

ANNUAL INVESTOR CONFERENCE

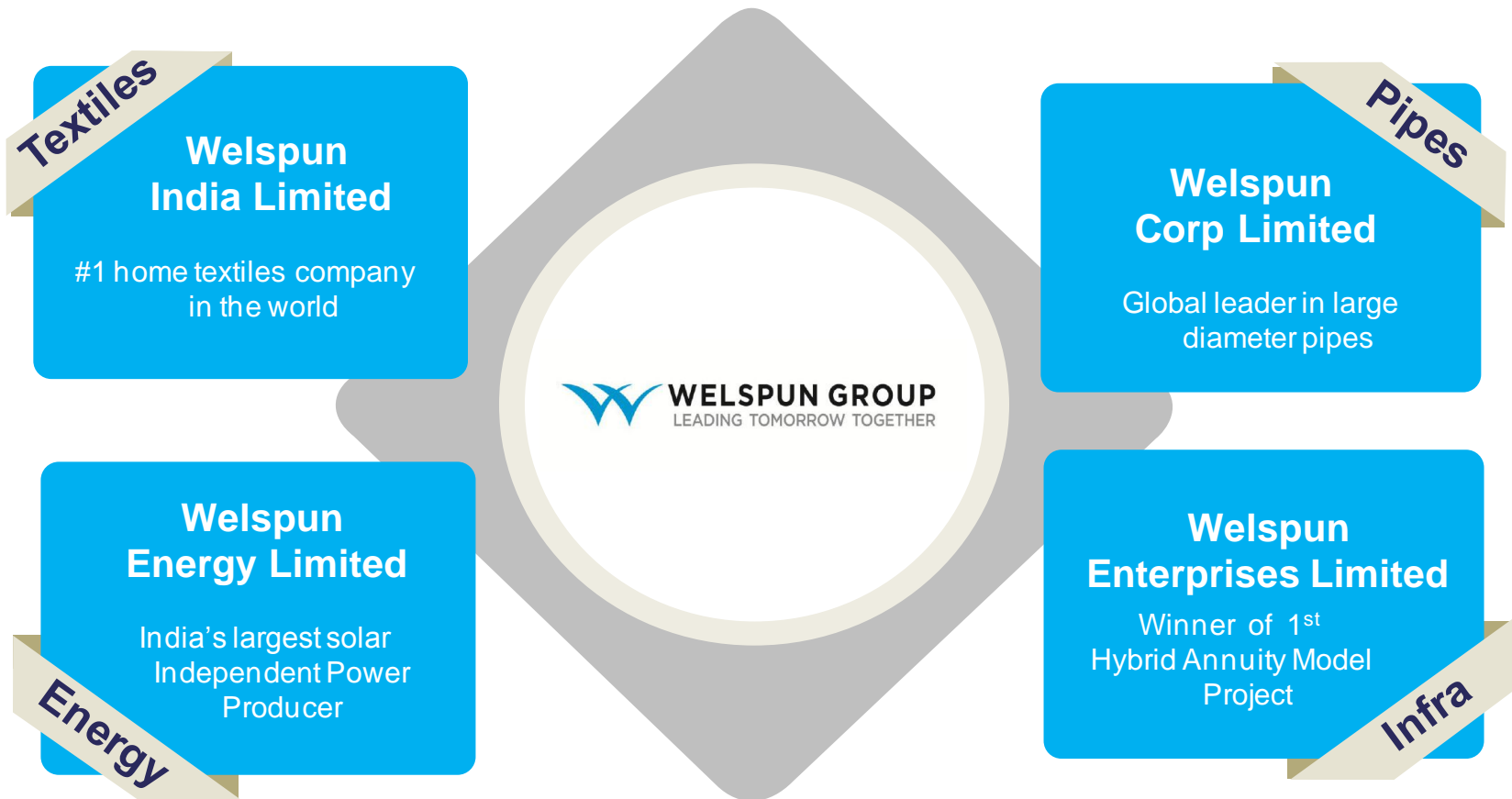
25th April, 2016



AGENDA

1. **Chairman's address**
2. **Business Insights**
3. **Way Ahead**
4. **Financial Highlights**
5. **Q&A**

CHAIRMAN'S ADDRESS



Revenue : US\$ 3 Billion; Asset Base : US\$ 3.2 Billion

WELSPUN GROUP – JOURNEY FROM FY14...

**EXIT FROM
NON-CORE
BUSINESSES**

**IMPROVING
PROFITABILITY IN
CORE BUSINESSES**

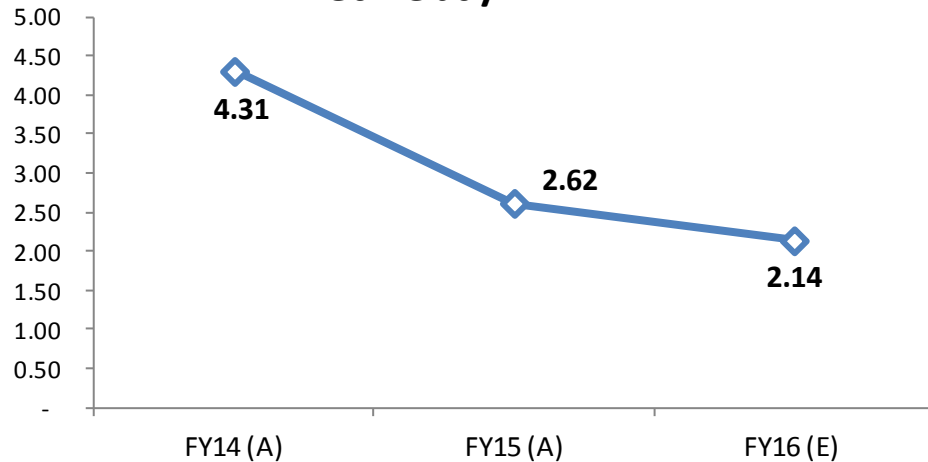


DELEVERAGING

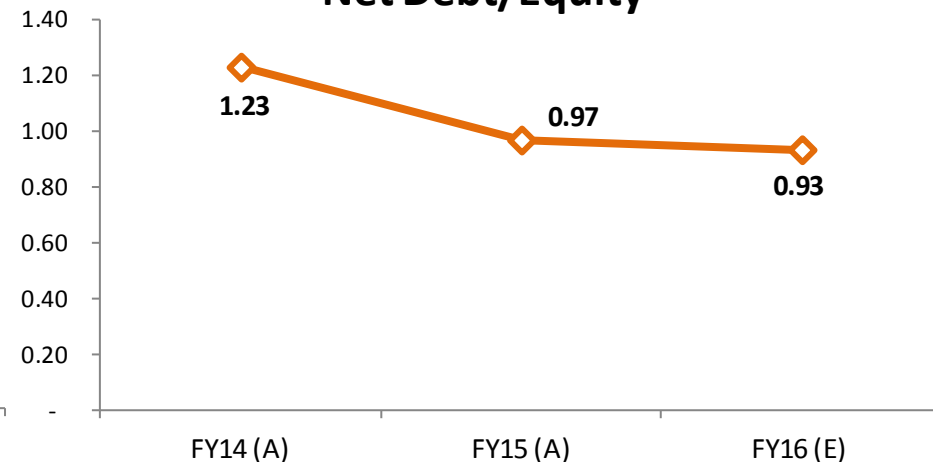
**SIMPLIFICATION
OF
CORPORATE
STRUCTURE**

