

November 23, 2012

BSE Code: 532144 **NSE Code:** WELCORP **Reuters Code:** WGRS.BO **Bloomberg Code:** WLCO:IN

Welspun Corp Ltd. (WCL), incorporated in 1995, is a flagship company of Welspun Group, is one of the largest pipe manufacturing company in the world. The Company offers a complete range of high grade line pipes ranging from 1/2 inch to 121 inches used inter alia for transmission of oil & gas. Accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications, WCL is a 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.,

Investor's Rationale

On standalone basis, the company's net profit rose to ₹169 million in Q2FY'13 as against a loss of ₹233.6 million in Q2FY'12, mainly on account of higher sales. While on consolidated basis, WCL's PAT declined to ₹1,344 million as against a ₹1,622 million in Q2FY'12, after taking in to consideration, loss of approximately 70 days of production at the US plant due to fire. The plant has recommenced production in the later part of September 2012 and is now in full swing. Therefore, we expect that in future the company reap the every opportunity to enhance its earnings growth.

The company has traditionally received strong orders from North America, Middle East, and the domestic pipe market. Going forward, the company is looking to establish in new emerging pipe markets like North America, Latin America, Iraq, and South East Asia. On a positive side, the company has already received some orders from some of these emerging markets in FY'12. Recently, the company has bagged new orders to the tune of ₹18 billion (212K MT of pipes, and plates) from domestic and international Oil & Gas majors from key markets such as India, Africa and the Americas during the second quarter.

WCL's total capacity has reached 2.20 million MTPA with the commissioning of 0.35 million MTPA, LSAW capacity in Anjar, in FY'12. The company is implementing 0.175 million MTPA ERW mill and coating plant in little Rock, US. This plant is targeted for commissioning in FY'13E and likely to ramp up to optimal utilization in FY'14E. For its domestic capacities, the company has also initiated a capacity expansion of 0.05 million MTPA in Mandya this year that will take the total capacity of the plant to 0.150 million MTPA.

WCL has sound liquidity position to meet its debt obligation over the next three years. The company had cash and bank balances and liquid investments amounting to ₹29.7 billion as at FY12 which covers around 3 times to the debt maturing in the FY13. The company has consistently maintained more than required cash balances to meet its debt obligations, providing comfort in meeting its commitments.

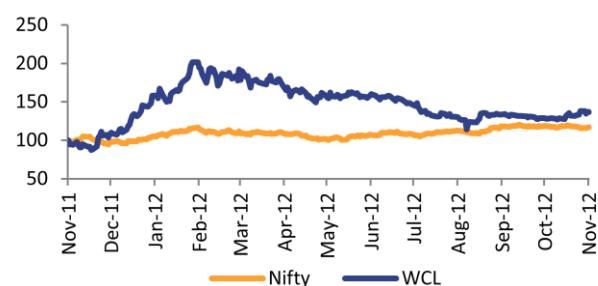
Market Data

Rating	BUY
CMP (₹)	102.9
Target (₹)	125
Potential Upside	~21.5%
Duration	Long Term
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52 week H/L (₹)	156.5/64.5
All time High (₹)	273.9
Decline from 52WH (%)	34.3
Rise from 52WL (%)	59.5
Beta	0.5
Mkt. Cap (₹ bn)	23.4
Enterprise Value (₹ bn)	56.3

Fiscal Year Ended

Y/E	FY11A	FY12A	FY13E	FY14E
Total-income (₹bn)	81.4	92.4	115.4	145.1
EBIDTA (₹bn)	13.8	11.2	15.4	21.7
PAT (₹bn)	6.3	2.4	3.8	6.3
EPS (₹)	30.9	10.5	15.7	24.4
P/E (x)	3.3	9.8	6.5	4.2
P/BV (x)	0.6	0.6	0.4	0.4
EV/EBIDTA(x)	3.5	5.0	4.2	3.4
ROA (%)	5.8	1.5	1.9	2.4
ROE (%)	18.8	5.8	6.7	8.8

One year Price Chart



Shareholding Pattern

Shareholding Pattern	Sep'12	Jun'12	Diff.
Promoters	38.0	38.0	-
FII	21.9	22.7	(0.8)
DII	10.2	10.2	-
Others	29.9	29.1	0.8

One of the largest pipe manufacturing company in the world.....

