



On The Path of Global Leadership...



WELSPUN CITY, ANJAR

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Welspun Group

Brief Synopsis

- One of the fastest emerging global groups, with multiple countries strategy and manufacturing facilities
- Group companies enjoys market leadership positions :
 - Top 2 Large Diameter Pipe Company in World - Financial Times, UK
 - Globally renowned towel company
- Global relationship with marquee clients including Fortune 100 companies like Exxon Mobil (Golden Pass Pipeline), Chevron, Shell, Bechtel, Wal- Mart, Target etc
- Equity investment by renowned investors like Apollo, ICICI Life, Temasek (Govt. of Singapore), 3i (UK), Genesis (UK)
- Excellent relationship with domestic and international lenders

Key Markets

- 80% export mainly to US, Europe, Latin America, Africa, South East , Middle East etc

International Setup

- Christy, UK
- Office in Manhattan-NY, Huston-US
- Pipe & Coating facility in Arkansas, US
- Pipe & Coating Facility in Saudi Arabia

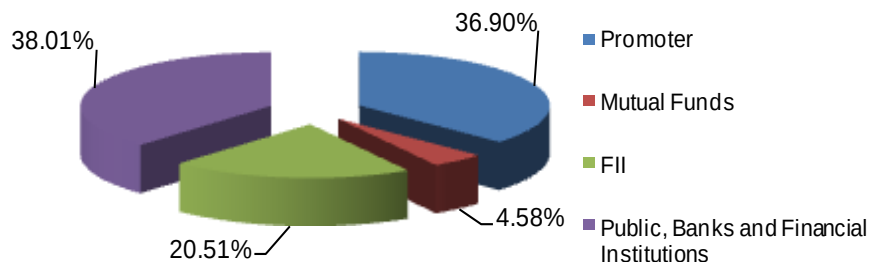
Global Recognitions

	Welspun Group	“ Green IT Award for 2011” - by CIO magazine, IDG Group 2011
	Welspun India	“ Outstanding CSR in Textiles Sector” India Shining CSR Award - Wockhardt Group 2011
	Welspun Corp	Star Performer Award for the year 2008-09 All India Export Excellence Awards - EEPC 2010
	Welspun Corp	Economic Times “Emerging Company of the Year Award” for Corporate Excellence - 2008
	Welspun Corp	2nd Largest (Large Diameter) Line Pipe Manufacturer in the World - Financial Times UK - 2008
	Welspun India	Supplier of the Year Award – J C Penny - 2008
	Welspun India	Earth Care Awards – Times of India and Jindal Steel Ltd - 2008
	Welspun India	Sustainability Award - Walmart - 2007
	Welspun Corp	One of the fastest growing large companies in India – Business Today - 2007
	Welspun India	4 Gold Trophies for Outstanding Export Performance – Textile Promotion Council (TEXPROCIL) - 2007

WCL – An Introduction

- WCL, flagship company of Welspun Group, is one of the largest pipe manufacturing company in the world
- Incorporated in 1995, the Company offers a complete range of high grade line pipes ranging from 1 inch to 100 inch used inter alia for transmission of oil & gas
- Partner of Choice for more than 50 Oil & Gas Giants across the globe with a geographically diverse client base including Chevron, Exxon Mobil (Golden Pass Pipeline), Saudi Aramco, British Gas, Kinder Morgan etc
- International footprint
- Accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications
- Strong order book of U.S. \$ 1.06 Bn

Shareholding Pattern, as on Dec 31, 2011



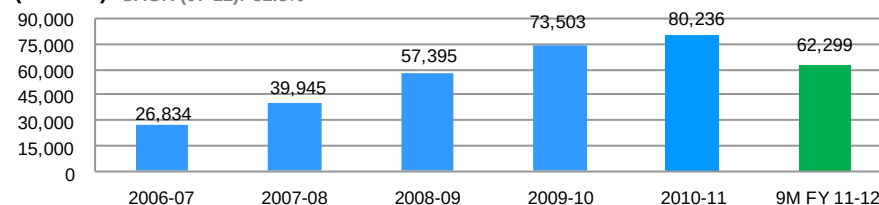
Note

1. Net Debt at INR 23,824 MM as on 31 Dec, 2011 (including WMSL)
2. Average exchange rate of US\$1 = Rs 43.51 from 01-Apr-06 till 31-Mar-07
3. Average exchange rate of US\$1 = Rs.40.29 from 01-Apr-07 till 31-Mar-08
4. Average exchange rate of US\$1 = Rs.45.91 from 01-Apr-08 till 31-Mar-09

Steady Growth in Revenues and Profit

Consolidated Total Revenues

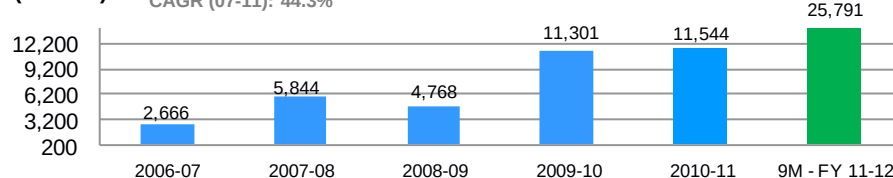
(INR MM) CAGR (07-11): 31.5%



US \$ MM 617⁽²⁾ 991⁽³⁾ 1,250⁽⁴⁾ 1,637⁽⁵⁾ 1,799⁽⁶⁾ 1,173⁽⁷⁾

Gross Profit

(INR MM) CAGR (07-11): 44.3%



US \$ MM 61⁽²⁾ 145⁽³⁾ 104⁽⁴⁾ 252⁽⁵⁾ 259⁽⁶⁾ 486⁽⁷⁾

Summary Market Statistics

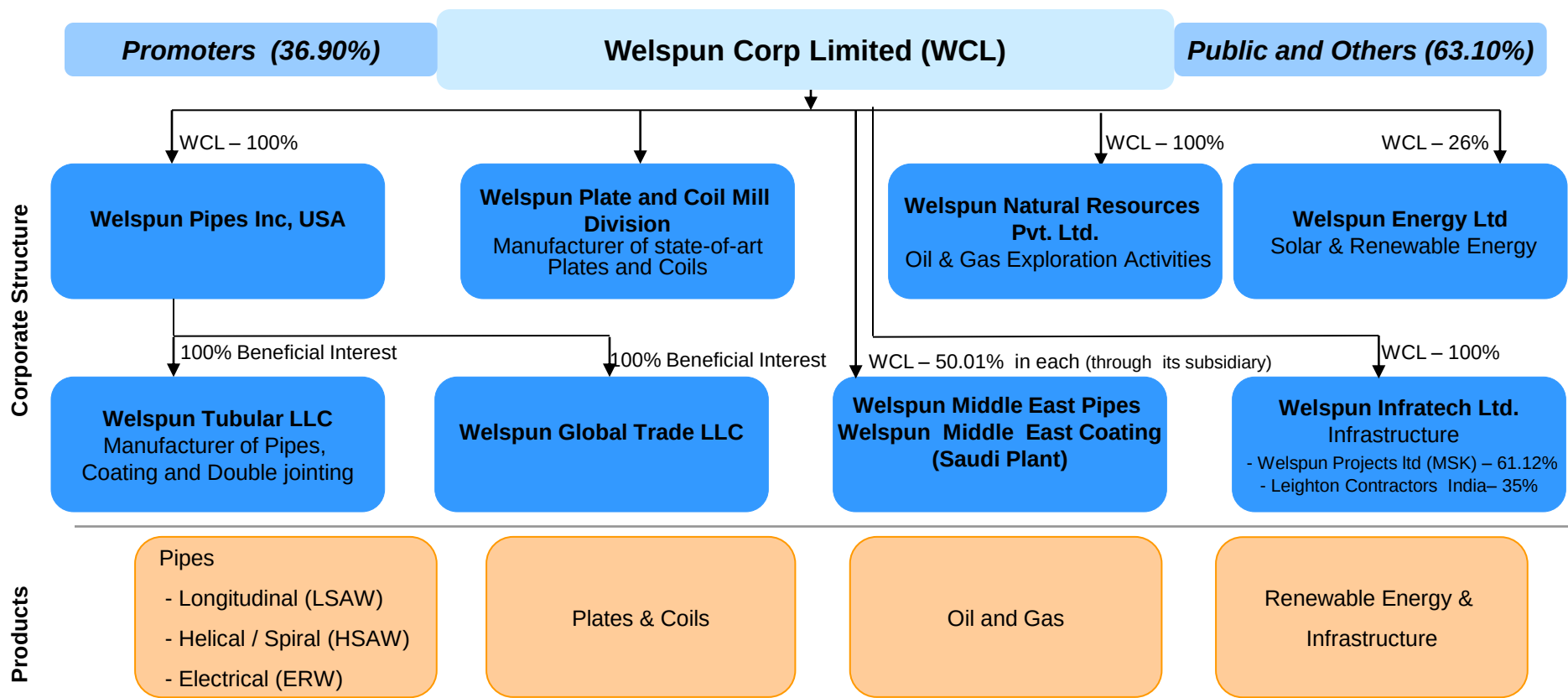
As of Feb 17, 2012	INR MM	US\$ MM ⁽⁸⁾
Share Price (INR/ US\$)	153.05	3.10
Market Capitalization *	40,324	818
Enterprise Value ⁽¹⁾	64,148	1,301

Note

5. Average exchange rate of US\$1 = Rs.44.90 from 01-Apr-09 till 31-Mar-10
6. Exchange rate of US\$1 = Rs. 44.595 on 31st March 2011
7. Average Exchange rate of US\$ 1 = Rs. 53.105 as on 01 Oct – 31 Dec -2012
8. Exchange rate of US\$ 1 = Rs. 49.295 as on 16 Feb 2012

