

# INVESTOR PRESENTATION

February 2018



## Owned Brands



## Innovations



## Licenses



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Any reference herein to “the Company” shall mean Welspun India Limited, together with its consolidated subsidiaries.

# INTRODUCTION TO WELSPUN GROUP



**Global Leader in  
Home Textiles**



**Global Leader in  
Large Diameter Pipes**



**Infrastructure  
Investments in Oil & Gas**



**Group Revenue  
US\$ 2.3 Billion**

**Market Cap  
US\$ 2.2 Billion**

**Employees  
25,000+**

# AGENDA

1. **Welspun India: An Introduction**
2. **Industry Overview**
3. **Welspun India: Key Differentiators**
4. **Key Strategic Initiatives**
5. **Welspun 2.0 & Way Forward**

# WELSPUN INDIA: AN INTRODUCTION

# WELSPUN INDIA: OVERVIEW

## Largest

Home Textiles Company Globally<sup>(1)</sup>

With presence in

**Bed, Bath & Flooring**

Presence in

**50+ Countries**

Trusted and Preferred Suppliers to

**17 of Top 30**

Global Retail Giants

**27 Patents**

**36% Sales: Innovative Products<sup>(3)</sup>**

**16% Sales: Branded Products<sup>(3)</sup>**

## Ranked #1

among Home Textile Suppliers  
to USA

by Home & Textiles Today magazine for

**5<sup>th</sup> Year in a Row**

**Every 5<sup>th</sup> Towel**  
**Every 10<sup>th</sup> Sheet**

in the US is made by Welspun<sup>(2)</sup>

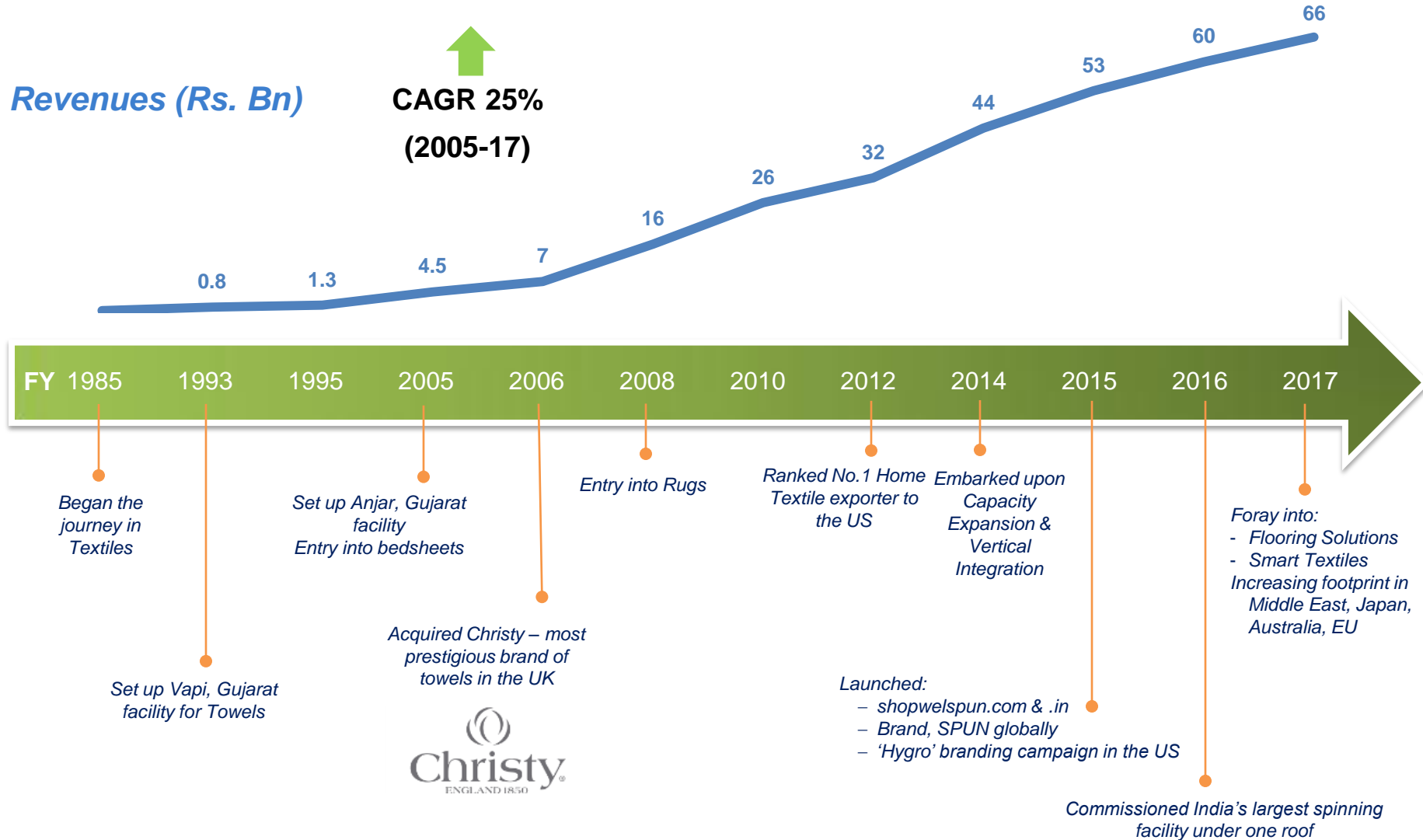
**3E's of Corporate**  
**Social Value**