WELSPUN GROUP – STRENGTHENING FINANCIAL PROFILE

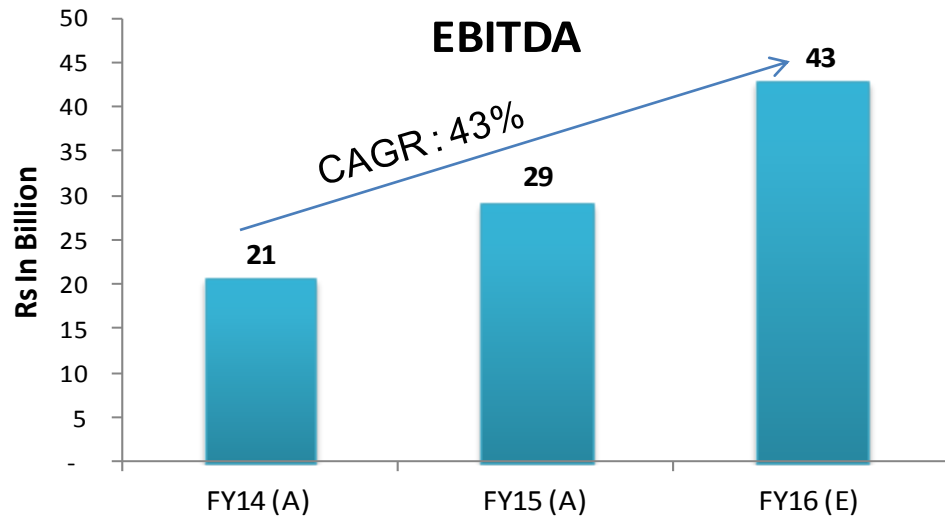
Net Debt / EBITDA



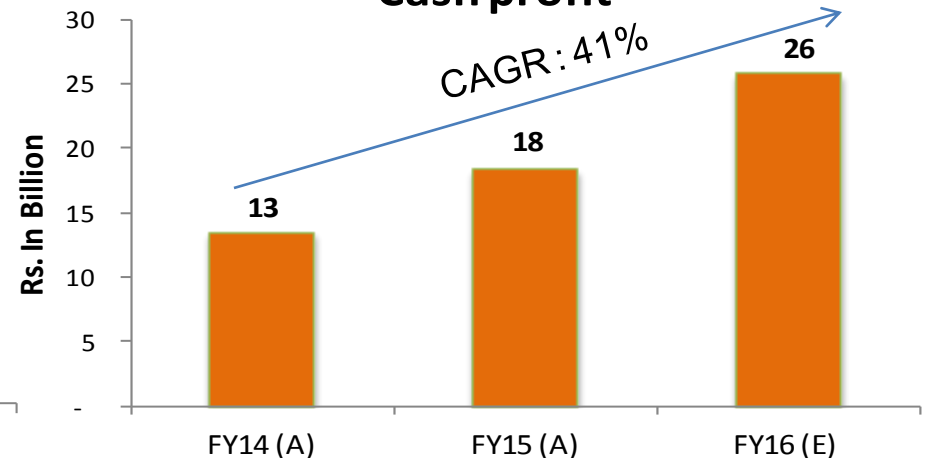
Net Debt/Equity



EBITDA



Cash profit



WELSPUN GROUP COMPANIES - CREDIT RATING

| | Long Term | Short Term |
|-----------------------|-----------|------------|
| Welspun India | AA- | A1+ |
| Welspun Global Brands | AA- | A1+ |
| Welspun Corp | AA- | A1+ |
| Welspun Energy | A+ | A1+ |
| Welspun Enterprises | A | A1 |

As per CARE/FITCH

WELSPUN2.0 – BUILT TO LAST.....

LEADING TOMORROW TOGETHER



DIFFERENTIATION

- ⊕ Innovation
- ⊕ Technology
- ⊕ Partnerships



INSTITUTIONALISATION

- ⊕ Management Empowerment
- ⊕ Risk Management
- ⊕ Financial Sustainability
 - ⊕ Prudent Capital Allocation
 - ⊕ Dividend policy



BEING RESPONSIBLE

- ⊕ Environment Friendly Practices
- ⊕ Caring for the Community
- ⊕ Diverse Workforce
- ⊕ Trustee to shareholders

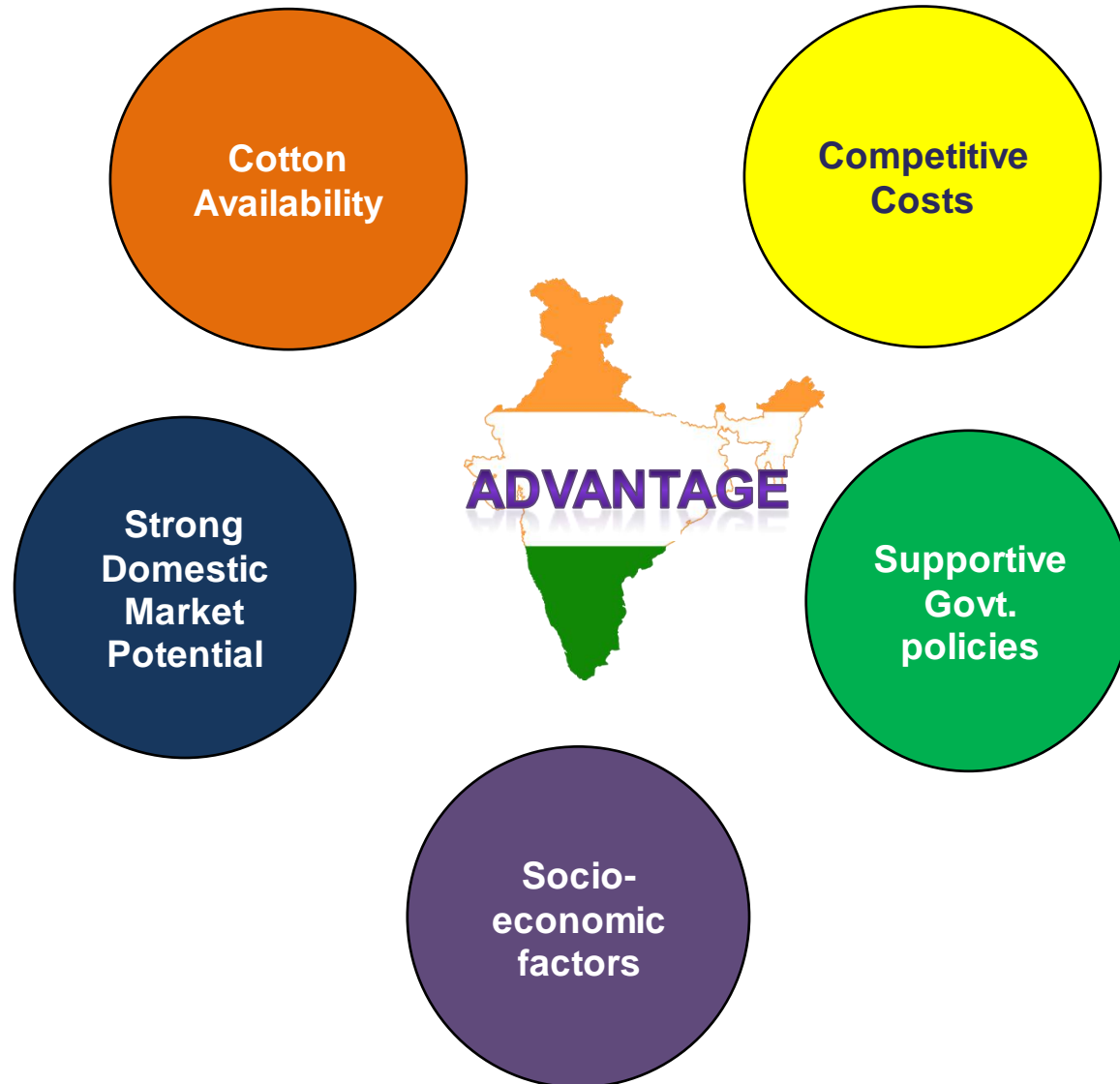
A JOURNEY.....

