

INVESTOR PRESENTATION

July 2019



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\$ 2.7 Billion**

**Fixed Asset Base
US\$ 0.9 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⁽¹⁾

With presence in

Bed, Bath & Flooring

Presence in

50+ Countries

Trusted and Preferred Suppliers to

17 of Top 30

Global Retail Giants

31 Unique innovations

38% Sales: Innovative Products⁽³⁾

17% Sales: Branded Products⁽³⁾

Ranked #1

among Home Textile Suppliers
to USA

by Home & Textiles Today magazine

5 Times in Last 6 Years

Every 5th Towel
Every 9th Sheet

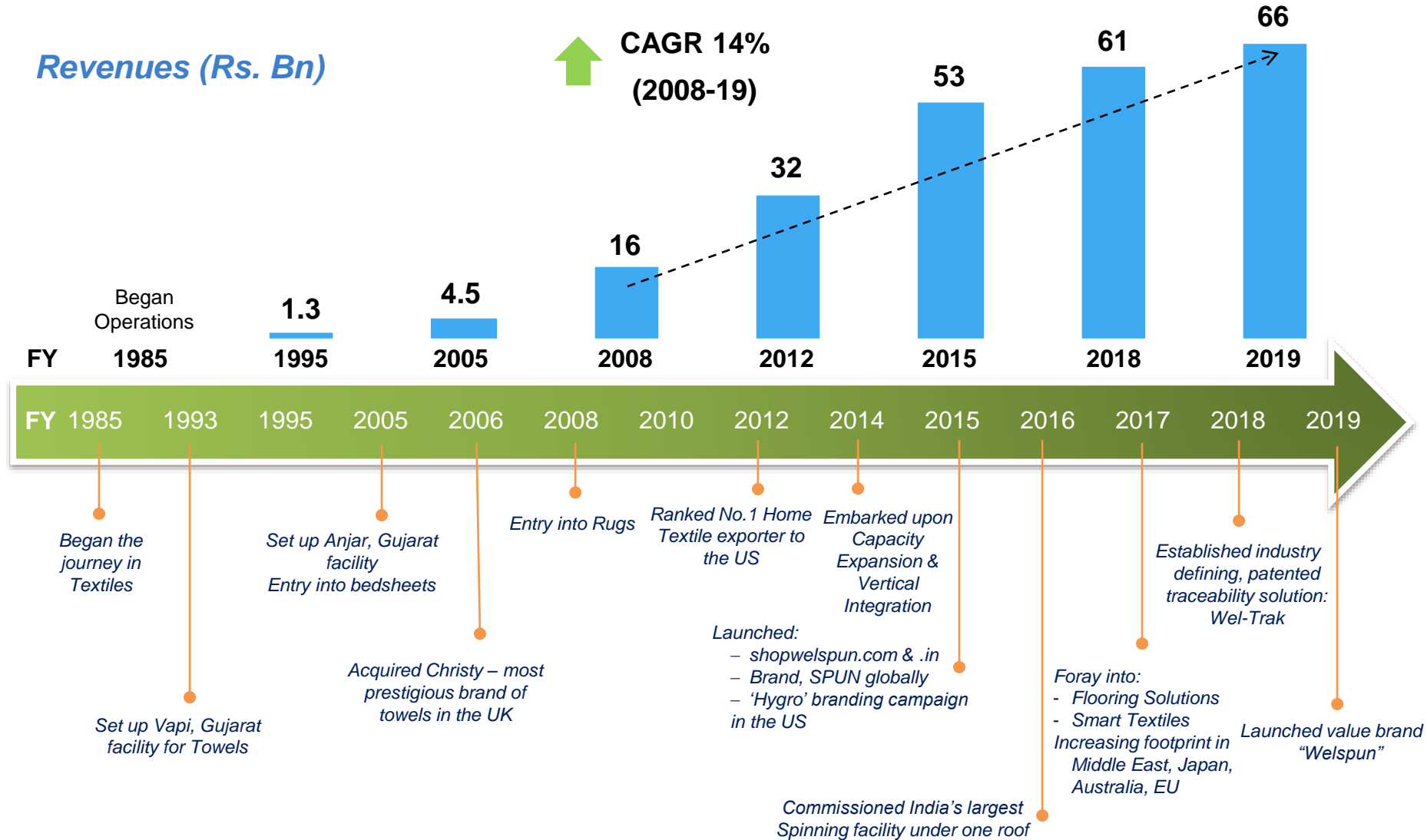
sold in the US is made by Welspun⁽²⁾

3E's of Corporate
Social Value

Education, Environment & Health,
Empowerment

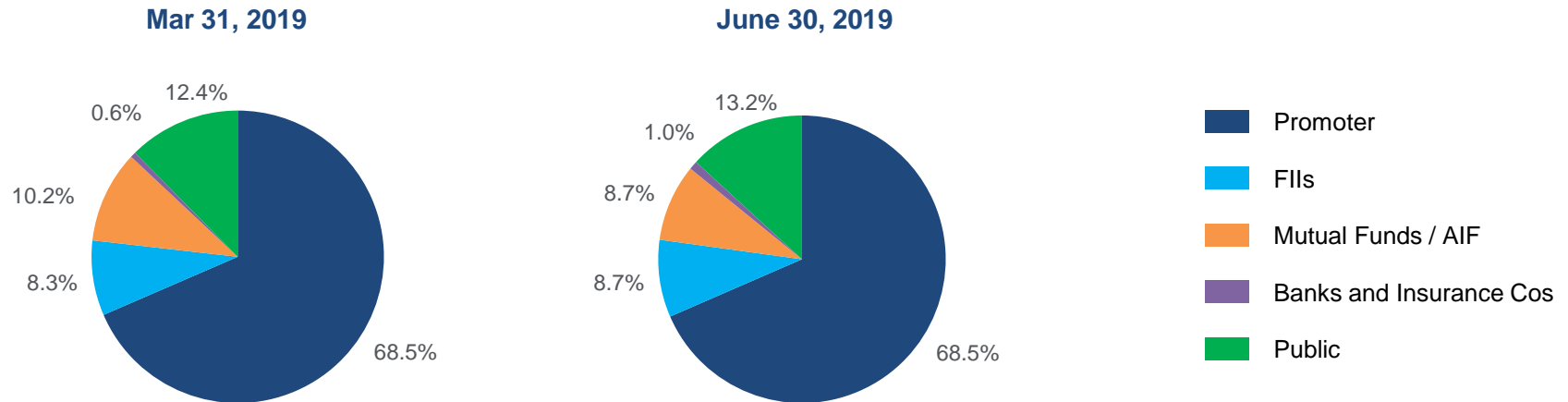


KEY MILESTONES



SHAREHOLDING AND TRADING SNAPSHOT