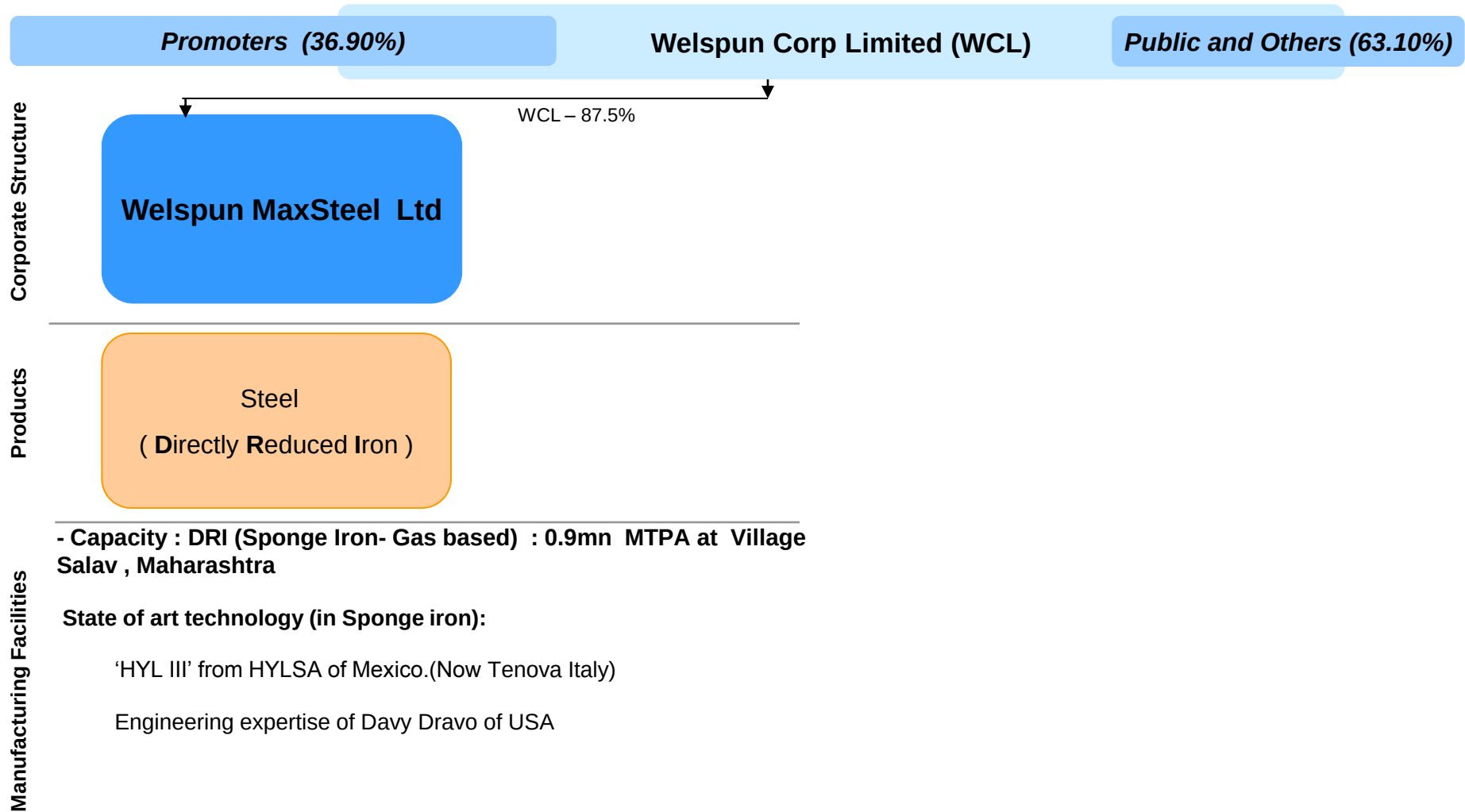
* Total no of shares : 263.47 mn

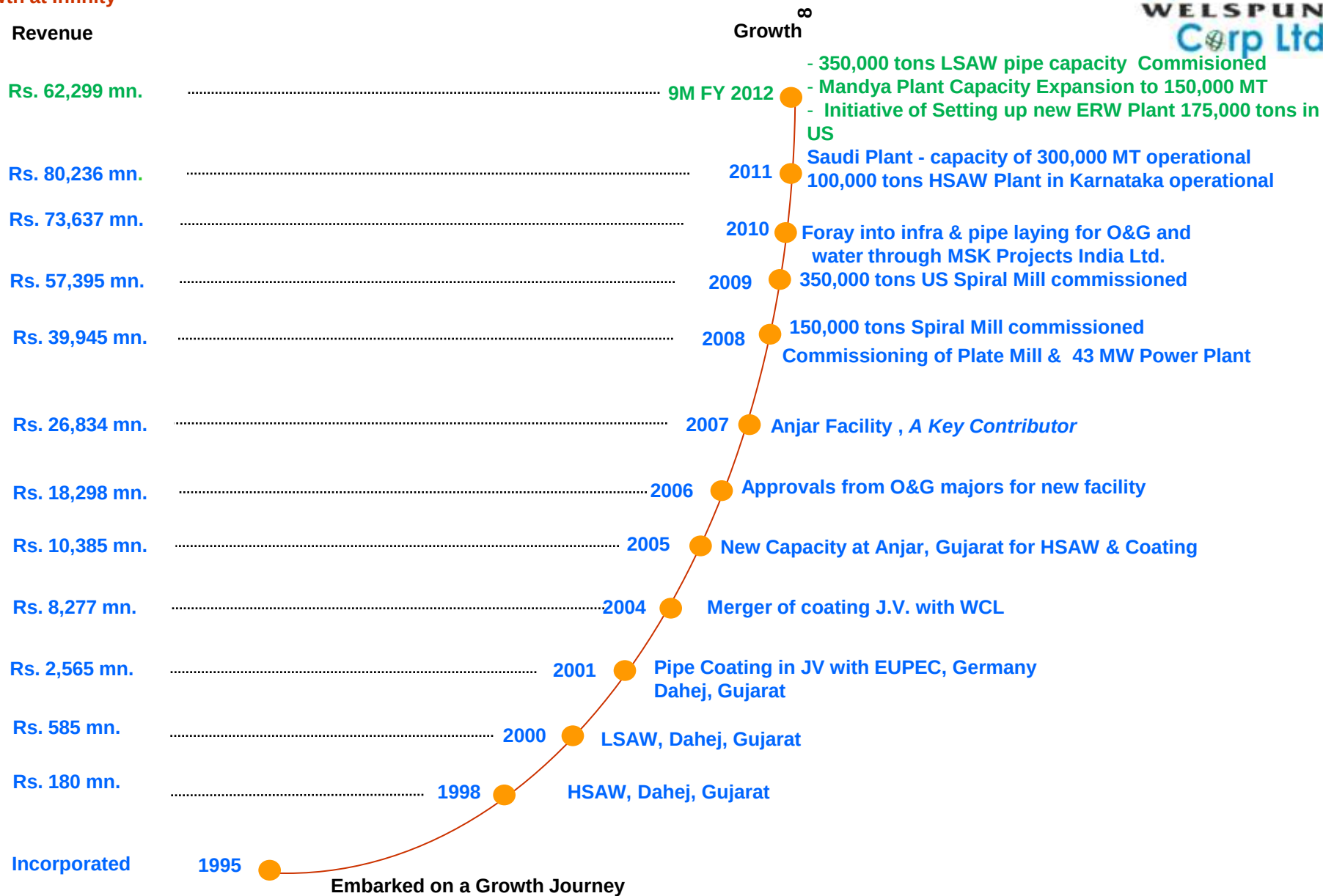
WCL – An Introduction



Manufacturing Facilities	Anjar, Dahej and Mandya Pipe Mills	Little Rock, Arkansas, USA	Dammam, Saudi Arabia	Plate-cum-Coil Mill
	- Premier integrated set-up for manufacturing welded pipes. Installed state-of-the-art-technology and is completely geared to meet the requirements of the global industry. - The Longitudinal Pipes division (LSAW) has a capacity of 350,000 metric ton per annum at Dahej. - The New LSAW Pipe Plant (LSAW) plant at Anjar with a capacity of 350,000 metric ton per annum. - The Spiral Pipes division (HSAW) at Dahej has a capacity of 550,000 metric ton per annum. - The Spiral Pipes division (HSAW) at Mandya (near Karnataka) has a capacity of 100,000 metric ton p.a. - The ERW Pipes division at Anjar has a capacity of 200,000 metric ton per annum. - It also has Coating capabilities in Anjar and Dahej	- With manufacturing facility on a 740-acre site adjacent to the Little Rock Port Authority, the \$150 million facility commissioned in February 2009. - This API certified facility currently employs more than 300 people and is capable of producing 350,000 tons of HSAW pipes annually for the use of the oil and gas industry. - The facility can produce Pipes from 24 to 60 inches as outer diameter; 6 mm to 25 mm as wall thickness and length of 40 -80ft. - It also has Coating and Double Jointing capabilities and is a one-stop-solution provider to Welspun's valued customers	Manufacturing facility of 300,000 tons p.a of HSAW pipes with Coating facility for the use of the oil and gas industry.	- This backward integration at Anjar, Kutch, Gujarat, India has annual capacity to produce 1.5 million tones of Plate and Coil with plates (up to 4.5 meters wide, 140 mm thickness) and Coil (up to 2.8 meters wide, 25 mm thickness) with strength of 120,000 PSI. - This mill can cater to high end specialized product requirement of Line Pipe Industry (API grades), Shipping, Heavy construction, Bridges, Boiler plates, Wind blades etc.

.....WCL – An Introduction





Welspun Corp Limited: Strong Value & Growth Story

- 1 Strong Industry Fundamentals
- 2 Robust Business Fundamentals & Healthy Order Book
- 3 Global Footprint & Pre Approved with Oil & Gas Majors
- 4 Strong Management Team with Proven Execution Capabilities
- 5 Exponential Growth in Revenues & Margins
- 6 Welspun Maxsteel Ltd

1. Strong Industry Fundamentals

Relatively Few Major Players

- Industry is highly capital intensive with high barriers to entry
- Niche markets exist which have been effectively exploited by Welspun
- Reliability and reputation for excellence are paramount, as pipelines are used for critical applications such as oil and gas transport
- Prospects for the industry brightening with oil prices gaining strength

Global Demand

- Business potential of around USD 138 Bn ⁽³⁾ - Simdex
- Replacement of the old pipelines in US
- New Gas is required to replace annual decline in existing gas supplies in North America, which shall enhance demand for new pipelines
- Shale Gas gradually increase its share in total gas requirement in US
- Alaska Pipeline project -another boost to the demand for pipes

Domestic Demand

- Low pipeline penetration in India provides huge potential
- Natural Gas as a source of energy is growing at a rapid pace and shall grow the demand for pipelines
- Formation of the Petroleum & Natural Gas Regulatory Board (PNGRB) to give boost to trunk pipelines
- City Gas Distribution set to take-off
- Liquefied Natural Gas (LNG) terminals projects to enhance pipe demand
- Water Infrastructure projects: A Key driver for HSAW pipes

Source: Industry Sources

Welspun is well placed, with global clients and state-of-the-art technology, to capitalise on this opportunity

Note

1. Conversion rate of \$1,200 / ton
2. As illustrated in the adjoining tables

International Demand Outlook till 2016

Region	Projects	Total Length (kms)	Quantity (MMT)	Business Potential (US\$ Bn) ⁽¹⁾
North America	284	76,324	18	21
Latin America	55	36,200	16	18
Europe	154	44,571	19	23
Africa	56	25,383	7	8
Middle East	165	51,100	19	22
Asia	153	77,133	33	40
Australasia	81	18,838	5	6
Total	948	329,549	115	138

