

PERFORMANCE - PAR EXCELLENCE



Contents

Corporate Overview

- | | | | |
|-----------|---|-----------|---|
| 01 | Performance - Par Excellence | 13 | Value Delivery Through Operational Excellence
-Excellence in R & D
-Demonstrating Excellence in Execution of Complex Projects |
| 02 | Performance Highlights
- 5 Years Journey of Excellence | 17 | Reaping Benefits of Prudent Financial Management |
| 04 | Welspun Corp - At a Glance | 19 | Chairman's Message |
| 05 | Our Diversified Product Portfolio | 22 | The Welspun Group - A Sense of Pride |
| 06 | Corporate Journey and Milestone | 24 | Our Endeavors Towards Employee Welfare |
| 07 | A Diversified Global Presence | 26 | Awards and Recognition |
| 09 | Excellence In Operations | 27 | Inclusive Growth Towards Nation Building |
| 10 | Excellence In Financial Performance | | |
| 11 | Building Scale and Strength Across Geographies | | |

Statutory Reports

- | | |
|------------|------------------------------------|
| 32 | Management Discussion and Analysis |
| 58 | Directors' Report |
| 97 | Corporate Governance Report |
| 111 | Business Responsibility Report |

Financial Statements

- | Standalone | Consolidated |
|---|---|
| 129 Independent Auditors' Report | 221 Independent Auditors' Report |
| 138 Balance Sheet | 228 Balance Sheet |
| 139 Statement of Profit and Loss | 229 Statement of Profit and Loss |
| 140 Cash Flow Statement | 230 Cash Flow Statement |
| 142 Statement of Changes in Equity | 232 Statement of Changes in Equity |
| 143 Notes | 233 Notes |

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Performance - **Par Excellence**



At Welspun Corp, we are resilient in finding excellence in performance. We ceaselessly try to find opportunities in times of adversity. Our key differentiating factor has always been our specific advantage of becoming global, but being local in the marketplace. Therefore, we had an excellent year both operationally and financially.

Despite the global crisis, this yearly performance broke all our previous records on production, sales and profitability. To this effect, we have pre-paid loans, completed our share buyback and also declared a substantial interim dividend during the year.

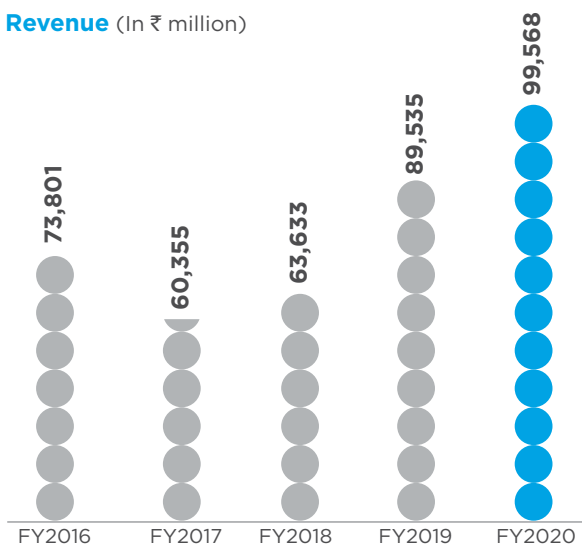
When the global economy is reeling under the effects of this calamity, macro outlook as well as oil outlook is turning challenging towards the end of the year. So our focus remains on optimizing costs and conserving cash, utilizing our free cash flows for deleveraging and rewarding shareholders.

By adapting to agile and flexible work structure, embracing efficient working capital management and expanding our current market segments, we are aiming to be a robust global market leader. Notwithstanding the challenges in turbulent times, we endure our journey of sustainable development and contribute to nation building.

