

WEL/SEC/2021

January 28, 2021

To,

<b>BSE Limited</b> 1st 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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**Sub.: (i) Un-audited Financial Results for the quarter and nine months ended December 31, 2020 and Limited Review Report.**

**(ii) Business update pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

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 and nine months ended December 31, 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 and nine months ended December 31, 2020 which is being released to the media and also being uploaded on the website of the Company.

The Board meeting concluded at 7:07 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.

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

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 2836 662222 F : +91 2836 279010

Corporate Identity Number: L45201GJ1994PLC023920

**Unaudited Consolidated Financial Results for the quarter/ nine months ended 31 December 2020**

		Rupees in lakhs					
		Quarter ended 31 December 2020	Quarter ended 30 September 2020	Quarter ended 31 December 2019	Period ended 31 December 2020	Period ended 31 December 2019	Year ended 31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	42,327	34,738	50,447	96,069	1,33,688	1,80,759
	(b) Other income	4,182	3,625	3,261	10,986	8,098	11,184
	<b>Total income</b>	<b>46,509</b>	<b>38,363</b>	<b>53,708</b>	<b>1,07,055</b>	<b>1,41,786</b>	<b>1,91,943</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials	-	87	56	103	808	862
	(b) Subcontracting, civil and repair work	34,140	26,432	41,336	74,341	1,06,207	1,42,888
	(c) Employee benefits expense	1,759	2,275	2,073	6,191	6,395	8,714
	(d) Finance costs	2,842	2,812	1,844	7,824	5,278	7,736
	(e) Depreciation and amortisation expense	417	370	568	1,174	1,846	2,254
	(f) Other expenses	1,896	2,262	1,477	5,291	5,842	7,337
	<b>Total expenses</b>	<b>41,054</b>	<b>34,238</b>	<b>47,354</b>	<b>94,924</b>	<b>1,26,376</b>	<b>1,69,791</b>
<b>3</b>	<b>Profit from ordinary activities before exceptional items, share of profits/ (loss) in associate and tax (1 - 2)</b>	<b>5,455</b>	<b>4,125</b>	<b>6,354</b>	<b>12,131</b>	<b>15,410</b>	<b>22,152</b>
<b>4</b>	Share of profit / (loss) in associate and joint venture companies	(384)	(50)	(1,543)	(507)	(4,096)	(1,878)
<b>5</b>	<b>Profit from ordinary activities before exceptional items and tax (3+4)</b>	<b>5,071</b>	<b>4,075</b>	<b>4,811</b>	<b>11,624</b>	<b>11,314</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>5,071</b>	<b>4,075</b>	<b>4,811</b>	<b>11,624</b>	<b>11,314</b>	<b>20,274</b>
<b>8</b>	<b>Tax expense</b>						
	a) Current tax	986	175	1,391	1,536	3,827	5,883
	b) Deferred tax charge/(benefit)	209	853	643	1,166	1,283	(722)
	<b>Total tax expense</b>	<b>1,195</b>	<b>1,028</b>	<b>2,034</b>	<b>2,702</b>	<b>5,110</b>	<b>5,161</b>
<b>9</b>	<b>Net profit from ordinary activities after tax for the Period (7 - 8)</b>	<b>3,876</b>	<b>3,047</b>	<b>2,777</b>	<b>8,922</b>	<b>6,204</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)	29	53	8	80	23	23
<b>11</b>	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>3,905</b>	<b>3,100</b>	<b>2,785</b>	<b>9,002</b>	<b>6,227</b>	<b>15,136</b>
<b>12</b>	<b>Profit for the year attributable to :</b>						
	Shareholders of the company	3,813	3,034	2,606	8,827	6,029	14,888
	Non- controlling interest	63	13	172	95	176	225
<b>13</b>	<b>Total comprehensive income attributable to :</b>						
	Shareholders of the company	3,842	3,087	2,614	8,907	6,051	14,911
	Non- controlling interest	63	13	172	95	176	225
<b>14</b>	Paid-up equity share capital (Face Value Rs. 10/- each)	14,883	14,868	14,846	14,883	14,846	14,846
<b>15</b>	Other equity						1,43,099
<b>16</b>	<b>Earnings per share (EPS)</b>						
	* Not annualised						
	(a) Basic EPS	2.56*	2.04*	1.76*	5.94*	4.07*	10.04
	(b) Diluted EPS	2.54*	2.03*	1.75*	5.89*	4.06*	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 28 January 2021.
- 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 **Code on Social Security**  
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 4 The Group's operations and financial results for the current period has been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the current period with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Group's performance for the current quarter has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Group 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 Group continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome
- 5 Refer Annexure I for Segment Information
- 6 Previous period figures have been regrouped, rearranged and reclassified wherever considered necessary.