Source: Simdex Pipeline Projects Future Guide database , US, Sept 2011

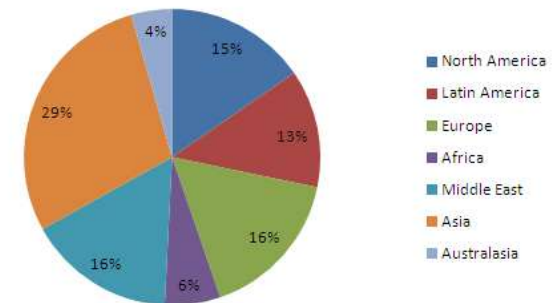
Domestic Market Size

Company	Total Length (kms)	Quantity (KMT) ⁽¹⁾	Business Potential (US\$ Bn) ⁽²⁾
GAIL	6,642	1,328	1.6
RGITL	2,750	550	0.7
GSPL	5,675	1,135	1.4
Total	15,067	3,015	3.7

Source: GAIL India Ltd Presentation Feb 11 / Company data

Share of Expected Demand (% for MT)

Until 2016



Source: Simdex Pipeline Projects Future Guide database , US, Sept 2011

Proposed pipeline of GAIL

Phase I by 2011 (Under Execution)

Name of Pipeline	Length (Kms)	Cost (Rs Cr)	Add. Cap (MMSCMD)
DVPL Ph -II / Vijaypur Dadri	1,109	10,764	80
Dadri - Bawana - Nangal	594	2,358	31
Chainsa - Jhajjar - Hissar	349	1,315	35
Sub Total	2,052	14,437	146

Phase II by 2012 (Approved in 2009)

Name of Pipeline	Length (Kms)	Cost (Rs Cr)	Add. Cap (MMSCMD)
Jagdishpur - Haldia	2,050	7,596	32
Dabhol - Bangalore	1,414	4,994	16
Kochi - Mangalore - Bangalore	1,126	3,263	16
Sub Total	4,590	15,853	64
Grand Total	6,642	30,290	210

Source: GAIL India Investor Presentation , Feb 2011

1. Strong Industry Fundamentals

Outlook

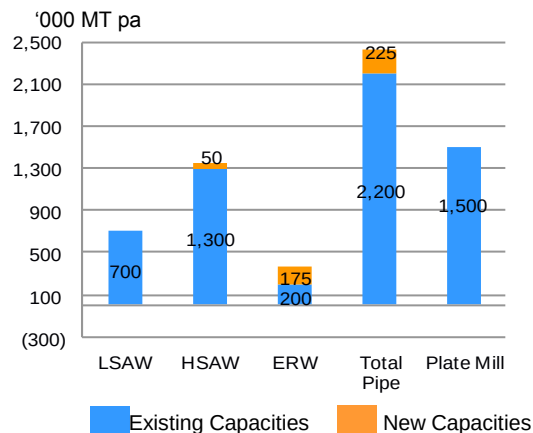
- ❖ The Company has been able to sustain its market positioning and has been successful in winning 330 K MT of new orders during Q3. Amidst strong competitive pressure, the Company has successfully maintained its margin profile during the quarter and is confident of tackling this challenging phase.
- ❖ The global plate industry is still facing a challenged demand environment. Steel slab prices continue to be high, further impacting margins. Given a strong focus on the plate business, we are confident of reaching our annual 500,000 MTPA target for the year. We believe that the plate mill is on track to cross annual volumes of 750,000 MT in the next two years.
- ❖ Welspun's infrastructure business (Welspun Projects & Leighton Welspun) has shown positive EBITDA growth and resultant PAT has remained marginally positive after accounting for Interest and depreciation.
- ❖ Welspun Maxsteel Ltd continues maintain its edge with good customer base but is forced to buy most of its gas requirements from alternative sources at higher cost to operate the DRI plant. The net weighted cost of gas increasing to \$12.55/MMBTU from the levels of \$7.4/MMBTU in Q1 and \$10.1/MMBTU in Q2. Besides taking up the matter with the highest level with the authorities, Welspun along with other Steel manufacturers (severely affected by gas) are exploring legal recourse.

2. Robust Business Fundamentals & Healthy Order Book

Strongly Positioned

- Welspun serves several marquee customers like Exxon Mobil (Golden Pass Pipeline), Kinder Morgan, Ruby (El Paso) and GAIL because of its specialized offerings
- It has long term contracts with giants like TransCanada; and framework agreements with Chevron, Saudi Aramco, etc
- Successfully expanded into highly competitive North and Latin America to take advantage of higher realizations

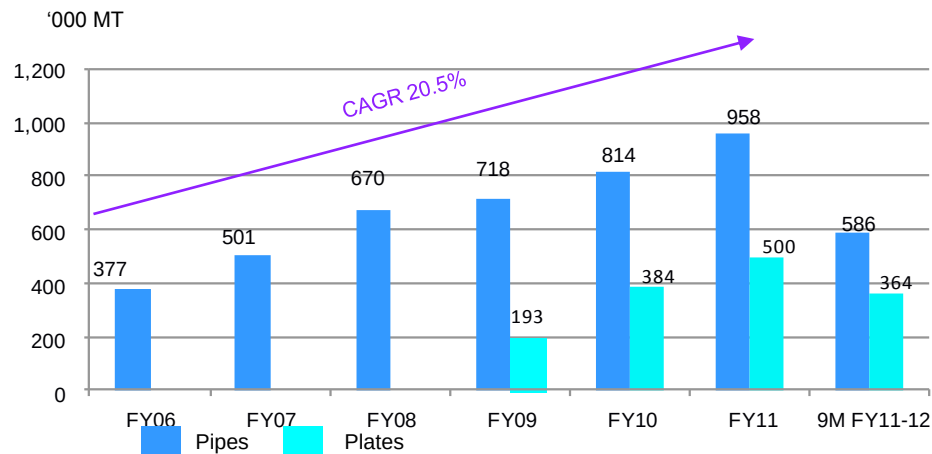
Current Capacities



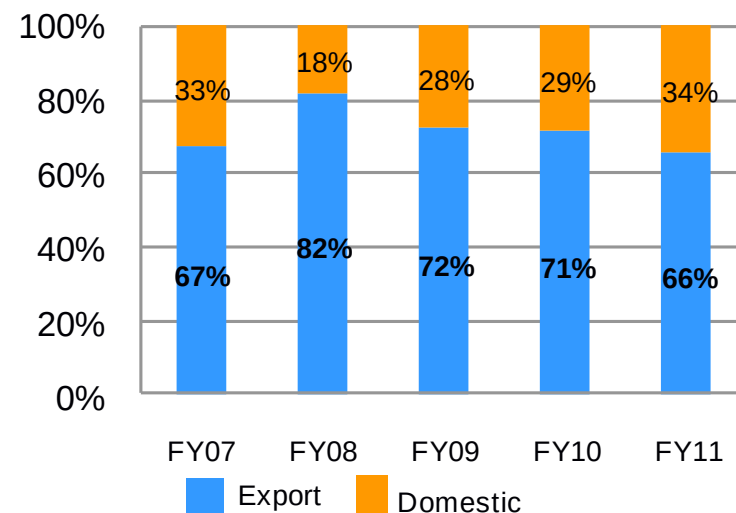
Going Strength to Strength

	FY07	FY09	FY10	FY11
Oil & Gas Co Approval	36	>50	>50	>55
Production ('000 MT)	501	717	814	958
Revenue (US\$ MM)	571	1,250	1,637	1,799
PAT (US\$ MM)	36	47	136	142
No. of countries	Global	Global	Global	Global
Export Market	67%	72%	71%	75%

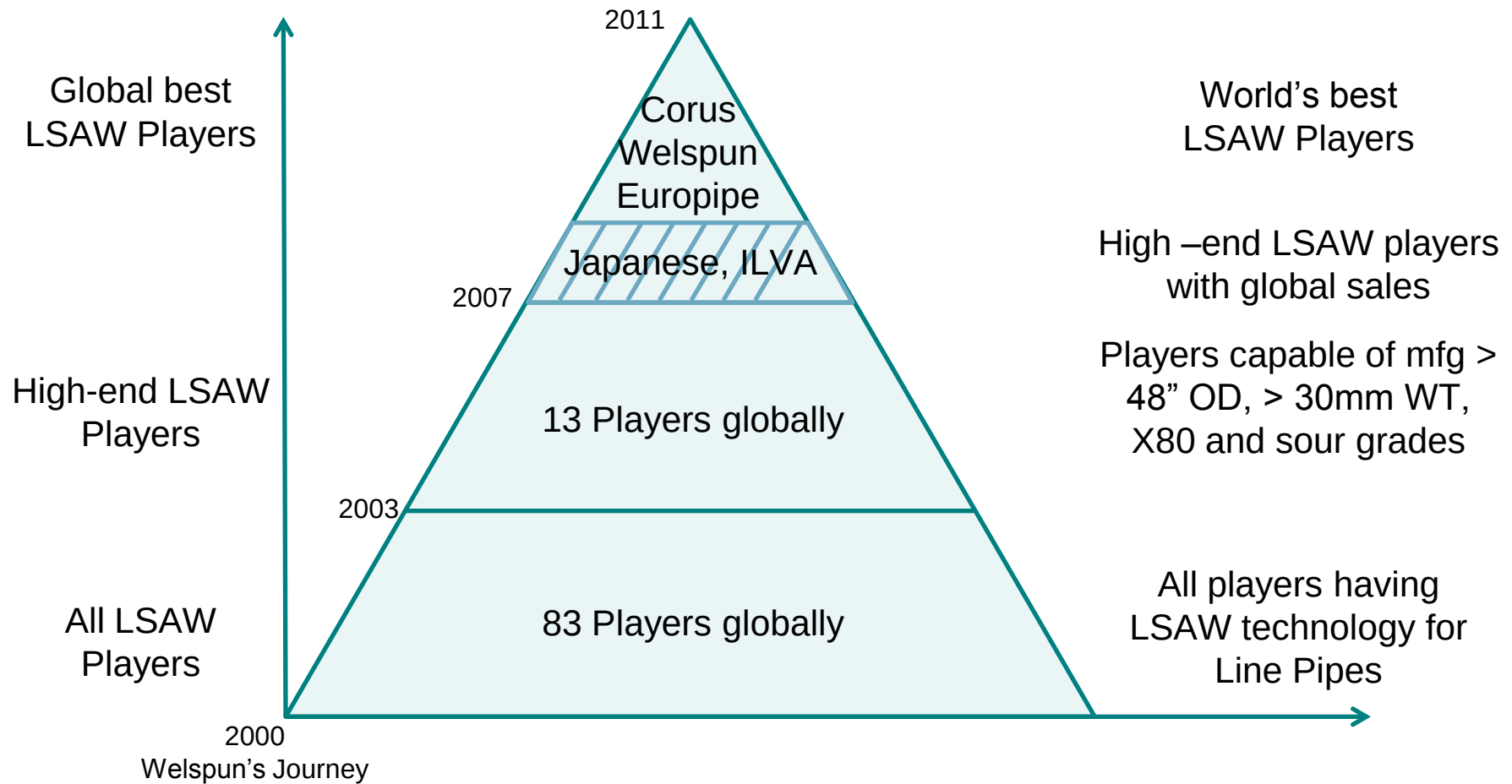
Production Growth



Export Market Gaining Dominance (Exports by Value)



