

WEL/SEC/2020

July 30, 2020

To,

<b>BSE Limited</b> 1 <sup>st</sup> Floor, Rotunda Bldg, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532553	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. NSE Symbol: WELENT
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Dear Sir/Madam,

- Sub.: (i) Un-audited Financial Results for the quarter ended June 30, 2020 and Limited Review Report.**  
**(ii) Business update pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith standalone as well as consolidated Un-audited Financial Results for the quarter ended June 30, 2020 ("UFR") alongwith the limited review report as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings.

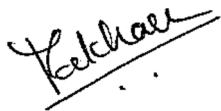
Further, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Business Update with respect to Un-audited Financial Results for the quarter ended June 30, 2020 which is being released to the media and also being uploaded on the website of the Company.

The Board meeting concluded at 7:54 p.m.

Kindly take note of the above.

Thanking you.

**For Welspun Enterprises Limited**



**Priya Pakhare**  
**Company Secretary**  
**FCS - 7805**

**Welspun Enterprises Limited**

Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

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E-mail : companysecretary\_wel@welspun.com Website : www.welspunenterprises.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 28 3666 2222 F : +91 28 3627 9010

Corporate Identity Number: L45201GJ1994PLC023920

**Unaudited Consolidated Financial Results for the quarter ended 30 June 2020**

Rupees in lakhs

		Quarter ended 30 June 2020	Quarter ended 31 March 2020	Quarter ended 30 June 2019	Year ended 31 March 2020
		(Unaudited)	(Audited) (Refer Note - 6)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>				
	(a) Revenue from operations	19,004	47,071	52,277	180,759
	(b) Other income	3,179	3,086	1,740	11,184
	<b>Total income</b>	<b>22,183</b>	<b>50,157</b>	<b>54,017</b>	<b>191,943</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	16	54	733	862
	(b) Subcontracting, civil and repair work	13,769	36,682	41,157	142,888
	(c) Employee benefits expense	2,157	2,319	2,147	8,714
	(d) Finance costs	2,170	2,459	1,816	7,736
	(e) Depreciation and amortisation expense	387	408	591	2,254
	(f) Other expenses	1,133	1,494	2,818	7,337
	<b>Total expenses</b>	<b>19,632</b>	<b>43,416</b>	<b>49,262</b>	<b>169,791</b>
<b>3</b>	<b>Profit from ordinary activities before exceptional items, share of profits/ (loss) in associate and tax (1 - 2)</b>	<b>2,551</b>	<b>6,741</b>	<b>4,755</b>	<b>22,152</b>
<b>4</b>	Share of profit / (loss) in associate and joint venture companies	(73)	2,218	(839)	(1,878)
<b>5</b>	<b>Profit from ordinary activities before exceptional items and tax (3+4)</b>	<b>2,478</b>	<b>8,959</b>	<b>3,916</b>	<b>20,274</b>
<b>6</b>	Exceptional items (net)	-	-	-	-
<b>7</b>	<b>Profit / (loss) before tax for the period (5 + 6)</b>	<b>2,478</b>	<b>8,959</b>	<b>3,916</b>	<b>20,274</b>
<b>8</b>	<b>Tax expense</b>				
	a) Current tax	375	2,056	2,082	5,883
	b) Deferred tax charge/(benefit)	104	(2,005)	(146)	(722)
	<b>Total tax expense</b>	<b>479</b>	<b>51</b>	<b>1,936</b>	<b>5,161</b>
<b>9</b>	<b>Net profit from ordinary activities after tax for the Period (7 - 8)</b>	<b>1,999</b>	<b>8,908</b>	<b>1,980</b>	<b>15,113</b>
<b>10</b>	<b>Other comprehensive income</b>				
	Items that will not be reclassified to Profit and Loss (net of tax)	(2)	0	(8)	23
<b>11</b>	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>1,997</b>	<b>8,908</b>	<b>1,972</b>	<b>15,135</b>
<b>12</b>	<b>Profit for the year attributable to :</b>				
	Shareholders of the company	1,980	8,859	1,979	14,888
	Non- controlling interest	19	49	1	225
<b>13</b>	<b>Total comprehensive income attributable to :</b>				
	Shareholders of the company	1,978	8,859	1,971	14,911
	Non- controlling interest	19	49	1	225
<b>14</b>	Paid-up equity share capital (Face Value Rs. 10/- each)	14,868	14,846	14,808	14,846
<b>15</b>	Other equity				143,099
<b>16</b>	<b>Earnings per share (EPS)</b>				
	* Not annualised				
	(a) Basic EPS	1.33*	5.97*	1.34*	10.04
	(b) Diluted EPS	1.32*	5.89*	1.33*	9.91