Education, Environment & Health,  
Empowerment



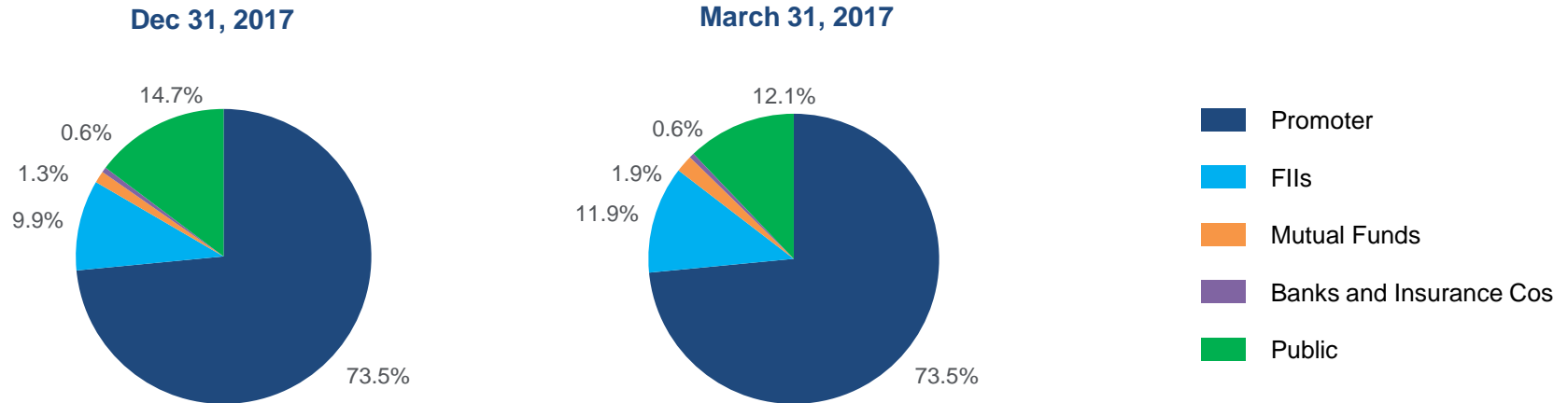


# KEY MILESTONES



# SHAREHOLDING AND TRADING SNAPSHOT

## Shareholding Pattern



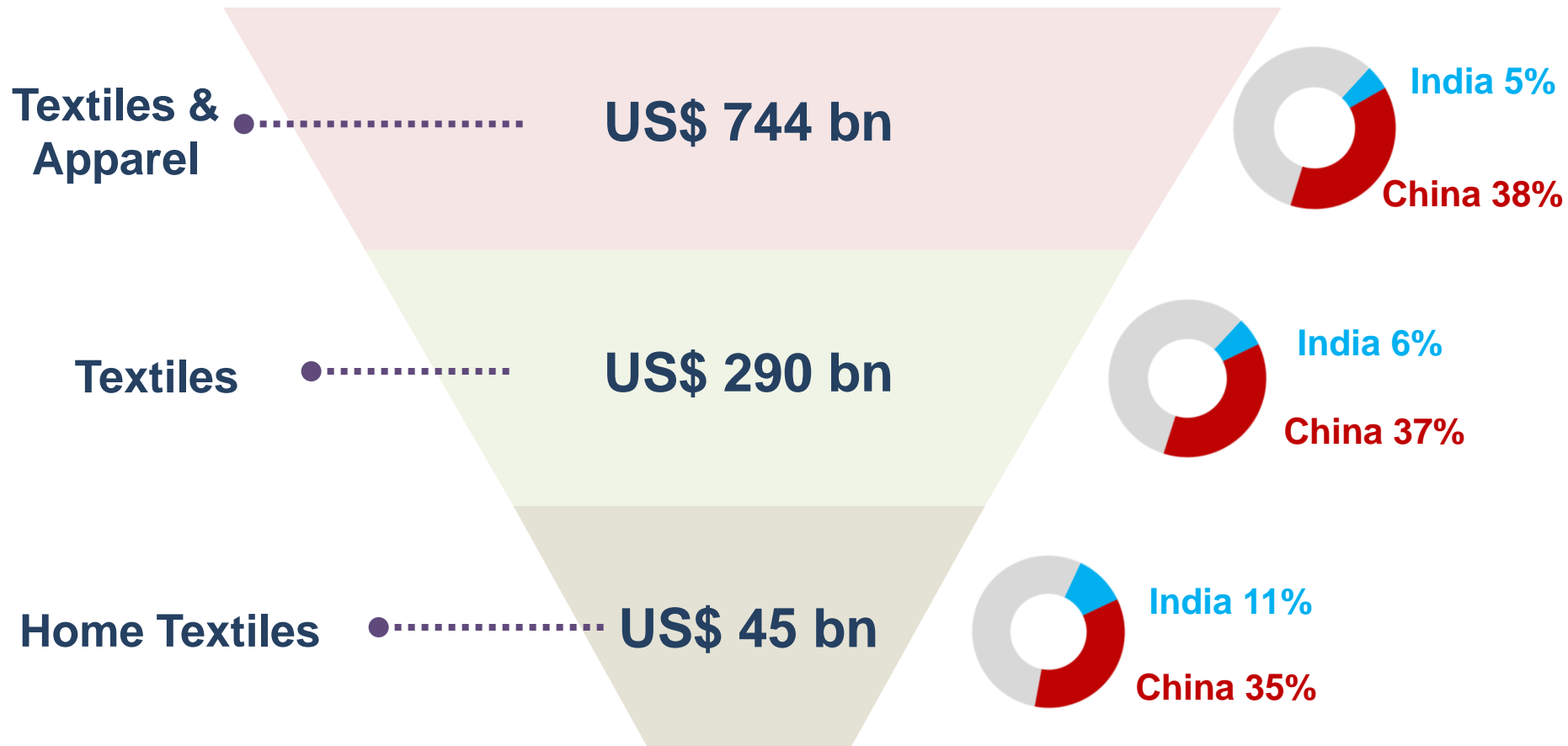
## Market Statistics

As on Dec 31, 2017	INR	USD
Price per share	71.15	1.11
No of Shares outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	71,506	1,120
Daily Average Trading Volumes (Q3FY18) No of shares in Mn	2.22	2.22
Daily Average Trading Value (Q3FY18) (Mn)	155	2.44



# INDUSTRY OVERVIEW

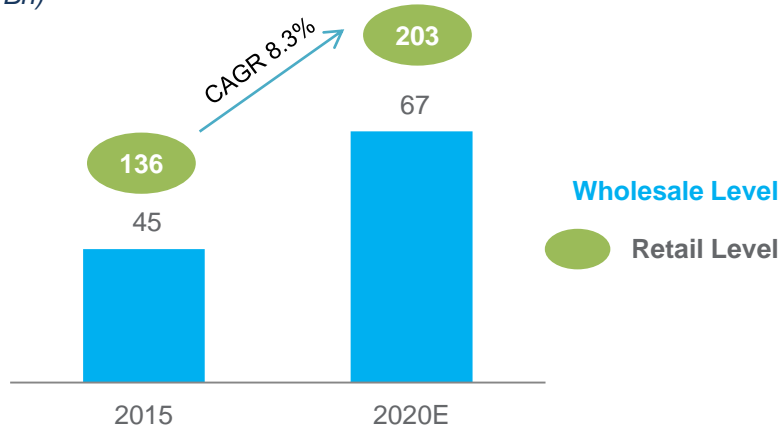
# ASIAN DOMINANCE IN HOME TEXTILES



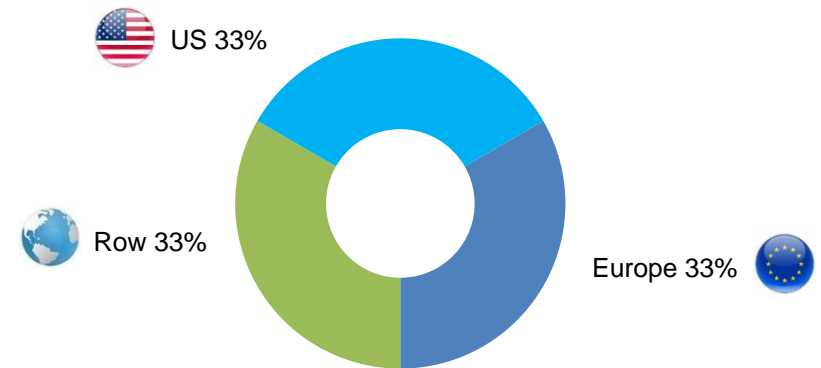
# GLOBAL MARKET OPPORTUNITY

## Global Home Textile Market

(USD Bn)



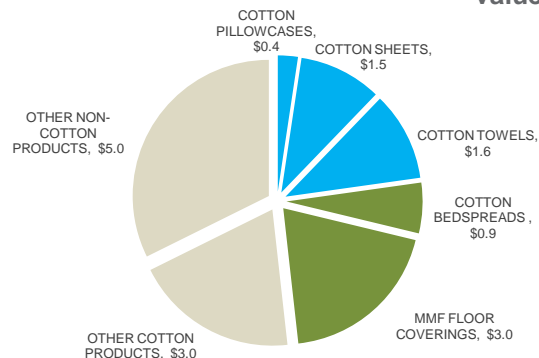
## Market Composition



## US Home Textile Market (2016)

(USD Bn)

US Home Textile Market  
valued at c.\$15 bn



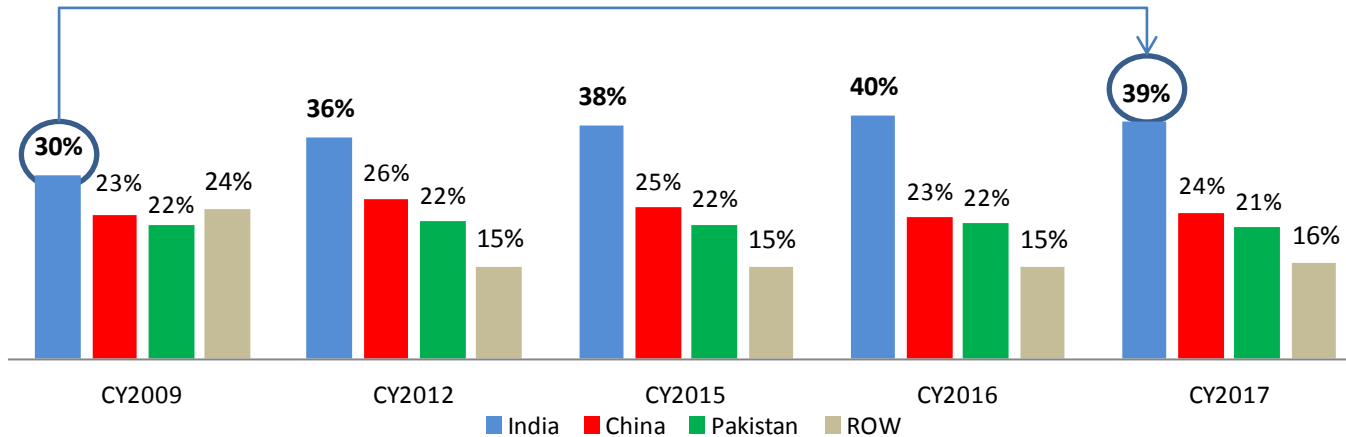
■ Strong Presence of India   ■ Next Opportunity for India

- ✓ **US and Europe** are the major end markets comprising a **third each** of the home textile market
- ✓ Indian Players have concentrated in US because:
  - US is a large and homogenous market making it a more attractive market to target first
  - While US is a level playing field, Europe provides preferential tariff rates to some competing countries