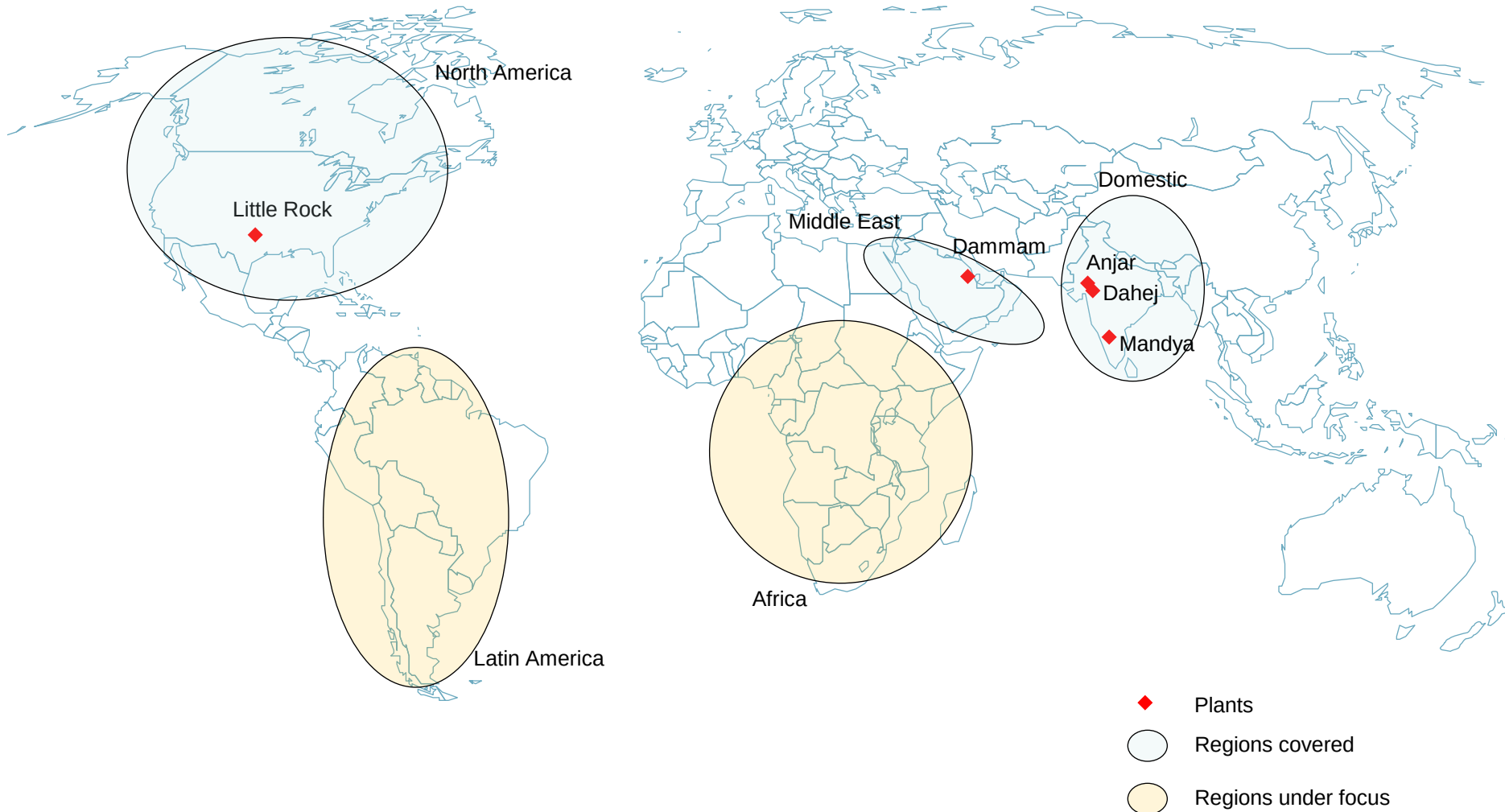
2. Robust Business Fundamentals & Healthy Order Book



Welspun is one of the world's foremost players in LSAW market

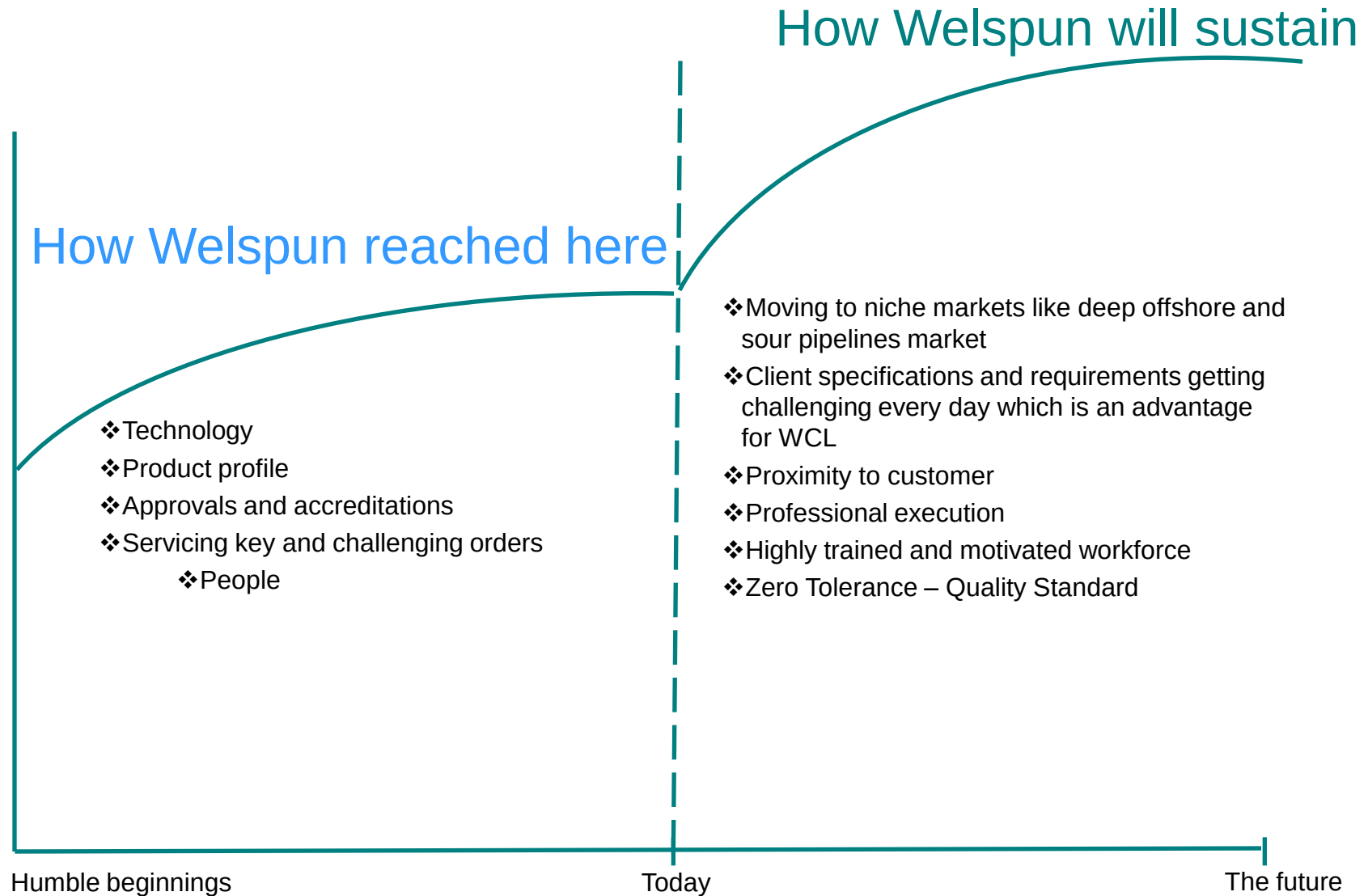
2. Robust Business Fundamentals & Healthy Order Book

WELSPUN'S COMPETITIVE POSITIONING: HSAW - REGIONWISE



2. Robust Business Fundamentals & Healthy Order Book

LONG TERM SUSTAINANCE

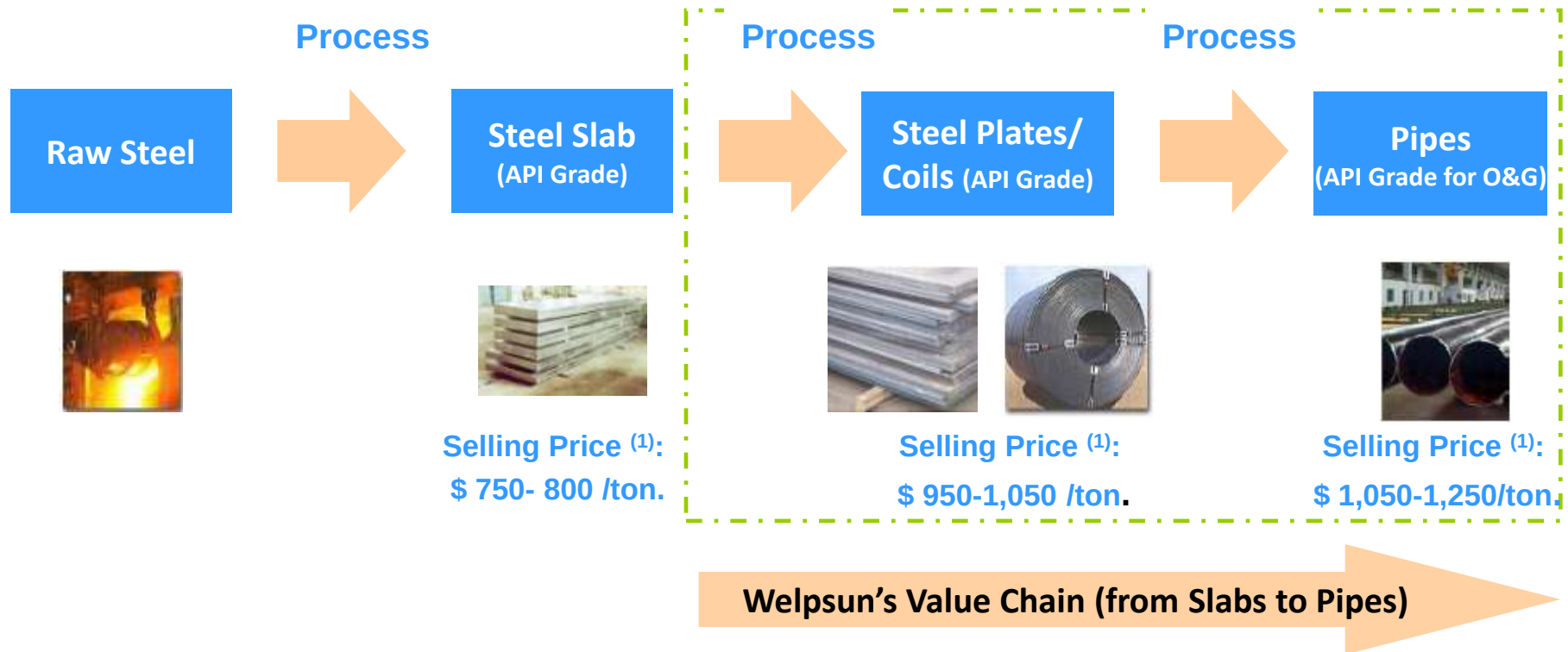


2. Robust Business Fundamentals & Healthy Order Book

KEY GROWTH FACTORS FOR WELSPUN

- ❖ Welspun's position as a high end technology driven organisation reaching international levels
- ❖ Increasing crude oil prices catalysing exploration, production and pipeline laying
- ❖ Development of newer oil and gas fields, shale gas etc
- ❖ Tougher norms on pipeline integrity, giving a boost to pipeline replacement market
- ❖ Increasing requirements for high end pipes
- ❖ Multi-Locational advantage
- ❖ Elite positioning which can be leveraged for high end projects
- ❖ Welspun on the path of becoming fully integrated
- ❖ Welspun's drive to get closer to customers with international sales offices and agents focused on each geography
- ❖ 18m length pipes - Key to future
- ❖ Track record of offshore and sour projects
- ❖ Excellent track record on High WT, OOR, OOS
- ❖ Capability, consistency and continuously improving performance recognised by global community