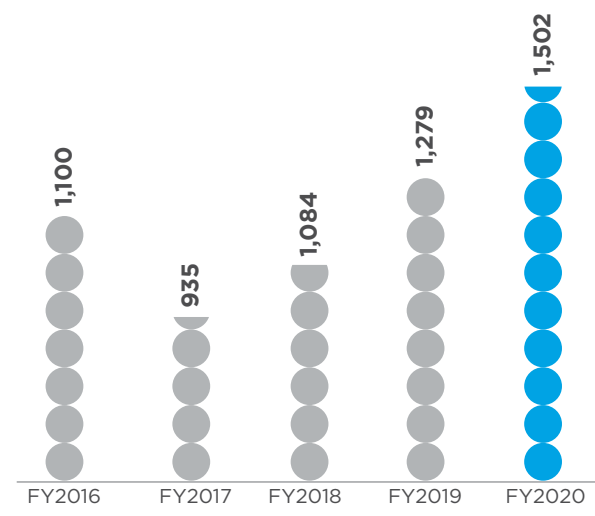


Performance Highlights - 5 Years Journey of Excellence

Revenue (In ₹ million)

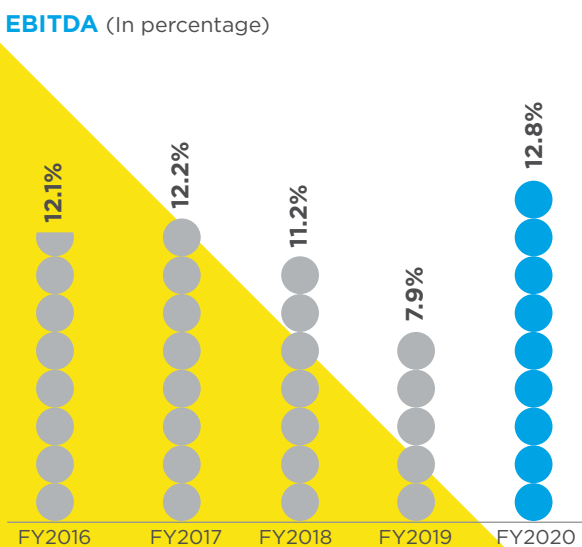


Sale of Pipes (In KMT)