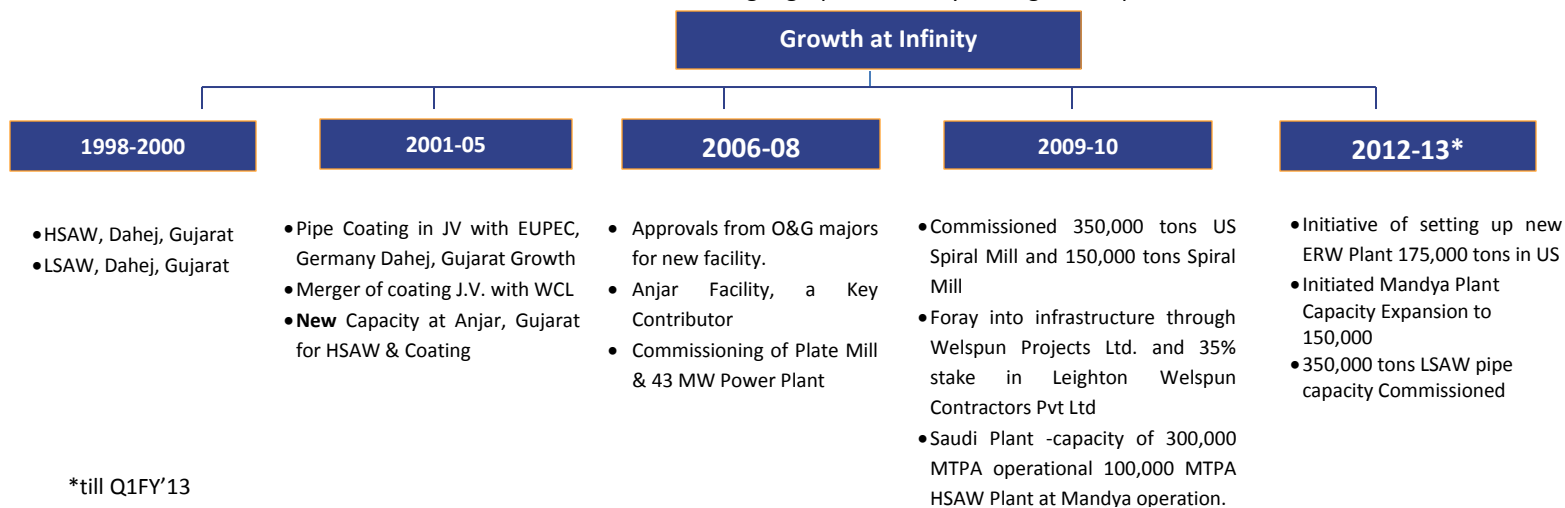
WCL has a strong market position in pipe industry globally with total current installed capacity of 2.2 million metric tonne per annum (MMTPA) spread across the globe.

Welspun Corp Ltd. (WCL), incorporated in 1995, is a flagship company of Welspun Group, is one of the largest pipe manufacturing company in the world. The Company offers a complete range of high grade line pipes ranging from 1/2 inch to 121 inches used inter alia for transmission of oil & gas. Accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications, WCL is a 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. The company is the largest manufacturers of Large Diameter Line Pipe in the world with a capacity of nearly 2.2mn MTPA. With a strong culture of 'Engineering Excellence', WCL takes pride in being a preferred supplier of Line Pipes in the world. The company has supplied pipes for some of the most challenging projects and has a credible list of clients that is unmatched in the industry. In the Gulf of Mexico, WCL is known as the company which supplied pipes to the deepest pipeline project (Independence Trail project). In the United States and Canada, the company has supplied the longest pipeline (Keystone Project from Canada to US). In Peru, WCL has to its credit supplying of the highest pipeline (Peru LNG) and in the Persian Gulf, WCL supplied pipes for the heaviest pipeline (IGAT IV). WCL currently offers a one stop solution in line pipes with a capacity to manufacture Longitudinal (LSAW), Spiral (HSAW) and HFERW / HFI (ERW) pipes. The company additionally offers coating, bending and double jointing facilities, thereby giving a 360 degree pipe solution to its customers.