Notes :-

- 1 The above unaudited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on 30 July 2020.
- 2 The above results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act) as applicable and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 **Business Combination**  
Pursuant to the substitution agreement and endorsement agreements, both dated 8 June 2020 entered into with NHAI and India Infrastructure Finance Company Limited ("IIFCL"), Welspun Infracore Private Limited ("WIFL") has been appointed as the concessionaire under the concession agreement dated 28 August 2015 with NHAI with respect to the project involving the '8 laning of section NH-1 (New NH-44) from Mukarba Chowk at Km 15.500 to Panipat Km 86.00' on BOT (toll) basis in Haryana ("Mukarba Panipat Project"). The substitution was effected by acquiring identified assets and assumption of liabilities of the project for aggregate consideration of Re 1 (Rupee one only).  
  
In accordance with Ind AS 103 "Business Combination", based on a fair valuation report and purchase price allocation (PPA), the Group has recorded intangible assets under development of Rs 66,315 lakhs and equivalent amount of liabilities assumed on acquisition resulting in Nil goodwill. Revenues recognised with respect to the aforesaid undertaking from acquisition date till reporting date is Rs 4,328 lakhs.
- 4 The Company's operations and financial results for the quarter has been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the quarter with limited availability of workforce and disrupted supply chain. The results for the quarter are therefore not comparable with those for the previous quarter. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.
- 5 The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs 37,500 Lakhs outstanding as on 30 June 2020 are secured by way of charge over current assets, Plant and Machinery, other movable assets and certain non-current assets of the Company. The Company has maintained more than hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6 Figures for the Quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the published unaudited year to date figures upto the 31 December 2019.
- 7 Refer Annexure I for Segment Information
- 8 Previous period figures have been regrouped, rearranged and reclassified wherever considered necessary.

For Welspun Enterprises Limited



Sandeep Garg  
Managing Director  
DIN 00036419



Place : Mumbai  
Date : 30 July 2020

Annexure - I  
Segment Information :-

Rupees in lakhs

	Quarter ended 30 June 2020	Quarter ended 31 March 2020	Quarter ended 30 June 2019	Year ended 31 March 2020
	(Unaudited)	(Audited) (Refer Note - 6)	(Unaudited)	(Audited)
<b>Segment Revenue</b>				
Infrastructure	19,004	47,071	52,277	180,759
Oil and gas	-	-	-	-
<b>Total sales/ Income from Operations</b>	<b>19,004</b>	<b>47,071</b>	<b>52,277</b>	<b>180,759</b>
<b>Segment Result</b>				
Infrastructure	2,905	7,223	7,558	25,808
Oil and gas	-	-	-	-
Unallocated	(1,357)	(1,455)	(2,703)	(7,219)
<b>Total</b>	<b>1,548</b>	<b>5,768</b>	<b>4,855</b>	<b>18,589</b>
Add : Other income (including interest income)	3,173	3,432	1,715	11,299
<b>Profit before finance costs, tax and exceptional items</b>	<b>4,721</b>	<b>9,200</b>	<b>6,570</b>	<b>29,888</b>
Add / (Less) : Finance costs	(2,170)	(2,459)	(1,816)	(7,736)
Add / (Less) : Share of loss from associate/ joint ventures	(73)	2,218	(839)	(1,878)
Add / (Less): Exceptional items (net)	-	-	-	-
<b>Profit / (loss) from ordinary activities before tax</b>	<b>2,478</b>	<b>8,959</b>	<b>3,915</b>	<b>20,274</b>
<b>Capital Employed</b>				
<b>Segment Assets</b>				
Infrastructure	242,252	165,568	180,032	165,568
Oil and gas	5,726	5,726	5,726	5,726
Unallocated	149,968	140,335	114,341	140,335
<b>Total (A)</b>	<b>397,946</b>	<b>311,629</b>	<b>300,099</b>	<b>311,629</b>
<b>Segment Liabilities</b>				
Infrastructure	69,975	64,996	74,377	64,996
Unallocated	167,855	88,678	78,113	88,678
<b>Total (B)</b>	<b>237,829</b>	<b>153,674</b>	<b>152,490</b>	<b>153,674</b>
<b>Total (A - B)</b>	<b>160,117</b>	<b>157,955</b>	<b>147,609</b>	<b>157,955</b>
<p>a) The segment information of the Company has been prepared in accordance with Ind AS 108 "Operating Segments"  b) The business segments of the Company comprises of :-  - Infrastructure  -Oil &amp; Gas  c) Previous period/ year figures have been regrouped, rearranged and reclassified wherever considered necessary.</p>				