Shareholding Pattern

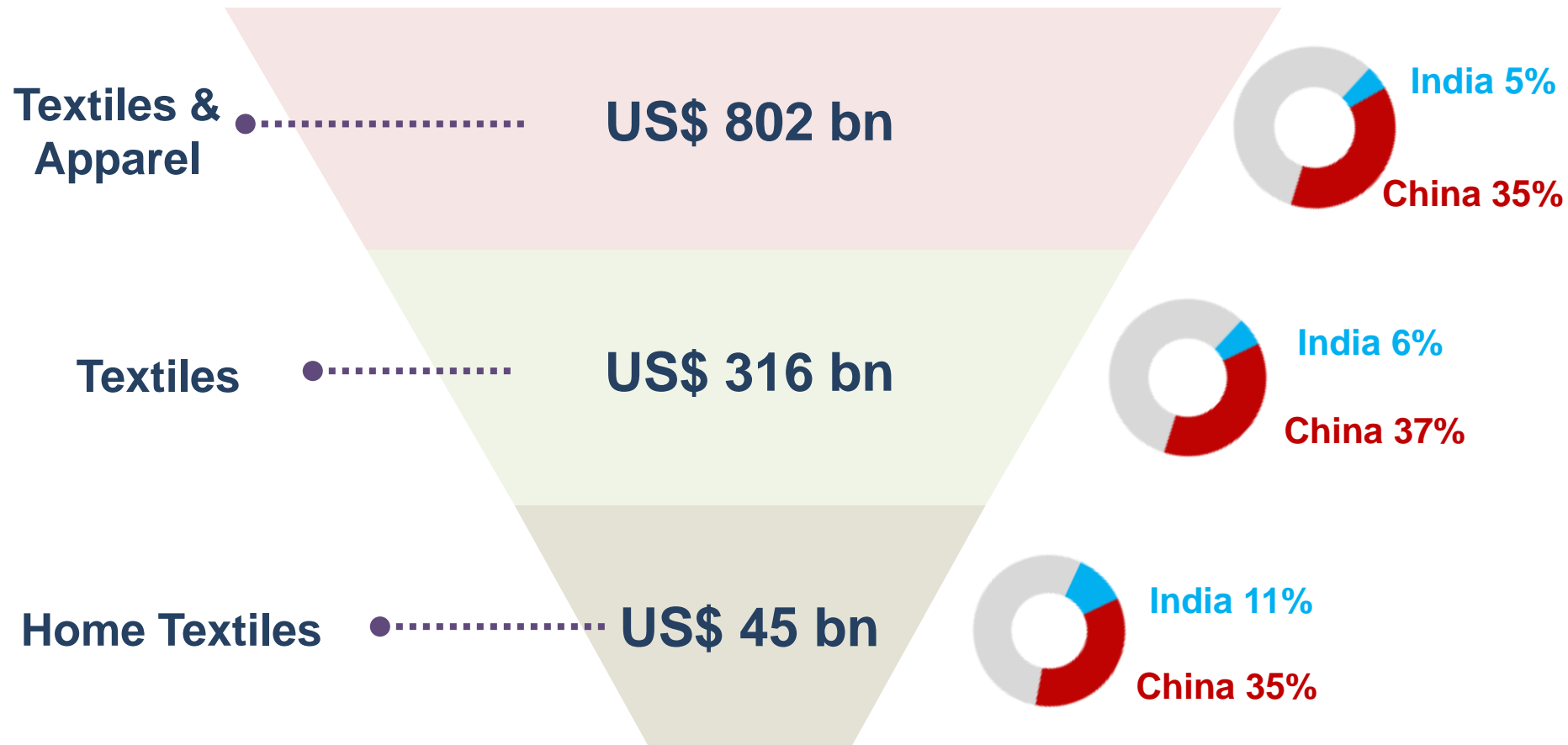


Market Statistics

As on June 30, 2019	INR	USD
Price per share	57.40	0.83
No of Shares outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	57,671	837
Daily Average Trading Volumes (Q1 FY20) No of shares in Mn	0.91	0.91
Daily Average Trading Value (Q1 FY20) (Mn)	50.67	0.74

INDUSTRY OVERVIEW

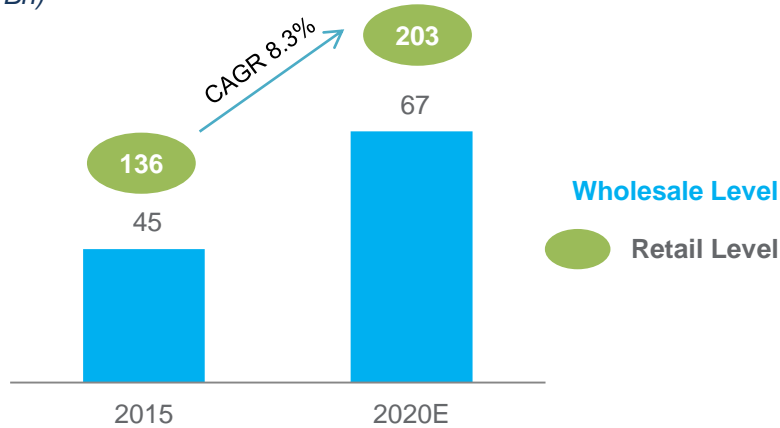
ASIAN DOMINANCE IN HOME TEXTILES



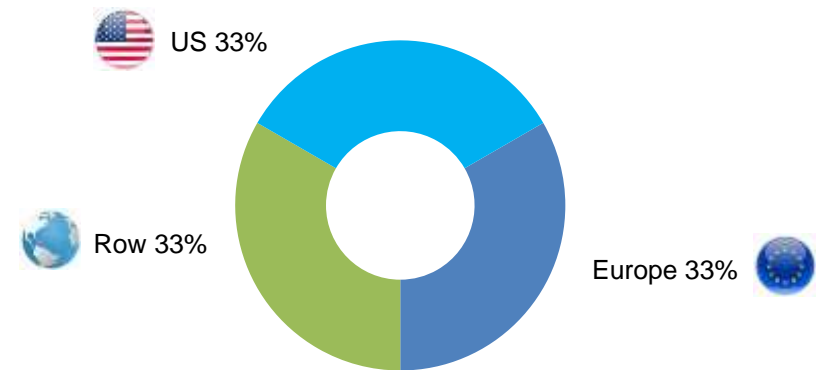
GLOBAL MARKET OPPORTUNITY

Global Home Textile Market

(USD Bn)



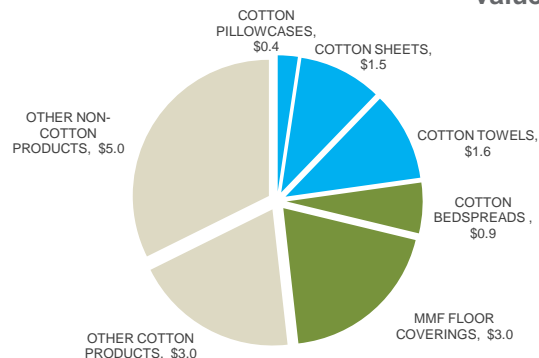
Market Composition



US Home Textile Market (2016)

(USD Bn)

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



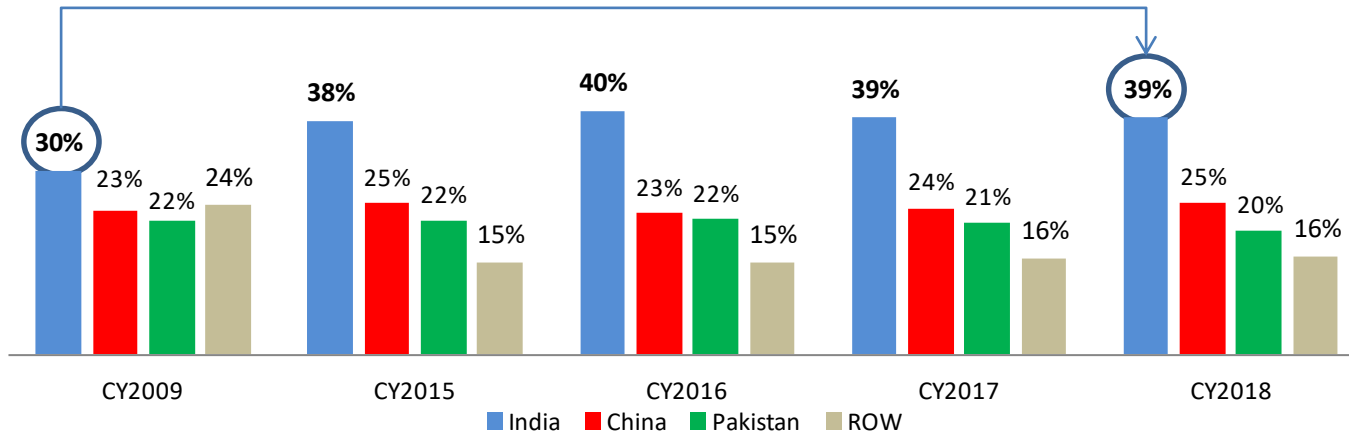
■ Strong Presence of India ■ Next Opportunity for India