# INDIA- LARGEST PLAYER IN US MARKET

Market Share in US Towel Market

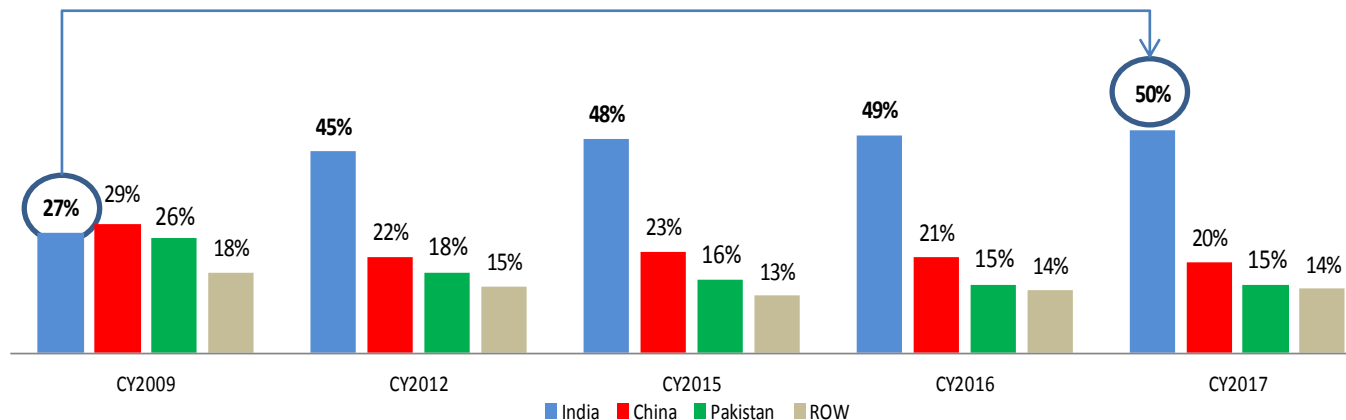
↑ 9 percentage pts



India continues to dominate the US Towel Market

Market Share in US Sheet Market

↑ 23 percentage pts



Half of the US Sheet Market is Served by India

# FACTORS CONTRIBUTING INDIA'S COMPETITIVE ADVANTAGE

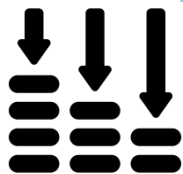
**1** Largest  
Producer of  
Cotton



**2** Favourable  
Socio-Economic  
Factors



**3** Competitive  
Costs



**4** Strong Political  
Leadership  
with Supportive  
Policies



**5** Strong Domestic  
Market  
Potential

**6** Global  
Manufacturing  
Scale



# **WELSPUN INDIA: KEY DIFFERENTIATORS**

# WELSPUN INDIA: BELLWETHER IN HOME TEXTILES

8

**Consistent Financial  
Performance Record**

1

**Leading Market Player  
with a Wide Product  
Range**

7

**Experienced Board and  
Management with Proven  
Track Record**

2

**Vertically Integrated  
Presence with Significant  
Capabilities**

6

**Sustainability at the Core  
of the Business**

3

**Global Distribution  
Network with Marquee  
Clients**

5

**Track Record of  
Innovation**

4

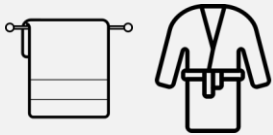
**Diversified Brand  
Portfolio**





## 1 LEADING MARKET PLAYER WITH A WIDE PRODUCT RANGE

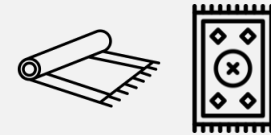
### Widest product range in the Home Textiles segment



**Towels, Bath  
Robe**



**Sheets, TOB, Basic  
& Fashion Bedding**



**Carpets,  
Rugs**



**A differentiated End-to-end Solutions Provider in Home Textiles**



**Uniquely positioned for cross-selling due to Customer reach, Competitive manufacturing, Global delivery model**



**Higher wallet share due to multi-product portfolio**

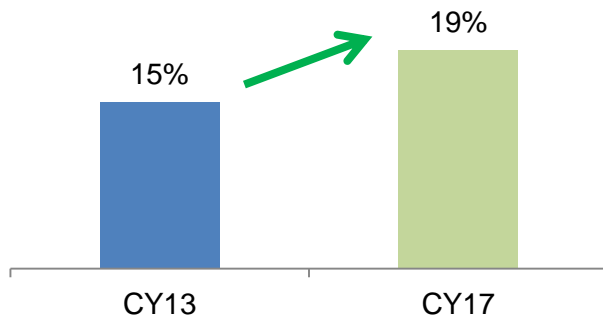


**Strong track record of customer satisfaction and repeat business from them;  
80% revenue from replenishment**

# 1 LEADING MARKET PLAYER

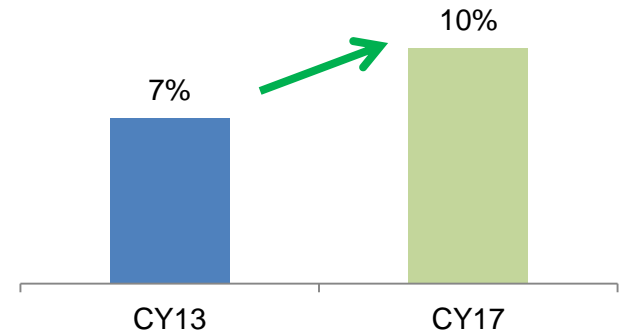
Ranked No.1 supplier to the US for 2016 by Home & Textiles Today magazine; 5th year in a row

Every 5th towel sold in US is made by Welspun

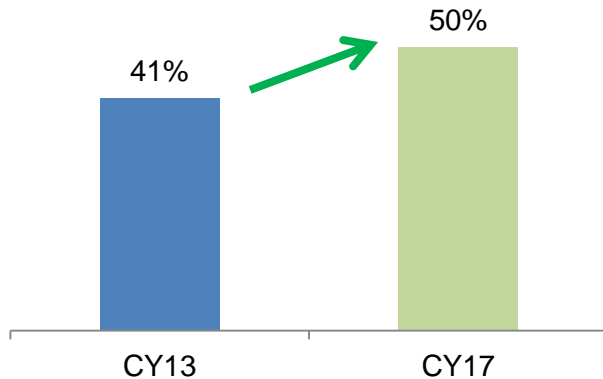


**Welspun's Market Share in US Towels Market**

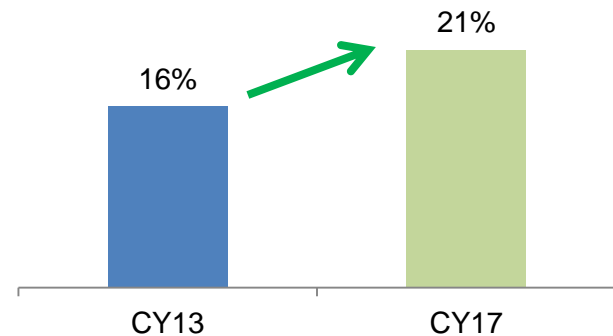
Every 10th sheet sold in US is made by Welspun



**Welspun's Market Share in US Sheets Market**

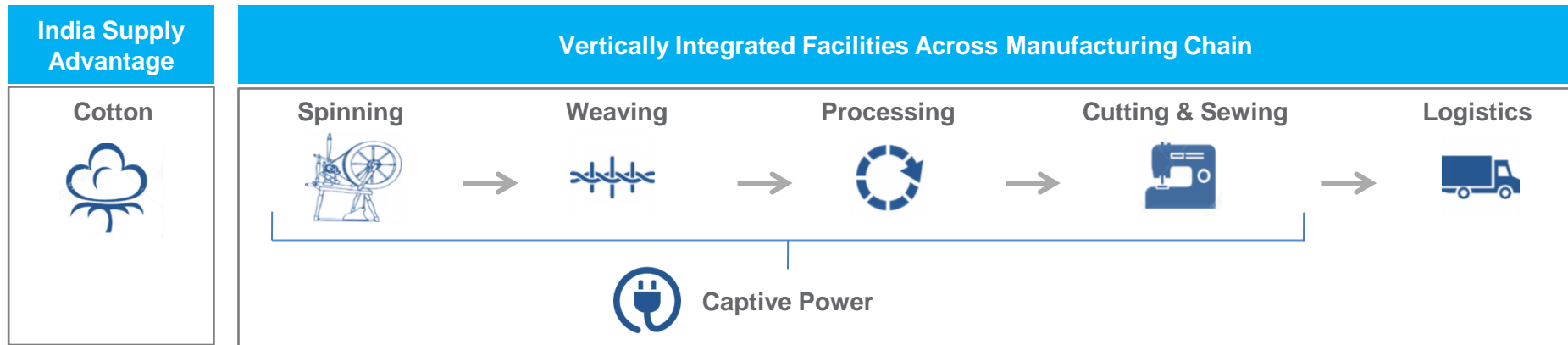


**Welspun's Share in India's exports to US - Towels**



**Welspun's Share in India's exports to US - Sheets**

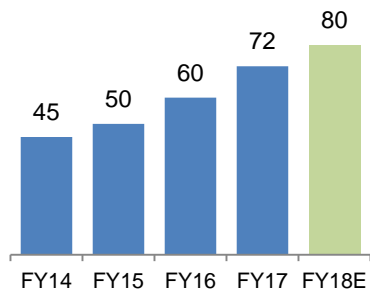
## 2 VERTICALLY INTEGRATED PRESENCE WITH SIGNIFICANT CAPABILITIES



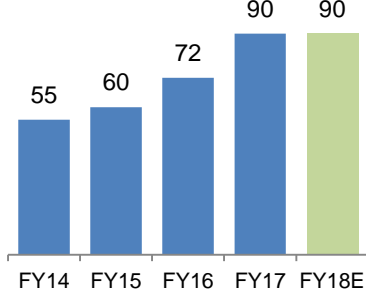
- ✓ Current integration of about 70% in Spinning and Weaving
- ✓ Captive power generation (through thermal power plant)
- ✓ Welspun India's backward integration have helped improve margins, better quality control and timely delivery