For Welspun Enterprises Limited

  
Sandeep Gang  
Managing Director  
DIN 00036419



Place : Mumbai  
Date : 28 January 2021

## Annexure - I

## Segment Information :-

Rupees in lakhs

	Quarter ended 31 December 2020	Quarter ended 30 September 2020	Quarter ended 31 December 2019	Period ended 31 December 2020	Period ended 31 December 2019	Year ended 31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue</b>						
Infrastructure	42,327	34,738	50,447	96,069	1,33,688	1,80,759
Oil and gas	-	-	-	-	-	-
<b>Total sales/ Income from Operations</b>	<b>42,327</b>	<b>34,738</b>	<b>50,447</b>	<b>96,069</b>	<b>1,33,688</b>	<b>1,80,759</b>
<b>Segment Result</b>						
Infrastructure	6,251	5,266	6,351	14,517	18,584	25,808
Oil and gas	-	-	-	-	-	-
Unallocated	(1,978)	(1,923)	(1,272)	(5,354)	(5,764)	(7,219)
<b>Total</b>	<b>4,273</b>	<b>3,343</b>	<b>5,079</b>	<b>9,164</b>	<b>12,820</b>	<b>18,589</b>
Add : Other income (including interest income)	4,024	3,594	3,119	10,791	7,868	11,299
<b>Profit before finance costs, tax and exceptional items</b>	<b>8,297</b>	<b>6,937</b>	<b>8,198</b>	<b>19,955</b>	<b>20,688</b>	<b>29,888</b>
Add / (Less) : Finance costs	(2,842)	(2,812)	(1,844)	(7,824)	(5,278)	(7,736)
Add / (Less) : Share of loss from associate/ joint ventures	(384)	(50)	(1,543)	(507)	(4,096)	(1,878)
Add / (Less) : Exceptional items (net)	-	-	-	-	-	-
<b>Profit / (loss) from ordinary activities before tax</b>	<b>5,071</b>	<b>4,075</b>	<b>4,811</b>	<b>11,624</b>	<b>11,314</b>	<b>20,274</b>
<b>Capital Employed</b>						
<b>Segment Assets</b>						
Infrastructure	2,97,336	2,70,063	1,95,971	2,97,336	1,95,971	1,65,568
Oil and gas	5,726	5,726	5,726	5,726	5,726	5,726
Unallocated	1,20,642	1,21,340	1,10,538	1,20,642	1,10,538	1,40,335
<b>Total (A)</b>	<b>4,23,704</b>	<b>3,97,129</b>	<b>3,12,235</b>	<b>4,23,704</b>	<b>3,12,235</b>	<b>3,11,629</b>
<b>Segment Liabilities</b>						
Infrastructure	67,560	65,700	83,407	67,560	83,407	64,996
Unallocated	1,91,725	1,71,018	80,058	1,91,725	80,058	88,678
<b>Total (B)</b>	<b>2,59,285</b>	<b>2,36,718</b>	<b>1,63,465</b>	<b>2,59,285</b>	<b>1,63,465</b>	<b>1,53,674</b>
<b>Total (A - B)</b>	<b>1,64,419</b>	<b>1,60,411</b>	<b>1,48,770</b>	<b>1,64,419</b>	<b>1,48,770</b>	<b>1,57,955</b>

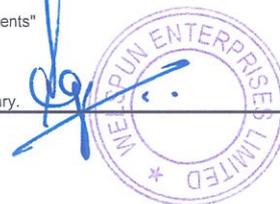
a) The segment information of the Company has been prepared in accordance with Ind AS 108 "Operating Segments"

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.