- ✓ **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

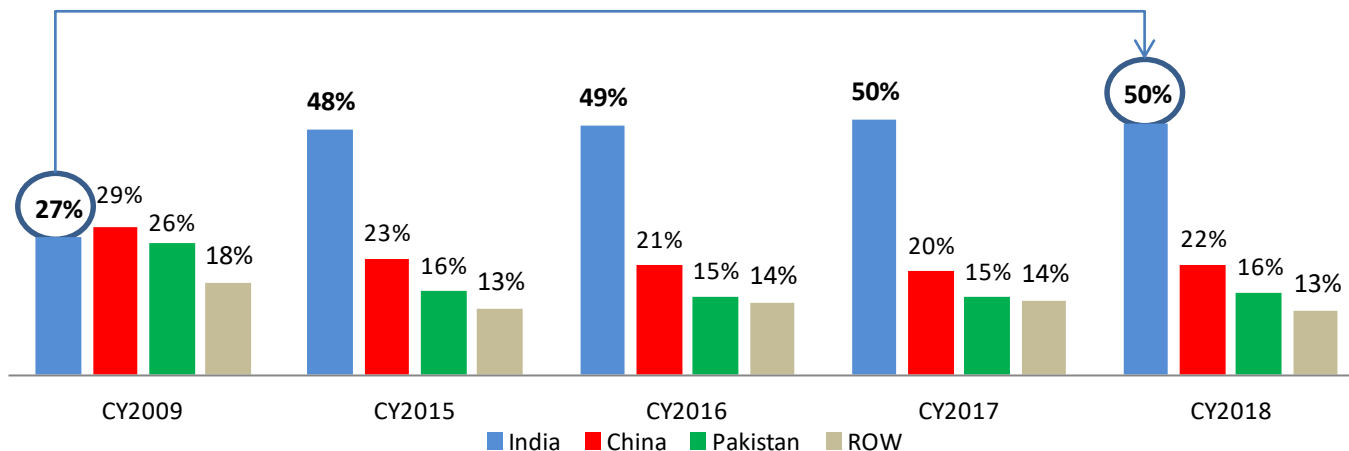
↑ 9 percentage pts



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

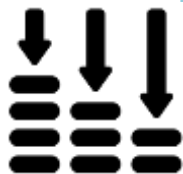
1 Largest Producer of Cotton



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 focus on free cash flow

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

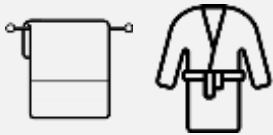
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Diversified Brand Portfolio



1 LEADING MARKET PLAYER WITH A WIDE PRODUCT RANGE

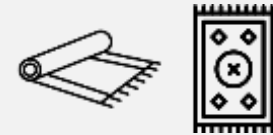
Widest product range in the Home Textiles segment



**Towels, Bath
Robe**



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



**Carpets, Rugs,
Flooring Solutions**



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

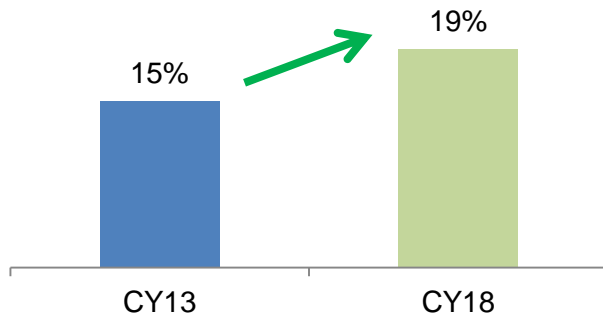


**Strong track record of customer satisfaction and repeat business from them;
80% revenue from replenishment**

1 LEADING MARKET PLAYER

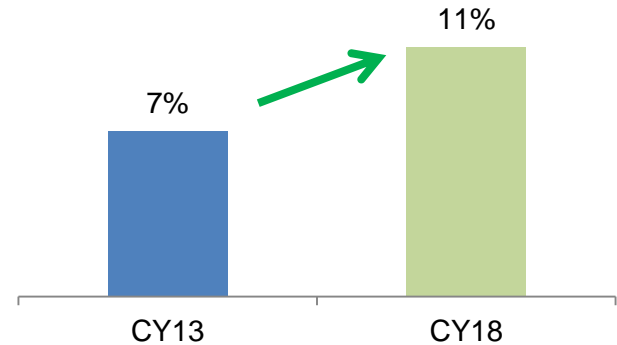
Ranked No.1 supplier to the US 5 times in last 6 years by Home & Textiles Today magazine

Every 5th towel sold in US is made by Welspun

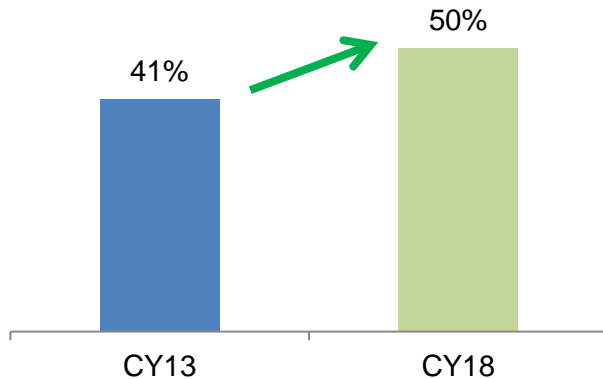


Welspun's Market Share in US Towels Market

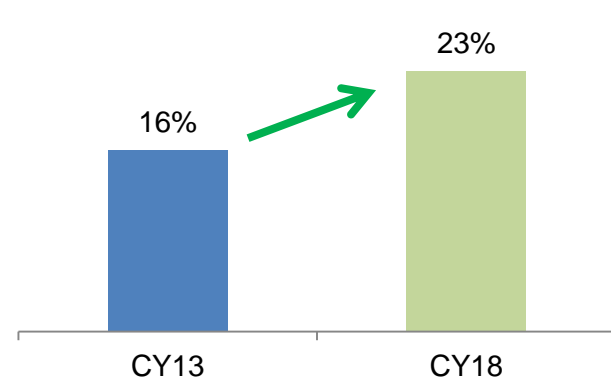
Every 9th sheet sold in US is made by Welspun