### Growing Capabilities

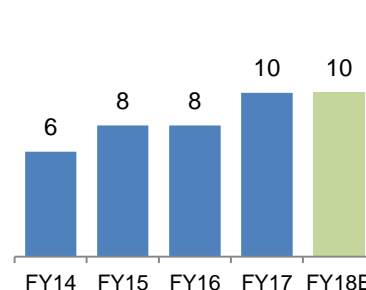
**Towels ('000 MT)**



**Bed Linens ('Mn mtrs)**

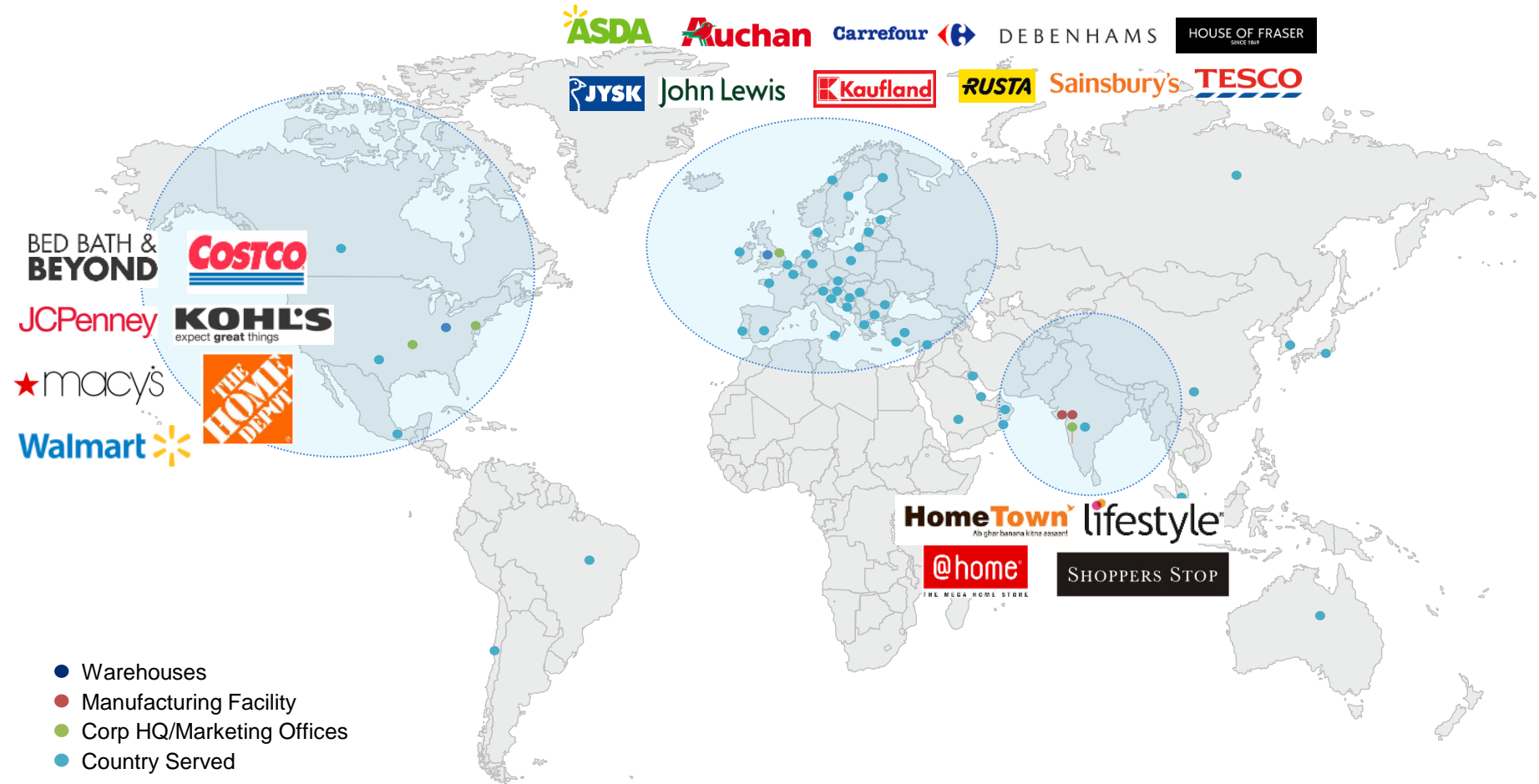


**Rugs & Carpets ('Mn sq. mtrs)**



- ✓ **FY17 Effective Utilisation:**  
 Towels : 97%  
 Sheets : 86%  
 Rugs : 85%
- ✓ Investment of around Rs. 4.5 bn planned in FY18
- ✓ Expansion of Towel capacity & new flooring solutions to be focus

### 3 GLOBAL DISTRIBUTION NETWORK WITH MARQUEE CLIENTS



**Delivery and Reach in Over 50 Countries**

## 4 DIVERSIFIED BRAND PORTFOLIO

### Spectrum of Welspun Brands: Continue to Evolve

Premium &  
Luxury

Innovation

Sustainability &  
Empowerment

Technology



#### Coveted Licenses



Branded Products Contribution to Sales at **16%** in FY17, up from 13% in FY16

## 5 TRACK RECORD OF INNOVATION

- **36%** of Sales from Innovative Products
- **27** unique inventions filed globally



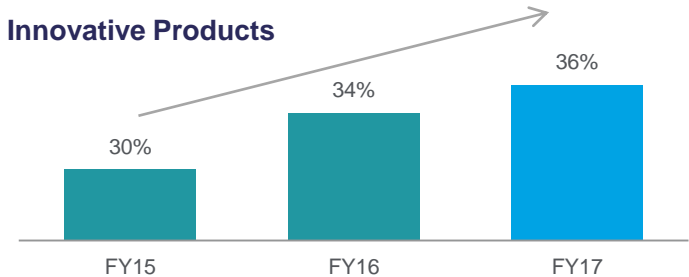
- Crossed \$200 Mn Sales in FY17
- Good traction in hospitality & domestic market



- Received Asthma and Allergy Free Certification for bedding products in US post stringent testing

### Increasing Share of Revenue

#### Innovative Products



The two segments (innovative & branded) together account for c. 40% of revenue

### HYGRO Cotton

before washing    after 3 washings



Regulates temperature for individual comfort



## Global Collaboration on Innovation



Top Universities



Technology Partners



Industry Associations

## 6 SUSTAINABILITY: FOCUS ON THE 3Es



- Quality Education Project
- Adult Literacy Education for women

### Education

### 3Es of Corporate Social Value

### Environment & Health



- Sustainability Focus
- Health Camps & Mobile Medical Vans
- Natural/recycled products
- 320K trees planted
- Rain water harvesting



- Vocational Training for women and youth
- Employability

### Empowerment

### Empowerment

- **Vocation Centers:** 10 centers including SPUN - 351 women trained and 239 women employed in Welspun during the quarter
- **Walmart's SWASTI foundation for Women Empowerment and Training:** Successfully trained 2,335 women in foundation-level and 519 women in advanced level course



### Education

- **Welspun Vidya Mandir at Anjar:** quality education to 1,600 students with 75 Teachers
- **Quality Education Project** at 41 government schools in Anjar reaches out to over 10,000 students.
- 45 para teachers deployed in 33 schools
- SMART class installed in 10 schools.