Some of the top clients for the pipes	
Client	Country
Enterprise -EPCO	USA
TransCanada Pipe Line	Canada
WASIT	Middle East
PTTEP	Thailand
Access - NEX	USA
RTCC - WASIA	Middle East

Key growth factors for WCL:-

- Technologically advanced global production capacities reaching customers levels at different levels across the world
- Persistent efforts to serve in emerging markets like Iraq, North Africa, and South East Asia
- Increasing crude oil prices, newer oil and gas fields, shale gas discovery catalyzing exploration, production and pipeline laying
- Tougher norms on pipeline integrity, giving a boost to pipeline replacement market, and high end pipes
- Aims to get closer to customers with international sales offices and agents focused on each different geographic areas by having a local presence



*till Q1FY'13

Diversified portfolio mix

Products

Pipes

- Longitudinal (LSAW)
- Helical/Spiral (HSAW)
- Electrical (ERW)

Plates & Coils

Oil and Gas

Renewable Energy & Infrastructure

Steel (Directly reduced iron)

Manufacturing Facilities

State of the art pipe manufacturing capacities in

- India (Anjar, Dahej, Mandya)
- Saudi Arabia (Dammam) and
- US (Little Rock, AK)

Plate & Coil mill in Anjar

Exploration and drilling activities in India, Egypt and Thailand

Extensive work in renewable energy across India in states like Karnataka, Gujarat, Andhra Pradesh and Madhya Pradesh

DRI (Sponge Iron-Gas based) capacity of 0.9 million MTPA at Village Salav, Maharashtra.

- State of art technology (in Sponge iron):
- 'HYL III' from HYLSA of Mexico. (Now Tenovaltaly)
 - Engineering expertise of Davy Dravo of USA

WCL comprises of Welspun Pipes Division, Welspun Plates and Coil Division, Welspun Tubular LLC, Welspun Middle East Pipe LLC, Welspun Maxsteel Ltd (WMSL), Welspun Infratech Ltd, Welspun Natural Resources Ltd and Welspun Energy Ltd. However, the top line of WCL is driven by mainly pipe business which currently accounts to around 80% of the total revenues.

Welspun Pipes Division., With facilities in Dahej (Gujarat), Anjar (Gujarat) and Mandya (Karnataka) in India, Dammam in Saudi Arabia and Little Rock in U.S., WCL's Pipes division is today among the largest welded pipe companies in the world.

Welspun Plates and Coil Division., The one-of-its-kind plate-steel mill can manufacture plates up to an enviable width of 4.5 metres and Coils up to 2.8 metres wide. Besides catering to the internal API grade steel requirements of Welspun, this facility also services high-end plate and coil manufacturing for external clients. Welspun's plate and coil mill has proven itself in the wind tower segment by garnering the highest market share in India and now is expanding its customer base internationally.

Welspun Tubular LLC (USA), Adjacent to the Little Rock Port, this state-of-art spiral pipe and coating facility is spread across 740 acres and has an annual capacity of 350,000 tonnes, making it one of the largest industrial initiatives in the state of Arkansas, USA. The company recently announced the acquisition of a 44 acre site formerly owned by the Wheatland Tube Company.

Welspun Natural Resources Ltd., has a joint venture with Adani Enterprises Ltd. to form Adani Welspun Exploration Ltd with Welspun holding a 35% stake. It has a portfolio of eight oil and gas assets across India, Thailand and Egypt.

Welspun Energy Ltd., has been incorporated to setup Thermal Power plants and also to fulfill the commitment towards Green Environment by setting up Solar Energy power generating facilities.

Welspun Infratech Ltd., recently announced the acquisition of MSK Projects India Ltd. (Now Welspun Projects Limited), thereby marking Welspun's entry into the \$500 dollar infrastructure sector in India. The company now has the capabilities to lay oil & gas and water pipelines.

Welspun Middle East Pipe LLC., WCL recently acquired 50.01 % interest in Aziz European Pipe Factory. This is one of the largest spiral pipe manufacturing facilities in the area. This state-of-the-art mill was set up in 2006 and can produce up to 350,000 MTPA of spiral pipes.

Welspun Middle East Pipe Coating LLC., has a coating plant of 4.6 mn sq mtrs per annum capacity and has been commissioned.