**Independent Auditor's Review Report on quarterly and year to date 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 31 December 2020 and year to date from 1 April 2020 to 31 December 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 Infracility 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. 32,713 Lakhs and 71,277 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, total net profit after tax of Rs. 550 Lakhs and Rs. 1,756 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively and total comprehensive income of Rs. 550 Lakhs and Rs. 1,756 lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, 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 revenue of Rs. 812 Lakhs and Rs. 1,767 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, total net loss after tax of Rs. 30 Lakhs and Rs. 1,383 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively and total comprehensive loss of Rs. 20 Lakhs and Rs. 1,361 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, 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. 384 Lakhs and Rs. 507 Lakhs for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 and total comprehensive loss of Rs. 384 Lakhs and Rs. 507 Lakhs for the quarter ended 31

December 2020 and for the period from 1 April 2020 to 31 December 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.

8. 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



**Sanjay Kothari**

Partner

Membership Number 048215

Mumbai 28 January 2021

UDIN 21048215AAAABN6424

**Unaudited Standalone Financial Results for the quarter/ nine months ended 31 December 2020**

(Rupees In lakhs)

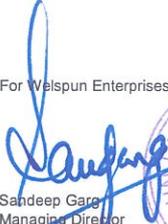
	Quarter ended 31 December 2020	Quarter ended 30 September 2020	Quarter ended 31 December 2019	Period ended 31 December 2020	Period ended 31 December 2019	Year ended 31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income</b>						
(a) Revenue from operations	40,731	32,415	48,990	90,558	1,30,961	1,76,005
(b) Other income	772	1,006	1,122	2,740	3,749	5,258
<b>Total income</b>	<b>41,503</b>	<b>33,421</b>	<b>50,112</b>	<b>93,298</b>	<b>1,34,710</b>	<b>1,81,263</b>
<b>2 Expenses</b>						
(a) Cost of materials	-	87	56	103	808	862
(b) Subcontracting, civil and repair work	32,892	24,672	40,334	70,326	1,04,889	1,40,036
(c) Employee benefits expense	1,729	2,192	1,995	6,012	6,152	8,399
(d) Finance costs	1,094	1,172	573	3,115	1,797	2,537
(e) Depreciation and amortisation expense	305	285	364	887	1,552	1,944
(f) Other expenses	1,566	1,818	1,305	4,139	4,401	6,078
<b>Total expenses</b>	<b>37,586</b>	<b>30,226</b>	<b>44,627</b>	<b>84,582</b>	<b>1,19,600</b>	<b>1,59,856</b>
<b>3 Profit from ordinary activities before exceptional items and tax (1 - 2)</b>	<b>3,917</b>	<b>3,196</b>	<b>5,485</b>	<b>8,716</b>	<b>15,110</b>	<b>21,407</b>
<b>4 Exceptional items (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5 Profit before tax for the period (3 + 4)</b>	<b>3,917</b>	<b>3,196</b>	<b>5,485</b>	<b>8,716</b>	<b>15,110</b>	<b>21,407</b>
<b>6 Tax expense</b>						
a) Current tax	929	129	1,345	1,375	3,737	5,728
b) Deferred tax charge/(benefit)	(13)	597	82	567	317	(255)
<b>Total tax expense</b>	<b>916</b>	<b>726</b>	<b>1,427</b>	<b>1,942</b>	<b>4,054</b>	<b>5,473</b>
<b>7 Net profit from ordinary activities after tax for the Period (5 - 6)</b>	<b>3,001</b>	<b>2,469</b>	<b>4,058</b>	<b>6,774</b>	<b>11,056</b>	<b>15,934</b>
<b>8 Other comprehensive income</b>						
Items that will not be reclassified to profit and loss (net of tax)	20	43	0	59	1	15
<b>9 Total comprehensive income for the period (7 + 8)</b>	<b>3,021</b>	<b>2,512</b>	<b>4,058</b>	<b>6,833</b>	<b>11,057</b>	<b>15,949</b>
<b>10 Paid-up equity share capital (Face Value Rs. 10/- each)</b>	<b>14,883</b>	<b>14,868</b>	<b>14,846</b>	<b>14,883</b>	<b>14,846</b>	<b>14,846</b>
<b>11 Other equity</b>						<b>1,58,705</b>
<b>12 Earnings per share (EPS)</b>						
* Not Annualised						
(a) Basic EPS	2.02 *	1.66 *	2.74 *	4.56 *	7.46 *	10.75
(b) Diluted EPS	2.00 *	1.65 *	2.73 *	4.52 *	7.44 *	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 28 January 2021.
- 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 had been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the current period with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Company's performance for the current quarter has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. 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 31 December 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. The credit rating by Brickwork Ratings India Private Limited and Acuite Ratings and Research for the Secured, Redeemable and Non-Convertible Debentures issued by the Company is BWR AA- Stable and Acuite AA- (Stable) respectively.
- 5 **Code on Social Security**  
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 6 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 : 28 January 2021