### Environment & Health

- **Mobile Health Vans (MHV):** Moving dispensary manned by a qualified doctor, pharmacist and a social worker. MHVs reach out to 19 villages with 40,000 villagers benefitted.
- **Health Camps**
- 1,500 toilets have been constructed in 18 villages
- Blindness Control Program for elderly people
- 4,000 saplings planted during the quarter





**6**

# INCLUSIVE GROWTH: IMPLEMENTING SMART VILLAGES

## E-Connectivity

- Wi-fi enabled villages with CCTV coverage
- Complete E-governance
- PA system with speakers
- Comprehensive CMS for Panchayat Office

## Environment

- Green cover in all public land
- Segregation and organized disposal of garbage
- 100% LED / solar street lighting
- Swachh Bharat Abhiyan awareness

## Essential Infrastructure

- Well-constructed roads with kerbstones
- Drainage and sewage disposal systems
- Mobile library



## Education

- Smart centres
- CCTV enabled premises
- Vocation training in secondary schools
- Bio gas for cooking midday meals in school kitchen

## Empowerment

- Upgraded CSR and skill development centres
- E-enabled milk banks
- Vocational training in skills like IT and sering
- 100% enrolment of adults under Government schemes

## 6 SUSTAINABILITY IN EVERYTHING THAT WE DO



**STP Installed with a Capacity to Process 30 MN Liters Per Day; currently saving 6,500 million Liters of Water annually**



**85% Water Recovered From STP Used at Plant**



**10,000 Youth Trained in FY17 via Welspun's Skill Development Program**



**1,200+ Women Engaged Across 10 Vocational Centers**



**Saved 3 mn kWh of Energy in FY17**



**SA 8000 Certified Operations for Socially Responsible Practices**

# EXPERIENCED BOARD & MANAGEMENT WITH PROVEN TRACK RECORD

## Board of Directors

### **B.K.Goenka**, Chairman

- Amongst India's most dynamic businessmen
- Ranked amongst India's Most Powerful CEO by Economic Times
- Emerging Company of the Year Award in 2008

### **Arun Tadarwal**, Independent Director, Audit Committee Chairman

- 20+ years of experience in Finance, Audit, Taxation and Quality Management. Member of ICAI, practicing since 1981

### **Ram Gopal Sharma**, Independent Director

- 40+ years experience in the field of life insurance, mutual funds, finance, training and development.

### **Pradeep Poddar**, Independent Director

- Technocrat & Corporate Leader with 30+ years of experience in consumer products industry and vast experience in brand building

### **Arvind Singhal**, Independent Director

- MBA from University of California, founded Technopak, India's leading management & operations consulting firm with focus on Textiles, Retail, Healthcare etc

### **Padma Betai**, Nominee Director

- CFO of IDBI Bank with nearly 20 years covering areas like Treasury, Retail Banking, Corporate Advisory Services & Domestic Resources

## Management Team

### **Rajesh Mandawewala**, Managing Director

- In-charge of textile business; instrumental in growing reach over 50 countries
- 25+ years of experience in industries varying from Textiles to SAW pipes.
- He is a Qualified chartered accountant

### **Dipali Goenka**, CEO & Joint Managing Director

- Driving force behind textile business, successfully led development of two brands – SPACES and Welhome
- Graduate in Psychology and completed Management Programme from Harvard

### **Altaf Jiwani**, CFO (Welspun India)

- 25+ years experience in corporate finance roles across diverse industries.
- Previously worked with the RPG Group for 19 years
- His last role was as the CFO of Phillips Carbon Black

### **Julie McKenzie**, CEO (Welspun USA)

- 35+ years of domestic and international experience in sales, merchandising, sourcing and licencing in the retail industry .
- Has been previously associated with Nickelodeon, Wal-Mart among others

### **Leigh Taylor**, CEO & President (Welspun UK)

- 30+ years of international experience across consumer products industry.
- Turnaround specialist with expertise in innovation and new product development

**7**

## AWARDS & ACCOLADES – TESTIMONY TO EXCELLENCE

**Dipali Goenka**

Featured at #16 in  
Asia's Top 50 Power  
Businesswomen (2016)