Manufacturing Capacities catering clients globally

Anjar, Dahej and Mandya Mills

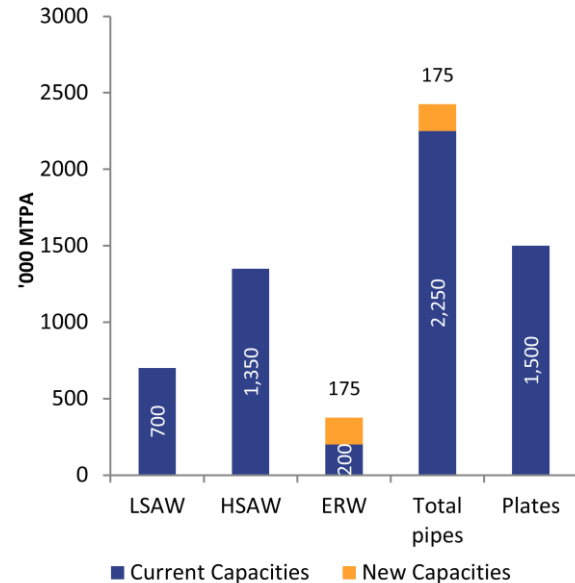
- Premier integrated set-up for manufacturing welded pipes. Installed state-of-the-art technology and is completely geared to meet the requirements of the global industry
- The Longitudinal Pipes division (LSAW) has a capacity of 350,000 MTPA at Dahej
- The New LSAW Pipe Plant (LSAW) plant at Anjar with a capacity of 350,000 MTPA
- The Spiral Pipes division (HSAW) at Dahej and Anjar together had a capacity of 550,000 MTPA
- The Spiral Pipes division (HSAW) at Mandya (Karnataka) has a capacity of 150,000 MTPA
- The ERW Pipes division at Anjar has a capacity of 200,000 MTPA

Dammam, Saudi Arabia

- Manufacturing facility of 300,000 MTPA of HSAW pipes with Coating facility
- Recently commissioned the coating facility of 1.0 mn sq mtrs

Plate-cum-Coil Mill

This backward integration at Anjar, India has annual capacity to produce 1,500,000 MTPA of Plate and Coil with plates (up to 12.5 mtrs in length, 140 mm thickness and 450 mm width) and Coil (up to 2800 mm width and 25 mm thickness) with strength of 120,000 PSI



Little Rock, Arkansas, USA

- Manufacturing facility on a 740-acre site adjacent to the Little Rock Port Authority commissioned in February 2009
- This API certified facility currently employs 443 people and is capable of producing 350,000 MTPA of HSAW pipes annually for the use of the oil and gas industry
 - It also has Coating and Double Jointing capabilities
 - The construction of the new ERW mill with 175,000 MTPA capacity is underway and should be commissioned by end of FY13E.

By 2013, the company will be providing a complete range of HSAW & ERW pipes along with Coating and double jointing facilities from the Little Rock plant from 6" to 60" Line Pipes.

The state of the art Saudi Plant with 300,000 MTPA capacity enables the company to have a strong presence in the key Middle East pipes market

Global Capacity distribution of the company

	Anjar, India	Dahej, India	Mandya, India	Dammam, SA	Little Rock, US	Total Capacity
LSAW	350	350				700
HSAW	500	50	150	300	350	1,350
ERW	200					200
Current Pipe Capacity	1,050	400	150	300	350	2,250
New-Pipe Capacity Expansions*					175 (ERW)	175
Total Capacity with Expansions	1,050	400	150	300	525	2,425
Plate & Coil	1,500					1,500

* New pipe capacity to be commissioned by Q4 FY13.

in 000' MTPA

The globe pipeline demand is projected to be around 91 million for about 722 projects resulting in an opportunity for supplies of more than US\$100 billion across the globe for the next four years.

