WELSPUN ENTERPRISES
Infrastructure and Energy

Formulating The Pathway ...For Tomorrow

26th Annual Report **2019-20**

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Corporate Information

WELSPUN ENTERPRISES LIMITED

CIN: L45201GJ1994PLC023920

Website: www.welspunenterprises.com; Email id: companysecretary_wel@welspun.com

Board of Directors

Mr. Balkrishan Goenka
Chairman (Executive)

Mr. Rajesh Mandawewala
Director

Mr. Mohan Tandon
Independent Director

Dr. Aruna Sharma
Independent Director

Mr. Raghav Chandra
Independent Director

Mr. Sandeep Garg
Managing Director

Key Management Team

Mr. Balkrishan Goenka
Chairman (Executive)

Mr. Sandeep Garg
Managing Director

Mr. Akhil Jindal
Group CFO & Head Strategy

Mr. Deepak Chauhan
Director, Legal, Welspun Group

Ved Mani Tiwari
Deputy Chief Executive Officer
w.e.f. April 1, 2020.

Mr. Asim Chakraborty
Director, COO-Highways

Mr. Banwari Lal Biyani
Director, Audit & System

Mr. Shriniwas Kargutkar
Chief Financial Officer
Retired on 31.10.2019

Mr. Sridhar Narasimhan
Chief Financial Officer
Appointed w.e.f. 18.05.2020

Mr. Yogen Lal
Director, COO-Water

Securities Registrar and Transfer Agent

Link Intime India Private Ltd.
C- 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai – 400 083.

Audit Committee

Mr. Mohan Tandon
Chairman

Mr. Rajesh Mandawewala
Member

Dr. Aruna Sharma
Member

Mr. Raghav Chandra
Member

Nomination and Remuneration Committee

Mr. Mohan Tandon
Chairman

Mr. Rajesh Mandawewala
Member

Mr. Raghav Chandra
Member

Share Transfer, Investor Grievance and Stakeholders' Relationship Committee

Dr. Aruna Sharma
Chairman

Mr. Raghav Chandra
Member

Mr. Mohan Tandon
Member

Mr. Sandeep Garg
Member

Corporate Social Responsibility Committee

Dr. Aruna Sharma
Chairman

Mr. Rajesh Mandawewala
Member

Mr. Mohan Tandon
Member

Mr. Sandeep Garg
Member

Company Secretary

Ms. Priya Pakhare

Auditors

MGB & Co LLP
Chartered Accountants

Bankers

Aditya Birla Finance Company Ltd.
Axis Bank Ltd.
IDBI Bank Ltd.
IDFC First Bank Ltd.
Indian Bank
IndusInd Bank Ltd.
L&T Finance Ltd.
L&T Infrastructure Finance Company Ltd.
PTC India Financial Services Ltd.
State Bank of India
Tata Capital Financial Services Ltd.
Union Bank of India
Union Bank of India (erstwhile Corporation Bank)
Punjab National Bank (erstwhile United Bank of India)
Yes Bank Ltd.
Karnataka Bank
Central Bank of India

Stock Exchanges where the Company's Securities are Listed

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Corporate Office

Welspun House, Kamala Mills
Compound, Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013
Tel: +91-22-6613 6000
Fax: +91-22-2490 8020

Registered Office

Welspun City, Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat - 370 110
Tel: +91-2836 662222
Fax. +91-2836 279010

Formulating The Pathway
...for Tomorrow

At Welspun Enterprises, we believe that even uncertainties can offer opportunities. By providing efficient solutions to the most complex challenges, we have constantly displayed operational excellence. We maintained a keen focus on quality, safety, excellence and management processes by optimizing at all levels and leveraging our asset-light model.

Infrastructure sector is a crucial enabler of economic growth. Hon'ble Prime Minister Shri Narendra Modi has highlighted that Rs. 111 trillion would be invested on infrastructure over the next 5 years. As part of the government's vision for the infrastructure sector, the National Infrastructure Pipeline (NIP) program has come up with a detailed road map of reforms, capability-building, and investment targets for realizing this goal. Creating new infrastructure and upgrading the existing infrastructure assets will be the key to raising India's competitiveness in achieving this target.

In these unprecedented times, the infrastructure sector in the country has faced issues such as slow awarding, delays in land acquisition, difficulties in debt financing, prolonged monsoon and other such concerns. Despite the challenges and unforeseen circumstances, we continue our journey for sustainable development and contribute to nation building.

We are gearing up to be a future ready organization by embracing changed management, strong systems and processes. By focusing on infrastructure in road & water segments, we are being prudent in our investments and also being agile by diversifying our approach.