*Sanjay*



**Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of Welspun Enterprises Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended**

To  
The Board of Directors of  
**Welspun Enterprises Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **Welspun Enterprises Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities for the quarter ended 30 June 2020 ("the Statement") being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities:  
**Holding Company**
  - (i) Welspun Enterprises Limited**Subsidiaries**
  - (i) Welspun Delhi Meerut Expressway Private Limited
  - (ii) Welspun Road Infra Private Limited
  - (iii) Welspun Amravati Highways Private Limited
  - (iv) Welspun Buildtech Private Limited
  - (v) Welspun Sattanathapuram Nagapattinam Road Private Limited
  - (vi) Welspun Projects (Himmatnagar Bypass) Private Limited
  - (vii) Welspun Projects (Kim Mandvi Corridor) Private Limited
  - (viii) Dewas Waterprojects Works Private Limited
  - (ix) Welspun Natural Resources Private Limited
  - (x) ARSS Bus Terminal Private Limited
  - (xi) DME Infra Private Limited
  - (xii) Grenoble Infrastructure Private Limited
  - (xiii) Welspun Infrafacility Private Limited
  - (xiv) Welspun Aunta-Simaria Project Private Limited
  - (xv) Welsteel Enterprises Private Limited



**Jointly Controlled Entities**

- (i) RGY Roads Private Limited
- (ii) MBL (GSY) Road Limited
- (iii) MBL (CGRG) Road Limited
- (iv) Corbello Trading Private Limited
- (v) Chikhali - Tarsod Highways Private Limited

**Associate**

- (i) Adani Welspun Exploration Limited

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with rules issued thereunder and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the regulation, read with the circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements of two subsidiaries included in the consolidated unaudited financial results, whose interim financial statements reflect total revenues of Rs. 14,334 Lakhs for the quarter ended 30 June 2020, total net profit after tax of Rs. 639 Lakhs for the quarter ended 30 June 2020 and total comprehensive income of Rs. 639 Lakhs for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

7. The consolidated unaudited financial results include the interim financial statements of eleven subsidiaries which have not been reviewed by their auditors, whose interim financial statements reflect total revenues of Rs. 587 Lakhs for the quarter ended 30 June 2020, total net loss after tax of Rs. 501 Lakhs for the quarter ended 30 June 2020 and total comprehensive loss of Rs. 499 Lakhs for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net loss after tax of Rs. 73 Lakhs for the quarter ended 30 June 2020 and total comprehensive loss of Rs. 73 Lakhs for the quarter ended 30 June 2020, in respect of one associate and Five jointly controlled entities based on their interim financial statements which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **MGB & Co LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

*Amit Kothari*

**Amit Kumar Kothari**

Partner

Membership Number 222726

Mumbai, 30 July 2020

UDIN: 20222726AAAAAI4478



**Unaudited Standalone Financial Results for the quarter ended 30 June 2020**

(Rupees in lakhs)