**Forbes**

**Asia's 50  
Power  
Businesswoman**

**Best  
Quality Supplier  
(2016)**

**Auchan** | RETAIL  
FRANCE

**Best Quality  
Supplier**

**Best Performing Brand  
"Spaces"  
(Home Category)**

SHOPPERS STOP

**Best Performing  
Brand**

**Winner  
in Textiles Sector  
(2016)**

dun & bradstreet

**Corporate  
Awards 2016**

**Conferred with  
Sustainability 4.0  
Certificate of Merit**

FROST & SULLIVAN

**Sustainability**

**Winner of  
12 Gold Trophies**

 **Quality Circle  
Forum of India**

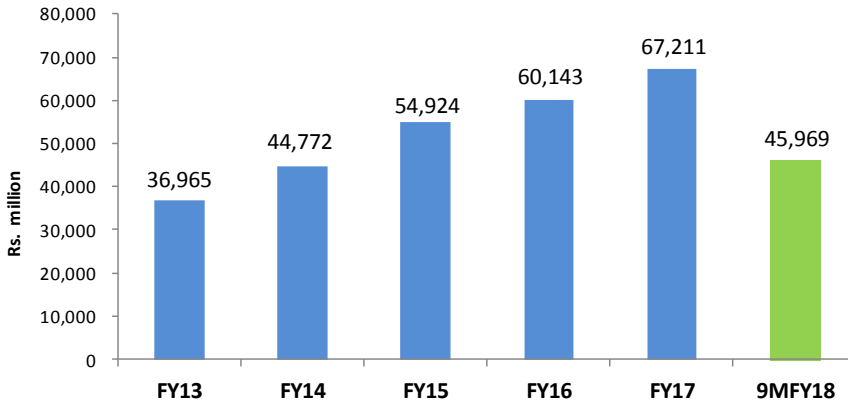
**Quality**

*and many more....*

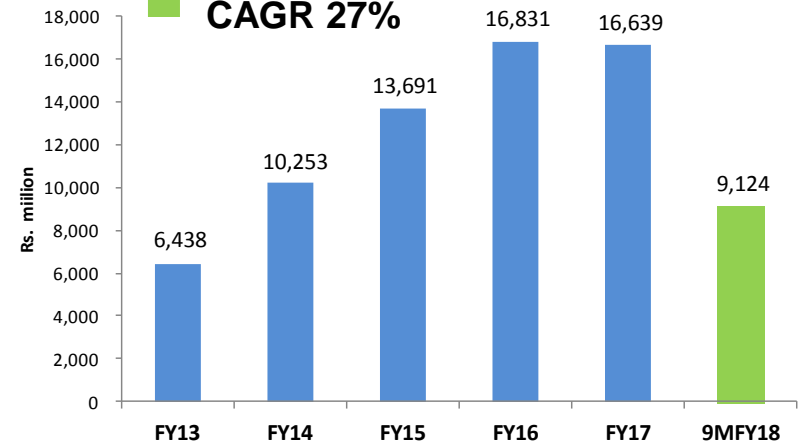
**8**

## CONSISTENT FINANCIAL PERFORMANCE RECORD

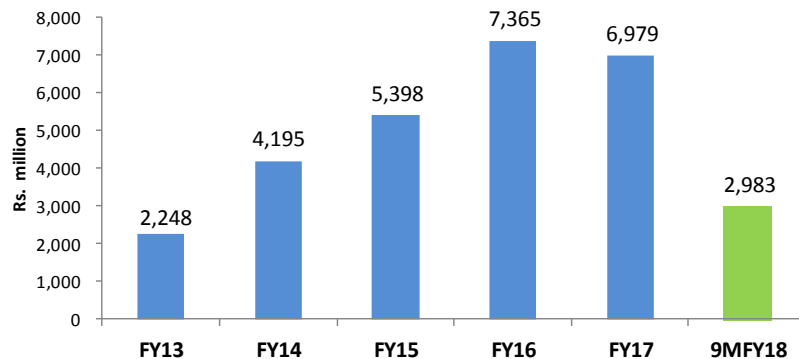
↑ **Total Income**  
**CAGR 16%**



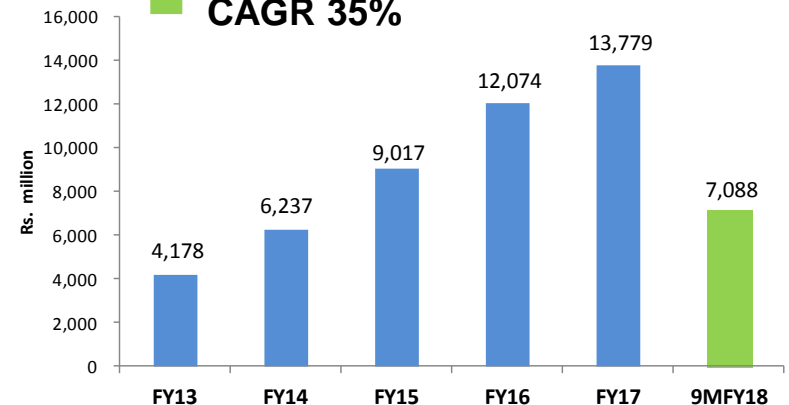
↑ **EBITDA**  
**CAGR 27%**



↑ **Net Profit**  
**CAGR 33%**



↑ **Cash Profit**  
**CAGR 35%**

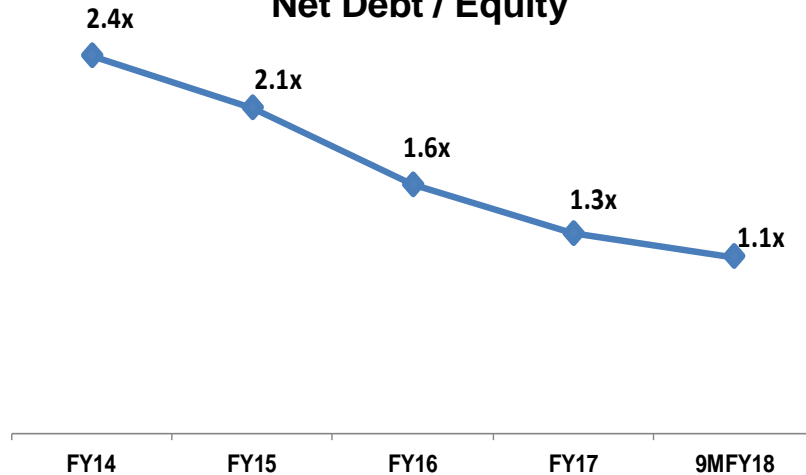
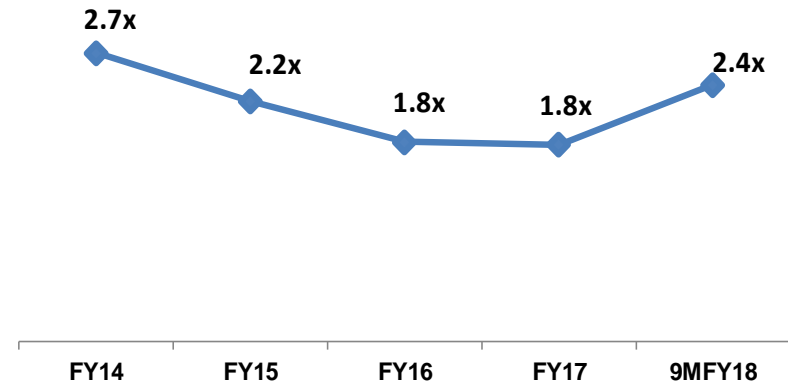
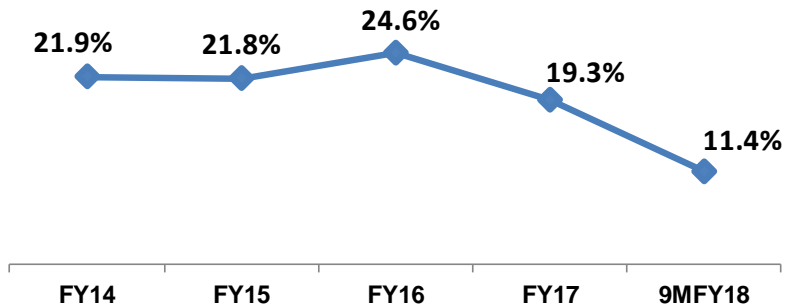
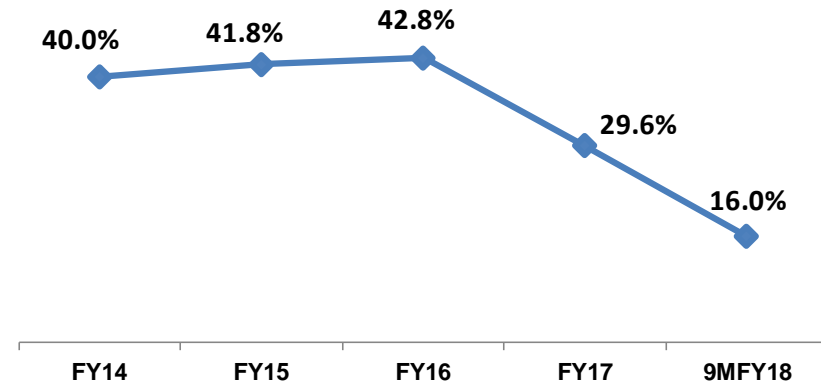


Net Profit & Cash Profit FY17 figure is excluding one time impact of Exceptional item of Rs. 5,005 Mn

CAGR is based on FY13-FY17

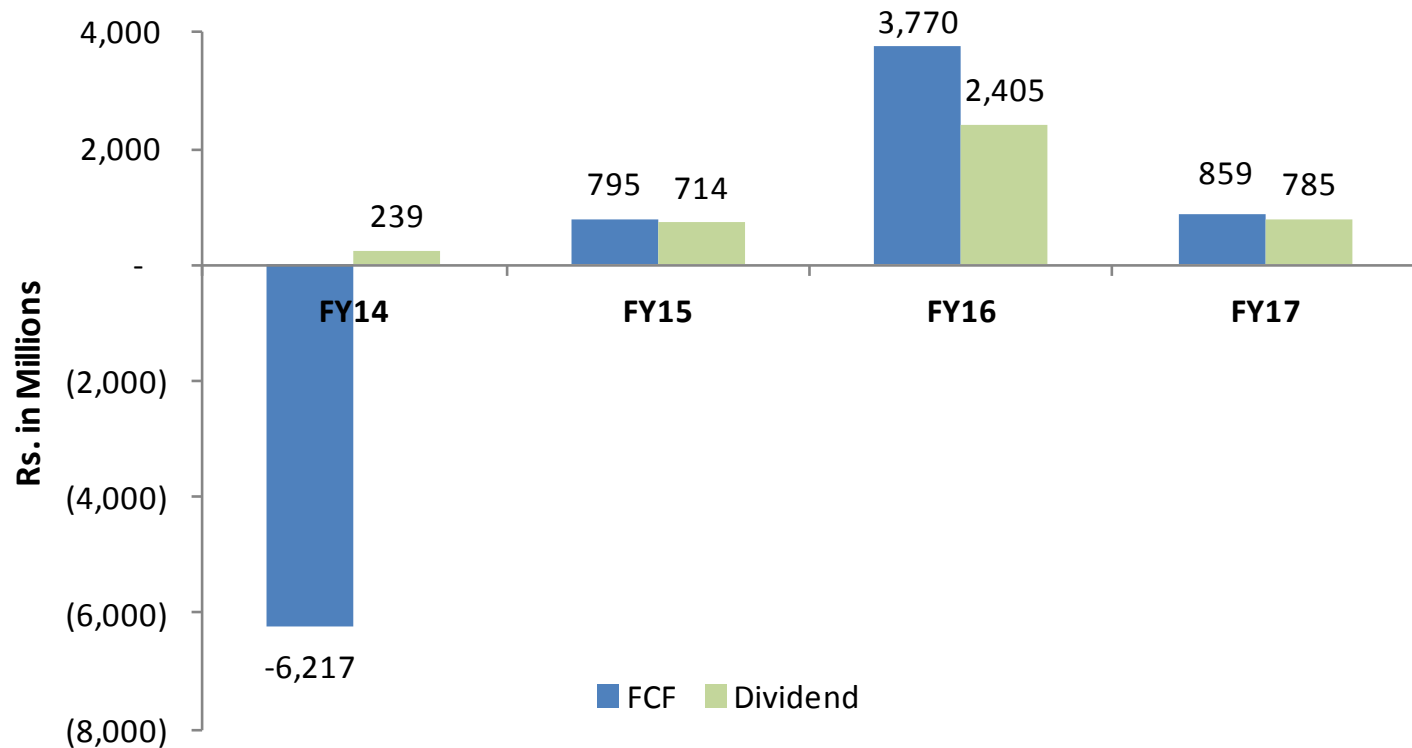
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# CONSISTENT FINANCIAL PERFORMANCE RECORD