2. Robust Business Fundamentals & Healthy Order Book



Backward integration into plates provides critical value advantage

Opportunity to service the high end steel category which is currently serviced through imports

Note

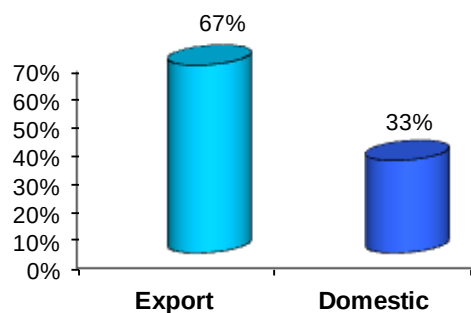
1. Indicative market prices

2. Robust Business Fundamentals & Healthy Order Book

	Pipe Orders Booked During Year / Qtr	Orders Executed	Closing Pipe Orders
Year	MT (in '000 tons)	MT (in '000 tons)	MT (in '000 tons)
FY 2008-09	807	695	781
FY 2009-10	824	814	791
FY 2010-11	844	909	726
Q1 FY 2011-12	116	203	640
Q2 FY 2011-12	135	210	565
Q3 FY 2011-12	351	202	713

Current Order (Pipes & Plates) book stands at USD 1.06 bn

Current Order Book – Geographical Distribution by Volume

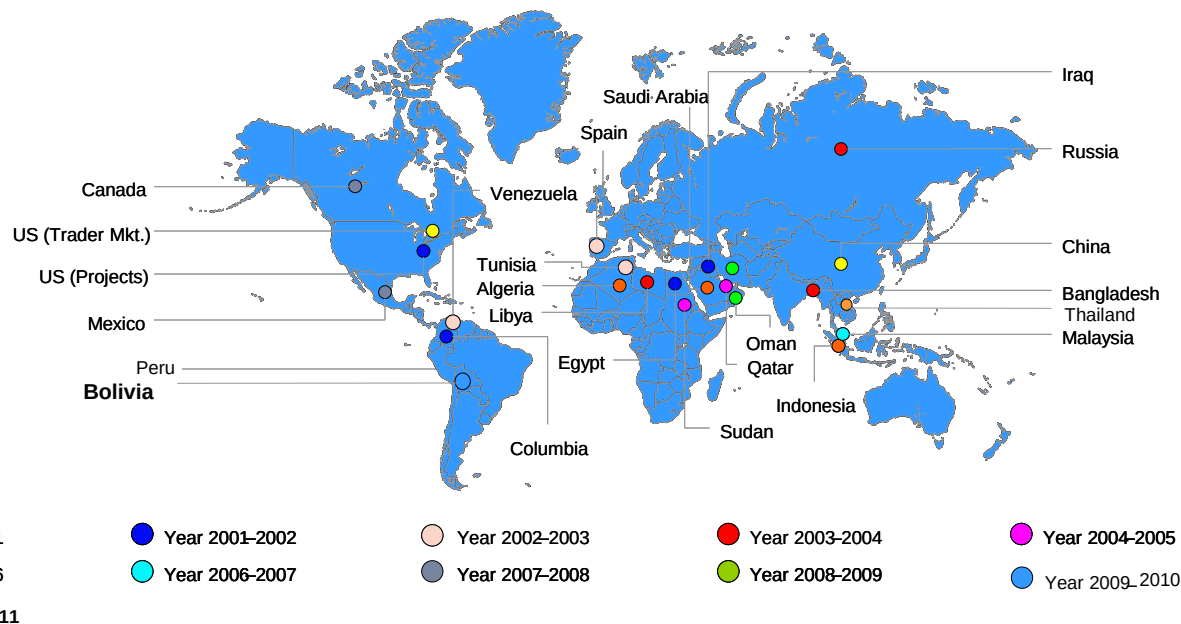


Some of the Top Clients for Pipes

Client	Country
Enterprise -EPCO	USA
Transcanada Pipe Line Limited	Canada
WASIT	Middle – East
PTTEP	Thailand
SWCC	India
HCC-GWIL	India

3. Global Footprint & Pre Approved with Oil & Gas Majors

Global Market Expansion



World's largest diameter steel pipe producers ⁽¹⁾	
2007 output (million tonnes)	
Salzgitter/Europipe* (Germany)	1.3
Welspun (India)	1.0
JFE (Japan)	0.7
Sumitomo (Japan)	0.7
Evraz** (Russia)	0.6
Nippon Steel	0.6
Riva (Italy)	0.6
PSL (India)	0.5
JSW (India)	0.3
Arco/Mittal (Luxembourg)	0.2
Stupp (US)	0.1
Tata/Corus (India/UK/Netherlands)	0.1
Others***	7.3

What Sets WCL Apart From Competition

- Decade Long Experience
- All Solutions Under One Roof
- High Capacity Equipment to Meet Future Demand
- Backward Integration with In-house Plate-cum-Coil-Mill

Framework Agreements

- Features
 - Selected few companies considered for supplies that meet stringent process of qualification
 - Typically customers with large requirement over a period of time
 - Flexibility in pricing terms and continuous business
- Current Framework Agreements
 - Chevron, Saudi Aramco (pipe purchase agreement)

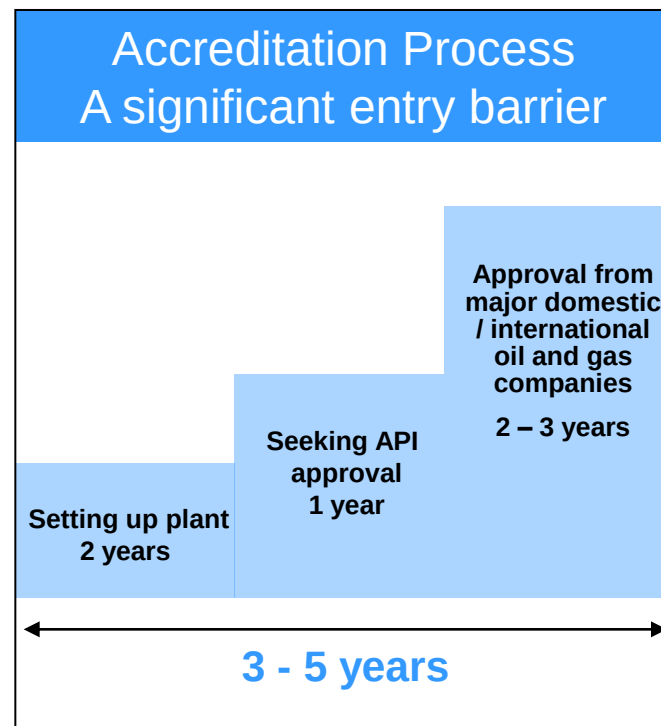
WCL was rated 2nd largest Pipe Company in 2007 and has since reached capacity of 2.2 MTPA

Note

1. As reported by Financial Times on April 13, 2008

3. Global Footprint & Pre Approved with Oil & Gas Majors

AGIP	NTPC
BECHTEL	ONGC
BRITISH GAS	PETRO CHINA
BRITISH PETROLEUM	PETRONAS, MALAYSIA
CHINA NATIONAL PETROLEUM CORPORATION	PDO, OMAN
CPMEC, CHINA	PGN, INDONESIA
CHEVRON (Framework Agreement)	QATAR PETROLEUM
DOW	RELIANCE INDUSTRIES LIMITED
RUBY (ELPASO)	SAIPEM, SNAM
EGYPTIAN GENERAL PETROLEUM CORPORATION	SAUDI ARAMCO (Framework Agreement)
ENTERPRISE	SHELL
EXXON-MOBIL (GOLDEN PASS PIPELINE)	STOLT OFFSHORE – Acergy
GROUP FIVE , Saudi Arabia	SONATRACH
GAIL	TOTAL
GASCO, ABUDHABI	TECHNIP
GASCO, EGYPT	TRANSCANADA (Long Term Contract)
GAZPROM (STROYTRANSNAZ)	UNOCAL
KINDER MORGAN	PERU LNG (HUNT OIL)
MOGE, MYANMER	VIETSOPEIRO
N.A.O.C. - NIGERIA	WASIT
NPCC, ABU DHABI	SWCC



4. Strong Management Team with Proven Execution Capabilities

Management Team



Mr. B.K. Goenka is the **Chairman**, and the chief architect of the Welspun Group. Today, with his entrepreneurial ability and professionalism, he has built up one of the most admired business conglomerates



Mr. R.R. Mandawewala is the **Managing Director**, a key contributor in Welspun's journey. A Chartered Accountant by profession and with over 25 years of experience, he has expertise varying from Textiles to SAW pipes.



Mr. Mintoo Bhandari, serves as **Director on Board (Nominee of a shareholder)** in WCL. Mr. Bhandari also serves on the board of directors of SOURCECORP, Dish TV India Limited and Wire & Wireless (India) Ltd. Mr. Bhandari graduated with an SB in Mechanical Engineering from MIT and with an MBA from the Harvard Business School.



Mr. Akhil Jindal serves as **Director of Corporate Affairs**. He graduated with an Engineering Degree, MBA from Indian Institute of Management, Bangalore. Mr. Jindal is responsible for strategic inorganic/organic initiatives within the Group and has spearheaded large fund raisings, cross border acquisitions, private equity raisings and financial closure of projects exceeding over US\$ 1 bn.



Mr. David J. Delie serves as **President Welspun Tubular LLC**. A graduate in Science (Electrical Engineering) and a Masters Degree in Engineering Management from the University of Pittsburgh, he has an extensive 33-year background in the steel and pipe industry. Mr Delie has served on the Board of Directors of Berg Steel Pipe Corp., EB Pipe Coating, Inc., the American Iron & Steel Institute (AISI).