We strongly commit towards all-round social progress as well as sustainable development that balances the needs of the present with those of the future. We are committed to building a sustainable and progressive community.

The Welspun Group
... - A Sense of Pride

Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Steel, Oil & Gas, Retail and Flooring Solutions. Headquartered in Mumbai, India, Welspun Group's core manufacturing facilities are based in India, USA and Saudi Arabia.

Welspun Group has made its mark within the Line Pipe and Home Textiles sector to become one of the most recognized global leaders. The Group has a strong foothold in over 50 countries with 26,000+ employees. It is also the largest Home Textiles supplier to 17 of the top 30 US retailers in the home textiles sector.

In addition to various business activities, Welspun Group also invests in a multitude of CSR programs. With a focus on 3Es i.e. Education, Empowerment, Environment & Health, the Group's efforts are directed towards protecting the environment, fostering economic performance, creating opportunities and empowering people.

Our Key Achievements

- Track record of delivering quality projects – on or before time
- History of designing and building manufacturing plants and projects valued USD 3 Billion+
- Successfully built Anjar Welspun City, spread across 2,500 acres in Gujarat
- Built renewable energy portfolio of 1,000 MW valuing Rs. 10,000 crore
- Successfully built one-of-a-kind ancillarization model in Textiles
- Unlocked value of over Rs. 130 Billion in the past 5 years

WELSPUN ENTERPRISES
Infrastructure and Energy

INDIA'S FASTEST GROWING INFRASTRUCTURE PLAYER

Completed India's first 14-lane Expressway in a record time of 19 months

WELSPUN CORP
Pipes and Plates

GLOBAL LEADER IN LINE PIPES

Global leader in Line Pipes with manufacturing facilities in India, Saudi Arabia and the US

WELSPUN INDIA
Home Textiles

GLOBAL LEADER IN HOME TEXTILES

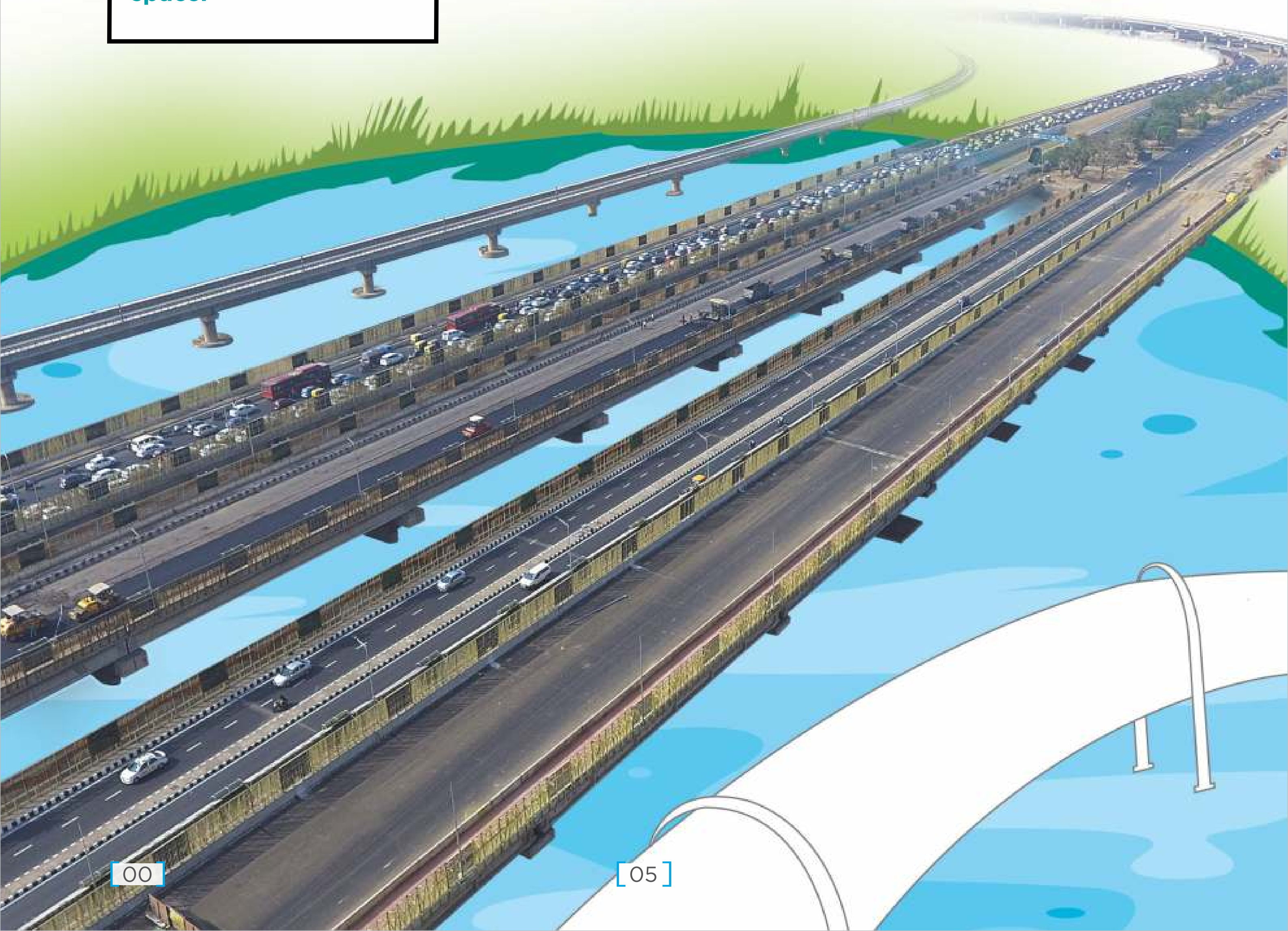
Global leader in Home textiles with presence in more than 50 countries & strategic partner to top retailers

