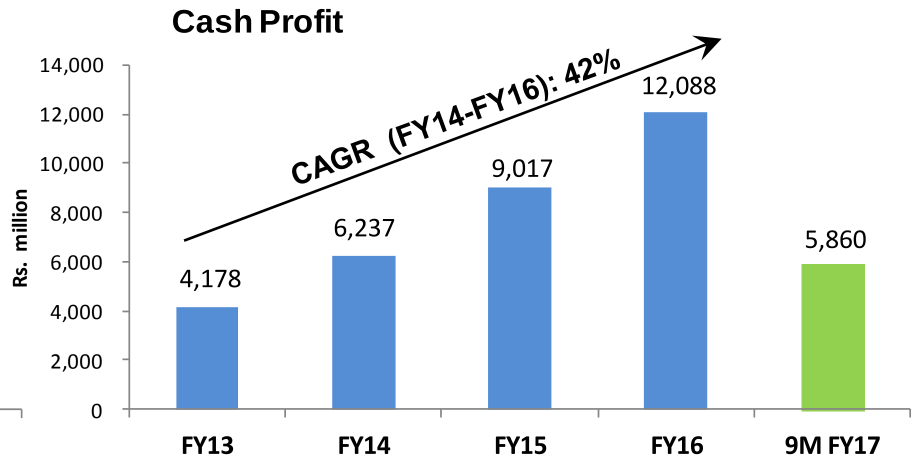
* Annualised

KEY FINANCIAL TREND



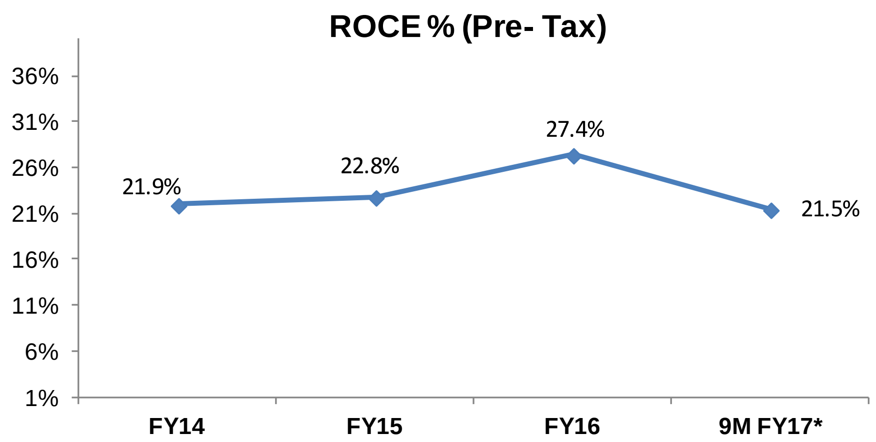


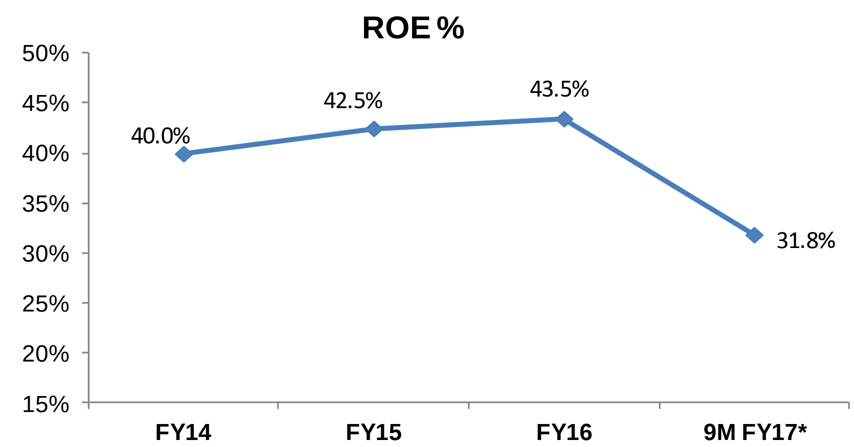


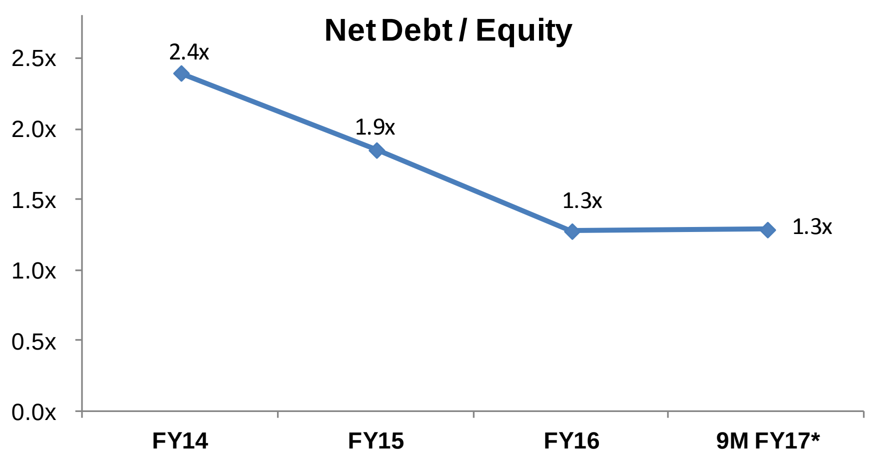


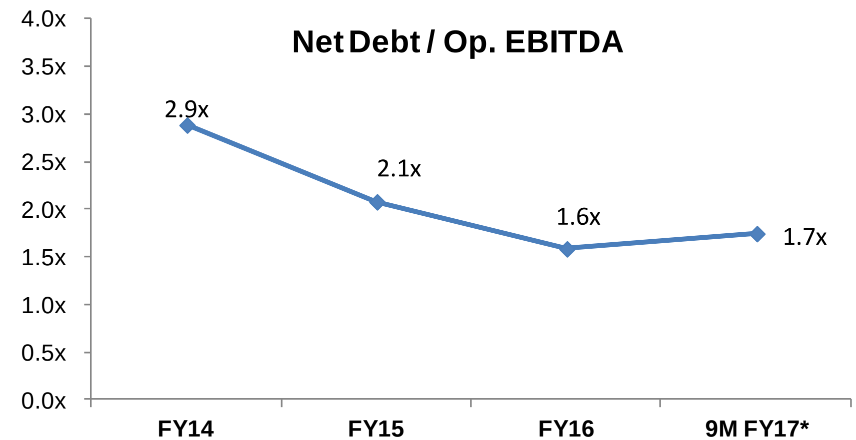
Net Profit 9M FY17 figure is excluding one time impact of Exceptional item of Rs. 4,656 Mn

