

Welspun Corp's June qtr PAT up 70 pc at Rs 190 cr

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Backed by strong growth in its US business, steel pipe maker Welspun Corp Ltd today posted a 70 per cent growth in its profit after tax at Rs 190.6 crore for the quarter ended June 30, as compared to Rs 112 crore in the year-ago period. The company, which was ranked the second largest pipe company in the world by Britain's Financial Times, registered a total sales growth of 25 per cent at Rs 2,421.8 crore as against Rs 1,939.9 crore in the same period last year.

Welspun Infratech Ltd, a subsidiary of Welspun Corp, has increased the holding in MSK Project India to 56 per cent by infusing Rs 211.3 crore in the company, a move that could help Welspun's foray into infrastructure.

"Through MSK, we plan to enter into infrastructure space also. Apart from supplying pipes, we can now lay our hands on pipe laying process as well," Welspun Corp Chairman & Managing Director BK Goenka told reporters here.

After the success of the steel pipe plant facility in the US with its strategic advantage to address the requirements of the local content, Welspun is in the process of setting up another overseas plant in Saudi Arabia, which will be commissioned in a couple of months, he said.

Welspun has invested USD 160 million for its US plant while the Saudi Plant would cost around USD 140 million, Welspun Director Akhil Jindal said.

The company has commissioned a plant in Karnataka to make pipes for water supply with a capacity of producing 1 lakh tonnes steel pipes per annum.

It has earmarked Rs 400 crore capex for the year. The order book of the company is very strong, with the quarter starting with orders worth Rs 6,400 crore followed by orders worth Rs 900 crore during the quarter. As on June 30, 2010, the order book stands at Rs 5,000 crores, Goenka said.