Welspun Enterprises Limited – A Glimpse Inside

Welspun Enterprises Limited (WEL), a part of the Welspun Group, is an operating Company in the Infrastructure business. In the infrastructure space, WEL is focussed on the road and water sectors. As part of its asset-light business model, the Company is largely focusing on Hybrid Annuity Model (HAM) projects as well as BOT-Toll and EPC space.

Welspun Enterprises Limited (WEL), formerly known as Welspun Projects Ltd., is a part of the USD 2.7 billion Welspun Group. The Company operates in the infrastructure space with investments in oil & gas. While the Company's main focus is on Hybrid Annuity Model (HAM) projects as a developer, it also takes up value-accretive projects in the BOT-Toll and EPC space.

At Welspun Enterprise, we are looking to build our order book in the water infrastructure segment along with our existing road segment. Building our technical capabilities, we are adding resources to grow the business gradually. These sectors are expected to witness tremendous opportunities in development and construction making the organization well equipped in the long run.



Road To Growth – And Success

We embarked upon the approach of following a differentiated asset-light model in the infrastructure segment. This strategy involves carefully evaluated capital allocation that has aided us to create a robust balance sheet, with a strong cash balance.

The differentiated asset-light model enables us to complete our ongoing projects as well as to pursue growth opportunities. With the help of our team, we have been able to build an institution focused on operational excellence capable of withstanding challenges and creating long-term sustainable value for our stake holders.

Besides the primary bidding, we also believe that the current environment will make available many prospects to acquire distressed projects at attractive valuations. We have already taken a significant step in this direction. We recently announced the acquisition of a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk – Panipat, from Essel Group through the harmonious substitution route (subject to NHAI approval). Our project portfolio has increased by Rs. 21 billion and our EPC order book by more than Rs. 11 billion. As the appointed date for the project was already achieved, we will be able to immediately start execution on this project.

We believe that this addition to our existing road portfolio will create sustainable value for our shareholders and improve the overall returns for the Company.

In the water segment, we completed the Dewas Water Project during the early part of the year and the project is now supplying water to many industries in and around Dewas.

This year commences with a project portfolio of more than Rs. 106 billion and a strong order book of around Rs. 50 billion. Our focus remains constant on our journey of operational excellence and on completion of these projects on time or ahead of schedule.

Once our projects are complete, we will look at unlocking value from them, in accordance with our asset-light strategy. With five operational projects expected before the end of the year (including the already operational Delhi-Meerut Expressway project), we will have more options to explore in terms of our asset monetization. We will also look at unlocking value from our Oil & Gas investments.

We ensure a strong commitment towards all-round social progress, as well as sustainable growth that balances the needs of the present with those of the future. We are committed to building a sustainable and progressive community.

Our commitment to deliver impactful values go beyond business, by impacting every stakeholder, including the surrounding communities where we work. With sustainable social progress embedded in every facet of the way we do business, we continue to work dedicatedly towards addressing the deep rooted aspirations of the communities.