WELSPUN INDIA LTD

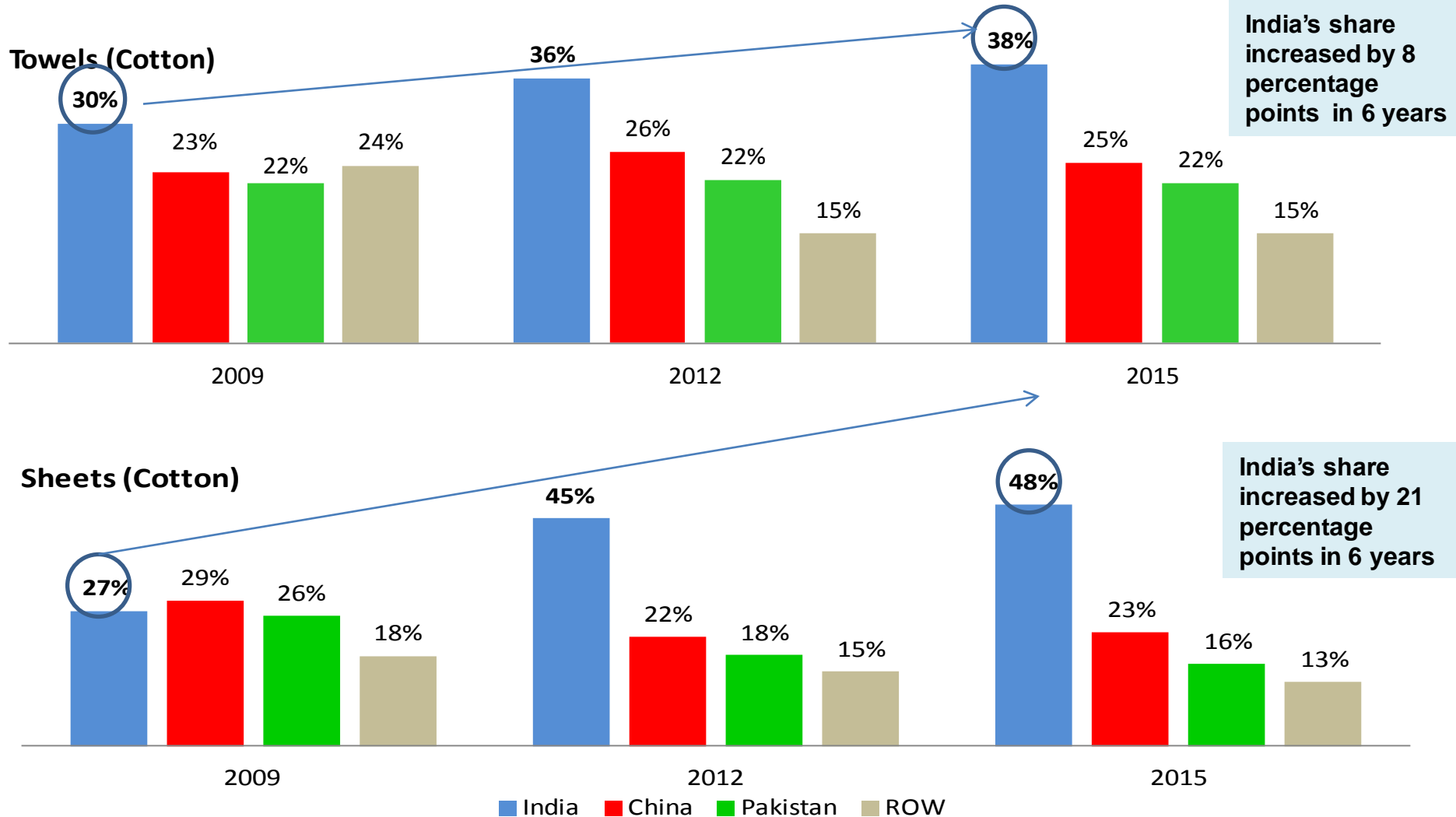
WELSPUN INDIA - DELIVERING ON COMMITMENTS

| | Guidance | 3-Yr Average | FY16 | |
|---------------------------|-----------------|--------------------|---------------|------------------------|
| Revenue Growth | 13-17% | 18% | 13% | ✓ |
| EBITDA Margin | 21-22% | 24% | 26% | ✓ |
| ROCE | 18-20% | 24% | 26% | ✓ |
| Net Debt/ Equity | 1.7x | 1.8x | 1.3x | ✓ |
| Net Debt/ Op EBITDA | 2.8x | 2.2x | 1.6x | ✓ |
| FCF | Steady Increase | FY15 & FY16 +ve | Rs. 3.8 bn | Continuous Improvement |