KEY RATIO TREND







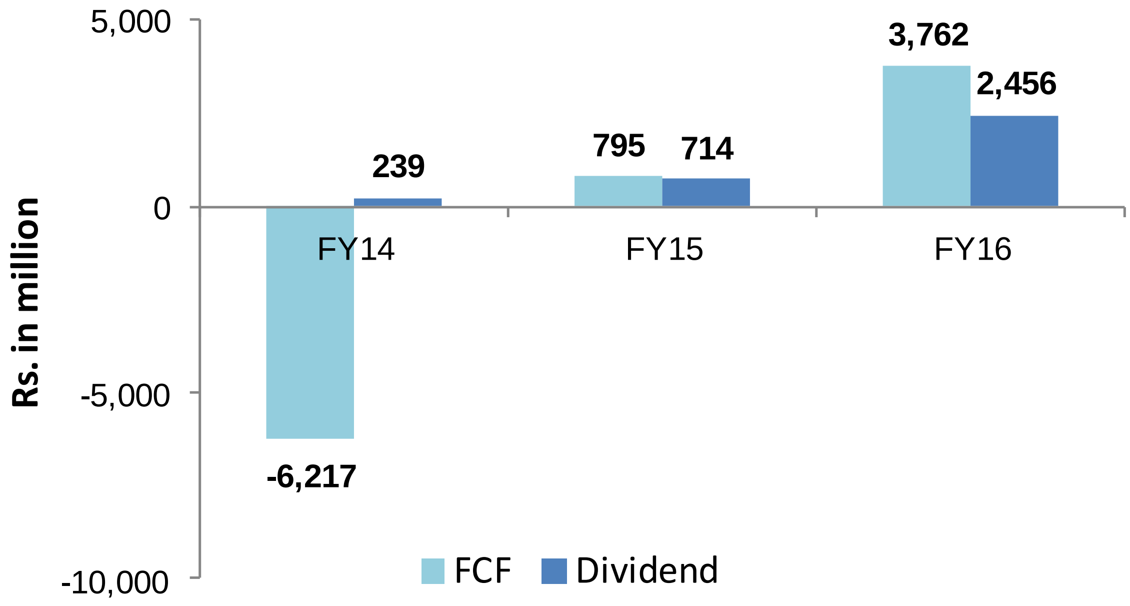


* Annualised

ROCE and ROE 9M FY17 figures are excluding one time impact of Exceptional item of Rs. 4,656 Mn

FOCUS ON FREE CASH FLOW

- Cash flow improvement through tight working capital management and calibrated capex
- FCF positive in the last two years



