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# Welspun Corp Ltd: Building a Future-Ready Organization by Diversifying Portfolio



*Mr. Vipul Mathur, MD & CEO of Welspun Corp Limited*

Welspun Corp Ltd (WCL) is the flagship company of Welspun Group, one of India's fastest-growing multinationals with a leadership position in line pipes and home solutions, along with other lines of businesses in infrastructure, warehousing, retail, advanced textiles, and flooring solutions. Synonymous with competitive quality and an impeccable execution track record, WCL believes in constantly shaping and evolving through persistent innovation, product diversification, capacity growth, and by single-mindedly sharpening each of its business verticals.

**W**CL is one of the largest manufacturers of large diameter welded line pipes globally and has established a global footprint across six continents and 50 countries by delivering key customized solutions for both onshore and offshore applications. WCL is a complete pipe solutions provider offering end-to-end pipe solutions including large diameter welded line pipes, ductile iron pipes and stainless steel pipes for various applications. The company has recently entered the building materials portfolio with forward integration from BIS certified steel billets to TMT (thermo mechanically treated) rebars. The recent acquisition of Sintex-BAPL, a market leader in water storage tanks and other plastic products in India, has further expanded its building materials portfolio.



## A Strong Vision

A purpose-led transformation is underway at Welspun Corp. The Company is transforming by building on its strengths and transcending its boundaries. It is expanding the ambit of its businesses by making them more consumer-centric. Its vision is to build a future-ready organization by diversifying portfolio and scaling new heights by securing significant and prestigious orders and by exhibiting strong customer connect, technical excellence and execution capabilities. By foraying into newer segments and setting up niche businesses, WCL is maintaining market leadership and seizing further growth opportunities.

## Manufacturing Facilities

For its line pipes business, the company has three state-of-the-art manufacturing facilities in Anjar (Gujarat), Bhopal (Madhya Pradesh), and Mandya (Karnataka). Overseas, WCL has two manufacturing setups for its line pipes business –one in Little Rock, Arkansas, USA and another in Dammam, Saudi Arabia. WCL has a total line pipe manufacturing capacity of 12,55,000 MTPA in India; 5,25,000 MTPA in the US; and 3,75,000 MTPA in Saudi Arabia.

The Greenfield facility for DI Pipes at Anjar, Gujarat, is equipped with the latest cutting-edge technology encompassing a blast furnace, sinter plant, PCI, oxygen plant, and coke oven to produce up to 500,000 MTPA of hot metal for both Pig Iron and DI Pipes. This DI Pipes facility shall cater to the growing water infrastructure requirements of the country to provide clean drinking water to households in both urban and rural India. The plant has a total production capacity of 400,000 MT of DI pipes, which is touted to be ramped up gradually.

WCL has a boutique facility located in Jhagadia, Gujarat which manufactures stainless-steel pipes, tubes and bars through its subsidiary, Welspun Specialty Solutions Limited (WSSL). The company also manufactures TMT rebars through its brand 'Welspun Shield' with a total production capacity of 350,000 MT annually.

## Strategic Acquisitions

WCL's expansion entails creating a diversified product portfolio and repurposing its business to add new target segments, organically and inorganically. Its well-considered strategic acquisitions will amplify its distribution network to address the B2C markets. To further strengthen its building material portfolio,



Welspun Corp has recently acquired Sintex BAPL, a market leader in water tanks and other plastic products, to expand the foothold of the company in the domestic market through its plastics, polymers, and building materials portfolio. It has also acquired specified assets of ABG shipyard with a potential to enter new avenues including ship recycling and repair.

*"The acquisition of an iconic national premium brand like Sintex has catapulted WCL into the B2C space. With a high brand recall value, a widespread sales network and a combined annual capacity of 70,000 MT, our aim is to further increase this iconic brand's market share. During the year, we also acquired the assets of ABG Shipyard, one of the largest shipyard infrastructure companies in India. This is a related business as the company is engaged in welding and fabrication of steel pipes. With this acquisition, we gain the potential to enter the new businesses of ship recycling and repair. Now termed Nauyaan Shipyard, the business enables us to assess low capex, non-cyclical, high return and value-accretive propositions,"* says Mr Vipul Mathur, MD & CEO, Welspun Corp Limited.