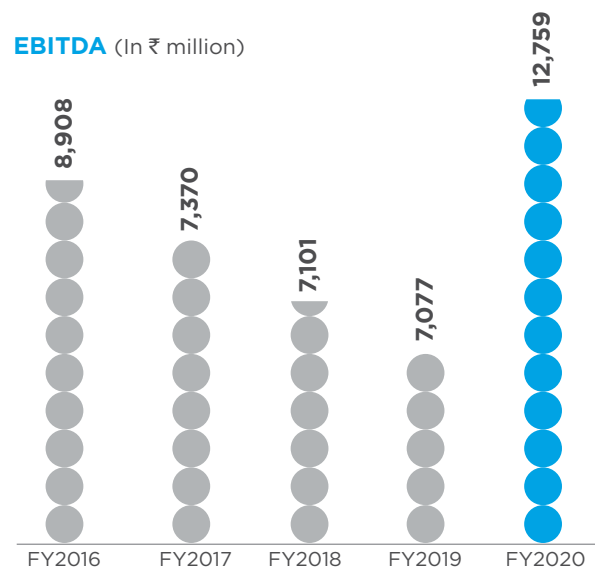


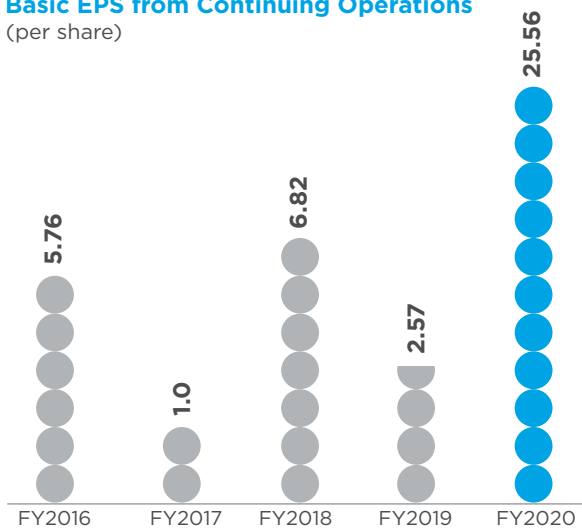
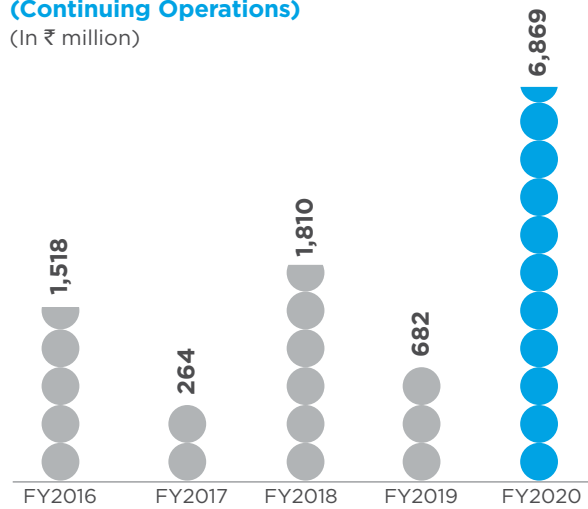
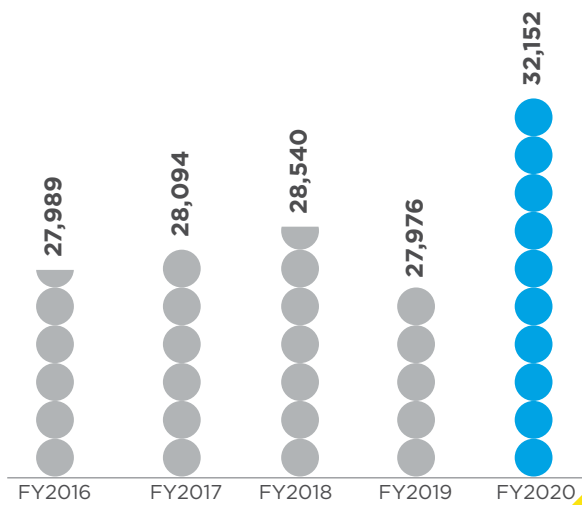
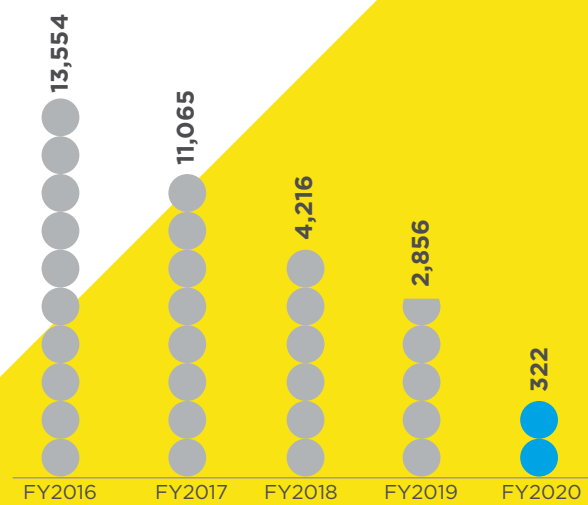
(including our Saudi JV)

EBITDA (In percentage)



EBITDA (In ₹ million)



Basic EPS from Continuing Operations
(per share)**PAT after Minorities, Associates & JVs
(Continuing Operations)**
(In ₹ million)**Net Worth** (In ₹ million)**Net Debt** (In ₹ million)



Welspun Corp - At a Glance

Welspun Corp Ltd. is a leading manufacturer of large diameter pipes globally, offering a one-stop solution for all line pipe related requirements with its wide range of high grade line pipes. The pipes, produced at advanced state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia for Longitudinal (LSAW), Spiral (HSAW) and ERW / HFIW, meet stringent specifications.