	Quarter ended 30 June 2020	Quarter ended 31 March 2020	Quarter ended 30 June 2019	Year ended 31 March 2020
	(Unaudited)	(Audited) (Refer note 6)	(Unaudited)	(Audited)
<b>1 Income</b>				
(a) Revenue from operations	17,412	45,043	51,591	176,005
(b) Other income	962	1,509	1,162	5,258
<b>Total income</b>	<b>18,374</b>	<b>46,552</b>	<b>52,753</b>	<b>181,263</b>
<b>2 Expenses</b>				
(a) Cost of materials consumed	16	54	733	862
(b) Subcontracting, civil and repair work	12,761	35,147	40,953	140,036
(c) Employee benefits expense	2,091	2,247	2,051	8,399
(d) Finance costs	849	740	748	2,537
(e) Depreciation and amortisation expense	297	392	559	1,944
(f) Other expenses	756	1,676	1,810	6,078
<b>Total expenses</b>	<b>16,770</b>	<b>40,256</b>	<b>46,854</b>	<b>159,856</b>
<b>3 Profit from ordinary activities before exceptional items and tax (1 - 2)</b>	<b>1,604</b>	<b>6,296</b>	<b>5,899</b>	<b>21,407</b>
<b>4 Exceptional items (net)</b>	-	-	-	-
<b>5 Profit before tax for the period (3 + 4)</b>	<b>1,604</b>	<b>6,296</b>	<b>5,899</b>	<b>21,407</b>
<b>6 Tax expense</b>				
a) Current tax	317	1,991	2,073	5,728
b) Deferred tax charge/(benefit)	(18)	(572)	64	(255)
<b>Total tax expense</b>	<b>299</b>	<b>1,419</b>	<b>2,137</b>	<b>5,473</b>
<b>7 Net profit from ordinary activities after tax for the Period (5 - 6)</b>	<b>1,305</b>	<b>4,877</b>	<b>3,762</b>	<b>15,934</b>
<b>8 Other comprehensive income</b>				
Items that will not be reclassified to profit and loss (net of tax)	(4)	14	(8)	15
<b>9 Total comprehensive income for the period (7 + 8)</b>	<b>1,301</b>	<b>4,891</b>	<b>3,754</b>	<b>15,949</b>
<b>10 Paid-up equity share capital (Face Value Rs. 10/- each)</b>	<b>14,868</b>	<b>14,846</b>	<b>14,808</b>	<b>14,846</b>
<b>11 Other equity</b>				<b>158,705</b>
<b>12 Earnings per share (EPS)</b>				
* Not Annualised				
(a) Basic EPS	0.88 *	3.29 *	2.54 *	10.75
(b) Diluted EPS	0.87 *	3.25 *	2.52 *	10.61

Notes :-

- 1 The above unaudited standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meeting held on 30 July 2020.
- 2 The above results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act) as applicable and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 The Company's operations and financial results for the quarter has been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the quarter with limited availability of workforce and disrupted supply chain. The results for the quarter are therefore not comparable with those for the previous quarter. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.
- 4 The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs 37,500 Lakhs outstanding as on 30 June 2020 are secured by way of charge over current assets, Plant and Machinery, other movable assets and certain non-current assets of the Company. The Company has maintained more than hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 During the quarter ended 30 June 2020, the Company has approved allotment of 2,25,000 equity shares to the employees of the Company who had exercised their options under the Welspun Enterprises Limited - Employees Stock Option Plan 2017 ("WEL ESOP SCHEME 2017"). The equity shares allotted shall rank pari passu in all respect, including dividend, with the existing equity shares of the Company.
- 6 Figures for the Quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the published unaudited year to date figures upto the 31 December 2019.
- 7 Previous period figures have been regrouped, rearranged and reclassified wherever considered necessary.