Welspun's Market Share in US Sheets Market

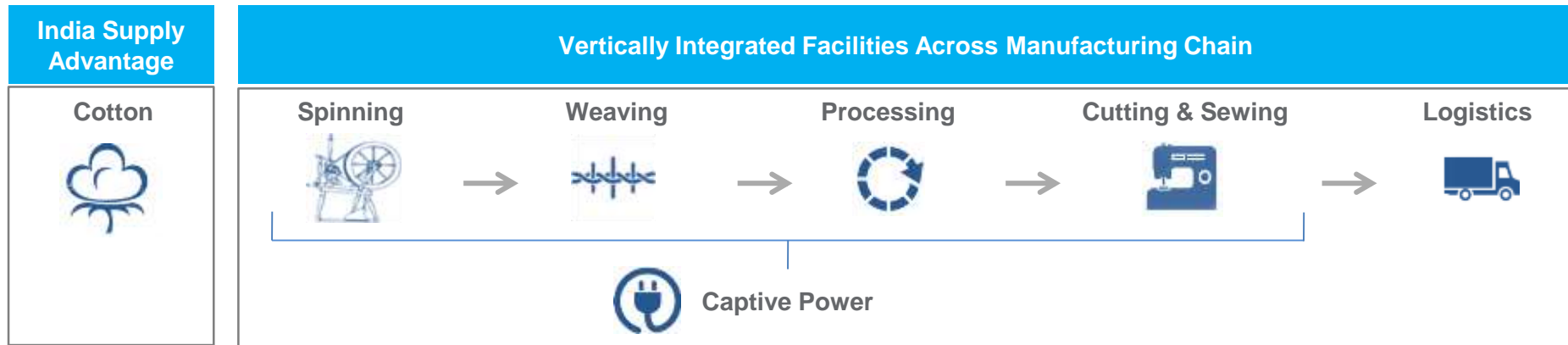


Welspun's Share in India's exports to US - Towels



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

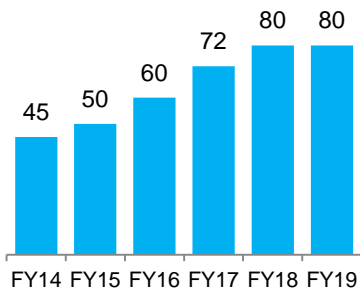
2 VERTICALLY INTEGRATED PRESENCE WITH SIGNIFICANT CAPABILITIES



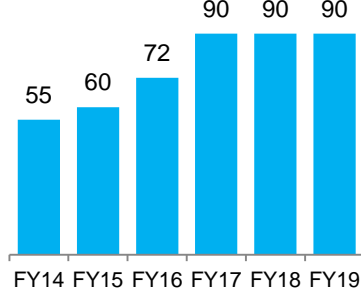
- ✓ Current integration of about 70% in Spinning and Weaving
- ✓ Captive power generation
- ✓ Welspun India's backward integration has helped improve margin, better quality control and timely delivery

Growing Capabilities

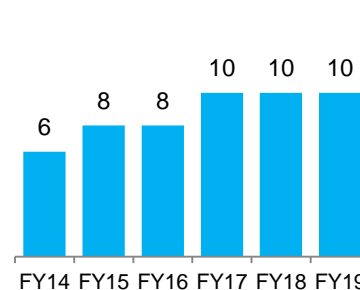
Towels ('000 MT)



Bed Linens ('Mn mtrs)

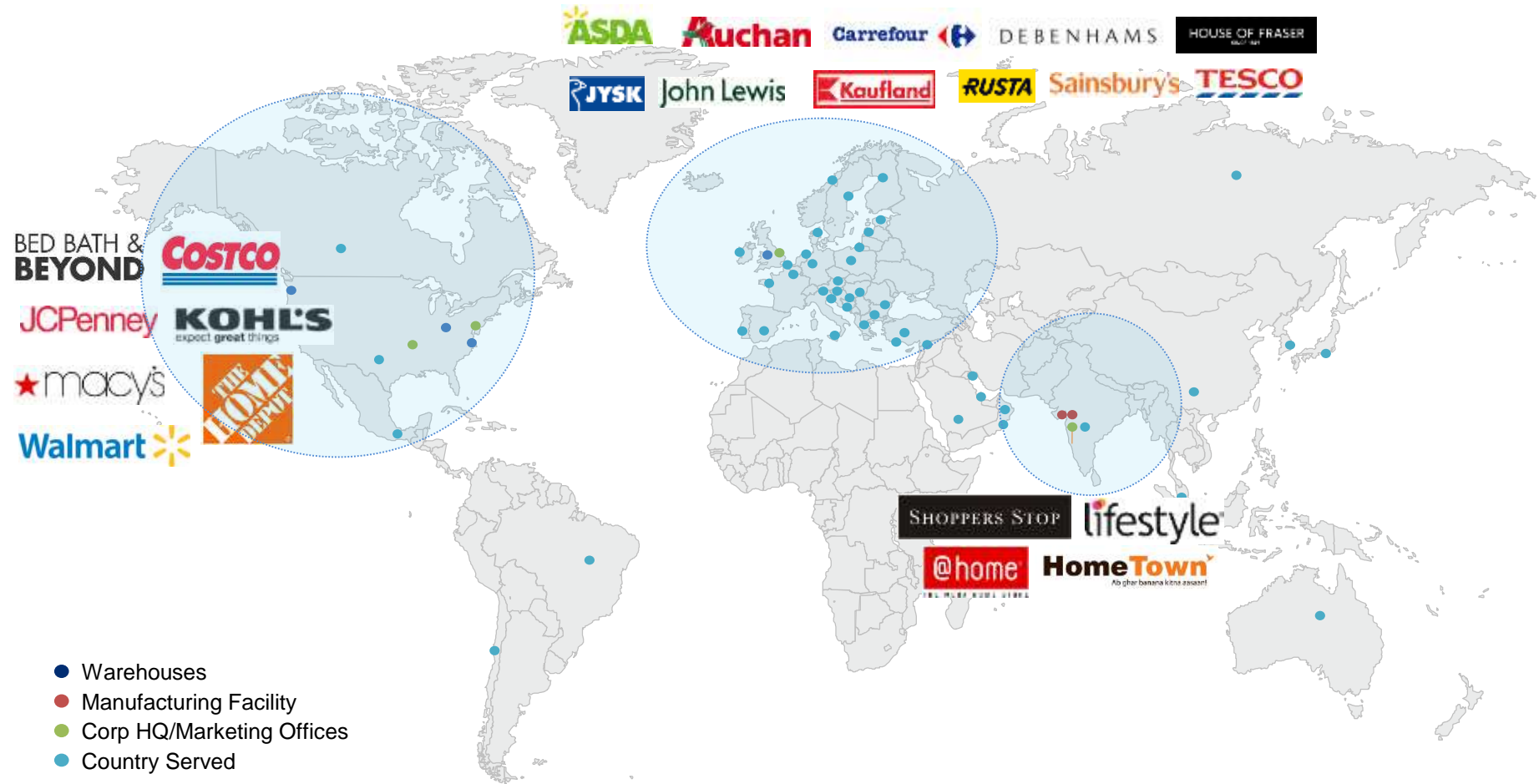


Rugs & Carpets ('Mn sq. mtrs)



- ✓ FY19 Effective Utilisation:
 Towels : 88%
 Sheets : 82%
 Rugs : 70%
- ✓ Capex of around Rs. 2 bn in Q1 FY20 incl. 1.6 bn in flooring
- ✓ FY20 capex expected at Rs. 6 bn

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

Value

Innovation

Sustainability &
Empowerment



Coveted Licenses



Branded Products Contribution to Sales at 17% in FY19

5 TRACK RECORD OF INNOVATION

- **38%** of Sales from Innovative Products
- **31** unique inventions filed globally



- Contributes more than \$180 Mn of Sales annually
- Gaining traction in hospitality & domestic market

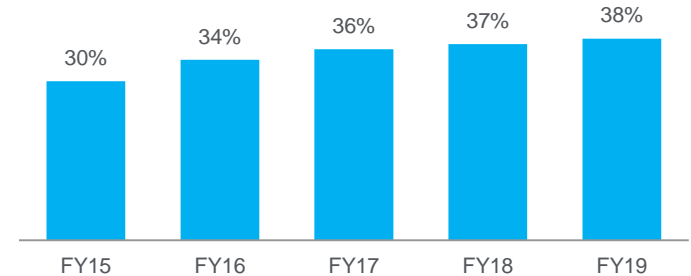


- Received Asthma and Allergy Free Certification for bedding products in US post stringent testing