**Independent Auditor's Review Report on quarterly and year to date 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 31 December 2020 and year to date from 1 April 2020 to 31 December 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 as amended 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 as amended 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



**Sanjay Kothari**  
Partner  
Membership Number 048215  
Mumbai, 28 January 2021  
UDIN 21048215AAAABM5243



## Orders of Rs. 11,000 mn pouring into EPC water segment

- Revenue in Q3FY21 at Rs. 4,073 mn ; Operating EBITDA margin at 11.4% up 23 bps
- Received PCOD for project “GSY” worth Rs 13,519 mn on 31<sup>st</sup> October 2020
- Current EPC Order Book at Rs. 53,407 million ; Water segment EPC order inflows amount to Rs.11,000 mn

**Mumbai, January 28, 2021:** Welspun Enterprises Ltd. (“WEL” or “Company”), part of the US\$ 2.7 billion Welspun Group, today announced its Q3/9M FY21 results.

### Standalone Financials

Income Statement Snapshot (Rs Million)						
Particulars	Q3 FY21	Q3 FY20	YoY Growth	9M FY21	9M FY20	YoY Growth
<b>Revenue from Operations</b>	<b>4,073</b>	<b>4,899</b>	<b>-16.9%</b>	<b>9,056</b>	<b>13,096</b>	<b>-30.9%</b>
Other Income	77	112	-31.2%	274	375	-26.9%
<b>Total Income</b>	<b>4,150</b>	<b>5,011</b>	<b>-17.2%</b>	<b>9,330</b>	<b>13,471</b>	<b>-30.7%</b>
<b>Operating EBITDA*</b>	<b>465</b>	<b>548</b>	<b>-15.2%</b>	<b>1,041</b>	<b>1,543</b>	<b>-32.5%</b>
<i>Operating EBITDA margin</i>	<i>11.4%</i>	<i>11.2%</i>	<i>23 bps</i>	<i>11.5%</i>	<i>11.8%</i>	<i>-28 bps</i>
<b>EBITDA</b>	<b>532</b>	<b>642</b>	<b>-17.2%</b>	<b>1,272</b>	<b>1,846</b>	<b>-31.1%</b>
EBITDA margin	12.8%	12.8%	0 bps	13.6%	13.7%	-7 bps
PBT	392	549	-28.6%	872	1,511	-42.3%
<b>PAT</b>	<b>300</b>	<b>406</b>	<b>-26.1%</b>	<b>677</b>	<b>1,106</b>	<b>-38.7%</b>
<i>PAT margin</i>	<i>7.2%</i>	<i>8.1%</i>	<i>-87 bps</i>	<i>7.3%</i>	<i>8.2%</i>	<i>-95 bps</i>
<b>Cash PAT</b>	<b>340</b>	<b>468</b>	<b>-27.4%</b>	<b>866</b>	<b>1,364</b>	<b>-36.5%</b>

Note: Cash PAT = PBDT – Current tax + Non-cash ESOP expenses  
 Prior figures have been restated wherever necessary

\* Refer table below

Operating EBITDA Calculation (Rs. Million)				
Particulars	Q3 FY21	Q3 FY20	9M FY21	9M FY20
<b>Operating EBITDA (as per reported financials)</b>	<b>454</b>	<b>530</b>	<b>998</b>	<b>1,471</b>
<i>Operating EBITDA Margin (as per reported financials)</i>	<i>11.2%</i>	<i>10.8%</i>	<i>11.0%</i>	<i>11.2%</i>
Add: ESOP non-cash expense	10	18	44	72
<b>Operating EBITDA</b>	<b>465</b>	<b>548</b>	<b>1,041</b>	<b>1,543</b>
<i>Operating EBITDA margin</i>	<i>11.4%</i>	<i>11.2%</i>	<i>11.5%</i>	<i>11.8%</i>