For Welspun Enterprises Limited



Sandeep Garg  
Managing Director  
DIN 00036419

Place : Mumbai  
Date : 30 July 2020



**Independent Auditor's Review Report on quarterly Unaudited Standalone Financial Results of Welspun Enterprises Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended**

To  
The Board of Directors  
**Welspun Enterprises Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Welspun Enterprises Limited** (the "Company") for the quarter ended 30 June 2020 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with rules issued thereunder and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the regulation, read with the circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **MGB & Co LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

*Amit Kothari*

**Amit Kumar Kothari**  
Partner  
Membership Number 222726



Mumbai, 30 July 2020  
UDIN: 20222726AAAAAH3496

## Stable operations in challenging times

- EBITDA margin at 15% in Q1FY21, up 131 bps YoY
- Raised NCDs worth Rs. 3,750 mn at a competitive rate of 8.85%
- Completed takeover of BOT Toll project (Mukarba Chowk – Panipat)
- Current EPC Order Book at Rs. 46,926 million

**Mumbai, July 30, 2020:** Welspun Enterprises Ltd. (“WEL” or “Company”), part of the US\$ 2.7 billion Welspun Group, today announced its Q1FY21 results.

### Standalone Financials

Income Statement Snapshot (Rs. Million)					
Particulars	Q1 FY21	Q1 FY20	YoY Growth	Q4 FY20	QoQ Growth
<b>Revenue from Operations</b>	<b>1,741</b>	<b>5,159</b>	<b>-66.2%</b>	<b>4,504</b>	<b>-61.3%</b>
Other Income	96	116	-17.2%	151	-36.3%
<b>Total Income</b>	<b>1,837</b>	<b>5,275</b>	<b>-65.2%</b>	<b>4,655</b>	<b>-60.5%</b>
<b>Operating EBITDA*</b>	<b>195</b>	<b>631</b>	<b>-69.1%</b>	<b>609</b>	<b>-67.9%</b>
<i>Operating EBITDA margin</i>	11.2%	12.2%	-102 bps	13.5%	-229 bps
<b>EBITDA</b>	<b>275</b>	<b>721</b>	<b>-61.8%</b>	<b>743</b>	<b>-63.0%</b>
<i>EBITDA margin</i>	15.0%	13.7%	131 bps	16.0%	-99 bps
PBT	160	590	-72.8%	630	-74.5%
<b>PAT</b>	<b>130</b>	<b>376</b>	<b>-65.3%</b>	<b>488</b>	<b>-73.2%</b>
<i>PAT margin</i>	7.1%	7.1%	-3 bps	10.5%	-338 bps
<b>Cash PAT</b>	<b>175</b>	<b>465</b>	<b>-62.4%</b>	<b>486</b>	<b>-64.0%</b>

Note: Cash PAT = PBDT– Current tax + Non-cash ESOP expenses

\* Refer table below

Operating EBITDA Calculation (Rs. Million)			
Particulars	Q1 FY21	Q1 FY20	Q4 FY20
<b>Operating EBITDA (as per reported financials)</b>	<b>179</b>	<b>604</b>	<b>592</b>
<i>Operating EBITDA Margin (as per reported financials)</i>	10.3%	11.7%	13.1%
Add: ESOP non-cash expense	17	27	17
<b>Operating EBITDA</b>	<b>195</b>	<b>631</b>	<b>609</b>
<i>Operating EBITDA margin</i>	11.2%	12.2%	13.5%

## BUSINESS UPDATE

Balance Sheet Snapshot (Rs. Million)	30 <sup>th</sup> Jun 2020	31 <sup>st</sup> Mar 2020
<b>Net worth</b>	<b>17,502</b>	<b>17,355</b>
Gross Debt	4,734	3,100
-Long Term Debt	3,994	334
-Short Term Debt	740	2,766
<b>Cash &amp; Cash Equivalents</b>	<b>5,148</b>	<b>5,293</b>
Net Debt /(Cash)	(415)	(2,193)
Other Long Term Liabilities	315	306
Total Net Fixed Assets (incl. CWIP)	564	565
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.) <sup>@</sup>	2,676	1,784
Other Long Term Investments and assets (adj.) <sup>@</sup>	14,162	13,119

Long Term Debt (incl. current maturities) – Against equipment financing

Short Term Debt (incl. CP) – Against current assets

<sup>@</sup> Temporary funding of Rs. 1,200 million has been made in lieu of drawing debt at the subsidiary/JV level in order to minimise the interest cost. This temporary funding has not been included in the cash balance of Rs. 5,148 million. The same is reflected in Other Long Term Investments and assets

### Financial Highlights

The operations and financial results for the quarter have been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The results for the quarter are therefore not comparable with those for the previous quarter.

