



We are very optimistic about growth opportunities, both in Pipes and Building Materials segment.

VIPUL MATHUR

Managing Director & CEO, Welspun Corp

How are you planning to enhance the TMT rebars business? What kind of strategy are you adopting in product development and market expansion?

The TMT Rebar market is expected to grow at an annual growth rate of 7 per cent in the coming years. Huge infrastructure outlay by the government and strong demand for residential and commercial buildings, bridges, highways, and large structures will continue to drive the demand for TMT rebars in India. We are getting strong traction for our brand, 'Welspun Shield' as a Tier I supplier in the B2C segment in the Gujarat market. We have witnessed a steady improvement in TMT bar production and sales on a sequential basis. Our increased volume of finished products has resulted in a reduction in the sale of intermediary products. Further, we are foreseeing progress in increasing market penetration.

Our innovative initiative for creating the first digital platform for distributors, dealers, retailers, and influencers has been helping us deeper penetration in the market to achieve our B2C goals. With a sharp focus on large infrastructure projects and rural demand, we are expanding our distribution network to cater to rural demand within a minimum lead time.

What are the steps taken by the company in consolidating its presence in the water pipes and solutions market?

Ductile iron pipes are considered the most preferred pipe material for water supply and pressure sewerage applications all over the world. Our Greenfield facility for Ductile Iron (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 DI plant. 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 and is being expanded to 500,000 MT. This new capacity addition is planned to cater to small diameter range of 100 DN to 300 DN, as we see significant demand supply mismatch in smaller diameter segment.

Our DI pipe 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 to the transport of clean drinking water.

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 and is fully geared up to become a key player in this growing market. Further, we continue to explore growth options in existing and new locations, including export markets.

How will the acquisition of Sintex help the company consolidating its presence in water infrastructure segment?

The recent acquisition of Sintex-BAPL, a market leader in water storage tanks and other plastic products in India, has further expanded our building materials portfolio. Sintex has a pan-India presence through its widespread distribution network of 900 distributors and 13,000 retailers. Further initiatives to re-energize and expand the market network including distributors, retailers, plumbers, and customers have been undergoing

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aggressively. Key products that Sintex has been offering are water storage tanks (WST), interior products, liquid storage solutions, and electrical boxes. The current market share of Sintex in water tanks is about 9% and is targeted to be around 12% by end of FY 24.

The market size of WST in India is expected to grow at a CAGR of 19% between 2022 and 2026, and pegged at approximately Rs 9,000-10,000 crore. The plastic pipe market on the other hand is likely to grow at a CAGR of 10-12% between 2021 and 2025 to reach Rs 60,000 crore, which makes it an attractive segment to enter.

We have been exploring various growth options and recently announced our intention to foray into different types of PVC Pipes and fittings in Telangana and Odisha states.

How do you visualise the emerging trends in construction?

We are witnessing a wider usage of technology to cater to the demand in the construction segment. Some of the examples include leveraging technology like 3D modelling, virtual modelling, and robotics for a new offsite. Another emerging trend is using the ecosystem approach, where an ecosystem is formed with industry equipment providers and materials suppliers for strategic benefits. Construction companies can use data-sharing platforms to exchange real-time information with material suppliers in case of disruption or shortage of supply. Companies have also increased their focus on supply chain management to ensure optimal operability and profitability.

How does sustainability play a key role in Welspun Corp’s operational strategies? What are the major activities in this direction?

Sustainability is a part of our core mission towards contributing to a better, greener and future-proof world. In Corporate Sustainability Assessment, we are ranked amongst the top 7 per cent in the steel industry by S&P Global’s Dow Jones Sustainability Index (DJSI). Our ambitious sustainability targets include achieving carbon neutrality, water neutrality, and zero waste to landfill by 2040. Share of renewable energy has been improving in our operations. Recently, we have also announced our investment in renewable energy project which clearly indicates our focus on sustainability. We are also aligned with UN Sustainable Development Goals

through various social initiatives and programmes. We have a very strong focus on the governance as well. Our objective is to build an organization that generates a net positive influence on society and the environment.

Some of our initiatives from an operational point of view include:

- Use of recycled water for all operational needs: Welspun Group has set up a sewage recycling plant at Anjar in Gujarat which collects and treats sewage from three municipal areas - Gandhidham, Adipur, and Anjar. The 30 MLD STP set up in the Welspun premises treats the received sewage through a three-stage treatment process and makes the water reusable. The treated water is supplied to our operations in turn avoiding water consumption from public sources.
- Use of waste heat from coke plant for steam generation: Waste heat from our coke plant is being trapped and used for making steam which is then being supplied to other group companies – textile operations who require steam for their operational needs.
- Use of slag as a resource in cement plants: The slag generated from our blast furnace operations is collected and sent to the nearby cement manufacturing plant for use in making cement and concrete. This is a typical example of circularity where waste from one industry becomes a resource for the other.
- Use of blast furnace gas in the sintering process, DIP - annealing furnace, ladle heating in blast furnace, and power generation.

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What is your outlook on the construction materials market? How are you planning to capitalize on the future market opportunities?

Welspun Corp is one of the leading large-diameter welded pipes manufacturers globally. In the recent past, we have expanded our portfolio to include ductile iron pipes, stainless steel pipes, TMT rebars, and water storage tanks. We are now positioned as a conglomerate providing complete pipe solutions to various industry applications and are present in the building materials market with our TMT rebars, water storage tanks, and uPVC interiors. We are very optimistic about the growth opportunities, both in Pipes and the Building Materials segment and are geared up to meet the industry demand and customer expectations. ■