◆ **Focus on free cash flows**

Only maintenance capex; minimal working capital

◆ **Value to shareholders**

Through regular dividends and buyback

**FINANCIAL
STRENGTH**

**Highest Production,
Sales and Profitability**

**OPERATIONAL
EXCELLENCE**

◆ **'Global but Local'**

World-class facilities in key geographies for all line pipe requirements

◆ **Impeccable track record of flawless execution**

Complex projects delivered on time

◆ **Global approvals and accreditations**
from marquee customers

The Company's eminent clients (Fortune 100 companies) comprise leaders of the oil and gas sector (Shell, Saudi Aramco, TOTAL, Chevron, Energy Transfer, South Oil Company, Exxon Mobile, Kinder Morgan, TransCanada, Enbridge to name a few). The Company is approved by 50+ major oil and gas companies, enhancing its ability to participate and bid in key projects globally. The Company's local presence in major markets and ability to quickly respond to customer requirements across many markets has made the Company a supplier of choice for most customers.



We are...

- ◆ One of the world's largest welded line pipe manufacturing company
- ◆ Preferred supplier of Line Pipes to many of Oil & Gas companies part of Fortune 100

Our Diversified Product Portfolio

With comprehensive knowledge, extensive experience and continuous innovation, we have created a diversified, yet synergistic products offering. Our products are woven around strong design and execution proficiency, driving innovation and cost-efficiency.



HSAW Line Pipes

- ◆ Helically welded pipes made from HR coils, used for onshore oil, gas and water transmission
- ◆ 24-140 inch diameter, moderate wall thickness



LSAW Line Pipes

- ◆ Longitudinally welded pipes made from HR plates, used for onshore and offshore oil & gas transmission
- ◆ 16-60 inch diameter, high wall thickness



ERW/HFIW Line Pipes

- ◆ High frequency electric welded pipes made from HR coils, used for downstream distribution of oil, gas and water
- ◆ 1.5-20 inch diameter, low/moderate wall thickness



Plates & Coils

- ◆ Produces plates and coil for pipe manufacturing and other applications like wind tower



Coating Systems

- ◆ External 3-Layer Polyethylene (3LPE), 3-Layer Polypropylene System (3LPP), Single & Dual Layer Fusion Bonded Epoxy (FBE/DFBE), Internal Solvent, Solvent Free Coating, Coal Tar Enamel and Inside Cement Mortar Lining and Concrete Weight Coating



Ancillary Services

- ◆ Long Radius Pipe Bending
- ◆ Automatic ID Machining of Crack Arrestor Pipe
- ◆ Double Jointing
- ◆ Dump Site & Inventory Management



Corporate Journey and Milestone

Our Milestones

1997

- ◆ Diversified into the pipes business – Submerged Arc Welded (SAW) pipe unit at Dahej, Gujarat, India

1998

- ◆ Established the first 50,000 MTPA HSAW mill at Dahej, Gujarat

2000

- ◆ Commissioned a 200,000 MTPA LSAW mill at Dahej with Mannesmann Germany

2001

- ◆ Embarked on a Joint Venture (JV) with Eupec Coatings GmbH, Germany
- ◆ Set up a pipe coating facility in Dahej, Gujarat

2005

- ◆ Established Welspun City at Anjar, Gujarat
- ◆ Expanded pipe facilities at Anjar, Gujarat

2007

- ◆ Bagged a 1,700 km keystone project from Trans Canada

2008

- ◆ Integrated plate and coil mill at Anjar, Gujarat
- ◆ Set up 150,000 MTPA HSAW mill at Anjar, Gujarat
- ◆ Achieved Level II automation, rolled X-70API Grade of 4.5 meters wide



