

BUSINESS UPDATE

May 29, 2015

Merger successfully completed

- ✓ *Merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Pvt. Ltd. and Welspun Infra Projects Pvt. Ltd. with Welspun Projects Ltd. completed through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.*
- ✓ *Strong balance sheet of combined entity sets the foundation for future growth*

Welspun Enterprises Ltd. (WEL), formerly Welspun Projects Ltd., part of the US\$ 3 billion Welspun Group, announced its consolidated financial results for the full year ended March 31, 2015.

Continuing financials* *Figures in Rs. million*

Particulars	FY15
Income from Operations	3,039
EBITDA	777
PBT before exceptional	40

* Note:

a) FY14 figures not comparable due to merger; hence not shown

b) Continuing financials is without DRI business (Welspun Maxsteel Ltd.) which was divested on 31.10.14

Key Balance Sheet figures : *Figures in Rs. million*

Particulars	FY15
Networth	15,149
Minority Interest	94
Gross Debt*	2,759
Cash & Cash Equivalents	7,859
Net Debt /(Cash)	(5,100)
Other Long Term Liabilities	397
TOTAL LIABILITIES	10,540
Total Net Fixed Assets (incl. CWIP)*	6,680
Net Current Assets (Excluding Cash & Cash Equivalents)	50
Other Long Term Investments*	3,809
TOTAL ASSETS	10,540

Note : Cash & Cash Equivalents includes Current liquid Investments & ICDs

*Attributable to Welspun

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Welspun Enterprises Ltd. was formed by the demerger of the non-pipe businesses of Welspun Corp Ltd through a scheme of demerger. On account of demerger, Welspun Enterprises had a gross debt of approx. Rs. 17 bn and cash balance of approx. Rs. 10 bn resulting in a net debt of approx. Rs.7 bn. Since then, the Company has continuously worked on reducing debt, divesting loss making businesses and strengthening balance sheet through consolidation efforts.

As a first step, the Company sold its ~40% stake in Leighton Welspun Contractors Pvt. Ltd. in February 2014. As a result of this transaction, the net debt of the company was reduced by around Rs. 5 bn.

In October 2014, the Company divested its DRI business – Welspun Maxsteel Ltd. This further reduced the net debt of the Company by around Rs.8 bn.

The Company has made further investment of Rs. 1.5 bn in O&G business during this period

Finally, Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. have been merged with Welspun Projects Ltd., through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015. This consolidation will enable Welspun Enterprises Ltd. to better leverage the combined strengths of various entities, and utilise synergies arising out of consolidation of business.

The resultant company has enhanced Net Worth (to capitalise on future growth potential), reduced operating and compliance cost and ability to achieve operational and management efficiency. The combined entity also has stronger balance sheet with cash and cash equivalents of approx Rs. 8 bn and net worth of around Rs. 15 bn. This sets the foundation for strong future growth by targeting opportunities which require free cash and need strong net worth.

Commenting on the results, Mr B. K. Goenka, Chairman, Welspun Group said, “The last two years were years of consolidation for the company. Despite challenging business environment, we could achieve divestment of DRI business and Leighton stake. This, combined with merger of most of the entities in this group has helped in forming a bigger entity with large free cash and a strong net worth. “

About Welspun Enterprises Ltd. (WEL)

Welspun Enterprises Ltd. (WEL), formerly Welspun Projects Ltd., part of the Welspun Group, is an operating Company as well as a holding company in the business of Infrastructure, Oil & Gas Exploration and Renewable Energy. The company, in its current form was created through the merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. with Welspun Projects Ltd through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.

For more information, please visit www.welspunenterprises.com.

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