**Net Debt / Equity**

**Net Debt / EBITDA**

**ROCE % (Pre-Tax)**

**ROE %**


8

## CONTINUED FOCUS ON FREE CASH FLOW



**FCF positive for three consecutive years**

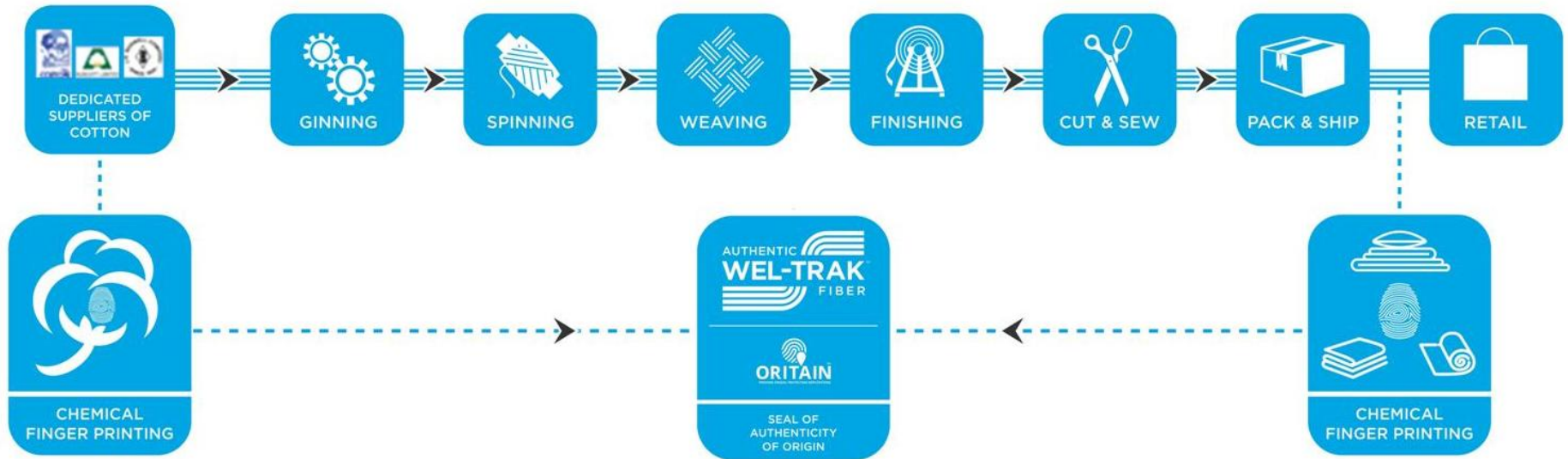


# KEY STRATEGIC INITIATIVES

# WELSPUN'S PATENTED GLOBAL COTTON INTEGRITY PROCESS



Welspun's patented Wel-Trak™ process, supplemented by scientific traceability from Oritain™, is now the most comprehensive end-to-end fiber tracking process.



- Verifies fiber from the origin and at every stage of production
- Ensures rigorous process control of fiber's physical parameters
- Authenticates cotton from dedicated sources
- Assures independent third party testing
- Allows consumers to track fiber in product back to the farm where it was produced

Visit  
[Wel-Trak.com](https://www.wel-trak.com)



# SMARTSOURCING: ASSET LIGHT FUTURE GROWTH

## SYNERGISTIC BENEFITS



Assured  
Supply



Lower  
transportation  
costs



Lower inventory  
Lower Interest  
cost



Recycling of  
packaging

**Collaboration with  
Suppliers for Lead Time  
Reduction via Exclusive  
Set-up of Welspun  
Ancillary Units**

- **Already Established Ancillaries**
  - **Spinning**
  - **Trims**
  - **Packaging materials**



**Omni-Channel Support  
to Top Global Retailers  
via Product  
Development,  
Warehousing, Pick and  
Pack, Drop-Ship and  
Analytics**

**SCM Analytics for Our  
Customers**



Integrate



Analyze

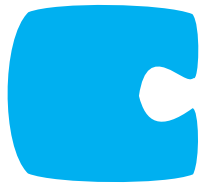


Visualize

# **WELSPUN 2.0 & WAY FORWARD**

# WELSPUN INDIA: VISION 2022

## WELSPUN2.0



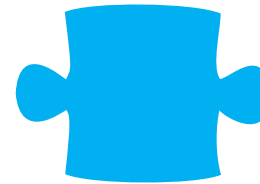
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1

Innovation &  
Patents

2

Brands

3

New Markets

4

New Channels

5

New Products

Revenue

**\$2bn**

Net Debt

**NIL**

Innovative / Branded  
Revenue Share

**50%**

Women  
Employees

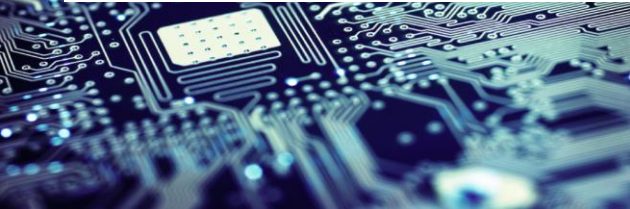
**20%**

Share of Domestic  
Revenue

**20%**

# 1 INNOVATION & PATENTS

## TECHNOLOGY



Transcends to  
with

## HOME TEXTILES



- ✓ Creating interactive experiences through seamless integration of smart technology with home textiles
- ✓ Patented augmented reality home décor

Launched in the US for Holiday 2016. Presented at CES 2017 at Las Vegas to Extensive Media Coverage



Consumer  
Technology  
Association™



## 2 BRANDS

### Global Expansion of Owned Brands

#### A 150-Year Old Legacy.. Reinvented



- ✓ Reinvigorated the Christy Brand, which has dominant presence in UK
- ✓ Introduced the brand in US, China and Middle East; witnessed healthy growth
- ✓ Long Standing Associations like Wimbledon, Rugby World Cup and Royal Ascot

### Domestic Expansion

- ✓ India – one of the fastest growing economies in the world with huge potential for increasing organized market
- ✓ 'Spaces' was recently recognized as a **best performing brand in home category** in Shoppers Stop
- ✓ Presence in **200+ shop-in-shops**
- ✓ Licenses for Domestic Market:



#### The Next Growth Engine

# 3

## NEW MARKETS

### Composition of Sales (FY17)

- Indian Urban Home Textile market is expected to grow from INR 257bn in 2016 to INR 438bn by 2021 (i.e. CAGR of 11.25%)
- Government's Policy on 'Housing for all by 2022' to boost domestic consumption
- Implementation of GST to accelerate move towards organised sector

**Europe:**  
17-18%



Presence in Europe is limited because:

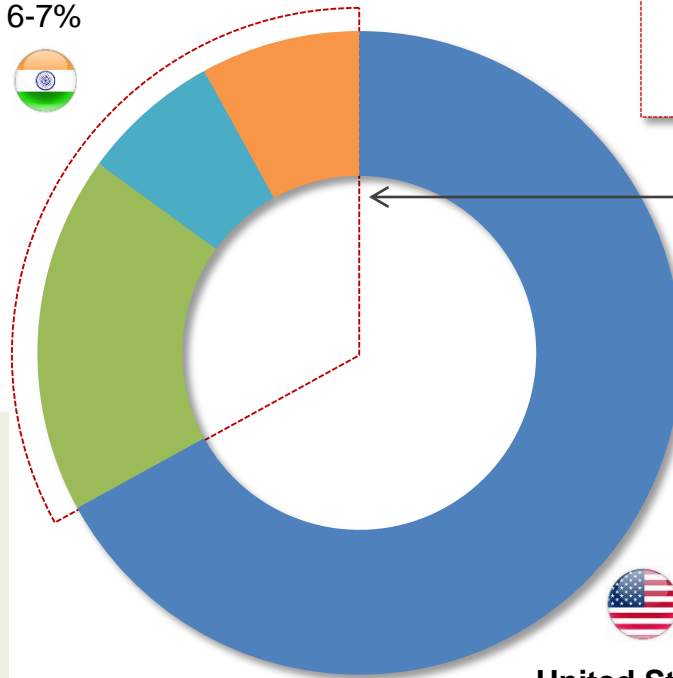
- Pakistan, Turkey, Egypt and Bangladesh have preferential tariff rates from EU, exempting them from import duties
- Welspun's focus on EU has been more recent, mainly through its innovative products

Presence in Japan, the Middle East, Australia, Russia and South Africa

**India:**  
6-7%



**RoW:**  
9-10%



**United States:**  
66-68%



### Future Strategy

- Welspun India to focus on increasing presence in subscale / new markets
- Non-US business is likely to account for larger share of incremental revenue going forward

Continue to gain market share in the US Home Textile market and grow its US business in the medium – long term

**4**

## NEW CHANNELS

### Hospitality and Healthcare

- ✓ The US hospitality and healthcare market is c. \$1.5bn (i.e. for towels and sheets); Welspun currently earns c. \$50mn from these categories indicating huge growth potential
- ✓ Focus on domestic as well as international markets
- ✓ Tied up with leading hotel chains and wellness centers

### E-Commerce

- ✓ Created Drop-Ship facility in US, UK & India
- ✓ Leveraging distribution infrastructure to serve customers of:
  - ✓ Online channel of Brick & Mortar retailers
  - ✓ Online marketplaces
  - ✓ Own e-commerce portal (shopwelspun.in for India and shopwelspun.com for the US)