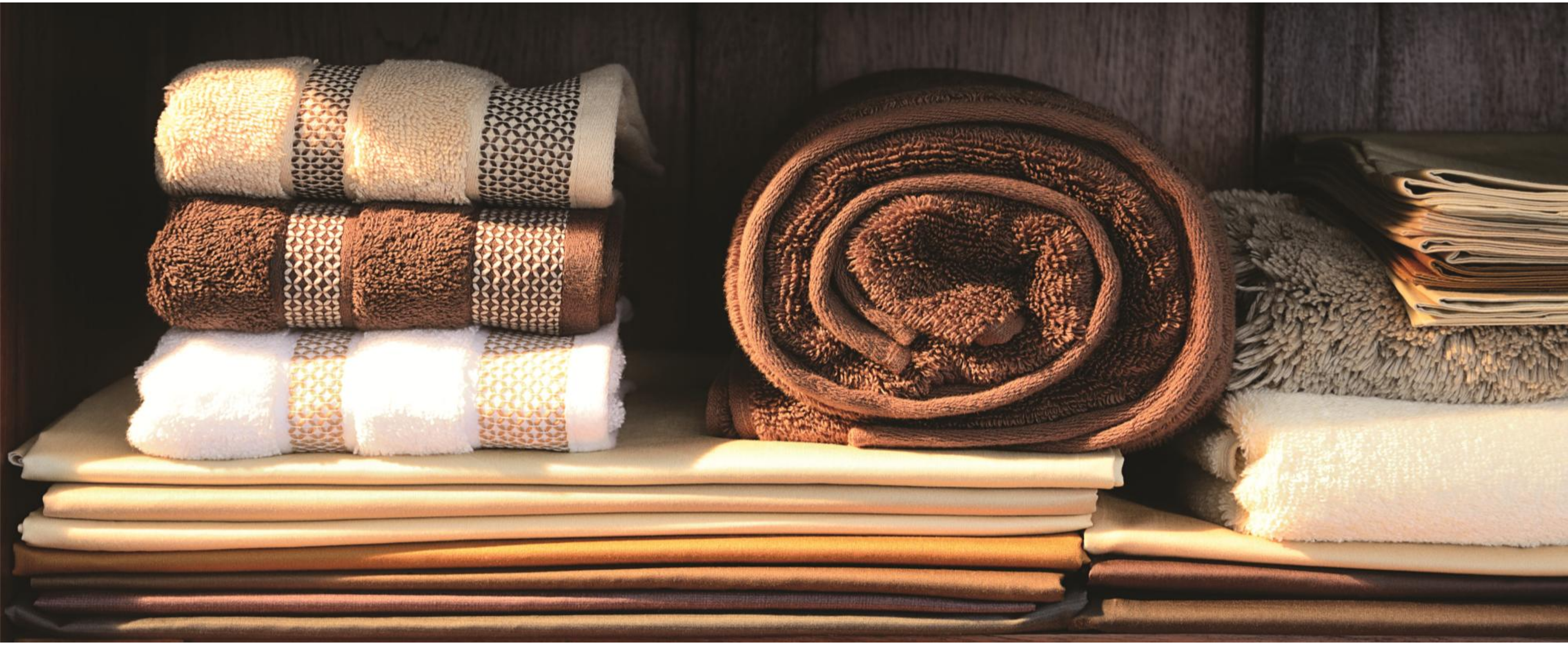
Rs. 10 bn positive swing in FCF in two years

DIVIDEND POLICY

- **Clear, defined Dividend Distribution policy**
  - **25% of standalone PAT to be the total payout (incl. dividend tax)**

Period	Standalone EPS	DPS	Dividend tax per share	Payout Percentage
H1FY15	2.43	0.30	0.06	15%
H2FY15	2.66	0.75	0.15	34%
FY15	**5.09**	**1.05**	**0.21**	**25%**
H1FY16	3.15	0.65	0.13	25%
H2FY16	2.84	0.65	0.13	28%
FY16	**5.99**	**1.30**	**0.26**	**26%**

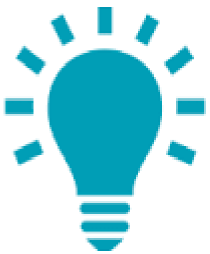
WAY FORWARD



BUILDING A SUSTAINABLE LEADERSHIP POSITION

VISION 2020

LEADING



Innovation

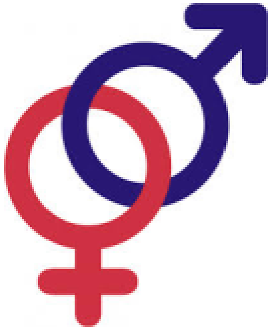
Brands

TOMORROW

Leveraging technology

People development

TOGETHER



Inclusive growth

Collaboration

VISION 2020

WELSPUN 2.0

Revenue

$2 BN

Net Debt

NIL

Innovative/Branded Share of Revenue

50%

Women employees

20%

Share of Domestic Revenue

20%

THANK YOU

For further details, please contact:

Harish Venkateswaran

Sr. General Manager - Group Finance and Strategy

Email: harish_venkateswaran@welspun.com

Altaf Jiwani

Director (Finance) & CFO - Welspun India Limited

Email: altaf_jiwani@welspun.com