Mr. B.R. Jaju serves as **Director & CFO**. A Chartered accountant by profession, member of Company Secretary (FCS), as well as a Law Degree (LL.B). He has a rich experience over 30 years in finance and global M&A activities. Mr. Jaju has been awarded 3 times as Best Performing CFO in the year 2003, 2005 and 2006, by the most credible nationally renowned jury.



Mr. L. T. Hotwani is the **Director**, of Welspun Corp Limited. With a rich experience of over 36 years, Mr. Hotwani is instrumental in sourcing raw materials and managing supply chain with global players



Mr. Prashant Mukherjee serves as **Director of Welded Pipes**. A Graduate in Science (Engineering, Mech) with over 24 years experience mostly in the Oil & Gas Pipe Industry, Mr. Mukherjee has been instrumental in implementing expansion projects in the Company



Mr. Vipul Mathur is the **Director of Marketing & Sales (Pipes & Plates Division)**. A Science Graduate and Masters in Business Administration (MBA) in Marketing, he has a rich experience of over 16 years in the Oil & Gas Pipe Industry



Mr. Akbar Umatiya is **Vice President & Unit Head of Welspun Middle East LLC (Saudi Plant)**. A technocrat Professional having more than 26 years of versatile experience in various fields like Operations, Project Executions and Marketing in India and Overseas. He has proven capability to perform in International environment studded with a mix of diverse cultures and to develop Technical and professional abilities for team building to enhance superior quality work.

4. Strong Management Team with Proven Execution Capabilities



LSAW Pipes



ERW Pipes



HSAW Pipes



Coating of Pipes

4. Strong Management Team with Proven Execution Capabilities



Plates



Plates



US Plant



4. Strong Management Team with Proven Execution Capabilities

US Plant



- Rationale for US Plant
 - Opportunity to locate closer to customers who were facing supply challenges
 - Transportation cost becomes quite large for inter-continental shipment
 - Existing capacity in the US was not able to serve the requirement of US clients
- State of the art facility at Little Rock, Arkansas. Commissioned in Feb-09 and has obtained all API approvals
- Key supplier for last 5 years in US with client list that includes Chevron, Exxon Mobil (Golden Pass Pipeline), Kinder-Morgan and Ruby (El Paso)
 - Framework agreement with Chevron, making Welspun one of the three global preferred vendor for next 3-5 years
- In 9M FY 2012 utilization levels ramp-up to 68%

4. Strong Management Team with Proven Execution Capabilities

Saudi Plant



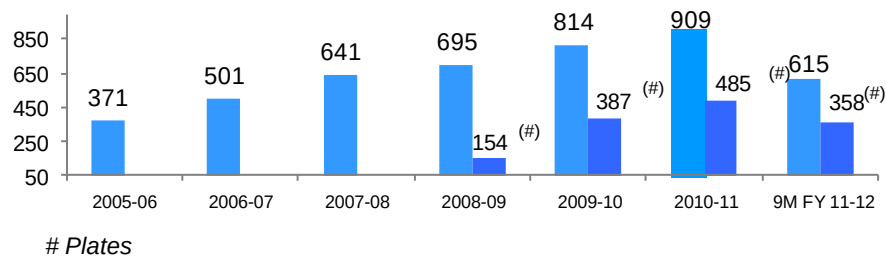
- **Rationale for Saudi Plant**
 - Opportunity to locate closer to customers who were facing supply challenges
 - Savings on Transportation cost
 - State of the art facility at Damman, Saudi Arabia. Commissioned in Dec -10.
 - Tap the market, which is amongst the fastest growing
- Key supplier for in Middle East with client list that includes Saudi Aramco etc
- In FY 9M – 2012 utilization levels at 48%.

5. Exponential Growth in Revenues & Margins

Sales (volume)

('000 MT)

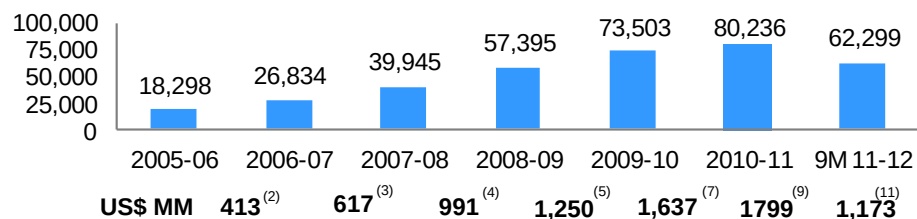
CAGR (06-11): 20.5%



Consolidated Revenues ⁽¹⁾

(INR MM)

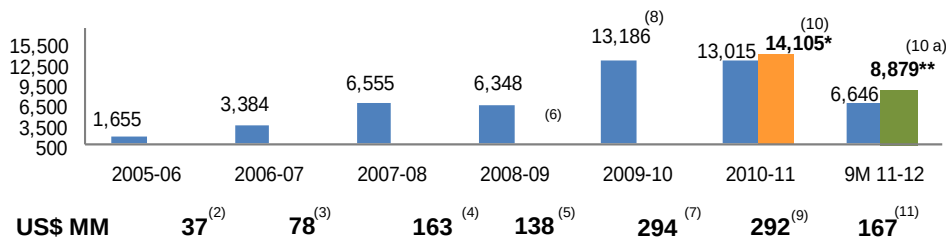
CAGR (06-11): 34.4%



EBITDA ⁽¹⁾

(INR MM)

CAGR (06-11): 51.1%

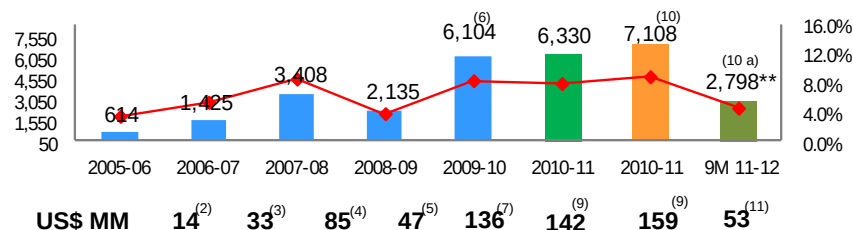


Profit After Tax

(INR MM)

CAGR (06-11): 59.5%

PAT Margin (%)



Notes

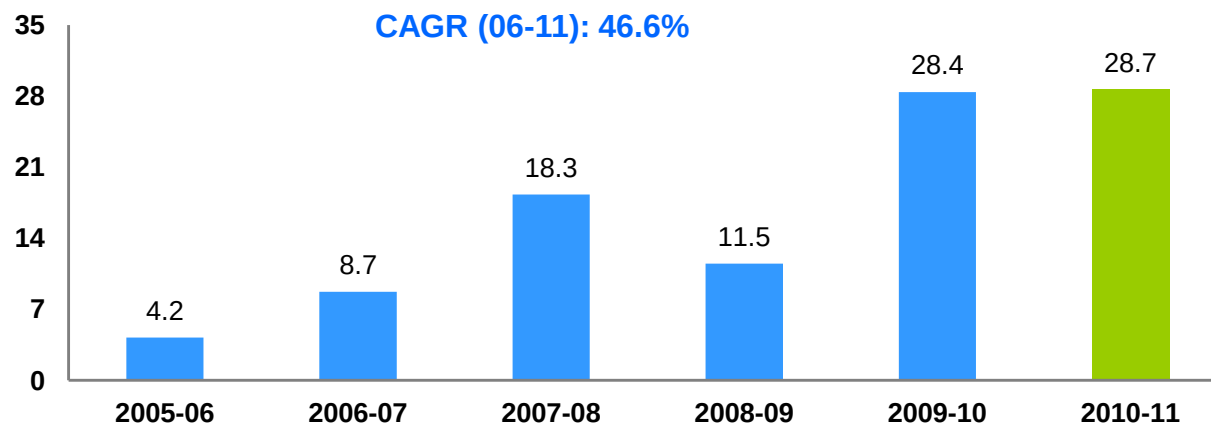
1. Excluding Other Income
2. Using avg. exchange rate of US\$1 = Rs.44.28 from 01-Apr-05 till 31-Mar-06
3. Using avg. exchange rate of US\$1 = Rs.43.51 from 01-Apr-06 till 31-Mar-07
4. Using avg. exchange rate of US\$1 = Rs.40.29 from 01-Apr-07 till 31-Mar-08
5. Using avg. exchange rate of US\$1 = Rs.45.91 from 01-Apr-08 till 31-Mar-09
- * Operational EBITDA & Adjusted PAT in FY 2010-11 post adjustments in Note 10
- ** Operational EBITDA and Adjusted PAT in 9M FY 12 post adjustments in Note 10a

Notes

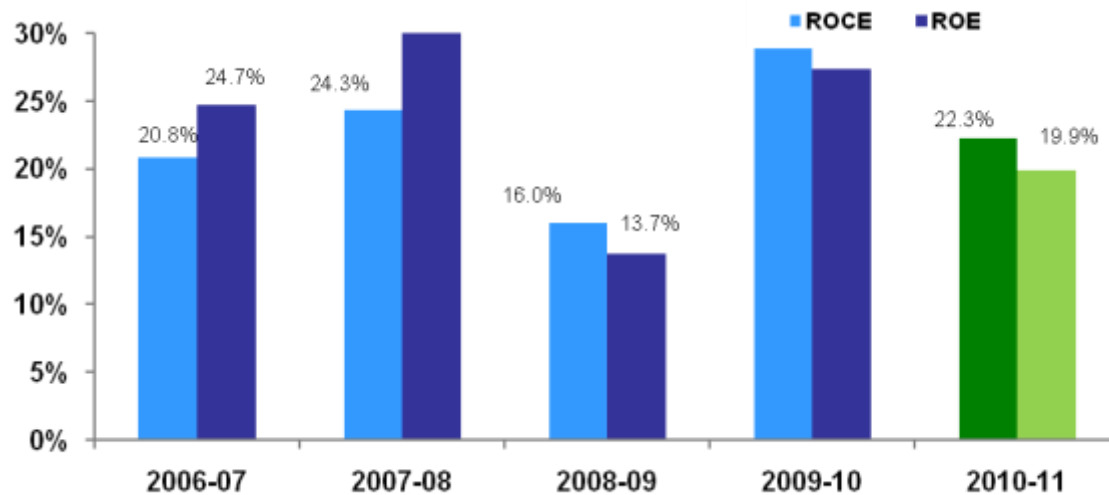
6. Includes extraordinary items : forex provisioning of INR1,256MM, Inventory write-down of INR 385MM, ECB provisions of INR 178MM
7. Using avg. exchange rate of US\$1 = Rs.44.90 from 01-Apr-09 till 31-Mar-10
8. Includes recovery of past forex provisioning (in FY09) , which is reflected in better realization and cost of material
9. Exchange rate of US\$1 = Rs.44..595 as at 31-Mar 11
10. Includes export rebate of Rs. 734 million on receipt of favorable judgment from Honorable Supreme Court. and provision of Rs. 2,007 million on account of settlement with one of the customers thereby ending long pending litigation
- 10a. Note: 9M FY12 performance impacted by foreign exchange provisions of Rs 2,366 million and provisions made towards amicable settlement with a customer of Rs 649 million.
11. Average Exchange rate of US\$ 1 = Rs. 53.105 as on 01 Oct – 31 Dec -2012