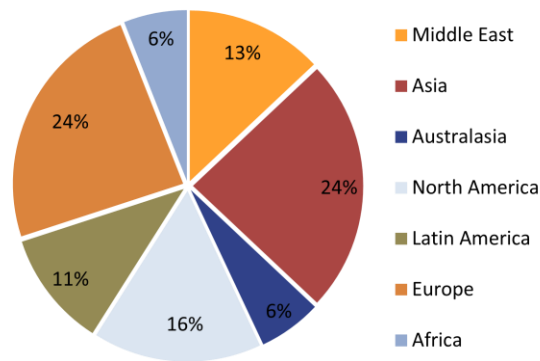
Strong presence in the highly competitive markets of North America and Middle East, and well positioned to take advantage of higher realization margins in Latin American markets.

The outlook for the pipe business remains mixed amidst challenges in the global economy. WCL's infrastructure business (Welspun Projects Ltd. & Leighton Welspun Contractors Private Ltd.) is witnessing a difficult business environment with higher costs and challenges on profitability growth, but still managing to win meaningful orders.

WCL is well placed to tap the growing opportunity...

Global business potential for new pipeline projects augments well for the pipe demand. Based on the existing pipeline projects, the globe pipeline demand is projected to be around 91 million for about 722 projects resulting in an opportunity for supplies of more than US\$100 billion across the globe for the next four years. Besides new projects emanating for new energy finds, buoyancy in crude demand, shale gas projects, large projects like Alaska pipeline, tax breaks in US to propel capex, potential replacement market in US bodes well for the pipe demand. The discovery of shale gas provides a huge potential for increase in pipeline demand in the coming years, especially small diameter pipes. The oil & gas industry has been the primary end user and the biggest demand driver for pipes historically with water infrastructure development and industrial applications being another demand center. Higher oil and gas prices typically drive exploration capex which in turn fuels demand for drilling activity and for the transportation of resources from the oil well to the end consumer. Currently Transcanada, BP, Exxon Mobil and Conoco Phillips are working together on the next generation of resource development in Alaska on an Alaska pipeline projects translating to strong demand prospects for pipe manufacturers.

Global Demand for Pipes*



*Share of expected demand 2012-2017

International demand outlook 2012-2017

Region	Projects	Quantity (KMT)	Business potential (US\$bn)
North America	721	14	80
Latin America	55	7	52
Europe	187	12	116
Africa	59	5	31
Middle East	125	8	63
Asia	115	13	116
Australia	75	3	31
Total	837	62	489

Low pipeline penetration provide huge potential

Firmness in crude oil prices has led to sustained capital expenditure on global oil exploration and production. Order books of pipe manufacturers are expected to grow further with sustained capital expenditure. India has become a global pipe manufacturing hub primarily due to lower cost, high quality and global advantage. Asia currently accounts for a majority of the world's pipe consum

ption at around 30%. It will continue to enjoy a larger share of the pie given the higher GDP growth trend in the region.

Business environment for the Pipe market continue to be challenging. However, WCL is confident of maintaining its leadership position on the back of its proven execution track record and the trust it enjoys among its customers. The company is well-positioned to win new orders across the key demand markets. We believe WCL's ability to offer a portfolio of high quality products to customers across regions will help differentiate it from competitors. Further, new shale gas discoveries, potential export of oil and gas from the Americas and demand from the replacement market will be the key demand drivers in the coming years for the industry.

Domestic Market Size

Company	Total Length (Kms)	Quantity (KMT)	Business potential (US\$bn)
GAIL	6,642	1,328	1.6
RGTIL	2,628	526	0.6
IOCL	4,366	874	1.0
Total	13,636	2,728	3.2

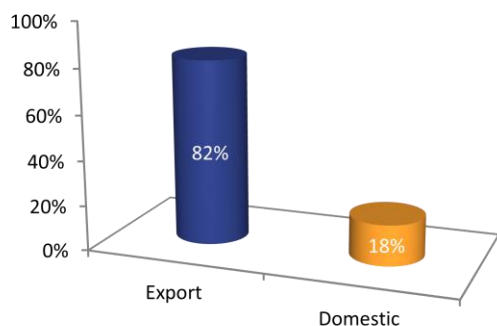
The company has bagged new orders to the tune of ₹18 billion (212K MT of pipes, and plates) from domestic and international Oil & Gas majors from key markets such as India, Africa and the Americas during the second quarter.

Healthy order-book signifies WCL's leadership position...