Our Business Verticals

- **ROADS**
- **WATER**

Chairman's Message

> Even while wading through uncertainties, we exhibit the spirit of resilience and overcome the hurdles to continue on our journey for sustainable growth

My dear fellow stakeholders,

Undoubtedly, this has been one of the most challenging years in recent times for the global and Indian economy. The case of the infrastructure sector in the country is no different and the sector faced issues such as slow awarding, delays in land acquisition, difficulties in debt financing, prolonged monsoon etc. In spite of these challenges, I am happy to report that our differentiated strategy of asset-light business model with focus on prudent capital structure and cash management has helped us build a strong balance sheet, with a healthy cash balance, allowing us not only to complete our ongoing projects but also to pursue growth opportunities in these times where global economy is grappling with multiple challenges of credit and liquidity constraints on one hand and demand squeeze on the other. Thanks to an exceptional team and to the support of all our stakeholders, I believe, we have been able to build an institution focused on operational excellence capable of withstanding challenges and creating long-term sustainable value for our stake holders.

Year under Review

During the first half of the year, the activity in the road sector was sluggish. We saw very few new orders, especially in HAM, being awarded in the initial part of the year due to general election and elections in certain large states. NHAI's policy of tendering projects only after acquiring 80% of the land, has also resulted in fewer projects reaching the tendering stage. Execution was also slow as the country witnessed unexpected extended heavy monsoons, which impacted construction of projects across the country. While both awards and executions picked up in the second half of the year, some fundamental challenges continued to impact the sector. Issues in land acquisition led to delays in appointed date for many projects. Stress in the banking sector led to difficulties in raising debt funding for the projects, delaying financial closure and appointed dates.

Despite all these challenges, Welspun Enterprise has been able to maintain its revenue and EBITDA margin. We have progressed well on our under-construction projects. Two HAM projects - Gagalheri-Saharanpur-Yamunanagar as well as Chutmalpur-Ganeshpur-Roorkee-Gagalheri – are at advanced stages of completion with around 90% of the physical progress. We are confident of achieving PCOD for both these projects by Q1 FY21. The other two HAM projects – Amravati-2 and Chikhali Tarsod – is also progressing well and we plan to complete both in FY21, ahead of schedule. In the water segment, we completed the Dewas Water Project during the early part of the year and the project is now supplying water to many industries in and around Dewas.

We have always been focused on unlocking value from our completed projects. During the year, we successfully refinanced the Delhi-Meerut project, possibly the first refinancing of a completed HAM highway project in the country. The refinancing at a competitive rate helped us strengthen our balance sheet. This refinancing is also significant from the perspective that we could earn the trust of new lending partners in this environment of severe credit squeeze. I am grateful to our lenders for the faith they have reposed in us. I believe, this has been possible only due to our excellent track record on execution, strong balance sheet and robust credit rating.

Looking Ahead

Covid-19 and our Response

As you know, the world is currently going through a major crisis; a crisis unlike any other over the past 100 years. COVID – 19 is not only threatening lives but is also causing immense disruption to healthcare systems, macro and micro economic environments, and financial systems at global scale. At Welspun Group, we stand united with global community in contributing in every possible way to help humanity deal with this unprecedented challenge in the spirit of our Hon'ble Prime Minister's resolve to undertake the journey from 'Jan Hai To Jahan Hai' to 'Jan Bhi aur Jahan Bhi'

At Welspun, it is our utmost priority to ensure safety & well-being of our customers, partners, employees, and community at large. We are not only ensuring compliance to guidelines issued by relevant public authorities but also continuously communicating with our clients, suppliers and service providers, and our employees across our offices and sites globally to raise awareness about the safeguards against COVID19, to provide access to healthcare and information infrastructure, and to help our clients, suppliers/service providers and employees adopt global best practices. We believe that continuity of our services is critical component of global community's fight against the pandemic.

We have issued SOPs and strengthened our IT Infrastructure to enable remote working and collaboration among our clients, partners, and employees to continue our operations across our offices, construction sites, and operating sites.

Business Scenario

In spite of the bleak macroeconomic scenario in the near term, I am optimistic about our Company's future. We remain prepared to cater to India's future infrastructural needs. To thrust development, infrastructure development across sectors is recognized as an important lever to generate growth and social prosperity. With the government clearly signaling that infrastructure, especially roads and water, will be a priority, we expect sustained order inflows over the next few years. The National Infrastructure Pipeline is an effort in the right direction to augment India's infrastructure through an investment of Rs. 111 trillion between FY 2020-25. The government has emphasized the role of private investment for funding this developmental infrastructure program. This investment-led development can possibly take economic welfare into the deeper corners of the general public.