**BUSINESS UPDATE**

Balance Sheet Snapshot (Rs. Million)	31 <sup>st</sup> Dec 2020	31 <sup>st</sup> Mar 2020
<b>Net worth</b>	<b>17,785</b>	<b>17,355</b>
Gross Debt	5,018	3,100
-Long Term Debt	4,033	334
-Short Term Debt	986	2,766
<b>Cash &amp; Cash Equivalents<sup>#</sup></b>	<b>1,982</b>	<b>5,293</b>
Net Debt /(Cash)	3,036	(2,193)
Other Long Term Liabilities	305	306
Total Net Fixed Assets (incl. CWIP)	520	565
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.) <sup>@</sup>	2,083	1,784
Other Long Term Investments and assets (adj.) <sup>@</sup>	18,523	13,119

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

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

<sup>#</sup> Includes FD classified and disclosed under “Other non-current financial assets”

<sup>@</sup> Temporary funding of Rs. 3,580 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.1,982 million. The same is reflected in Other Long Term Investments and assets

**Key Highlights**

- Revenue in Q3 FY21 stands at Rs. 4,073 million, down 16.9% YoY due to delay in forest land clearances in AM-2 project and Kisan agitation rallies and the erstwhile NGT Ban due to poor weather condition in MCP project
- Operating EBITDA margin in Q3 FY21 at 11.4% vs. 11.2% in Q3 FY20
- Welspun Enterprises Limited in Joint Venture with Kaveri Infraprojects Limited, Hyderabad is empanelled by the UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM) for execution of EPC Projects with estimated aggregate contract value of Rs.11,000 mn.
- Adequate cash balance to fund the future equity requirements of its project portfolio
  - As on 31<sup>st</sup> December, Cash balance stood at Rs. 1,982 million.
- Fund requirement within the next 2-3 years for the existing portfolio:
  - Existing road assets (HAM and BOT): ~ Rs. 2,739 million
  - Oil & Gas: ~ Rs. 886 million
- Short-term loans of Rs. 986 mn are adequately supported by net current assets and long term loans of Rs, 4,033 mn by net fixed assets and other long term investments.

**Project Status**

The brief status on **HAM** projects are as under:

**Delhi-Meerut Expressway (Delhi-section)**

- **Project Description:** 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning of NH-24 in Delhi
- **Completion cost:** Rs. 8.87 billion
- **Status:** Fifth annuity received in January 2021 within the stipulated time.
- Project refinanced at 7.87% pa with top-up loan of Rs. 650 mn.

## BUSINESS UPDATE

### 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
- **Estimated Completion Cost:** Rs. 10.79 billion
- **Status:** Received PCOD on 5<sup>th</sup> August 2020, 1<sup>st</sup> annuity due in February 2021.

### Gagalheri-Saharanpur-Yamunanagar (GSY)

- **Project Description:** 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana
- **Estimated Completion Cost:** Rs. 13.52 billion
- **Status:** Received PCOD on 31<sup>st</sup> October 2020, 1<sup>st</sup> annuity due in April 2021.

### Chikhali-Tarsod (CT)

- **Project Description:** 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 in Maharashtra
- **Bid Project Cost (with escalation):** Rs. 12.38 billion
- **Status:** Physical progress is about 74% by Q3FY21 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 of Two Laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2.
- **Bid Project Cost (with escalation):** Rs. 16.47 billion
- **Status:** Physical progress is about 78% by Q3FY21. Payment from Maharashtra PWD pertaining to 3<sup>rd</sup> milestone has been received except taxes. Welspun has also billed Maharashtra PWD for the 4<sup>th</sup> milestone.
- Aailed disbursement of Rs. 306 crores at 7.25% interest rate.

### 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 (with escalation):** Rs. 13.46 billion
- **Status:** Physical progress of about ~23% has been completed by Q3FY21 and payment from NHAI payment from NHAI pertaining to 1st milestone (i.e. @ 10% completion) received in January 2020.