## 5 NEW PRODUCTS

### 1 Flooring Solutions to Drive Growth

- **Offerings:** *Existing* – bath rugs, floor rugs and decorative carpets  
*Potential* – tile carpets segment, wall-to-wall carpets
- **Market Size:** Domestic market is c. US\$125mn with potential to increase to US\$500mn in the next 5 years
- **Capex:** Planned capex of INR 6bn ((likely to be installed and functional by H2 FY19)



### 2 Untapped Opportunity in Bedding

- Large untapped opportunity in basic bedding, comforters and quilts
- Currently, China dominates the market; India is gradually making inroads
- Contributed 2% of sales in FY17



### 3 Technical / Advanced Textiles

- Products for specialized use in healthcare, fire departments, aerospace, defense, automobile, railways and other utilities.
- These products include specialized features such as fire retardants, stain resistant, anti-bacterial, PET resistant, and soil resistance, among others.
- Contributed 2% of sales in FY17

### 4 Smart Textiles

- Creating interactive experiences through seamless integration of smart technology with home textiles

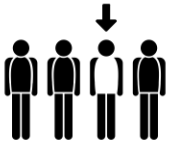


# RAISING THE BAR

Differentiation

Strategy :

*Innovation,  
Branding &  
Sustainability*



Industry Defining  
Traceability  
Solution



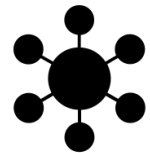
Focus on  
Domestic Market



New Product  
Lines



New channels



## MOVING TOWARDS VISION 2022



Volatile raw  
material costs



Rising energy costs



Appreciating Rupee

# THANK YOU

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# APPENDIX

## KEY HIGHLIGHTS- Q3 FY18

**'Christy' presence  
expanded to 36 stores  
in China**

**New 'Spaces'  
campaign creates  
strong recall value in  
the domestic market**

**Partnership with  
Oritain™ under Wel-Trak™  
Global Cotton Integrity  
Process**

**New state-of-the art  
warehousing facility in  
US East Coast for  
future-ready supply  
chain**

**Only Indian company  
ranked among Top-3 in  
Product-Wise  
Sustainability scores  
by 'Walmart'**

**Gold trophy from  
Texprocil for Highest  
Exports for the 5<sup>th</sup>  
year in a row**

**EBITDA Margin at 19.0%**

**Net Debt/Equity at 1.12x**

**Net Debt/EBITDA at 2.38x**



# FINANCIAL PERFORMANCE – Q3 FY18

(Rs. Million)

Particulars	Q3FY18	Q3FY17	Change YoY	Q2FY18	Change QoQ
<b>Total income</b>	<b>14,143</b>	<b>15,218</b>	<b>-7.1%</b>	<b>16,299</b>	<b>-13.2%</b>
<b>EBITDA</b>	<b>2,687</b>	<b>3,673</b>	<b>-26.8%</b>	<b>3,063</b>	<b>-12.3%</b>
<i>EBITDA Margin</i>	<i>19.0%</i>	<i>24.1%</i>	<i>-513 bps</i>	<i>18.8%</i>	<i>21 bps</i>
Finance Cost	345	480	-28.1%	325	6.3%
Depreciation	1,272	1,305	-2.5%	1,287	-1.2%
<b>PBT</b>	<b>1,070</b>	<b>1,888</b>	<b>-43.3%</b>	<b>1,451</b>	<b>-26.3%</b>
Exceptional Gain	-	239		-	
PAT (Before Minority Interest)	795	1,502	-47.1%	1,003	-20.7%
<b>PAT (After Minority Interest)</b>	<b>774</b>	<b>1,494</b>	<b>-48.2%</b>	<b>966</b>	<b>-19.9%</b>
<i>PAT Margin</i>	<i>5.5%</i>	<i>9.8%</i>	<i>-434 bps</i>	<i>5.9%</i>	<i>-45 bps</i>
Cash Profit	2,270	2,563	-11.4%	2,393	-5.1%
EPS* (Rs.)	0.77	1.49	-48.2%	0.96	-19.9%

\* EPS not annualised

Note: Cash Profit = PBDT before exceptionals less Current Tax

# FINANCIAL PERFORMANCE – 9M FY18

(Rs. Million)

Particulars	9MFY18	9MFY17	Change YoY
<b>Total income</b>	<b>45,969</b>	<b>49,484</b>	<b>-7.1%</b>
<b>EBITDA</b>	<b>9,124</b>	<b>12,655</b>	<b>-27.9%</b>
<i>EBITDA Margin</i>	<i>19.8%</i>	<i>25.6%</i>	<i>-573 bps</i>
Finance Cost	1,027	1,153	-10.9%
Depreciation	3,741	3,689	1.4%
<b>PBT</b>	<b>4,356</b>	<b>7,813</b>	<b>-44.2%</b>
Exceptional (Loss)	-	(4,656)	
PAT (Before Minority Interest)	3,083	2,079	48.3%
<b>PAT (After Minority Interest)</b>	<b>2,983</b>	<b>2,037</b>	<b>46.4%</b>
<i>PAT Margin</i>	<i>6.5%</i>	<i>4.1%</i>	<i>237 bps</i>
Cash Profit	7,088	10,623	-33.3%
EPS* (Rs.)	2.97	2.03	46.4%

\* EPS not annualised

Note: Cash Profit = PBDT before exceptionals less Current Tax

# FINANCIAL PERFORMANCE TREND

(Rs. Million)

Particulars	FY15	FY16	FY17	9MFY18
<b>Total income</b>	<b>54,924</b>	<b>60,143</b>	<b>67,211</b>	<b>45,969</b>
<i>Growth %</i>	22.7%	9.5%	11.8%	-7.1%
<b>EBITDA</b>	<b>13,691</b>	<b>16,831</b>	<b>16,639</b>	<b>9,124</b>
<i>EBITDA Margin</i>	24.9%	28.0%	24.8%	19.8%
Depreciation	3,329	3,718	5,054	3,741
Finance cost	2,829	2,368	1,583	1,027
<b>PBT</b>	<b>7,533</b>	<b>10,745</b>	<b>10,003</b>	<b>4,356</b>
Exceptional (Loss)	-	-	(4,648)	-
PAT (Before Minority Interest)	5,443	7,491	3,624	3,083
<b>PAT (After Minority Interest)</b>	<b>5,398</b>	<b>7,365</b>	<b>3,576</b>	<b>2,983</b>
Cash Profit	9,095	12,074	13,779	7,088
EPS* (Rs.) #	5.4	7.3	3.6	3.0

\* 9MFY18 EPS not annualised

Note: Cash Profit = PBDT before exceptionals less Current Tax

#Adjusted for stock split

# BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	31-Mar-17	31-Dec-17
Net Worth	14,732	19,700	23,971	25,759
Short Term Loans	13,936	13,533	11,721	13,594
Long Term Loans	20,864	18,945	21,393	21,259
<b>Gross Debt</b>	<b>34,800</b>	<b>32,478</b>	<b>33,114</b>	<b>34,853</b>
Cash & Cash Equiv.	4,321	1,388	2,725	5,950
<b>Net Debt</b>	<b>30,479</b>	<b>31,090</b>	<b>30,389</b>	<b>28,903</b>
Average Capital Employed#	47,619	53,331	58,189	63,150
Net Fixed Assets (incl CWIP)	26,049	33,508	35,713	34,242
Net Current Assets*	17,630	16,845	20,114	21,797
Total Assets	58,960	65,491	73,283	73,683

# Capital Employed = Net worth + Gross Debt + Other Long Term Liabilities

\* Net Current Assets does not include Cash & Cash Equivalents

# FINANCIAL RATIO TREND

		FY15	FY16	FY17	9MFY18
<b>Solvency ratios</b>	Net debt/Equity	2.07	1.58	1.27	1.12
	Net debt/EBITDA	2.23	1.85	1.83	2.38
	EBIT/Interest	3.66	5.54	7.32	5.24
<b>Operational ratios</b>	Current Ratio	1.12	1.15	1.41	1.47
	Fixed Asset turnover	2.04	1.77	1.86	1.77
	Total Asset turnover	0.90	0.90	0.91	0.82
	Inventory days	76	68	70	68
	Debtor days	40	52	53	46
	Payable days	30	41	41	32
	Cash conversion cycle	86	79	82	82
<b>Return ratios</b>	ROE	41.8%	42.8%	29.6%	16.0%
	ROCE (pre-tax)	21.8%	24.6%	19.3%	11.4%

## Continuous Improvement in Net Debt/Equity

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. FY17 Return Ratios figures are excluding one time impact of Exceptional item of Rs. 5,005 Mn

# DIVIDEND POLICY

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

Period	Standalone EPS	DPS	Dividend tax per share	Payout Percentage
FY15	5.09	1.05	0.21	25%
FY16	5.99	1.30	0.26	26%
FY17	3.05	0.65	0.13	26%