Apart from primary bidding, we also believe that the current environment will throw up many opportunities to acquire projects at attractive valuations. We have already taken a significant step in this direction. We recently announced the acquisition of a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk – Panipat, from Essel Group through the harmonious substitution route. This project adds more than Rs. 21 billion to our project portfolio and more than Rs. 11 billion to our order book. We would be able to immediately start execution on this project, as the appointed date has been achieved and some initial work has already been completed. We believe that this addition to our existing road portfolio will create sustainable value for our shareholders and improve the overall returns for the Company.

Focus for FY21

We start the year with a project portfolio of more than Rs. 106 billion and a robust order book of around Rs. 50 Billion. Our focus will be to continue on our journey of operational excellence and complete these projects on time or ahead of schedule. We have already resumed construction at all our project sites, following all government guidelines. We believe that we will be able to make up for the lost time during the remaining part of the year and would be able to achieve COD on four under-construction projects during FY21. We are also expecting significant progress on the execution of our other projects, including the recently acquired project.

In the current environment, preservation of cash remains key. Therefore, we will have a sharp focus on optimization of our operating and financing costs, leveraging operational excellence, healthy balance sheet, and robust credit rating.

In line with our asset-light strategy, we will look at unlocking value from our projects, once they are complete. With five operational projects expected before the end of the year (including the already operational Delhi-Meerut Expressway project), we will have more options to explore in terms of our asset monetization. We will also look at unlocking value from our Oil & Gas investments.

My Sincere Gratitude

We are going through an unprecedented situation and I thank all our stakeholders who are standing by us through this difficult time. I express my sincere gratitude to our shareholders, bankers, customers, Board of Directors and our committed employees. These are challenging and uncertain times, but we feel confident that as a company and community, we can get through this together. I hope that you, your family and colleagues are well and are taking the necessary safety measures.

Stay safe, stay happy.

My best wishes to you and all your loved ones,

B. K. Goenka
Chairman-Welspun Group

Management Discussion and Analysis

"We have been able to maintain our financial and operational performance, in spite of the challenging macro environment. While the near-term outlook remains challenging, the medium and long-term potential in the infra sector remains attractive. We are confident that our focus on operational excellence and our balance sheet strength will help us tide over the current difficult period and capitalise on the future opportunities. We will continue to focus on creating value for our stakeholders through our differentiated asset-light model."

Sandeep Garg
MD & CEO, Welspun Enterprises Ltd.

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statements of Welspun Enterprises Ltd ("Welspun" or "WEL" or the "Company"), and the notes thereto for the year ended March 31, 2020. This MD&A covers Welspun's financial position and operations for the year ended March 31, 2020. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers for the year ending March 31, 2020 as well as for the previous year are regrouped and reclassified wherever necessary.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, project development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

BUSINESS OVERVIEW

Welspun Enterprises Limited (WEL), formerly known as Welspun Projects Ltd., is a part of the USD 2.7 billion Welspun Group. The Company operates in the infrastructure space with investments in oil & gas. In the infrastructure space, WEL is focussed on the road and water sectors. While the Company's main focus is on Hybrid Annuity Model (HAM) projects as a developer, it also takes up value-accretive projects in the BOT-Toll and EPC space.

MACRO-ECONOMIC OVERVIEW

CY2019 was a difficult year for the global economy with world output growth estimated to be the slowest since the global financial crisis of 2009, arising from a geographically broad-based decline in manufacturing activity and trade. The global slack in consumer demand affected industrial activity, which slumped in most of the major economies in CY2019. Global production in automobile industry fell sharply due to a decline in demand, which was caused by changes in technology and emission standards in many countries. As global industrial activity slowed down, there was a drop-in growth of manufacturing exports from major economies. Increasing trade barriers as well as trade uncertainty stemming from rising trade tensions, especially between US and China, also resulted in declining business confidence and further limited trade.

Amidst a weak environment for global manufacturing & trade and challenges in the domestic financial sector, the Indian economy slowed down with GDP growth moderating to 5.0 percent in FY2020 as compared to 6.8 percent in FY2019. Having duly recognized the financial stresses built up in the economy, Government of India (GoI) has taken important reforms to boost the overall investment, consumption and exports in the economy. Some of the major reforms that have taken during the year are - Speeding up the insolvency resolution process under Insolvency and Bankruptcy Code and easing of credit, particularly for the stressed real estate and Non-Banking Financial Companies sectors; Reduction in corporate tax rate; Recapitalization of public sector banks; Financial inclusion; Digital payments; Improving ease of doing business and among others. As per World Bank's Ease of Doing Business 2020 Report, India moved up by 14 positions to 63rd rank in 2019 which immensely contributed to the increase in global confidence in

Indian economy. India also emerged as an important player in the world on the announcement / implementation of various critical measures taken during the year and in the last few years.