- Revenue in Q1 FY21 stands at Rs. 1,741 million, down 66% YoY.
- EBITDA margin in Q1 FY21 at 15.0% vs. 13.7% in Q1 FY20
- Adequate cash balance to fund the future equity requirements of its project portfolio
  - As on 30<sup>th</sup> June, Cash balance stood at Rs. 5,148 million.
- Additional equity requirement within the next 2-3 years for the existing portfolio:
  - Existing HAM Projects: ~ Rs. 1,280 million
  - Recently acquired BOT project: Rs. 1,140 million
  - Oil & Gas: ~ Rs. 1,060 million
- Short-term loans of Rs. 740 million and long-term loans of Rs. 3,994 mn are adequately supported by net current assets and net fixed assets.

### Project Status

As stated in our Q4FY20 results, post partial opening of lockdown from 14<sup>th</sup> April onwards, we have started the work on all the project sites including recently acquired BOT Toll Project. During the quarter we were working with ~50% of the workforce on the sites due to limited manpower availability.

However post easing of lockdown we expect the complete work force to be back on all project sites. We are confident of making up the revenue loss in Q1 over the next quarters, subject to conditions prevailing due to COVID-19.

The brief status on various HAM projects are as under:

## BUSINESS UPDATE

### Delhi-Meerut Expressway (Delhi-section)

- **Project Description:** 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning either side from 0th km to existing km 8.4 of NH-24 in Delhi
- **Completion cost:** Rs. 8.87 billion
- **Status:** Received fourth annuity in July 2020 within the stipulated time.
- Project refinanced at 8.17% pa with top-up loan of Rs. 65 crores.

### Gagalheri-Saharanpur-Yamunanagar (GSY)

- **Project Description:** 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana
- **Bid Project Cost:** Rs. 11.84 billion
- **Status:** Physical progress of about 93% has been completed by Q1FY21 and payment from NHAI pertaining to 5<sup>th</sup> milestone received in March 2020.

### Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)

- **Project Description:** 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand
- **Bid Project Cost:** Rs. 9.42 billion
- **Status:** Physical progress of about 92% has been completed by Q1FY21 and payment from NHAI pertaining to 5<sup>th</sup> milestone has been received.

### Chikhali-Tarsod

- **Project Description:** 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 from km. 360.0 to km.422.7 in Maharashtra
- **Bid Project Cost:** Rs. 10.48 billion
- **Status:** Physical progress of about 61% has been completed by Q1FY21 and payment from NHAI pertaining to 3<sup>rd</sup> milestone has been received.

### Package No. AM2 (Maharashtra Amravati)

- **Project Description:** Upgradation of Roads in Maharashtra State or Two Laning Road/ Two Laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2.
- **Key Features:** Concessionaire to receive 60% of the Bid Project Cost (BPC) during the construction period (vs. 40% in NHAI projects); balance 40% of BPC and O&M payments is paid back in semi-annual instalments in a period of 10 years (vs. 15 years in NHAI projects)
- **Bid Project Cost:** Rs. 14.6 billion
- **Status:** Physical progress of about 63% has been completed by Q1FY21 and part payment from Maharashtra PWD pertaining to 3<sup>rd</sup> milestone has been received.

## BUSINESS UPDATE

### Aunta-Simaria (Ganga Bridge with Approach Roads)

- **Project Description:** Six- Laning from Aunta-Simaria (Ganga Bridge with Approach Roads) Section from km 197.9 to km 206.1 of NH-31 in Bihar. Includes widest extradosed bridge on Ganga river
- **Bid Project Cost:** Rs. 11.61 billion
- **Status:** Physical progress of about ~22% has been completed by Q1FY21 and payment from NHAI payment from NHAI pertaining to 1st milestone (i.e. @ 10% completion) received in January 2020.