5. Exponential Growth in Revenues & Margins

EPS (Rs./Share)(Diluted)



ROCE and ROE (%)



5. Exponential Growth in Revenues & Margins

Consolidated Balance Sheet (Rs. Mn.)	FY2009	FY2010	FY 2011	30th Sept 2011
Sources of Funds				
Shareholders' Funds				
Share Capital	932	1,022	1,023	1,139
Reserves and Surplus	14,664	27,990	33,672	39,862
Share Application Money				121
	15,597	29,011	34,695	41,122
Minority Interest	0	0	2,024	3,489
Foreign Currency Monetary Item Translation Difference A/c	-	75	65	-
Loan Funds				
Secured Loans	26,435	18,654	29,370	38,059
Unsecured Loans*	103	6,822	8,690	20,194
	26,538	25,476	38,060	58,253
Deferred Tax Liabilities (Net)	2,488	3,352	4,344	4,960
Total	44,623	57,915	79,188	107,825

* Includes CCD (compulsorily convertible debentures of Rs. 7,883 mn

5. Exponential Growth in Revenues & Margins

Consolidated Balance Sheet (Rs. Mn.)	FY2009	FY2010	FY 2011	30th Sept 2011
Application Of Funds				
Fixed Assets including BOT				
Gross Block	34,844	38,810	51,354	71,024
Less: Depreciation/Amortisation/Impairment	3,847	5,889	8,683	11,405
Net Block	30,996	32,921	42,671	59,620
Capital Work-In-Progress	5,808	5,412	8,889	14,670
Net Fixed Assets	36,804	38,333	51,560	74,290
Investments	1,140	1,596	14,405	18,385
Foreign Currency Monetary Item Translation Difference A/c	355	-	-	225
Current Assets, Loans and Advances				
Income Accrued on Investments	113	13	145	39
Inventories	26,113	20,322	18,479	21,857
Sundry Debtors	4,601	8,077	12,915	18,098
Cash and Bank Balances	9,470	17,028	7,532	4,872
Loans and Advances	5,552	6,031	5,321	9,504
	45,848	51,471	44,392	54,370
Less : Current Liabilities and Provisions				
Current Liabilities	38,955	32,291	30,171	38,746
Provisions	601	1,219	1,022	725
	39,555	33,510	31,193	39,471
Net Current Assets	6,293	17,961	13,199	14,899
Preliminary Expenses	0	0	1	25
Deferred Revenue Expenditure	31	25	23	-
Total	44,623	57,915	79,188	107,825

9M & Q3 FY 2011-12 Highlights

Major Highlights in 9M & Q3 FY-12

Sales

- Total Pipes sales volume of 202 K MT ('000 MT) in Q3 (23% higher than last year sales of 164 MT); nine months sales of 615 K MT
- Plates sales volume of 139 K MT (12% higher than last year sales of 124 MT); 9M sales of 358 K MT
- DRI sales volume of 134 K MT IN Q3; YTD sales (4.5 months) of ~ 201 K MT (9M volumes were 489 K MT)

❖ Exceptional volatility in foreign exchange has resulted in sharp depreciation of Rupee from Rs 48.97 levels to Rs 53.11 per dollar and has resulted in a provision of Rs 1,823 million in Q3.

❖ Provision of Rs 1,548 million on account realignment of short term monetary assets and liabilities in Q3, which is likely to be reversed in subsequent quarters on realization of non monetary Assets (viz Inventories, be sold and realized in next 2-3 quarters).

❖ Provision of Rs 275 million on account of Long term loans (ECB \$ 150 mn and FCCB \$ 150 mn)

❖ For the 9M FY12, foreign exchange provisions were Rs 2,366 million. Further, for the 9M period, provisions of Rs 649 million were made (in Q2) towards amicable settlement on disputed orders.

❖ Interest (adjusted) expense of Rs 734 million in Q3, versus Rs 621 million last quarter. This increase in interest expenses due to the consolidation of businesses: Mainly increase in interest cost of Welspun Maxsteel and higher volumes.

❖ Depreciation is also higher on account of capitalizations of LSAW & various expansion projects resulting in higher depreciation charge of Rs. 34 mn in India operations, Rs. 18 mn in Saudi, Rs. 28 mn in US , and Rs 54 mn in Maxsteel taking a total increase of Rs. 139 mn as compared to last quarter at Rs. 984 mn in Q3.

❖ Consequently, Profit after Tax (adjusted) for Q3 is 529 million; 9M FY2012 is Rs. 2,798 million.

❖ The consolidated Net Debt position stands at Rs 23,824 million (as against Rs 27,291 million last quarter), resulting in net debt: equity ratio of 0.50.

Summary of Q3 and 9M FY12

Particulars	Q3 FY12 ¹	Q2 FY12	Q3 FY 11	9M FY12 ²	9M FY11
Sales	24,497	20,345	15,862	62,299	58,604
Operating EBITDA	2,642	3,202	2,646	8,879	10,958
Interest (Adjusted)	734	621	454	1,790	1,046
Depreciation	984	845	653	2,597	1,808
PAT (Adjusted)	529	1,453	1,465	2,798	6,054
CASH PAT (Adjusted)	1,283	2,364	2,118	5,431	7,861

Note:

1) Q3 FY12 performance is adversely impacted by Rs 1,823 million - foreign exchange provision due to 8.4% depreciation of the Rupee during this quarter.

2) 9M FY12 performance impacted by foreign exchange provisions of Rs 2,366 million and provisions made towards amicable settlement with a customer of Rs 649 million.

Breakdown of Production and Sales in MT

Production Volume (in tons)	Q3 FY12	Q2 FY12	Q3 FY11	9M FY12	9M FY11	FY11
Total Pipes Consolidated	206,520	199,460	211,787	585,882	719,613	957,656
Plates & Coils	153,705	101,873	144,279	363,723	372,635	499,960
Sales Volume (in tons)	Q3 FY12	Q2 FY12	Q3 FY11	9M FY12	9M FY11	FY11
Total Pipes Consolidated	202,303	210,284	163,611	615,132	639,862	909,025
Plates & Coils*	139,317	104,179	124,511	358,106	355,937	485,157

*Includes internal sales / Note: Q3 numbers are derived based on 9M performance

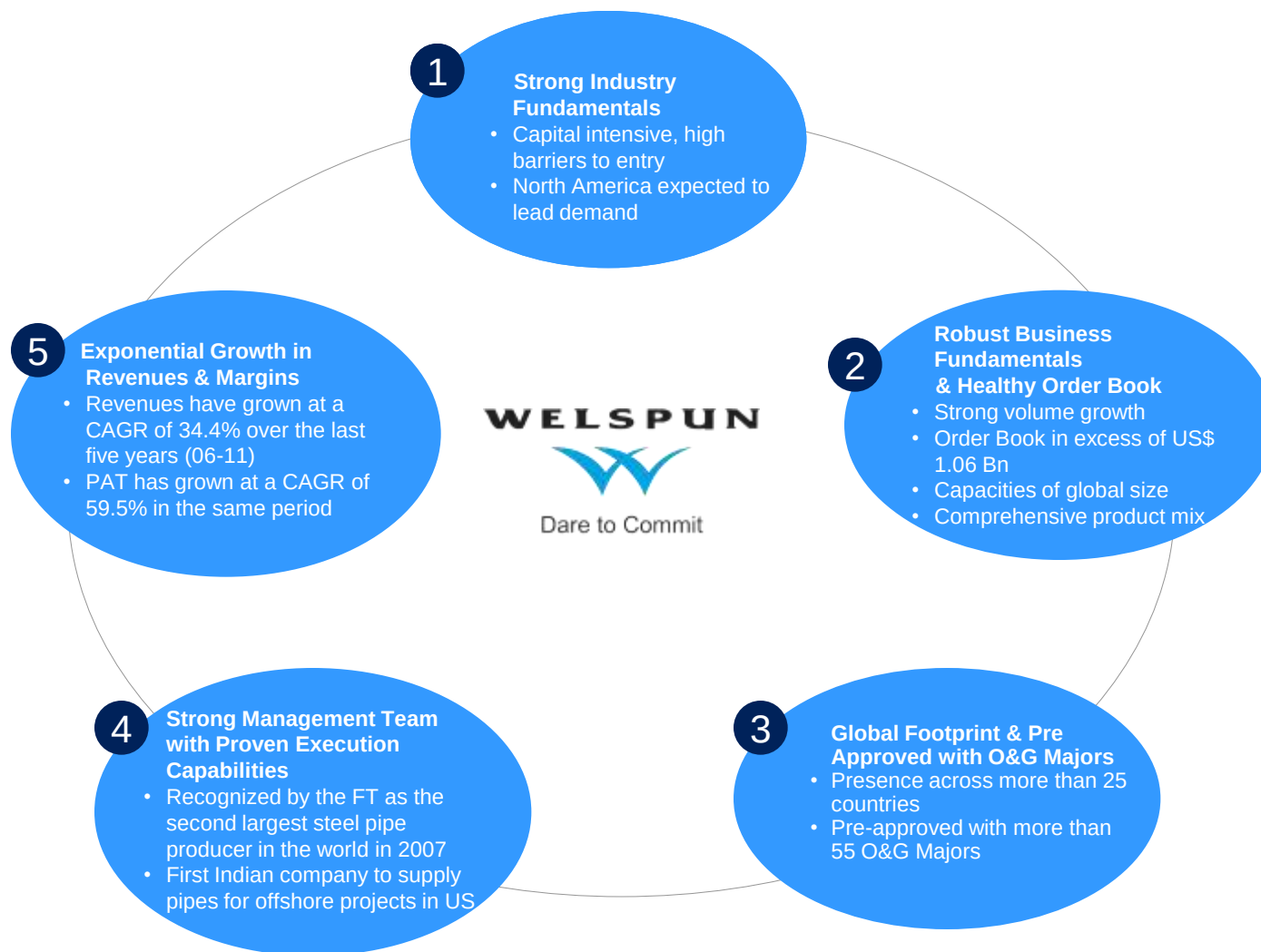
Status of Projects

❖ LSAW Plant at Anjar (Gujarat): LSAW Plant (capacity of 350,000 MTPA) at Anjar has been successfully commissioned and has been approved by most of our large customers. It has received a few large orders, and is currently booked till August of this year. It is well on its path to ramp up its capacity utilization levels.

❖ Capacity expansion for water pipes at Mandya (Karnataka): Given the strong demand for water pipes, the company is progressing on further expansion at Mandya plant by another 50,000 tons. The expansion is being done within the original capital expenditure budget of Rs.1,000 million.