- Constitutes 3% of total revenue

Increasing Share of Innovative Products



The Innovative & Branded products account for more than 45% of revenue

HYGRO Cotton

before washing after 3 washings



Regulates temperature for individual comfort



Global Collaboration on Innovation



Top Universities



Technology Partners



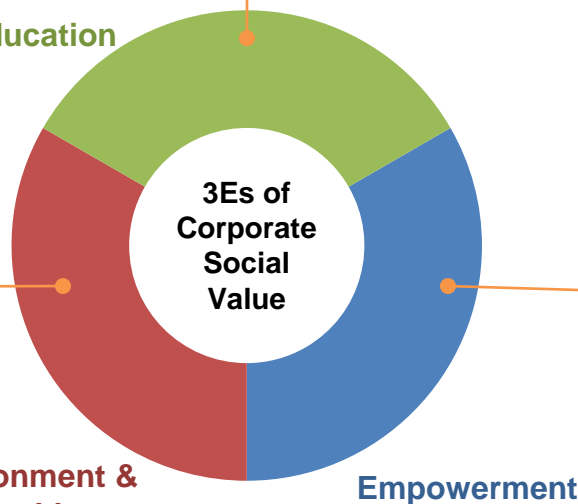
Industry Associations

6 SUSTAINABILITY: FOCUS ON THE 3Es



- Digital education
- Improving learning levels of children
- Welspun run schools

Education



Environment & Health



- Health Camps & Mobile Medical Vans
- Sanitation block construction
- Tree plantation
- Rain water harvesting



- Promoting Indian women in sports
- Women Hygiene and sanitary pads

Empowerment

Empowerment

- **Women Hygiene and Sanitary pads-** Creating women entrepreneurs through distributorship model in villages ensuring each woman and adolescent has access to sanitary pads. So far 60 entrepreneurs are created impacting over 22,000 women in the villages of Anjar, Vapi, Saharanpur and Dewas
- **Promoting Indian women in sports-** Sponsorship to 13 women from various discipline of sports coming from struggling backgrounds

Education

- **Project Gyankunj on Digital Education** – Installed 223 digital software in govt school classrooms impacting over 50,000 children of Valsad, Kutch and Bharuch districts in Gujarat
- **Welspun Vidya Mandir at Anjar:** quality education to 1,600 students with 75 Teachers
- **Gayatri Devi Public school at Anjar** – Welspun run state board school catering to 200 students from 1st to 9th std

Environment & Health

- **Plantation-** 30k saplings planted in Anjar, Vapi and Dahej so far
- **Mobile Health Vans:** Impacting 19 villages of Anjar
- **Sanitation blocks-** Built over 6,000 sanitation blocks in Vapi and Anjar
- **Project Navchetna-** Initiative to curb Malnutrition in children and anemia in women. Operational in 10 villages of Anjar and 5 villages of Vapi benefitting over 22,000 villagers

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 million Liters Per Day; 85% treated water used at plant



Saved 6,920 million Liters of recycled water in CY2018 (Equal to New York City Water consumption for 5 years)



68 million KWH energy saved in CY2018 (Equal to 80,000+ household energy consumption per month)



Reduced 6 million tons of CO₂ emissions by logistics efficiency



1,200+ Women Engaged Across 10 Vocational Centers; 10,000+ Youth Trained via Welspun's Skill Development Program



SA 8000 Certified Operations for Socially Responsible Practices

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

Ms. Anisha Motwani, Independent Director

- 28+ years experience in advertising, auto-manufacturing, financial and health services. Currently advisor to World Bank. Voted among '50 Most Powerful Women in Indian Business' by Business Today for 3 consecutive years

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

Shalil Mukund Awale, Nominee Director

- Chief GM at IDBI Bank with nearly 22 years covering areas like Priority sector, Retail Banking, Investment & Treasury, Venture Capital Finance, Audit

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

Ms. Dipali Goenka, CEO & Joint Managing Director

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

Altaf Jiwani, CFO (Welspun India)

- 25+ years experience in corporate finance roles across diverse industries.
- Worked with RPG Group for 19years. Last role as CFO, Phillips Carbon Black

Ms. Manjari Upadhye, CEO (Domestic Retail Business)

- 17+ years of experience across the consumer products industry
- Significant contribution in brand building for FMCG companies

Mukesh Savlani, CEO (Welspun Flooring)

- Home-grown CEO with 17+ years experience in various roles at Welspun
- Engineering graduate; Leadership Program from Harvard