However, due to the impact of COVID-19, the outlook for CY2020 looks bleak for the global as well as the Indian economy. According to IMF, the global economy is expected to plunge into the worst recession since the Great Depression in CY2020, far worse than the Global Financial Crisis. The cumulative loss to global GDP over 2020 and 2021 is estimated at around 9 trillion US dollars – greater than the economies of Japan and Germany, combined. Within this downturn, the projections are replete with even sharper declines in output in various countries. India is among the handful of countries that is projected to cling on tenuously to positive growth.

For 2021, however, the IMF projects sizable V-shaped recoveries: close to 9 percentage points for global GDP. India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4 per cent in 2021-22.

Source: GoI, RBI

INFRASTRUCTURE

Ministry of Finance defines the infrastructure sector which contains power, urban services, telecommunications, roads, ports, civil aviation, and railways under infrastructure sector. Along with this in its latest NIP initiative it has added irrigation, rural infrastructure, social infrastructure as well.

As per Global Infrastructure outlook by Oxford economics, India is the 3rd largest infrastructure market in the world. However, we significantly lag behind the leader China when it comes to infrastructure. India ranks only 68th on the infrastructure pillar of the Global Competitiveness Index 4.0 by World Economic forum, which assesses the quality and extension of transport infrastructure viz. road, rail, water and air, and utility infrastructure viz. electricity and water.

In an effort to improve the country's infrastructure, the Union finance minister, during the year, unveiled the National Infrastructure Pipeline (NIP). This program envisages implementation of Rs. 111 trillion of infrastructure projects in the next five years as part of the government's spending push in the infrastructure sector. It is estimated that India would need to spend $4.5 trillion on infrastructure by 2030 to sustain its growth rate. The endeavor of the National Infrastructure Pipeline (NIP), is to make this happen in an efficient manner. Roads (Rs. 19.64 trillion), urban and housing (Rs. 16.29 trillion), railways (Rs. 13.69 trillion), power (Rs. 21.06 trillion) and irrigation (Rs. 7.73 trillion) are expected to comprise ~80% of the NIP investment. Of the total investment, around 21% is expected to be contributed by the private sector.

Figure 1: Sector-wise breakup of Capital Expenditure of Rs 111 lakh crore during fiscals 2020-2025

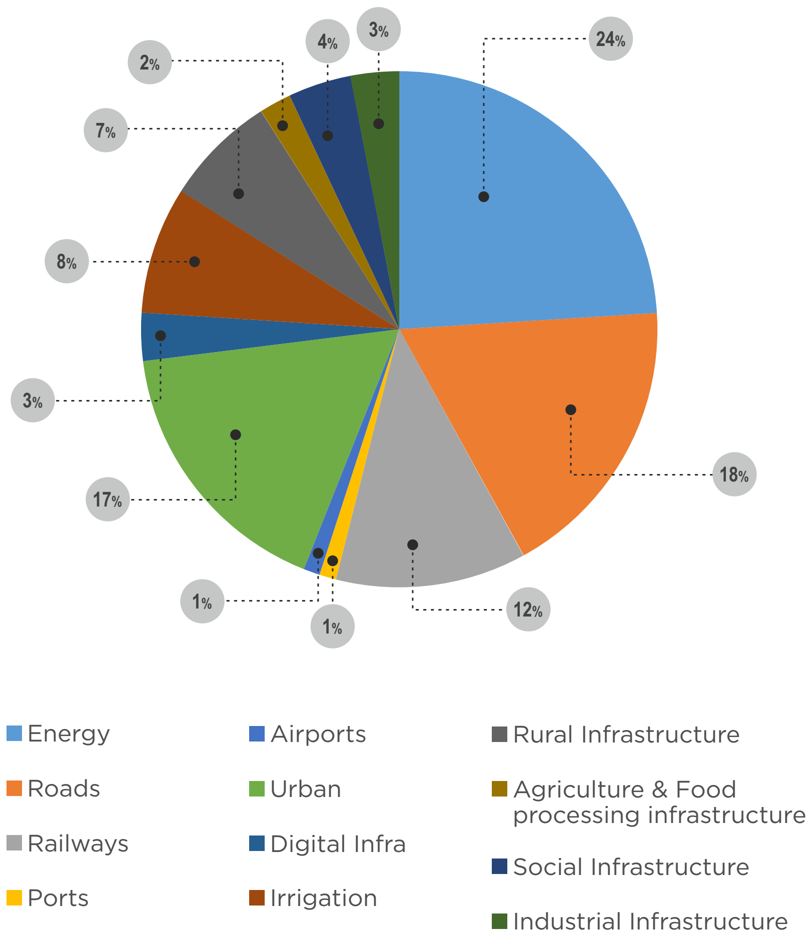
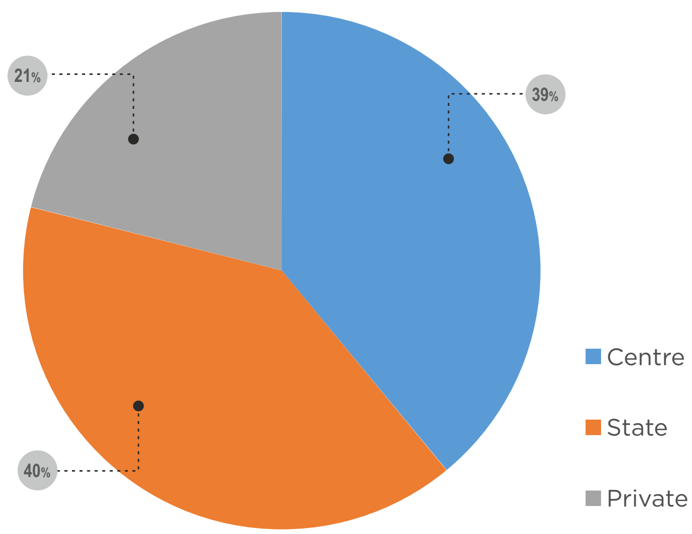