### Sattanathapuram-Nagapattinam (SN)

- **Project Description:** 4 laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH -332) in Tamil Nadu
- **Bid Project Cost:** Rs. 20.04 billion
- **Status:** Received Letter of Award (LoA) in July 2018; signed concession agreement on 3<sup>rd</sup> Dec 2018. Company has submitted financial closure documents to NHAI and is awaiting appointed date.
- **Recent developments:**
  - Hon'ble High Court of Madras has recently passed an order directed the NHAI to put on hold the widening of the 179.55 km NH 45 A between Villupuram and Nagapattinam. NHAI shall undertake an EIA study and obtain environmental clearance. NHAI is also directed to obtain approval from CRZMA for CRZ clearance for two locations.
  - However, it is important to note that aforesaid Madras High Court order clearly states that :
    - Project-expansion of NH-45A need not be shelved, the concessionaire agreements already into need not be cancelled, and the land acquisition proceedings should not be dropped.
    - Only 650m is affected for the CRZ clearance and the scope can be realigned easily.
  - Hon'ble Supreme Court vide its order dated 13.07.2020 has granted an ad-interim stay against order passed by Hon'ble Madras High Court.

### BOT (Mukarba Chowk – Panipat Toll Roads Limited):

- Completed takeover of a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk – Panipat from Essel group
- Original Total Project cost estimated to be INR 21,220 mn out of which INR 15,930 mn is the balance to be incurred, to complete the project.
- All existing Lenders to the project have agreed to continue supporting the project; thus the project is fully financially tied up and necessary agreements executed with Lenders.
- WEL expects to complete the project by H1 FY22.
- As per the Concession Agreement, the scheduled concession end date is October 2033, extendable up to 3.4 years based on actual average traffic in year 2025.
- The current toll revenue for only Haryana section is about INR 2,000 Mn per annum. Upon achieving COD for both Haryana and Delhi section, the Company expects to collect toll of INR 3,000 mn per annum.

## BUSINESS UPDATE

### Water Project:

#### Dewas Water

- **Project Description:** Modified project involves the supply of treated water of up to 23 MLD to industrial customers in Dewas
- **Project Cost:** Rs. 1.46 billion
- **Status:** Commercial operation has commenced from 30<sup>th</sup> April 2019. Q1 FY21 revenue stands at Rs. 23 mn with EBITDA of Rs. 9 mn.

### COVID-19 Update

We continue to follow the measures taken since Q4 FY20 across our offices and sites to ensure that our commitment to our customers is not compromised. Extreme caution and highest standard of hygiene and safety is being practiced by our staff across all our locations and in order to create awareness and protect our employees, additional efforts have been implemented. We are continuing with our 'Work from Home' policy for our employees for their safety and well-being.

### Management Comments

**Commenting on the developments, Mr. B. K. Goenka, Chairman, Welspun Group said,** "Our focus for FY21 will be to continue on our journey of operational excellence. We plan to complete four under-construction projects during this year. We are also expecting significant progress on the execution of our other projects, including the recently acquired Mukarba Chowk - Panipat project.

In line with our asset-light strategy, we will also look at unlocking value from our projects, once they are complete. We have managed to build a robust order book showing our capability of overcoming any challenge, which will go a long way in creating long-term sustainable value for all stakeholders."

### Outlook

- Currently, there are around 26 HAM projects of NHAI, with a total project cost of ~Rs. 270 bn, whose bids have been announced. The Company is selectively targeting to participate in bidding of few projects, while preserving its threshold return expectations.
- Apart from NHAI, WEL is also evaluating road HAM projects of State and Municipal agencies.
- The Company will continue to explore inorganic growth opportunities, through a measured evaluation of risk-return parameters.
- In the water segment, WEL's focus will be mainly on sewage treatment, desalination and bulk water transmission projects, either through EPC mode or HAM mode.
- WEL is well-positioned for early financial closure of new project wins, as and when it happens, given its healthy cash balance.
- The Company will continue to pursue an asset-light model, while focussing on operational excellence and prudent risk management.

## **BUSINESS UPDATE**

### **About Welspun Enterprises Ltd.**

*Welspun Enterprises Ltd. (WEL), part of the Welspun Group, is an operating Company in the infrastructure business. The Company also has investments in Oil & Gas Exploration. The company, in its current form was created through the merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. with Welspun Projects Ltd through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.*

### **About Welspun Group**

*A US\$ 2.7 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.*

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**For further information please visit [www.welspunenterprises.com](http://www.welspunenterprises.com)**

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