HUGE OPPORTUNITY FOR INDIAN HOME TEXTILES



INDIAN PLAYERS GAINING PROMINENCE GLOBALLY



US market share. Source: Otexa

VISION 2020

Revenue

\$2 BN

Net Debt

NIL

WELSPUN2.0

Innovative/Branded
Products Share of
Revenue

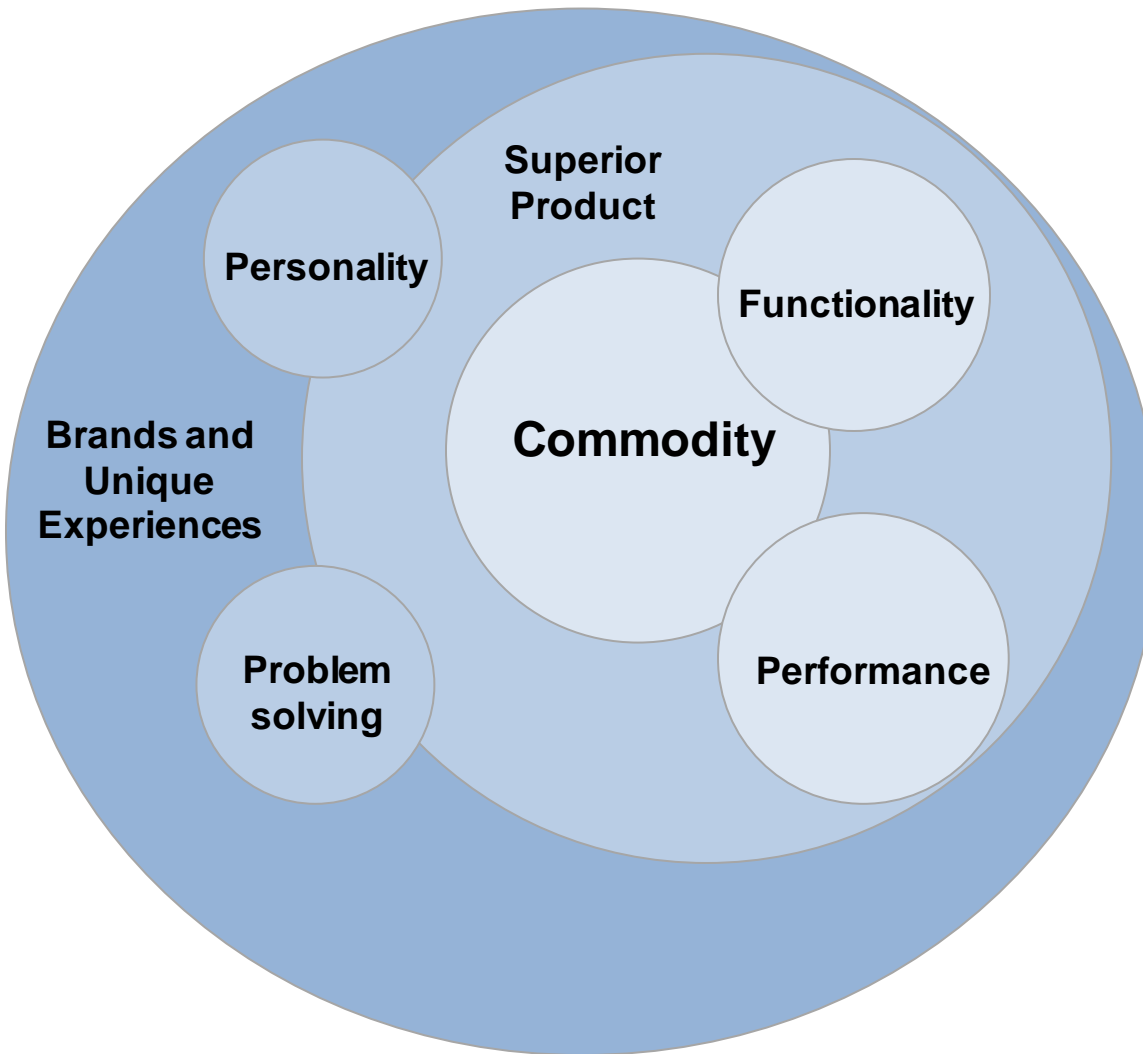
50%

Domestic Market
Share of Revenue

20%

BUSINESS INSIGHTS

WELSPUN: BEYOND MANUFACTURING..

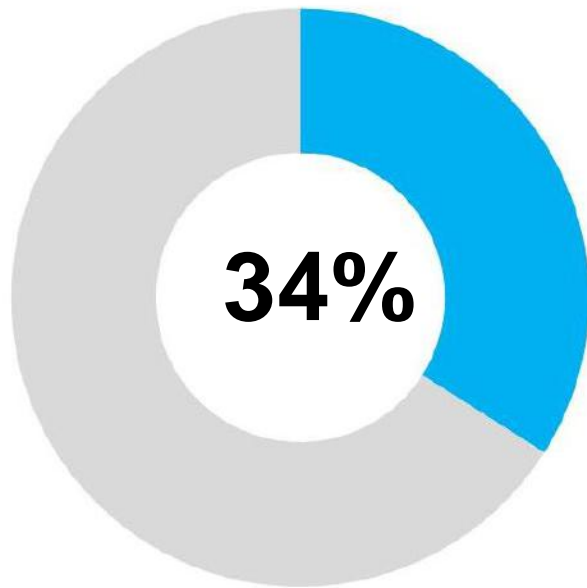


- In the past 30 years, Welspun has evolved from being a commodity manufacturer to a creator of unique product and brand experiences
- We create these experiences through our brands, product and technologies and new channels