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**

**Platinum Award
Water Stewardship
(2018)**



**STP Water
Recycle & Reuse**

**Digital / Social Media
Campaign of the Year
Christy
(2018)**

Prolific North

Social Media

**Marketing Services Award
"Spaces"
(2018)**

amazon

Marketing

**Winner of
1 Platinum, 2 Gold & 1
Silver Trophies
(2018)**



Highest Exports

**Top-3 in Product-Wise
Sustainability scores
(2017)**

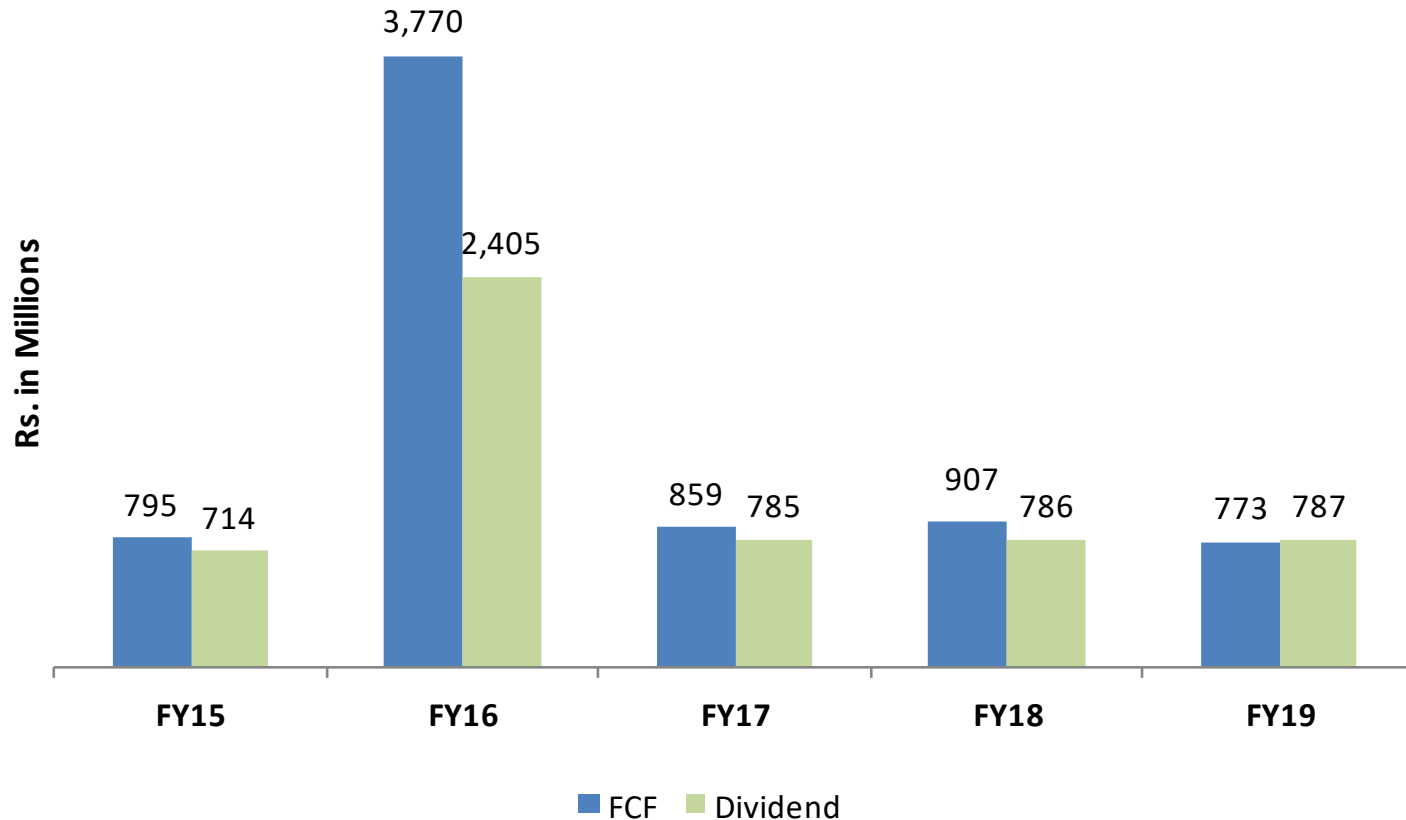
Walmart

Sustainability

and many more....

8

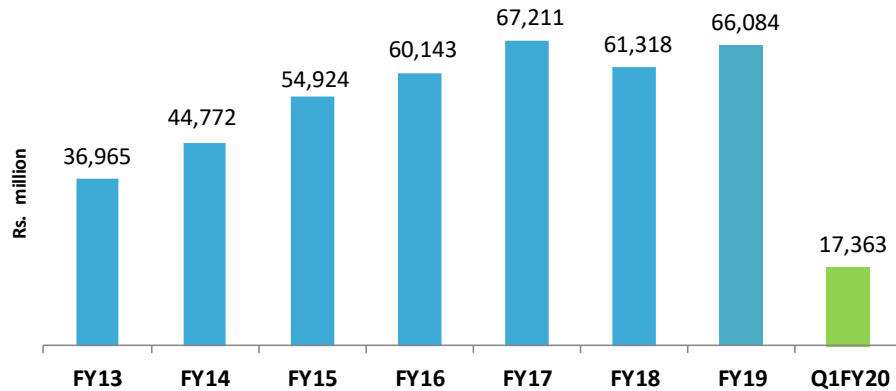
CONTINUED FOCUS ON FREE CASH FLOW



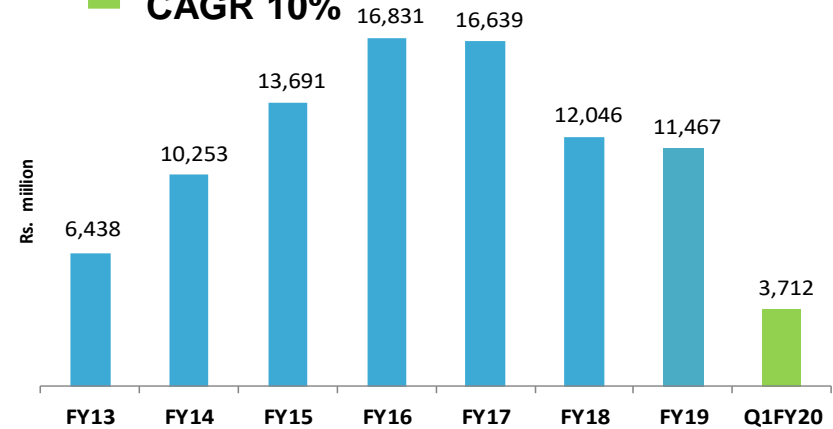
FCF positive for five consecutive years

8 TREND OF FINANCIAL PERFORMANCE

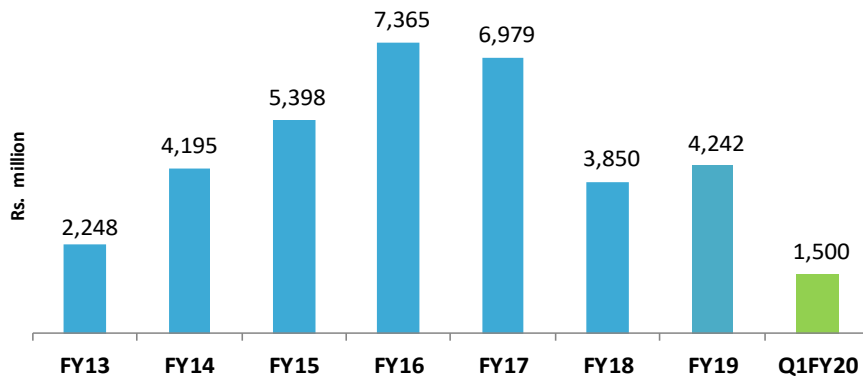
↑ **Total Income**
CAGR 10%



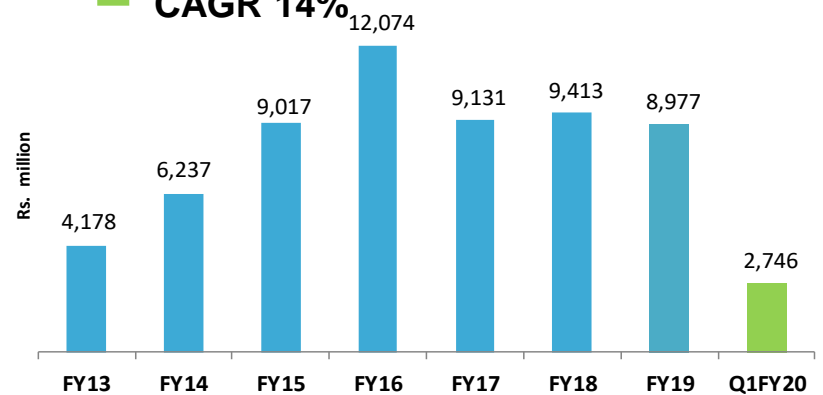
↑ **EBITDA**
CAGR 10%



↑ **Net Profit***
CAGR 11%



↑ **Cash Profit**
CAGR 14%



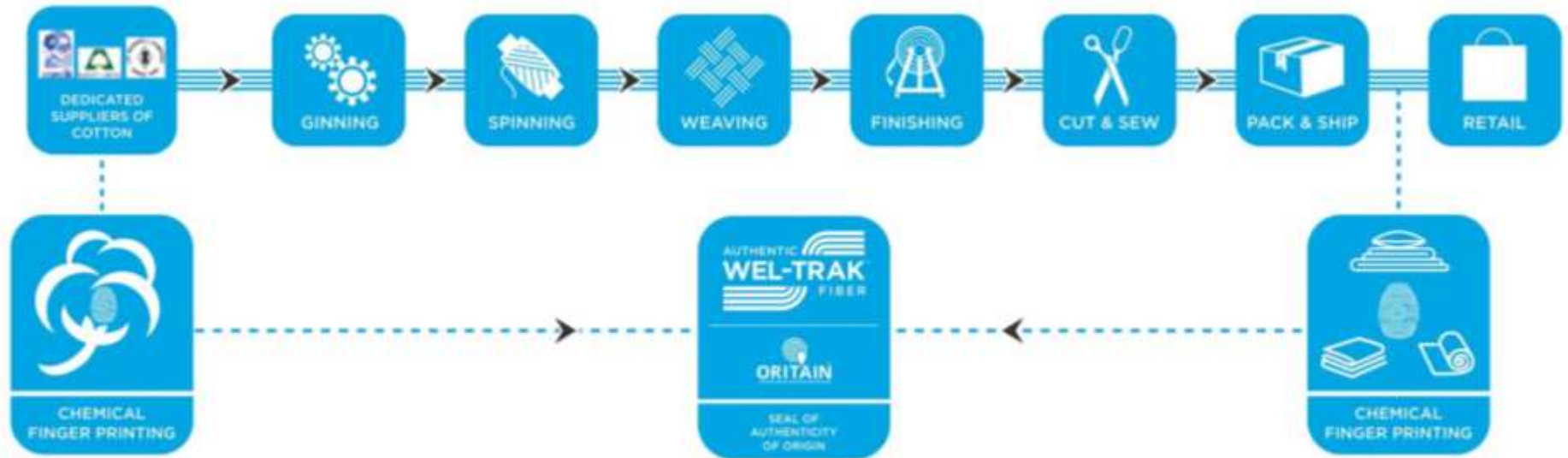
*Net Profit for FY17 & FY19 is adjusted for exceptional items