❖ ERW Plant in US: To service its O&G clients across the entire product range and address the strong growth in the ERW line pipe segment in North America, the Company is gearing to implement 175,000 MTPA ERW and Coating Plant in US. The project is expected to be completed in 12 months and will be commissioned by March 2013. It is likely to ramp up to optimal utilization in FY 14. We expect the total capital expenditure on the plant to be in the range of USD 65 million.

Summary



Welspun on the Path of Global Leadership

Scale Leadership

Scale of operations through large economic plants across the globe

Cost Leadership

Produce world class products at the least cost and maintain competitive edge

Technology Leadership

Adopt and innovate cutting-edge technology to satisfy stringent requirements of customers

Quality Leadership

Consistent focus on quality at all levels; be the best in delighting customers

Process Leadership

Most efficient and effective processes to achieve optimal utilizations

People Leadership

Best in class people : Produce extraordinary results

Global Leadership → Serve Globally, Act Locally

Welspun Maxsteel Limited (WMSL)



**Largest merchant Gas based Sponge Iron
(DRI/HBI) facility in India with Capacity of 0.9
MTPA**

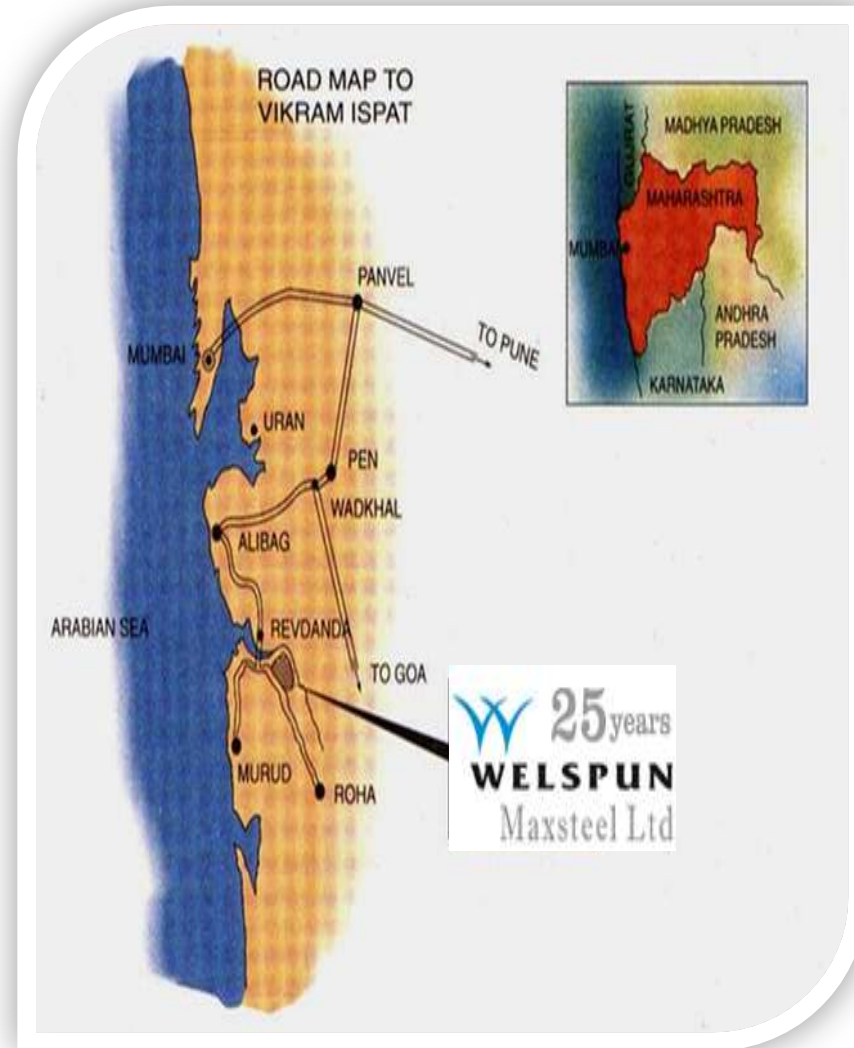
WMSL - An Introduction

- WCL acquired 87.5% and Apollo have acquired 12.5% of the equity of WMSL from Welspun Steel Limited on 18 Aug 2011.
 - WCL purchased the stake for Rs 805 Crore
 - Apollo purchased the stake for Rs 140 Crore
- WMSL became subsidiary of Welspun Steel Ltd. in May-09
 - Erstwhile Vikram Ispat (“VI”) a division of Grasim Industries Ltd.
 - Sponge Iron Plant set up in 1989 with a capacity of 0.75 mn MTPA
- State of art technology:
 - ‘HYL III’ from HYLSA of Mexico.(Now Tenova Italy)
 - Engineering expertise of Davy Dravo of USA
- Production has increased from 420,000 MT in FY09 to ~850,000 in FY11*
- Rated as the Most Reliable Supplier by AC Neilson Customer Satisfaction Survey 2010.

**13 month period ended 30th April 2011 (12 months effectively as the plant was shutdown for over 1 month for repairs and maintenance)*

WMSL : Infrastructure

- **Strategic Coastal Location**
 - At Salav Village, Raigad District, Maharashtra, India
 - 130 Kms South of Mumbai
- **Land**
 - Spread over 435 acres & ~200 acres has been further acquired.
 - Acquisition of additional 150-200 acres under progress.
- **Captive Jetty**
 - Available draft of 4 metres
 - Mini bulk carriers handling upto 3,400 DWT
- **Captive Power Generation 8.7 MW:**
 - By waste heat from production
 - Self sufficiency
- **Water met from nearby Kolad Dam**
 - Colony for employees with all facilities



Iron & Pellets

- Long term linkages for key raw materials
- Lump Ore with NMDC
- Pellets with GIIC, Vale

Gas Allocation

- GAIL - APM
- Reliance
- GAIL A Tranche
- RLNG

WMSL - Marquee Customers



Höganäs 

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ISMT LIMITED
Solutions You Can Trust

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GLOBAL
STEEL WIRE



 CHINA STEEL



- NATIONAL STEEL CORPORATION, PHILLIPINES
- PT Ispat, Indonesia



VIRAJY®
value solutions in stainless steel



Vardhman
Special
Steels

- THE INDIAN SMELTING
- BHUWALKA STEEL
- IRAJ PROFILES

Gas based DRI best suited for quality steel making

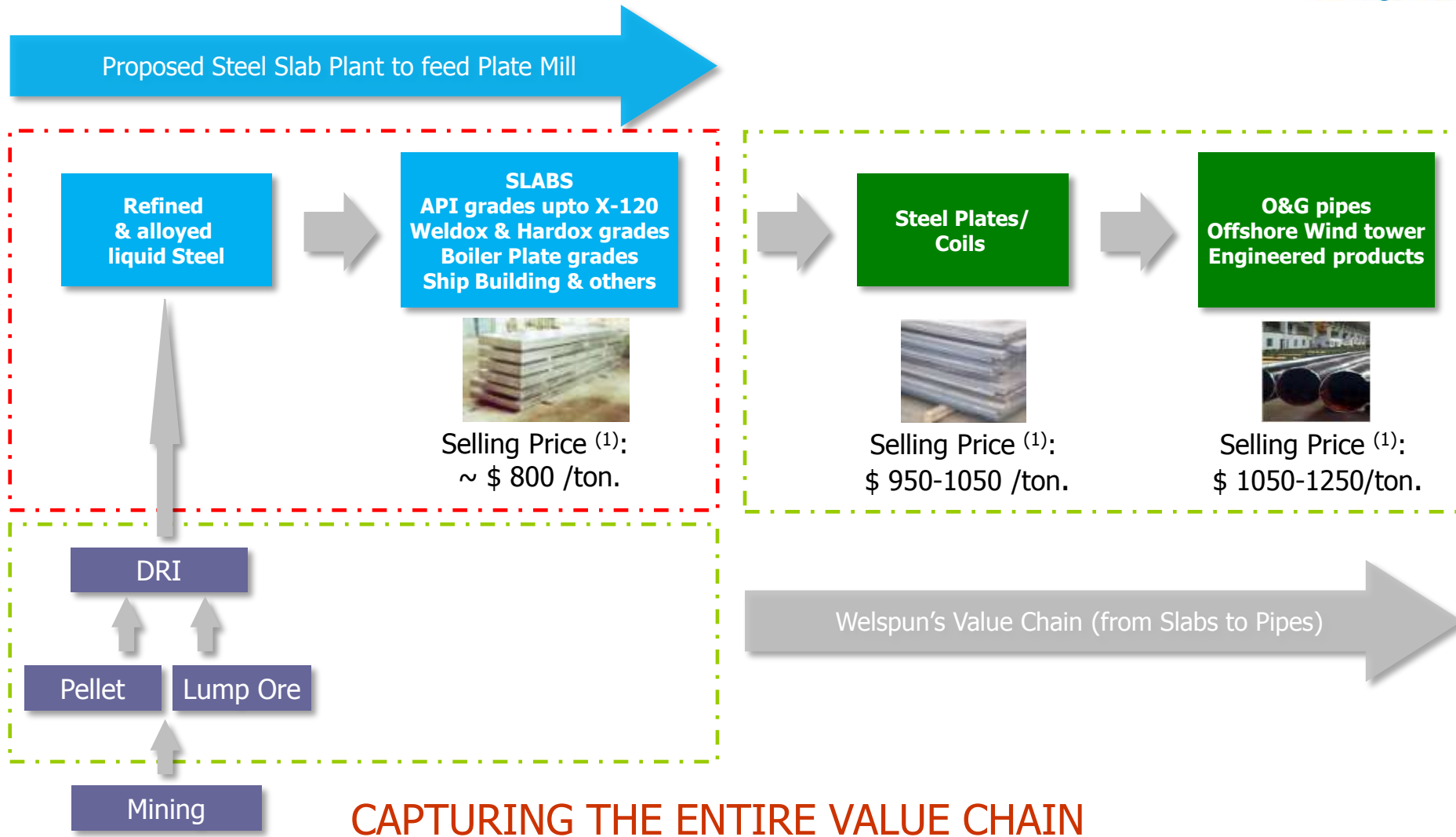
Two Routes

- Gas Based – HYL & Midrex
- Coal Based – LURGI , SL/RN etc.

Typical Analysis

Parameters	Gas based HBI/DRI	Coal based DRI
Fe(T)	93 - 94%	90 - 91%
FE(M)	86 - 88%	80 - 82%
Carbon	1 - 2%*	0.1 – 0.3%
Sulphur	0.008 – 0.010%	0.020 – 0.050%
Phosphorus	0.030 – 0.035%	0.040 – 0.050%
Gangue	3 – 3.5%	6 – 7%
* - Available upto 2.5%		NOT SUITABLE FOR CLEAN STEEL

In Effect : Capturing the Entire Value Chain – Multifold Benefits



Backward integration into plates has provided critical value advantage.
Opportunity to service the high end steel category which is serviced through imports

Note

1. Indicative market prices

Thank You

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