## Growth Drivers to Boost Demand

The overall environment for Oil & Gas capex is favourable for line pipes across the world. Oil demand globally is set to grow by 2.4 million bpd to a new record high of 102.3 million bpd in 2023. In India, gas pipeline network is expected to reach 35,000 km from 22,000 km in the next 4-5 years. Oil demand is expected to rise from 4.7 million barrels per day (bpd) in 2021 to 7.4 million bpd by 2040. Rising global demand for natural gas is a growth opportunity for the US. Saudi Arabia witnessed the highest annual growth rate among the world's 20 biggest economies in 2022. It is expanding its maximum sustainable oil production capacity to 13 million bpd by 2027. These





trends are key growth drivers for WCL's line pipes business in India, the US, and in Saudi Arabia.

The Union Budget 2023-24 has earmarked INR 70,000 crore to the Jal Jeevan Mission, with an aim to provide a functional tap connection to every rural household and supply potable water to 3.8 crore households. Further, the Jal Shakti Ministry has allocated a much higher amount of INR 97,278 crore, compared to INR 67,221 crore earlier. These numbers and industry projections indicate robust demand for DI pipes over the next 5-7 years.

*"Our DI Pipes plant contributes to the government's vision of Har Ghar Nal Se Jal, which makes access to clean water a priority. It is aimed at facilitating potable water transportation to households across the country and contributing in transport of clean drinking water. The integrated complex at Anjar is equipped with the latest cutting-edge technology, including blast furnace, sinter plant, PCI and oxygen plant coke oven. Further expanding our manufacturing capacity is an extension of our commitment to Har Ghar Nal Se Jal," says Mr Mathur.*

Massive spending is expected in the infrastructure sector including PM Gati Shakti National Master Plan, Pradhan Mantri Awas Yojana-Urban's (PMAY-U) 'Housing for All' mission, private sector capital expenditure and individual house builders.

Stainless steel pipes are seeing a surge in demand in sectors like Defence, Petrochemicals, Nuclear Reactors and Process Industries. Further, strong export potential in Europe and North America and the Make-in-India initiative by Government is expected to drive growth for WCL's stainless steel business.

## Sustainability at Welspun Corp

In Corporate Sustainability Assessment, WCL is ranked amongst the top 7% in the steel industry by S&P Global's Dow Jones Sustainability Index (DJSI). The company's ambitious sustainability targets include achieving carbon neutrality, water neutrality, and zero waste to landfill by 2040.

As WCL continues to evolve, it is embracing sustainability, integrating ESG principles, changing the manner in which it interacts with the environment and its people, and making a positive contribution to the society. By participating in global-scale clean energy projects, WCL is supporting the world's energy transition and creating a smarter and a more sustainable world.

As energy demands across the world evolve rapidly, WCL is undertaking strategic interventions in new opportunities and segments. It is developing the world's first guideline for transportation of hydrogen gas in existing and new offshore pipelines. With this, WCL has emerged as the first Indian company to have joined a global H2Pipe Joint Industry Project (JIP) for Design and Operation of Hydrogen Pipelines launched by leading industrial certification body DNV. This JIP's objective is to collaborate with global oil & gas majors to develop the world's first guideline for transport of hydrogen gas in existing and new offshore pipelines.

## The Road Ahead

Welspun Corp believes in delivering world-class technology in every segment that it operates in. Its aim is to be the best-in-class manufacturer which delivers on quality and adheres to commitments, keeping customer delight at the top of its priorities.

Welspun Corp has successfully delivered line pipes for some of the most challenging projects globally. It has an unrivaled client list in the industry, and has global commercial interactions in progress with a number of prominent clients, including the majority of the Fortune 100 businesses in the oil & gas sector.

With a global leadership in the large diameter pipes segment, their recent focus has been on expanding customer base and overall presence in the segment. Their diversification into the B2C segment will help them significantly expand their base, enhance the brand, penetrate new markets, build a distribution network and provide opportunities to develop new products.



Welspun Corp believes that with a focus on safety and health, a right mind-set, proper approach, and suitable measures, organizations can achieve 'Zero Harm' goal and prevent workplace injuries and incidents. Safety is regularly reviewed at all levels including by the Board through an elaborate safety governance structure. Training programs are conducted for employees and contractors for building competency to achieve enhanced safety performance.

*"In today's dynamic and fast changing business world, WCL believes that an open work culture is critical to success and is ingrained in its future vision and goal. WCL's present and future growth are powered by innovation and digitization. It underpins all aspects of our business, allowing us to create new platforms for growth, respond with agility, and leverage cutting-edge technologies while also improving customer centricity and traceability in supply chains. The combined benefits of innovation and digitization strengthen our stakeholders' trust in us as a credible brand," says Mr Mathur.*



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