## **BUSINESS UPDATE**

### **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(with escalation):** Rs. 22.72 billion
- **Status:** Received Appointed Date on 5<sup>th</sup> October 2020 with 4 lane road & 4 lane structures as against 4 lane road & 6 lane structures specified in the Concession Agreement. The current land availability is 89% under 3G, balance land is at advanced stage of acquisition by NHAI. Also, on 19<sup>th</sup> January 2021, the Supreme Court ruled that there is no requirement for obtaining environmental clearances for NH 45-A Villuppuram - Nagapattinam Highway.
- First instalment of mobilisation advance received in December 2020.

The brief status on various other projects are as under:

### **BOT (Road Project)**

#### **Mukarba Chowk – Panipat (MCP)**

- Completed takeover of a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk – Panipat from Essel group by harmonious substitution.
- Original Total Project cost estimated to be INR 21,220 mn out of which INR 15,930 mn was the balance to be incurred, to complete the project post substitution.
- Physical progress of about ~67% has been completed by Q3FY21 and we expect to complete the project by H1 FY22.
- NHAI has given in principle approval regarding Change of Scope amounting to Rs. 2,024 mn and issued order for Rs. 675 mn for construction of Additional Structures as required in due to change in site conditions in view of recent development.
- 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.

### **BOT (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. 9M FY21 revenue stands at Rs. 75 mn with EBITDA of Rs. 38 mn.

## BUSINESS UPDATE

### EPC (Water Project)

#### **UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM)**

- Welspun Enterprises Limited in Joint Venture with Kaveri Infraprojects Limited, Hyderabad is empanelled by the UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM) for execution of EPC Projects of 1,099 villages for the Project of Survey, Design, Preparation of DPR, Construction, Commissioning and Operation and Maintenance for 10 years of Rural Water Supply:

Sr. No.	Revenue Division	District	No of Villages
1	Varanasi	Chandauli	225
2	Varanasi	Jaunpur	200
3	Varanasi	Sant Ravidas Nagar	193
4	Ayodhya	Ambedkar Nagar	241
5	Ayodhya	Amethi	240
		<b>TOTAL VILLAGES</b>	<b>1,099</b>

- The estimated aggregate contract value of the above Projects is Rs.11,000 mn (excluding taxes and O&M value). The final value will be determined on completion of preparation of Detailed Project Report (DPR) by the JV and its approval by the SWSM.
- Preparation of DPR and Construction of the Project is to be progressively completed in 21 to 24 months and thereafter Operated and Maintained by Welspun for a period of 10 years.
- Welspun Enterprises Limited is the Lead Partner in the Joint Venture with a share of 74% in the JV.

### **Management Comments**

**Commenting on the developments, Mr. B. K. Goenka, Chairman, Welspun Group said,** “Our focus as always remains on road and water segments. Over the next few years we see significant opportunity in these sectors in infrastructure and aim to achieve operational excellence through them. We are proceeding as planned with respect to completing four under-construction projects and aim to finish this financial year with 5 completed projects. We also aim to create long-term sustainable value for all stakeholders with our healthy order book.”

## BUSINESS UPDATE

### Outlook

- Currently, there are around 54 HAM projects of NHAI, with a total project cost of ~Rs. 500 bn, whose bids have been announced. The Company is selectively targeting to participate in bidding of a few projects, while preserving its threshold return expectations.
- Apart from NHAI, WEL is also evaluating road HAM projects of State and Municipal agencies.
- We are also selectively evaluating EPC and BOT (Toll) projects.
- On the water segment, the Jal Shakti Ministry's 'Har Ghar Nal se Jal' scheme of providing drinking water access to all by 2024, is expected to result in a potential opportunity of more than Rs. 6 trillion over the next four years. WEL shall actively focus on these projects.
- The Company will continue to explore inorganic growth opportunities, through a measured evaluation of risk-return parameters.
- 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.

### About Welspun Enterprises Ltd.

*Welspun Enterprises Ltd. (WEL), part of the Welspun Group, is an operating Company in the infrastructure business. Welspun enterprises focuses on Road and water segments. The Company also has investments in Oil & Gas Exploration.*

### 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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