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 industry defining 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



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

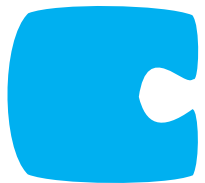


Visualize

WELSPUN 2.0 & WAY FORWARD

WELSPUN INDIA: VISION 2022

WELSPUN2.0



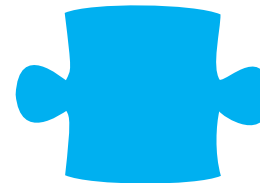
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1

Innovation

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

Focus on expanding innovative & patented products portfolio offering

COPPER

Copper infused fibers offer natural antimicrobial protection to keep your home textiles fresher longer.

SpunCopper™



WEL-TRAK™

Welspun's proprietary supply chain transparency program. We've partnered with Oritain™ to have complete supply chain transparency from farm to shelf.



ORGANIC

The trusted provider of organic sheets and towels for top retailers.

DRYLON

This poly material is ultra soft to the touch and dries super fast to create an ideal bath rug.



HYGRO COTTON™
BY WELSPUN

HYGRO

Our patented technology leverages hollow core yarn for the ultimate in temperature regulating sheets and absorbent towels that get fluffier after each wash.



BEFORE WASHING AFTER 3 WASHINGS



CHARCOAL

From sports towels to bed sheets that aren't washed as often as they should be, charcoal woven into our fabrics provides natural odor control benefits.

2

BRANDS : CHRISTY

Christy Brand Reinvigorated & Launched Globally



- ✓ Introduced the brand in US, China and Middle East; witnessed healthy growth
- ✓ Coveted Associations like Wimbledon, Rugby World Cup and Royal Ascot

- ❑ Brexit uncertainty has impacted sales in recent quarters
- ❑ However, UK retail appears to have bottomed out
- ❑ Welspun working on improving efficiency across business, optimising retail operations & increasing focus on B2B business

A 150-Year Old Legacy.. ‘Living Redefined’



2 BRANDS : SPACES

Focus on tapping Domestic Market potential

- ✓ India – one of the fastest growing economies in the world with huge potential for increasing organized market
- ✓ 'Spaces' was recently recognized as a best brand in home category by Myntra. Also, received Amazon Marketing Services Award for Spaces
- ✓ Presence in **200+ shop-in-shops**
- ✓ Licenses for Domestic Market:



SPACES

**The Next
Growth Engine**

Redesigned Brand Strategy

- ✓ Use of 360 degree marketing approach by increasing customer touch points including social media, POS, in-store, PR news, TV, outdoor, radio, customer service.
- ✓ Revisited Spaces brand campaign



2 BRANDS : WELSPUN

Value brand 'Welspun': Focus on tapping a larger segment of the domestic market

Reaching Larger Audience

IPL: Official Partner of Kings XI Punjab



Audio Advertising at
Mumbai Local and
Bus Stands



Jaldi Sookhe, Jaldi Sukhaye

Election TVC on News Channels



Campaign at Kumbh Mela



Outdoor Advertising



3

NEW MARKETS

Composition of Sales (FY19)

- 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

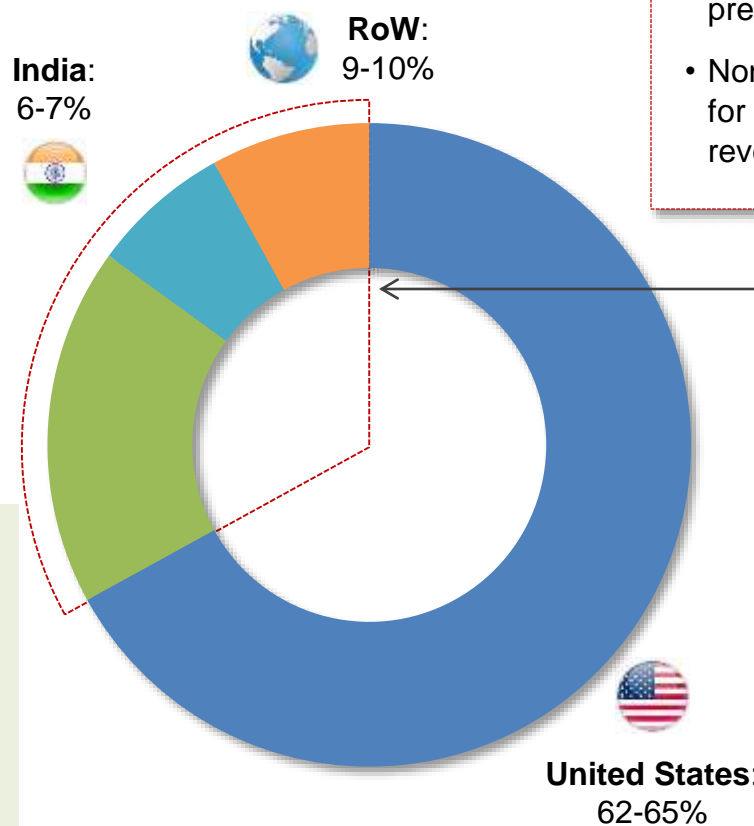
Europe:
18-20%



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



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

NEW CHANNELS : E-COMMERCE

In key developed markets, E-commerce constitutes 10-15% in Home Textiles. Expected to reach ~25% by FY23

Welspun approach to tap the Ecommerce opportunity

Key Ecommerce Platforms

- Key Ecommerce players increasing share of private labels to capture more value, cater to increased volumes and to have better control
- Focus on being a preferred sourcing partner for these key ecommerce platforms' private labels

Big-Box Retailers' Websites

- Strong relations with existing big-box retailers
- Selling through online channels of these retailers
- Omni Channel support to retailers on Product Development, Warehousing, Pick and Pack, Drop-Ship and Analytics
- Warehouses in US, UK, Germany and India

Own Website

- More than 10% sales of Christy in UK is own website/exclusive online
- Establishing own brands' presence across key markets
- Focus on capturing value on the Company's own portal



Exclusive Online D2C Players

- Home Textile startups penetrating D2C channels
- Looking at significant minority stake in select ventures as a strategic investor
- Partnering to create brands and tap D2C channels

Welspun sees Omni-channel as an opportunity

4 NEW CHANNELS : HOSPITALITY

Opportunity

Welspun only constitutes ~3% of total US hospitality market



- The US hospitality market is c. \$1.5bn (i.e. for towels and sheets)
- Welspun's revenue from this segment is c. \$50mn indicating huge growth potential

High potential global wellness economy of about \$3.7 trillion



- Welspun has partnered with Stay Well to tap global wellness potential
- Stay Well infuses wellness into hotel rooms with features and programs to maximise the guest experience and minimise the impact that travel has on the human body

Strategy

Focus on domestic as well as international markets

Tied up with leading hotel chains and wellness centers

5

NEW PRODUCTS : FLOORING SOLUTIONS

Wide range of Flooring products



Carpet Tiles



**Broadloom Carpets
& Area Rugs**



**Luxury Performance
Tiles (LPT)**



Artificial Grass

Welspun Flooring: Fully integrated and independent flooring vertical

- Aim to become a one-stop flooring solutions provider for domestic and international markets
- Facility to be located in Telangana
- Expected investment is ~Rs. 11 billion
- Capacity of 27 million sq. metres p.a
- Commissioning expected by end of Q2FY20
- 32 distributors and ~400 dealers have been appointed so far pan-India.