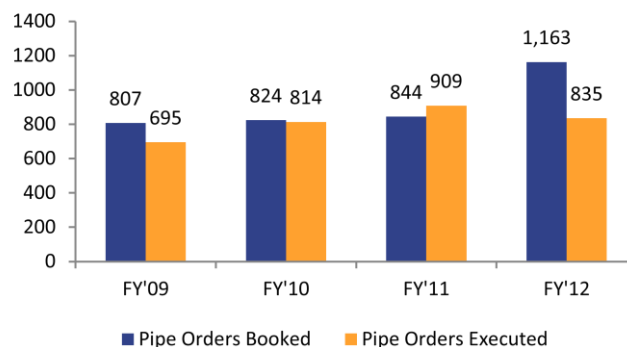
The order book stands at ₹74,470 million (US\$1,350 million), with 1,029K tonnes and 54k tonnes in pipes and plates as on 29th May 2012. 81% of pipe orders are from export markets like North America, Middle East, Africa and South East Asia. Such large prestigious orders in the beginning of new financial year puts the company in an unprecedented and coveted order book position of over 1 million tonne. This demonstrates the company's leadership position in challenging market conditions through correct market positioning and capabilities.

The company has bagged new orders to the tune of ₹18 billion (212K MT of pipes, and plates) from domestic and international Oil & Gas majors from key markets such as India, Africa and the Americas during Q2FY'13. The Company has recently received a repeat order from the Americas as well. This has resulted in all time high order book position of ₹85 billion comprising of 1,227K MT of pipes and 103K MT of Plates (20K MT of external orders and internal plate orders of 83K MT). This signifies WCL's leadership position and preference of customers for its products and services.

Order-book ~ geographical distribution by volume



Order-book for pipes in FY'12 (in mtpa)



The company is implementing 0.175 million MTPA ERW mill and coating plant in little Rock, US. This plant is targeted for commissioning in FY'13E and likely to ramp up to optimal utilization in FY'14E. For its domestic capacities, the company has also initiated a capacity expansion of 0.05 million MTPA in Mandya this year.

Expansion in on track to broaden its product line...

To service its oil & gas clients across the entire product range and address the strong growth in the ERW line pipe segment in North America, the company is implementing 0.175 million MTPA ERW mill and coating plant in little Rock, US. This plant is targeted for commissioning in FY'13E and likely to ramp up to optimal utilization in FY'14E. The boom in Shale gas in the US has spurred potential demand for small diameter pipes. The company has active plans to capitalize on this phenomenon through its upcoming ERW mill, thus gradually moving toward a complete manufacturing pipes portfolio with capacities to produce pipes from ½ inch to 120 inch pipes.

With the domestic capacities, the company is well poised to tap the opportunity arising from Oil & Gas pipeline projects in India and the water pipelines. The company has also initiated a capacity expansion of 0.05 million MTPA in Mandya this year that will take the total capacity of the plant to 0.150 million MTPA. With the commissioning of coating capacity of 1.0 million sq.mtrs last year at Saudi Arabia, the company is well geared to service the growing markets of Middle East and North America. This has enhanced the market positioning and enabled to build strong customer relationship in that region. Thus, the company has a competitive advantage of strategic market presence enabling to cater to client's specific needs, and maintain good customer relationships. The company acquired 87.35% equity interest of Welspun Maxsteel Ltd. in FY'12, with an objective of backward integration towards steel making i.e., sponge iron used to make the steel slabs for the plate mill.

Maintain its established position in the global welded manufacturing industry with healthy revenue growth....