2009

- ◆ Commissioned a 350,000 MTPA HSAW pipes facility in Arkansas, US
- ◆ Started a coil mill at Anjar, Gujarat

2010

- ◆ Rechristened as 'Welspun Corp Limited'
- ◆ Increased capacity for LSAW by 350,000 MTPA in Anjar, Gujarat and for HSAW by 100,000 MTPA in Mandya, Karnataka
- ◆ Completed investment in the Middle East with a 300,000 MTPA HSAW facility in Saudi Arabia

2011

- ◆ Established Welspun Middle East in Dubai
- ◆ Acquired 35% stake in Leighton Contractors (India) Private Limited
- ◆ Raised USD 290 million through GDRs & CCDs

2012

- ◆ Commenced the installation of a 175,000 MTPA HFIW mill in Arkansas, US
- ◆ Enhanced the existing capacity of 100,000 MTPA HSAW in Mandya, Karnataka, further by 50%

2013

- ◆ Achieved the highest-ever pipe production, sales volumes and order booking at 1 million MTPA
- ◆ Commissioned a 175,000 MTPA small diameter HFIW mill in the US to cater to the shale gas business
- ◆ Demerged non-pipe businesses into Welspun Enterprises
- ◆ Strengthened the core-pipe business management team with several new professional CXO-level hires

2014

- ◆ Received the first order from Shell USA, single-largest order from Saudi Arabia and strategic orders from Statoil, TOTAL and South Stream
- ◆ Commissioned a double jointing plant and internal and external coating plants in Saudi Arabia and Anjar (Gujarat), respectively
- ◆ Sustained 1 million MTPA in pipe production, sales volumes and order booking

2015

- ◆ Recorded high production and sales volumes at the Saudi Arabia facility with significantly improved financial performance
- ◆ Stabilized the HFIW mill and streamlined operations at the US facility
- ◆ Revitalized operations at LSAW, and Plate and Coil Mills in India

2016

- ◆ Surpassed 1 million MTPA in pipe production and sales volumes for the 4th consecutive year; order book at record high
- ◆ Set-up Concrete Weight Coating (CWC) plant at Anjar, Gujarat in JV with Wasco Energy Ltd.

2017

- ◆ Started production at the Concrete Weight Coating plant at Anjar, Gujarat
- ◆ Automatic ID Machining of Crack Arrestor Pipe

2018

- ◆ Surpassed 1 million MTPA in pipe production and sales volumes for the 5th time in last 6 years