5 NEW PRODUCTS

1 Untapped Opportunity in Bedding

- Large untapped opportunity in basic bedding, comforters and quilts
- Currently, China dominates the market; India is gradually making inroads
- Contributed ~3% of sales in FY19



2 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 ~3% of sales in FY19



Welicate
Spunlace for Delicate touch

Welspun's "Welicate" Spunlace exhibits exceptionally soft hand feel and is perfect for delicate touch. Our new offering with customized fabric construction also gives superior functional properties.

KEY ADVANTAGES	ON-TOUCH FEELS SOFTNESS	VISUAL COMPARISON
<ul style="list-style-type: none"> • Acquires soft with smooth hand-feel • Better drapes & dries faster • Greater tear strength • Lower shrinkage • Higher strength & durability • High strength & durability 	 <p>ON-TOUCH FEELS SOFTNESS</p>	 <p>VISUAL COMPARISON</p>

APPLICATIONS






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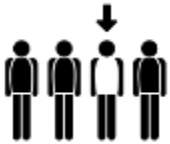

WELSPUN INDIA
 HOME TEXTILES

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



Volatile Rupee

KEY HIGHLIGHTS & FINANCIALS

KEY HIGHLIGHTS- Q1FY20

Emerging business grew by more than 30% YoY

Li & Fung bestows 'Most Innovative Award' for continuous product innovation

Spaces 'Bamboo Charcoal' innovation and wellness campaign gets strong response

Flooring solutions – Commissioning expected by end of Q2FY20

Launched 'Green Spunlace' under Advanced Textiles as part of sustainability initiatives

Received preliminary court approval for settlement agreement executed for pending US legal claims

Double-digit growth in Total Income YoY

EBITDA Margin at 21.4%, higher 77 bps YoY

Net Debt / Equity falls below 1x

FINANCIAL PERFORMANCE – Q1 FY20

(Rs. Million)

Particulars	Q1FY20	Q1FY19	Change YoY	Q4FY19	Change QoQ
Total income	17,363	15,778	10.0%	16,009	8.5%
EBITDA	3,712	3,251	14.2%	2,524	47.1%
<i>EBITDA Margin</i>	<i>21.4%</i>	<i>20.6%</i>	<i>77 bps</i>	<i>15.8%</i>	<i>561 bps</i>
Finance Cost	374	342	9.2%	479	-22.0%
Depreciation	1,094	1,059	3.3%	1,098	-0.4%
PBT (before exceptional)	2,244	1,850	21.3%	946	137.1%
Exceptional (Loss)	-	-	-	(2,240)	-
PAT (After Minority Interest)	1,500	1,272	17.9%	(793)	
Cash Profit*	2,746	2,441	12.5%	2,174	26.3%
EPS** (Rs.)	1.49	1.27	17.9%	(0.79)	-

Exceptional loss in Q4FY19 is on account of the provision related to the class action suit settlement on the provenance issue

* Cash Profit = PBDT (before exceptionals) less Current Tax

** EPS not annualised

FINANCIAL PERFORMANCE TREND

(Rs. Million)

Particulars	FY15	FY16	FY17	FY18	FY19	Q1FY20
Total income	54,924	60,143	67,211	61,318	66,084	17,363
<i>Growth %</i>	22.7%	9.5%	11.8%	-8.8%	7.8%	10.0%
EBITDA	13,691	16,831	16,639	12,046	11,467	3,712
<i>EBITDA Margin</i>	24.9%	28.0%	24.8%	19.6%	17.4%	21.4%
Depreciation	3,329	3,718	5,054	5,042	4,358	1,094
Finance cost	2,829	2,368	1,583	1,408	1,593	374
PBT (before exceptional)	7,533	10,745	10,003	5,597	5,516	2,244
Exceptional (Loss)	-	-	(4,648)	-	(2,647)	-
PAT (After Minority Interest)	5,398	7,365	3,576	3,850	2,098	1,500
Cash Profit*	9,095	12,074	9,131	9,413	8,977	2,746
EPS** (Rs.)	5.4	7.3	3.6	3.8	2.1	1.5

* Cash Profit = PBDT (before exceptionals) less Current Tax

** Adjusted for stock split, EPS not annualized for Q1FY20

BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	30-Jun-19
Net Worth	14,732	19,700	23,971	26,057	27,793	29,303
Short Term Loans	13,936	13,533	11,721	12,580	14,080	12,244
Long Term Loans	20,864	18,945	21,393	20,228	19,024	19,366
<i>of which Welspun Flooring debt</i>	-	-	-	-	2,870	4,823
Gross Debt	34,800	32,478	33,114	32,807	33,104	31,610
Cash & Cash Equiv.	4,321	1,388	2,725	2,538	2,821	3,457
Net Debt	30,479	31,090	30,389	30,269	30,283	28,153
Net Debt excluding Flooring debt	30,479	31,090	30,389	30,269	27,412	23,330
Average Capital Employed #	47,619	53,331	58,189	62,111	64,209	65,926
Net Fixed Assets (incl CWIP)	26,049	33,508	35,713	33,641	36,154	38,261
Net Current Assets*	17,630	16,845	20,114	23,734	22,210	20,028
Total Assets	58,960	65,491	73,283	72,249	77,423	80,156

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	FY18	FY19	Q1 FY20
Solvency ratios	Net debt/Equity	2.07	1.58	1.27	1.16	1.09	0.96
	Net debt/EBITDA	2.23	1.85	1.83	2.51	2.64	1.90
	EBIT/Interest	3.66	5.54	7.32	4.98	4.46	7.00
Operational ratios	Current Ratio	1.12	1.15	1.41	1.42	1.25	1.31
	Fixed Asset turnover	2.04	1.77	1.86	1.80	1.81	1.81
	Total Asset turnover	0.90	0.90	0.91	0.84	0.84	0.86
	Inventory days	76	68	70	79	75	71
	Debtor days	40	52	53	56	60	53
	Payable days	30	41	41	39	39	41
	Cash conversion cycle	86	79	82	96	95	83
Return ratios	ROE	41.8%	42.8%	29.6%	15.4%	15.2%	21.0%
	ROCE (pre-tax)	21.8%	24.6%	19.3%	11.3%	10.9%	15.9%

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 & FY19 Return Ratios figures adjusted for Exceptional item
4. ROCE (pre-tax) excluding Welspun Flooring is 11.5% for FY19 and 17.8% for Q1FY20
5. P&L figures for Q1FY20 have been annualised

DIVIDEND POLICY

- **Board Approved 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%
FY18	3.03	0.65	0.13	26%
FY19	1.41	0.30	0.06	26%

THANK YOU

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