Figure 2: Share of Centre, State and Private Sector in the NIP



Source: Report of the Task Force National Infrastructure Pipeline

Road Infrastructure

Road Infrastructure can be broadly divided into National Highways, State Highways and other types of roads. India has the second largest road network in the world, spanning over a total of 5.9 million kms. Over 59 percent of freight traffic and 85 percent of the passenger traffic in the country, is through the road network. The total road network comprises of 2% National Highways (NHs) / Expressways, 3% of State Highways and 95% district and village roads. Due to the continuous efforts by the Ministry of Road Transport and Highways (MoRTH), National Highways (NHs) length has increased from 91,287 km in April, 2014 to about 132,500 kms as on December 2019. However, India scores only a moderate 76% on the World Economic Forum's Road Connectivity Index that measures the average speed and straightness of roads connecting the country's 15 major cities. There is also a need to improve the quality of rural and border roads and make them all-weather to boost connectivity and economic activity in remote areas.

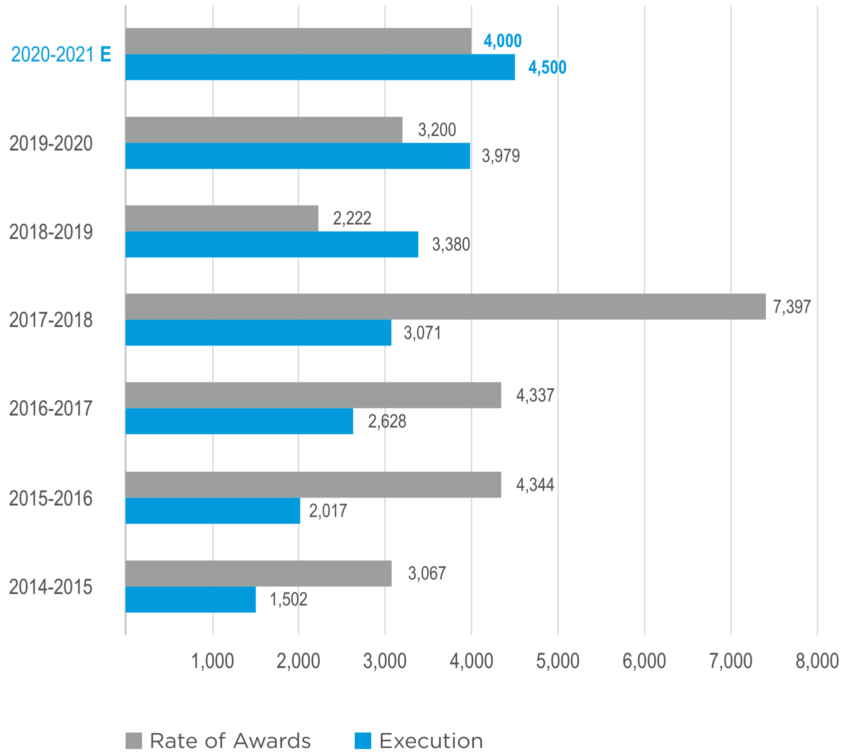
FY20 was the second consecutive year when NHAI and MoRTH focused on execution of projects awarded in the last few years. In fact, NHAI achieved its highest ever highway construction in a financial year in FY20. The authority completed constructing 3,979 km of highways during the year, a growth of over 17% over the FY19 figures. Execution by NHAI has been on the rise continuously from 2013-14, indicating the excellent work done by the authority. However, the achievement fell short of the target of 4,500 km set for the year, which could possibly be attributed to the extended monsoons, and the lockdown towards the fag end of the year.