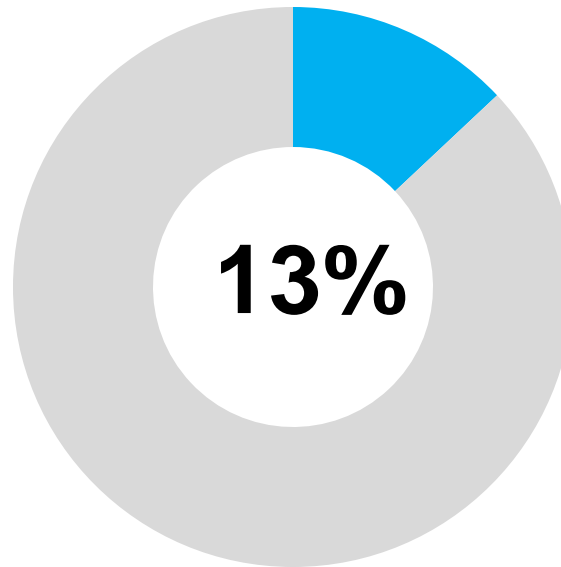
**...TO CUSTOMER
CENTRIC**

LEADING TO.. A UNIQUE REVENUE MIX FY16

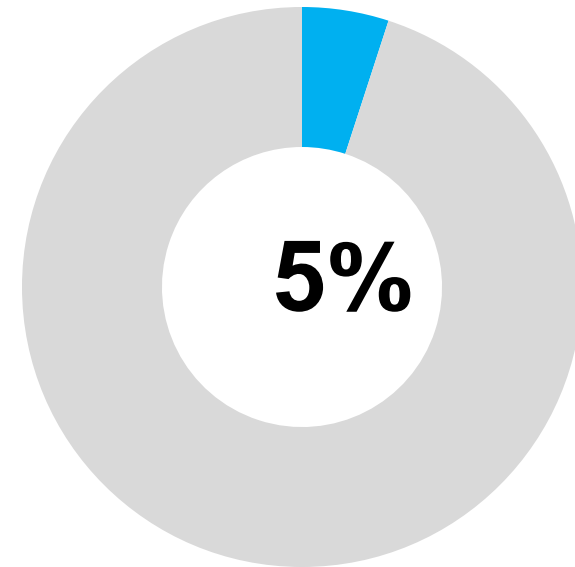
INCREASED SHARE OF
INNOVATIVE PRODUCTS



INCREASED SHARE OF
BRANDED PRODUCTS



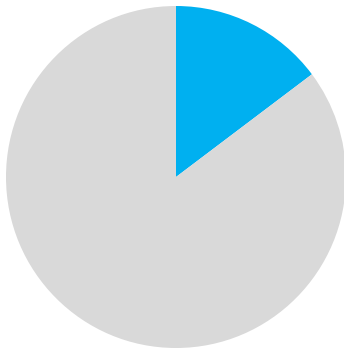
INCREASED SHARE OF
NEW CHANNELS



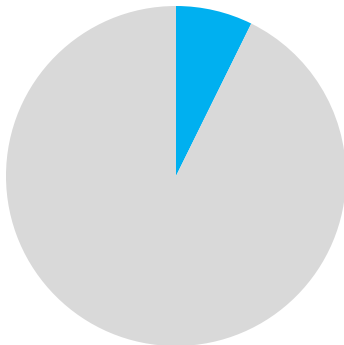
WELSPUN'S IMPROVED MARKET SHARE

CY13

14.7% in Towels

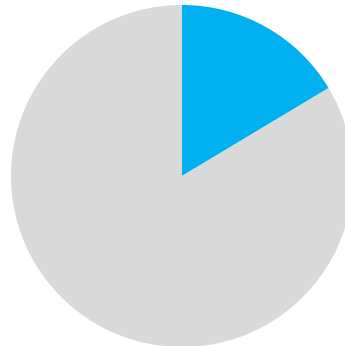


7.3% in Bed Linen



CY14

16.4% in Towels

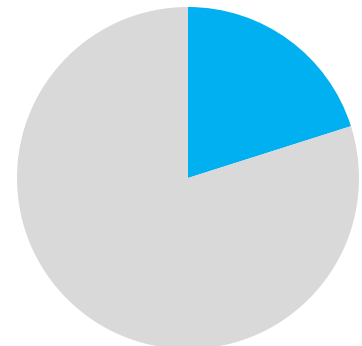


9.9% in Bed Linen

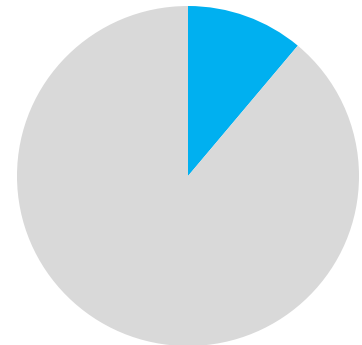


CY15

20.1% in Towels



11.3% in Bed Linen



US Market-Source OTEXA

SUCCESSFUL FY16

LEADERSHIP POSITION

**No. 1 Home Textile
Supplier To USA for
4th Consecutive Year**

ACCELERATED GROWTH

**13% Overall Revenue
Growth**

INDUSTRY DEFINING

**Globally Launched
Hygro® As An
Ingredient Brand**

**Highest Exports from India
for Bed Linen & Terry
Towels**

**47% Domestic Retail
Growth**

**First Indian Company To
Receive The Egyptian
Cotton Gold Seal**

**100% Hospitality Business
Growth**

AWARDS & RECOGNITIONS

- **Dipali Goenka, Jt. MD, features at #16 in Asia's 50 Power Businesswomen 2016 by Forbes.**
 - **#4 among Indian Women**
- **Dipali Goenka appointed on the Board of Directors of Social Accountability Accreditation Services (SAAS)**
- **“Supplier of the Year” in Bed & Bath category” - Walmart**
- **“CSR Award” - Tesco**
- **“Highest Overall Global Exports, Highest Exports in Bed Category and Highest Exports in Towels Category” - Texprocil**
- **“5 Star Vendor of the Year” - Macy’s**
- **“Golden Peacock Eco Innovation Award 2015”**
- **‘Exemplary Supply Chain and Speed Award’ - Kohl’s**
- **“Best Innovation Award 2015” - Wilkinson**
- **Highest Direct to Store Delivery Share - IKEA 2015.**
- **Only Indian vendor invited as a ‘Gold Supplier’ by Carrefour in the General Merchandise Category**
- **Total Transparency certificate - Gold Supplier from Egyptian Cotton Association**
- **Global Inclusion and Diversity Award for 2015 – JC Penney**



DELIVERING UNIQUE EXPERIENCES

INNOVATION FOCUS

Consumer
Needs

BRAND AND DELIVERY FOCUS

Continuous Idea Generation

- Welspun Innovation Lab
- Product Development

Ensuring Credibility



Innovation

- Innovation Partners
- Global patents: 26
(including pending)

CONSUMER INSIGHTS

Brands

Ingredient
/Technology

Owned

Licensed



Technology
and Product
Delivery

- B2C/ B2B Connect
- Data Analytics and VMI
Support

DELIVERING PRODUCT EXPERIENCES

Introducing 3 extraordinary
Sequenced Sleep Systems™
for 3 extraordinary kinds of comfort:

Nano Core™ Active Anti-Allergen™
Sequenced Sleep System™
for anti-allergen comfort.



Hygro™ Cotton Luxe
Sequenced Sleep System™
for high-performance comfort.



Drylon™ EZcomfort™
Sequenced Sleep System™
for easy care comfort.



Each unique system offers 5 layers of



unprecedented performance and comfort.

DELIVERING PRODUCT PERFORMANCES



regulates temperature for individual comfort



before washing



after 3 washings

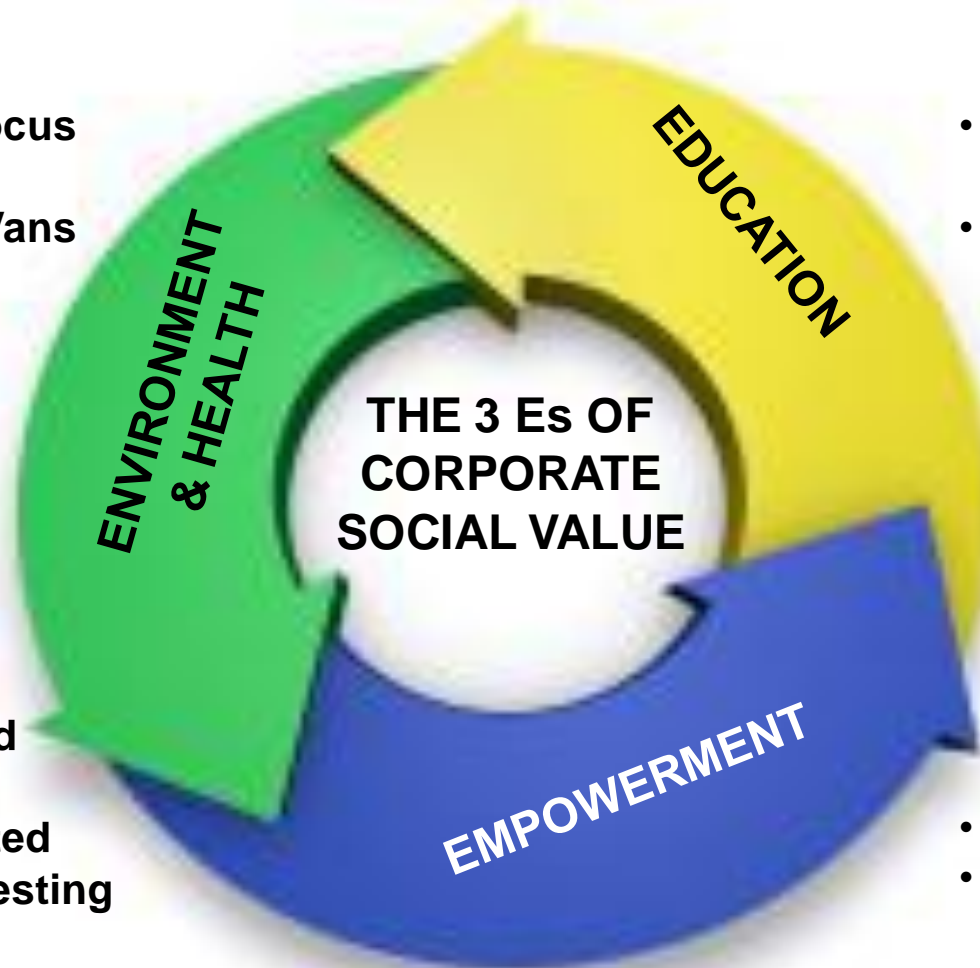


FOCUS 2016 - INCLUSIVE GROWTH

Virtuous Cycle of Social Development at Welspun

- Sustainability Focus
- Health Camps
- Mobile Medical Vans

- Natural/ Recycled Products
- 300K Trees Planted
- Rain Water Harvesting



- Child And Adult Education
- Interventions

- Vocational Training
- Employability

FOCUS 2016 - INCLUSIVE GROWTH (Contd.)