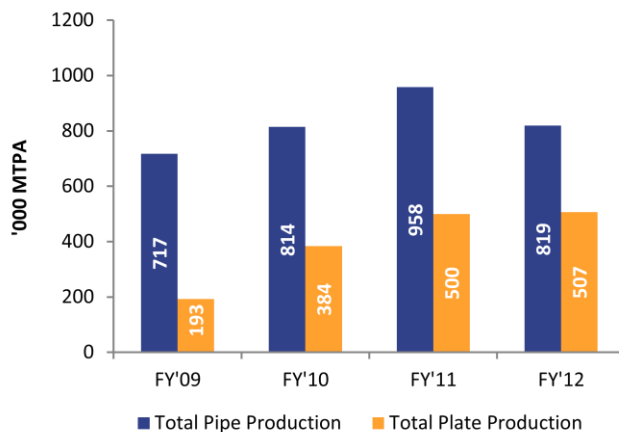
During FY'12, WCL's consolidated operating revenues increased by 12% YoY to ₹89.8 billion from ₹80.2 billion in the previous year. The growth in the top line was despite the decline in the sales volume for pipes by 18% YoY. The sales volume for plates increased by 9% during the year. The increase in the top line was also on account of incorporation of revenues of Leighton JV in Welspun Infra and also the consolidation of Welspun Maxsteel revenues. However, Consolidated profit after tax declined by 64% YoY to ₹2.4 billion in FY'12 from ₹6.3 billion in FY'11 mainly owing to higher finance cost (increase by ₹1.76 billion) and foreign exchange provision of ₹1.52 billion which is a notional loss. On an annualized basis, the company has achieved over 44% capacity utilization in FY'12 against 57% in the previous year. The installed capacity has reached 2.20 (1.85) million MTPA with the commissioning of new plants mainly LSAW facility at Anjar (350k MTPA), thus making the company one of the largest line pipe companies in the world. Pipe production volume for FY'12 was 819k tonnes, while plate & coil production volume stood at 507k tonnes. Sales volume for pipe was 835k tonnes, slightly lower than volume in 2011. Plate and Coil division achieved an overall sales volume of 531k tonnes, comprising of external sales of 441k tonnes and internal sales of 90k tonnes in FY'12. From Indian operations, the company has sold 481k tonnes of pipes in FY'12; US operations had sales volume of 209k tonnes of pipes, while 145k tonnes was the sales volume for the Saudi operations.

During Q2FY'13, the company's net profit on standalone basis rose to ₹169 million as against a loss of ₹233.6 million in Q2FY'12, mainly on account of higher sales. Net sales rose to ₹16,058.4 million from ₹9,935.1 million in the corresponding period last year. While on consolidated basis, net sales reported at ₹20,606 million in Q2FY'13 as against ₹20,538 million in Q2FY'12. EBITDA stood at ₹2,171 million, with a margin of 10.5%. PAT declined to ₹1,344 million as against a ₹1,622 million in Q2FY'12, after taking in to consideration, loss of approximately 70 days of production at the US plant due to fire. The plant has recommended production in the later part of September 2012 and is now in full swing.

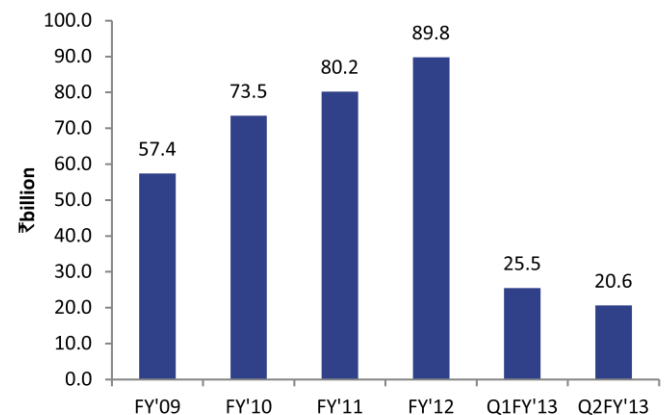
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Consolidated net profit of the company declined to ₹1,344 million in Q2FY'13, after taking in to consideration, loss of approximately 70 days of production at the US plant due to fire. The plant has recommended production in the later part of September 2012 and is now in full swing.

Total Production during FY'12



Steady growth in consolidated net sales



Consolidated Net Debt position stood at ₹34,502 million at the end of Q2FY'13. Net debt has marginally increased mainly on account of raw material inventory build-up at the US plant due to the forced shutdown. Net debt to equity stood at 69% at the end of the quarter. As regards Foreign Currency Convertible Bonds (FCCB), the company has bought back bonds worth US\$44.1 million (out of total bonds of US\$150 million) in October 2012. The same was funded out of new foreign currency loans raised with a door-to-door maturity of six years. Similarly, the Company could successfully place NCD worth ₹3,428 million at the most competitive rates.

