Chairman's speech at 35th Annual General Meeting of Welspun India Limited on Tuesday, September 29th 2020 @ 4:00 PM

My fellow shareholders, colleagues and directors, it gives me great pleasure in welcoming you to the 35th Annual General Meeting of your Company. I am glad to get the opportunity to connect with you all again, even though this time it is on a virtual platform. I hope and pray that each one of you are safe and taking all due precautions by adhering to the hygiene and safety directives stipulated by the Government and local authorities. We as a responsible organization have been standing in solidarity and supporting all the lives we could touch upon, in these times of adversity. Welspun is deeply invested in digitization, automation, and people development to create better work efficiencies. While we are uncertain how long these unprecedented and difficult times will last, your company is fully geared up to face these challenges and move forward.

During fiscal 2020:

- ✓ Your company delivered Revenue of Rs. 6,836 Crore with EBITDA margin standing at 19.2%. Net profit was Rs. 507 Crore and EPS stood at Rs. 5.05.

- ✓ Core business (which is the Home Textile business) Revenue grew by 2.5% and stood at Rs. 6,663 Crore. EBITDA grew by 30% and stood at Rs. 1,469 Crore & EBITDA Margin standing at 22% higher 474 bps YoY.
- ✓ Emerging businesses such as flooring and retail contributed 2% to the overall growth. Flooring revenue was at Rs. 87 Crore for the year, while retail and Advanced Textile were both Rs. 250 Crore each. Emerging businesses cumulatively grew at 30% YoY and will continue to drive the future growth of your Company.
- ✓ I am happy to share that your company has successfully commissioned the new flooring plant in Hyderabad, Telangana with capacity of around 27 million square meters per annum.
- ✓ Welspun has a strong legacy of Innovation with 30 unique patents such as Hyrgrocotton® and Wel-trak™. Our Wellness technology Hygrocotton® has been immensely popular, recently completing 15 years & over $ 1 Billion of FOB sales globally.
- ✓ Sustainability is one of the key enablers in shaping our future growth. Welspun was recognized by ET Futurescape as one of the leaders in

sustainability. I am very proud to say that your Company was the only textile company that was ranked in the top 100.

- ✓ I am pleased to inform you that during the last two years, net debt of home textile business has reduced by Rs.700 Crore and in fact, we have prepaid loans of around Rs. 285 Crore during the financial year FY2020. We continue to pursue our goal to become NIL net debt company in the next few years.
- ✓ In continuation to the Dividend Distribution Policy of the Company to distribute around 25% of its standalone profit after taxes, the Company has paid total dividend of Rs 1.00 per share for the financial year 2019-20. The payout ratio has been 25% for consecutive sixth year now.

In the domestic market, the company has moved aggressively to capture the emerging opportunities led by consumer-driven growth in economy. We continue to invest in our brands, especially the value brand 'Welspun' for the domestic market. We roped in Mr. Amitabh Bachchan as the brand ambassador for our 'Welspun' brand. The campaign has received such a

positive response that it catapulted the brand to the Top 2 position in the Home Textile value segment.

Flooring business is going to be a key growth driver both for domestic and export market. The company is seeing faster product & facility approval by large US based importers. In the domestic market, this company is the only brand offering COVID safe and convenient one day installation to the consumers. Considering the present scenario this would be the key consumer consideration from Health, Hygiene & Convenience perspective. For the commercial segment, your company is the only brand in the market offering Made in India products.

Growing expanse of patented products endorses Company's edge in innovation, which your Company remains committed to augmenting further in the coming years.

And as you are all aware, in the recent past e-commerce has been disrupting the retail landscape. We are ramping up our e-commerce presence with our own brands as well as through omni-channel and market place. Company owned brands like Spaces, Welspun, Christy and licensed brands like Martha

Stewart and Scott Brothers, along with our innovation capabilities will act as key growth catalysts for this channel.

There is a huge potential in the advanced textile business. Most of the customers wish to establish a secure global supply chain with the company. We have seen a surge in demand from downstream products like wet wipes for which we play the role of private label manufacturing partner. Your company has forayed into 'Health & Hygiene' business vertical in the shortest possible time, with focus on health and hygiene related products such as masks, coverall, medical gowns, disposable bed linen/towel, disinfectant wipes etc. for front line workers and consumers.

Your company believes in adhering to compliance and responsible management. In order to attain the highest-level of good Corporate Governance practice, your company's Board of Directors lay strong emphasis on transparency, accountability and integrity. A detailed report of our Corporate Governance practices is included in our Annual Report for your reference.

Looking ahead

The COVID-19 pandemic has impacted not only individuals but also businesses all over the world. These are demanding times for all of us. Considering the changing industry landscape and digital disruption, we have accelerated our focus on enabling a digital culture. We are upgrading our systems, tools, processes, and up-skilling people while establishing 'Digital as the new norm' in our organization.

As an organization having global presence, your company has utilized this opportunity to repurpose and transform itself. We continue to accentuate our core values of leveraging technology, customer centricity, collaboration & inclusive growth; which are the bedrock of our work culture. To successfully navigate through the new normal, we have geared up to be a future ready organization by embracing digital systems and processes.

Your company has swiftly restarted the operations in the second half of April with our audited Welspun Penta protocol safety framework. This was possible only because of our vertically integrated facilities, comprising of spinning, weaving, processing and cut & sew; cotton warehouse, vendor ancillary park, and workers' colony. Proximity to port also helped us in

quickly connecting with global supply chain. Many countries in Europe and USA have started easing down on the restrictions, with majority of the stores back in operations. We are witnessing a month-on-month traction and buoyancy in demand from global retailers for home textile products. Our current order book looks strong and projections for rest of the year looks robust. The effect of pandemic has not entirely waned and we are cautious optimism for the rest of the financial year.

Friends, I would like to re-emphasize that we have been able to withstand all the past and present challenges because of the investments we have done in innovation, digitization, brands, talent and sustainability; which may not always be visible directly in the top line in the short run, but will go a long way in creating a sustainable organization with stable growth and strong margins.

I express my sincere gratitude to our shareholders, bankers, customers, supply-chain partners, Board members and our employees.

Stay safe, stay healthy.

My best wishes to you and all your loved ones