Girls Hostel



Vocational Centers for SPUN



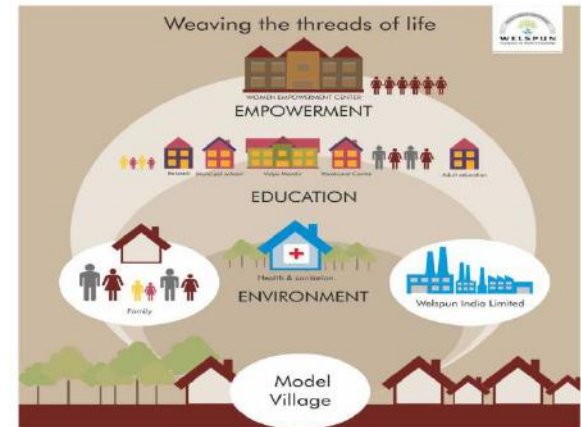
Skill Development



Global Women Economic Empowerment Initiative



Education : Students and Govt. Schools Covered



Smart Village



WAY AHEAD

SUSTAINABLE VALUE CREATION

NEW CHANNELS



NEW SEGMENTS



NEW GEOGRAPHIES



PERSONALIZED / CUSTOMIZED



INNOVATION



OPERATIONAL EXCELLENCE



EXPANDED PRODUCT RANGE



VISION 2020

LEADING TOMORROW TOGETHER



Innovation



Leveraging
technology



Inclusive growth



Brands



People
development



Collaborations

VISION 2020

Revenue

\$2 BN

WELSPUN2.0

Net Debt

NIL

Innovative Products
Share of Revenue

40%

Branded Products
Share of Revenue

25%

Domestic Market
Share of Revenue

20%

FINANCIAL HIGHLIGHTS - Q4 & FY16

FINANCIAL HIGHLIGHTS – FY16

Sales growth at 13%

**Operating EBITDA
margin up 202 bps
to 26%**

**PAT crossed milestone
of Rs. 7 bn**

**Net Debt to Equity at 1.3x
(vs. 1.8x)**

**Net debt to Op.EBITDA
at 1.6x (vs. 2.0x)**

**ROCE (pre-tax) at 26%;
ROE at 41%**

**Long term Credit Rating
upgraded to
AA- from A+**

**Positive FCF at Rs. 3.8 bn
(after capex of ~Rs. 11 bn)**

**Total Dividend of
Rs. 1.30/share
(130% of face value)**

FINANCIAL PERFORMANCE

(Rs. Million)

| Particulars | Q4FY16 | Q4FY15 | YoY | Q3FY16 | FY16 | FY15 | YoY |
|------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|----------------|
| Revenue | 16,283 | 13,658 | 19.2% | 14,904 | 59,795 | 53,025 | 12.8% |
| Operating EBITDA | 4,229 | 3,446 | 22.7% | 4,006 | 15,575 | 12,742 | 22.2% |
| Op. EBITDA Margin | 26.0% | 25.2% | 74 bps | 26.9% | 26.0% | 24.0% | 202 bps |
| EBITDA | 4,497 | 3,735 | 20.4% | 4,178 | 16,490 | 13,691 | 20.4% |
| EBITDA Margin | 27.6% | 27.3% | 27 bps | 28.0% | 27.6% | 25.8% | 176 bps |
| Finance Cost | 663 | 569 | 16.5% | 592 | 2,362 | 2,829 | -16.5% |
| Depreciation | 1,042 | 1,009 | 3.3% | 997 | 3,750 | 3,329 | 12.6% |
| PBT | 2,792 | 2,157 | 29.4% | 2,588 | 10,378 | 7,533 | 37.8% |
| PAT after min. & assoc. | 1,933 | 1,614 | 19.8% | 1,741 | 7,029 | 5,398 | 30.2% |
| PAT Margin | 11.9% | 11.8% | 5 bps | 11.7% | 11.8% | 10.2% | 157 bps |
| Cash Profit* | 3,125 | 2,781 | 12.4% | 3,002 | 11,487 | 9,017 | 27.4% |
| EPS# | 1.9 | 1.6 | 19.8% | 1.7 | 7.0 | 5.4 | 30.2% |

Operating margin expansion by ~200 bps and EPS growth of ~30% in FY16

* PBDT – Current Tax #Adjusted for stock split

PROFITABILITY TREND

(Rs. Million)

| Particulars | FY13 | FY14 | FY15 | FY16 | CAGR |
|------------------------------------|---------------|---------------|---------------|---------------|-------|
| Revenue | 36,473 | 43,730 | 53,025 | 59,795 | 17.9% |
| <i>Revenue growth %</i> | 24.4% | 19.9% | 21.3% | 12.8% | |
| Operating EBITDA | 5,946 | 9,211 | 12,742 | 15,575 | 37.8% |
| <i>Op EBITDA Margin</i> | 16.3% | 21.1% | 24.0% | 26.0% | |
| EBITDA | 6,438 | 10,253 | 13,691 | 16,490 | 36.8% |
| <i>EBITDA Margin</i> | 17.7% | 23.4% | 25.8% | 27.6% | |
| Depreciation | 1,449 | 1,903 | 3,329 | 3,750 | |
| Finance cost | 1,977 | 2,352 | 2,829 | 2,362 | |
| PBT | 3,013 | 5,997 | 7,533 | 10,378 | |
| PAT after min. & assoc. | 2,248 | 4,195 | 5,398 | 7,029 | 46.2% |
| <i>PAT Margin</i> | 6.2% | 9.6% | 10.2% | 11.8% | |
| Cash Profit | 4,178 | 6,237 | 9,017 | 11,487 | 40.1% |
| EPS* | 2.2 | 4.2 | 5.4 | 7.0 | 46.2% |

Operating Margin expansion by 9.7 percentage points in three years

* Adjusted for stock split

Notes: 1) Cash Profit = PBDT – Current Tax

2) FY14 PAT and EPS are adjusted for one-time additional depreciation net of tax

BALANCE SHEET TREND

(Rs. Million)

| Particulars | 31-Mar-13 | 31-Mar-14 | 31-Mar-15 | 31-Mar-16 |
|------------------------------|---------------|---------------|---------------|---------------|
| Net Worth | 9,902 | 11,097 | 14,318 | 19,877 |
| Short Term Loans | 9,166 | 11,349 | 10,034 | 7,732 |
| Long Term Loans | 11,079 | 18,944 | 20,817 | 18,901 |
| Gross Debt | 20,244 | 30,293 | 30,851 | 26,632 |
| Cash & Cash Equiv. | 2,798 | 3,658 | 4,297 | 1,384 |
| Net Debt | 17,446 | 26,635 | 26,554 | 25,248 |
| Capital Employed# | 32,387 | 43,694 | 45,451 | 48,347 |
| Net Fixed Assets (incl CWIP) | 18,615 | 25,609 | 26,049 | 33,435 |
| Net Current Assets* | 8,221 | 12,140 | 13,155 | 11,054 |
| Total Assets | 38,579 | 51,684 | 56,953 | 62,272 |

Net worth doubled in three years

Capital Employed = 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

| | | FY13 | FY14 | FY15 | FY16 |
|--------------------|-----------------------|-------|-------|-------|-------|
| Solvency ratios | Net debt/Op. EBITDA | 2.93 | 2.89 | 2.08 | 1.62 |
| | Net debt/Equity | 1.76 | 2.40 | 1.85 | 1.27 |
| | EBIT/Interest | 2.52 | 3.55 | 3.66 | 5.39 |
| Operational ratios | Current Ratio | 1.00 | 1.07 | 1.10 | 1.17 |
| | Fixed Asset turnover | 1.96 | 1.71 | 2.04 | 1.79 |
| | Total Asset turnover | 0.95 | 0.85 | 0.93 | 0.96 |
| | Inventory days | 82 | 84 | 76 | 67 |
| | Debtor days | 28 | 34 | 31 | 37 |
| | Payable days | 50 | 51 | 48 | 62 |
| | Cash conversion cycle | 60 | 67 | 59 | 43 |
| Return ratios | ROE | 25.9% | 40.0% | 42.5% | 41.1% |
| | ROCE (pre-tax) | 16.3% | 21.9% | 22.8% | 26.4% |