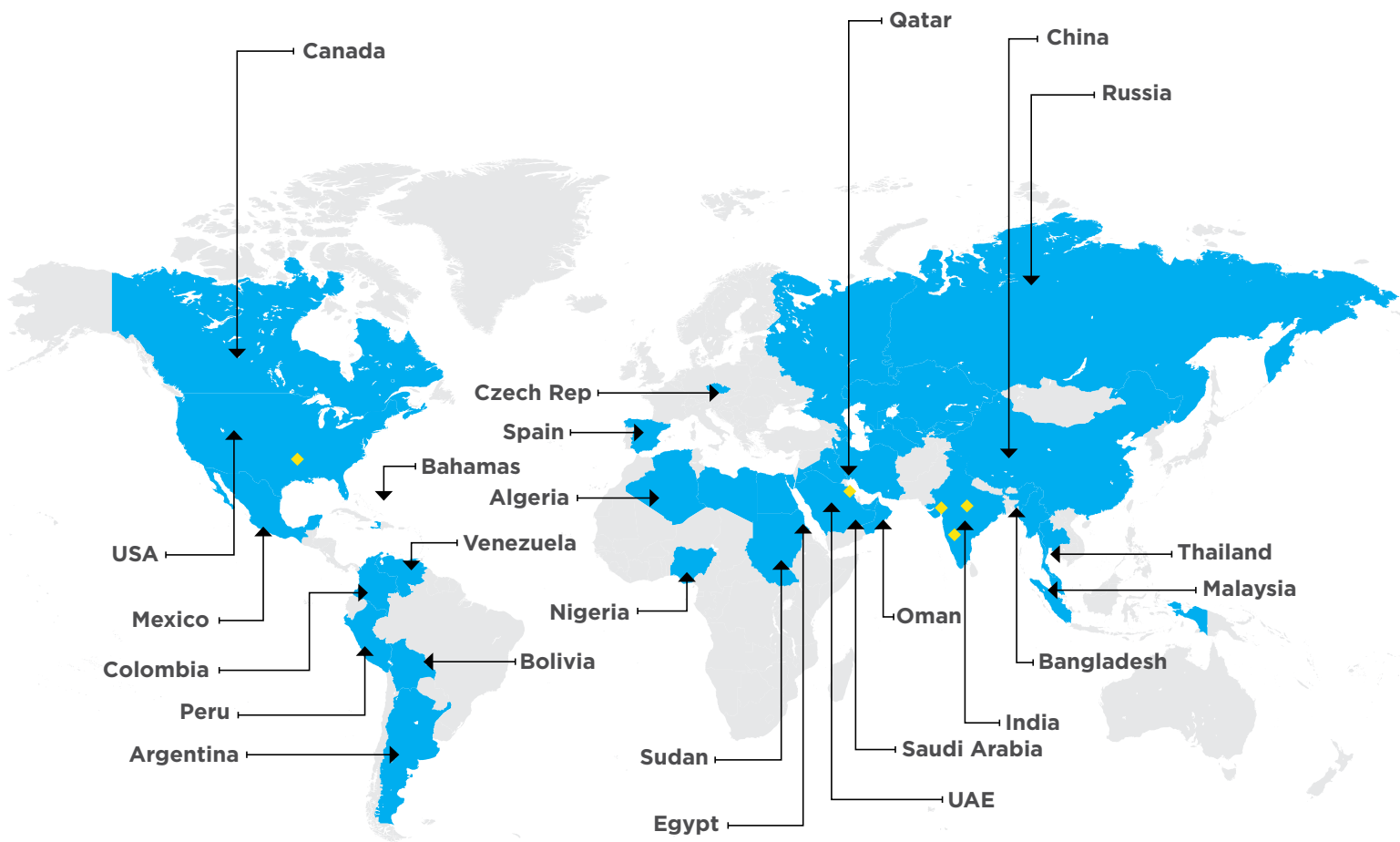
2019

- ◆ WCL completed the establishment of an HSAW Line Pipe Manufacturing facility at Bhopal, MP
- ◆ WCL announced the divestment of its Plates and Coil Mill Division (PCMD)



A Diversified Global Presence

Our operations are spread across India, USA and Saudi Arabia. We remain poised to leverage the buoyant demand in oil & gas and water sectors, gaining significant visibility on revenues and profitability.



◆ Manufacturing Plants

■ Countries Served

Plant Location

- ◆ Anjar, India
- ◆ Dahej, India
- ◆ Mandya, India
- ◆ Bhopal, India
- ◆ Little Rock, USA
- ◆ Dammam, Saudi Arabia

Marketing Offices

- ◆ Mumbai, India
- ◆ Houston, USA
- ◆ Dammam, Saudi Arabia



Our Manufacturing Capacities (In 000' Metric Tonnes)

India (1)



LSAW: 700

HSAW: 755

ERW/HFIW: 200

Coating Capacity: 18.45 MN sqr mtr

United States (2)



LSAW: -

HSAW: 350

ERW/HFIW: 175

Coating Capacity: 9.1 MN sqr mtr

Saudi Arabia (3)



LSAW: -

HSAW: 375

ERW/HFIW: -

Coating Capacity: 4.5 MN sqr mtr

2.55 million
Metric Tonnes
Total Combined Installed
Capacity