Balance Sheet (Consolidated)

Y/E (₹million)	FY11A	FY12A	FY13E	FY14E
Share Capital	1,023.3	1,138.9	1,211.8	1,290.6
Reserve and surplus	32,712.0	40,116.8	55,403.9	70,506.5
Net Worth	33,735.3	41,255.7	56,615.7	71,797.1
Convertible debentures	-	7,883.8	-	-
Minority Interest	2,023.6	3,432.7	3,432.7	3,432.7
Forex translation diff a/c	65.1	-	-	-
Loan funds	32,620.5	39,714.2	47,061.3	55,767.7
Long Term Provisions	116.6	244.2	683.8	1,914.7
Current liabilities	34,774.5	57,322.1	82,085.3	111,711.6
Other Liabilities	1,819.1	3,405.4	6,374.9	11,933.8
Deferred Tax Liabilities	4,344.1	4,970.1	5,665.9	6,459.2
Capital Employed	109,498.7	158,228.2	201,919.7	263,016.7
Fixed Assets	49,503.4	73,512.9	95,419.8	123,950.3
Loans & advances	2,936.0	5,060.5	8,724.4	15,058.2
Investment	14,405.0	19,785.2	24,969.0	31,710.6
Current Assets	42,628.9	59,189.5	72,105.1	91,573.4
Forex translation diff a/c	0.0	323.0	323.0	323.0
Other Assets	25.4	357.1	378.5	401.2
Capital Deployed	109,498.7	158,228.2	201,919.7	263,016.7

Key Ratios (Consolidated)

Y/E	FY11A	FY12A	FY13E	FY14E
EBITDA Margin (%)	16.9	12.2	13.3	15.0
EBIT Margin (%)	13.9	8.4	9.6	11.3
NPM (%)	7.8	2.6	3.3	4.3
ROCE (%)	15.2	7.7	5.5	6.2
ROE (%)	18.8	5.8	6.7	8.8
EPS (₹)	30.9	10.5	15.7	24.4
P/E (x)	3.3	9.8	6.5	4.2
BVPS(₹)	164.8	181.1	233.6	278.2
P/BVPS (x)	0.6	0.6	0.4	0.4
EV/Operating Income (x)	0.6	0.6	0.6	0.5
EV/EBITDA (x)	3.5	5.0	4.2	3.4

Profit & Loss Account (Consolidated)

Y/E (₹million)	FY11A	FY12A	FY13E	FY14E
Total Income	81,360.2	92,441.6	115,407.9	145,139.5
Expenses	67,576.2	81,195.2	100,032.5	123,440.1
EBITDA	13,784.0	11,246.4	15,375.4	21,699.4
EBITDA margin (%)	16.9	12.2	13.3	15.0
Depreciation	2,439.5	3,515.2	4,330.8	5,344.2
EBIT	11,344.6	7,731.2	11,044.7	16,355.3
Interest	2,240.3	3,999.2	4,927.1	6,080.0
Profit Before Tax	9,104.3	3,731.9	6,117.6	10,275.3
Tax	2,871.3	1,502.8	2,463.4	4,137.6
Share in Profit/ (Loss) of Associates	100.0	141.9	141.9	141.9
Minority Interest	(2.7)	14.4	14.4	14.4
Net Profit	6,330.3	2,385.4	3,810.5	6,293.9
NPM (%)	7.8	2.6	3.3	4.3

Valuation and view

Despite challenging environment new orders signifies the strong brand equity that WCL enjoys amongst large O&G players in the world. With US spiral plant operating now at full swing and it's ERW mill is about to complete, WCL's position in the key North American market will be further strengthened. Improvement in capacity utilization looks promising as the company has a healthy order book of 1.2 million tonne. More specifically, the US and Saudi plants have the potential to deliver higher volumes in the coming quarters. Saudi plant will also benefit from recent approvals by major customers. Further, low pipeline penetration in India provides huge potential in the domestic market. We believe that the company's commitment towards customer satisfaction will enable it to win new pipe orders that will drive the future growth. We rate the stock as 'BUY' at the current market price of ₹102.9, given the strong fundamentals, apt management and long term growth visibility. The current market price of ₹102.9 implies a P/E of ~6.5x FY'13E EPS of ₹15.7 and 4.2x on FY'14E EPS of ₹24.4 respectively.



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