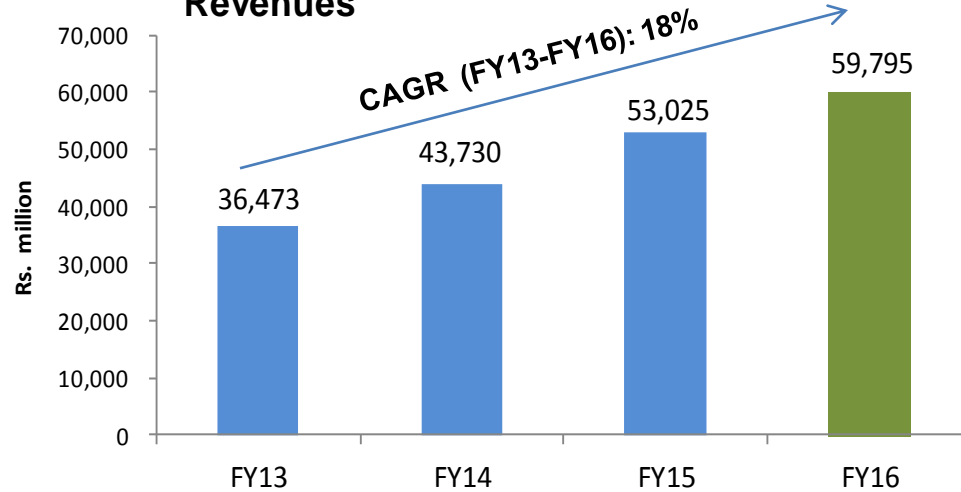
ROCE expansion by 10 percentage points in three years

Notes:

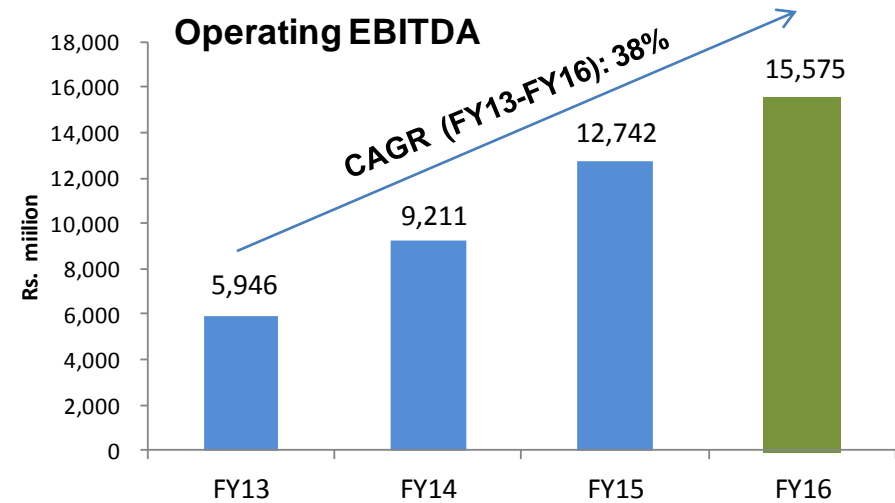
1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales / (Fixed assets + Gross current assets)

KEY FINANCIAL TRENDS

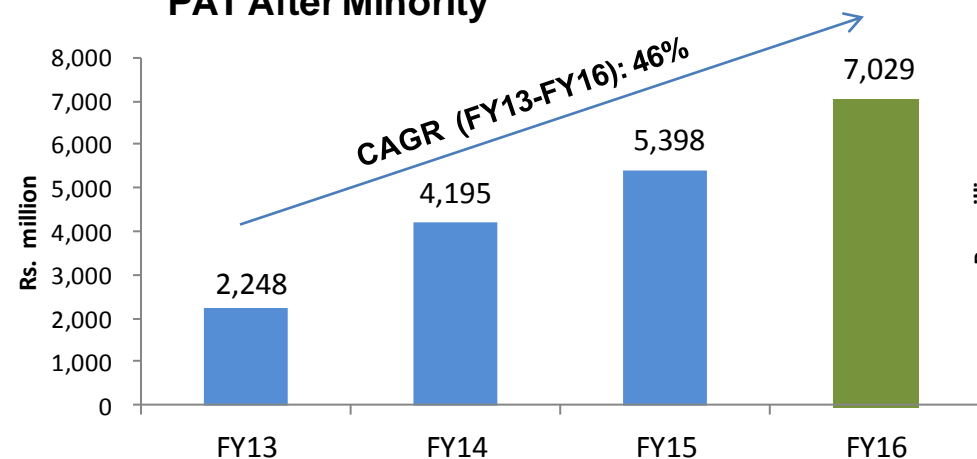
Revenues



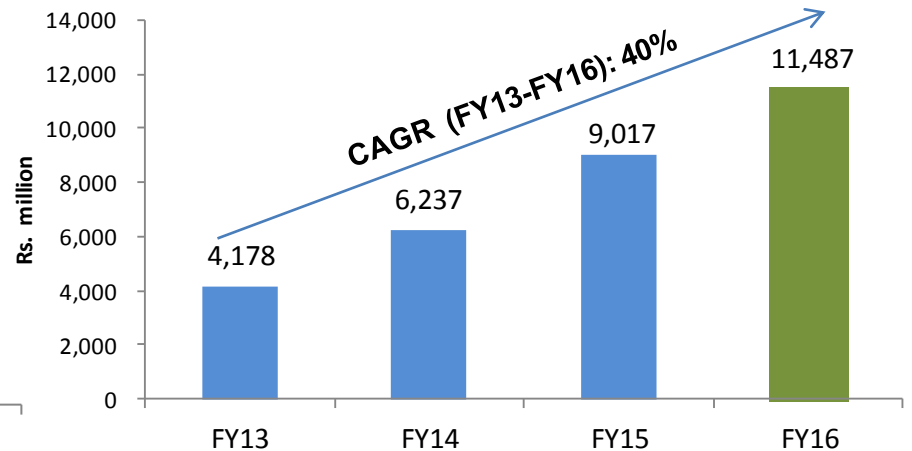
Operating EBITDA



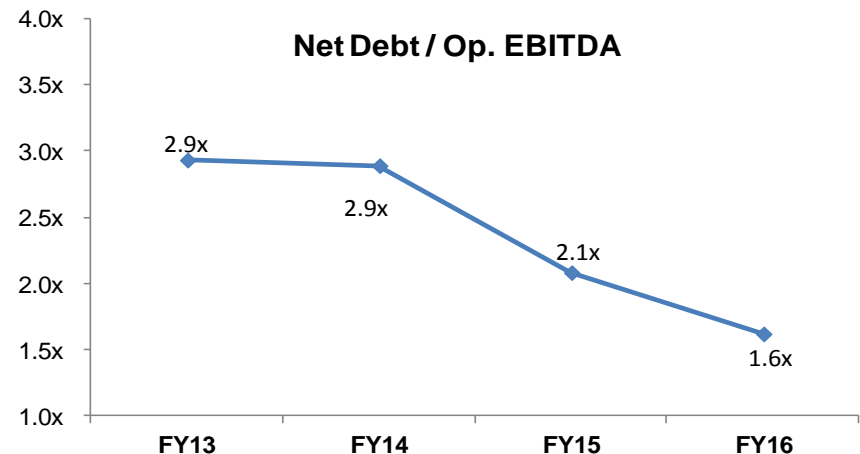
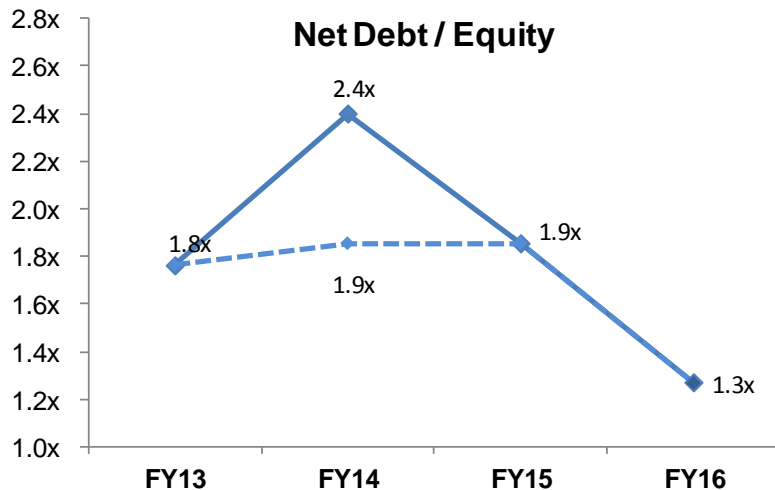
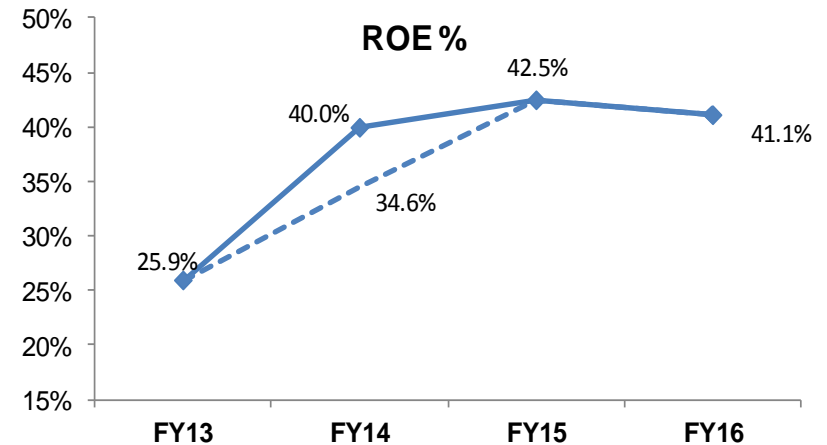
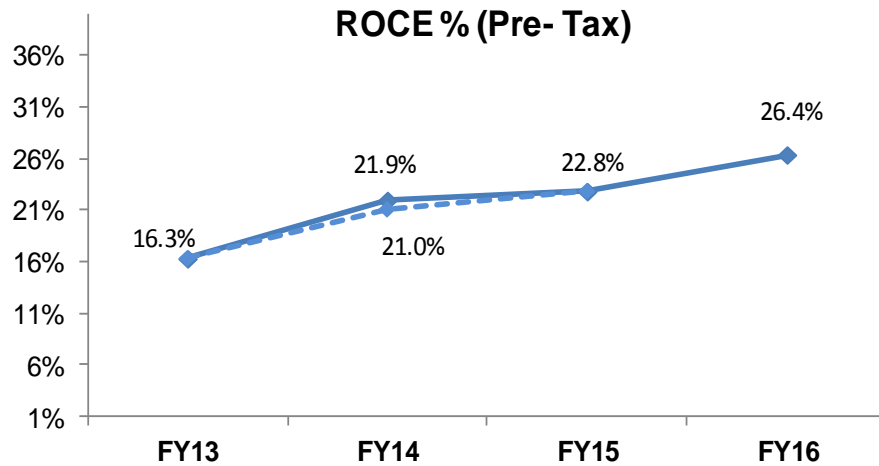
PAT After Minority



Cash Profit



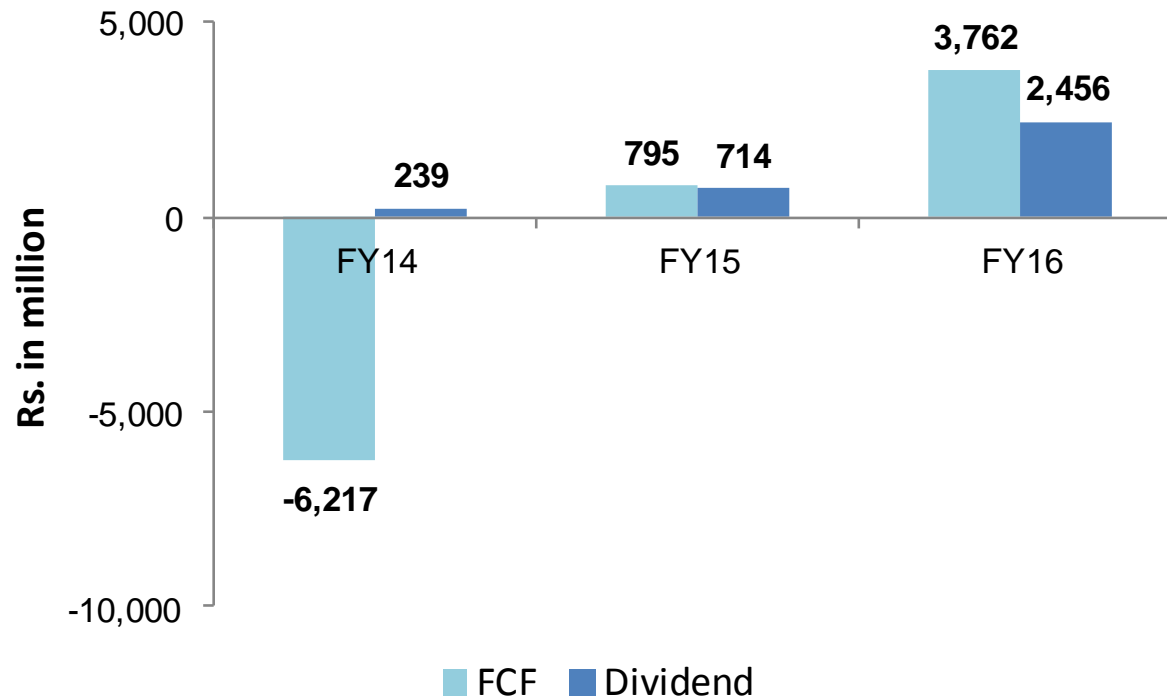
KEY RATIO TRENDS



Note : Dotted line indicates trend after removing impact of one-time depreciation during FY14

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

DEMAND-DRIVEN CAPACITY EXPANSION

| Product | Unit | End-FY16 Capacity | Sales volume | 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 close to full utilisation in towels and sheets



Investment of approx. Rs.8 bn expected in FY17 (including Rs.2.5 bn from previous expansion plan)



Capacity growth to be achieved with minimal headcount increase

High utilisation of world-class capacities

DIVIDEND POLICY

- Dividend distribution policy
“Dividend Payout: 25% of standalone PAT”
- Total dividend for FY16 at Rs. 1.3 per share: 26% of standalone PAT



Note: Figures adjusted for the stock split

THANK YOU

For further details, please contact:

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