In line with these figures, MoRTH is also expected to have completed construction of 9,300 kms (including the NHAI figures) of roads during the year. While this is a slight dip from the FY19 figure of 10,855 kms and the target of 11,000 kms, it is still a commendable achievement given the issues faced during the year. The daily pace of construction has risen to more than 25 kms/day, a massive improvement from the pre-2014 figures.

Despite the COVID-19 pandemic, NHAI and MoRTH have set ambitious targets for FY21. For the upcoming year, NHAI has set a target of 4,000 kms of awards and 4,500 kms of execution while the corresponding figures for MoRTH are 12,650 kms and 10,250 kms respectively. As per the Hon'ble Union Road Transport and Highways Minister, bids under evaluation amount to more than 1,300 km in length, which can be awarded immediately post the lifting of the lockdown while another 1,500 km is ready for bidding.

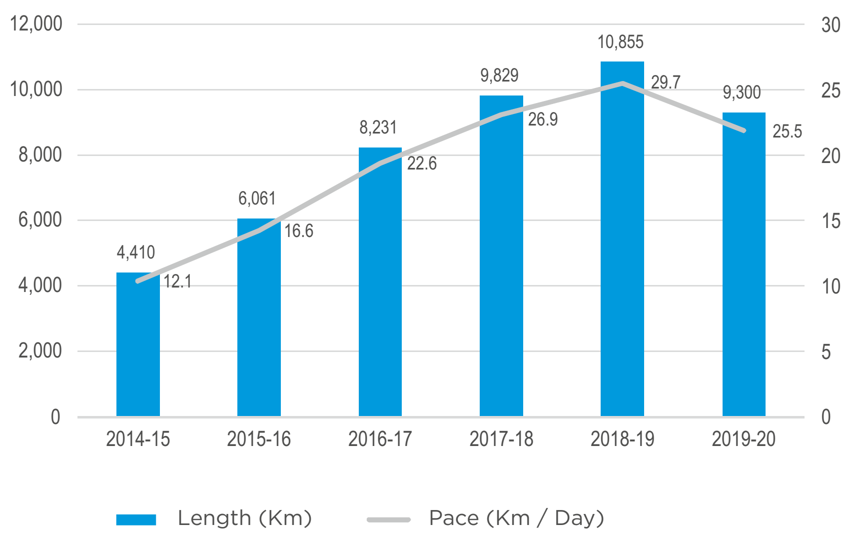
The roads sector has attracted

Figure 3: NHAI awards and execution



Source: NHAI, Business Today

Figure 4: MoRTH Execution Trend

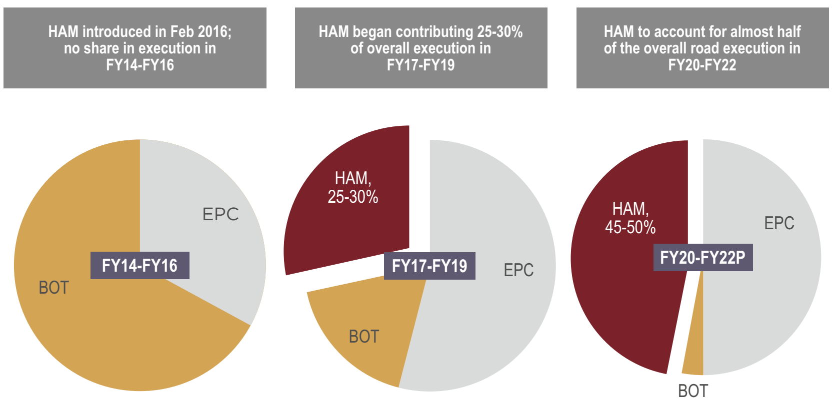


Source: MoRTH,Economic Times. Figure for 2019-20 is a provisional figure.

significant investment over the past 10 years. The sector has pioneered several innovative public-private partnership (PPP) models, besides having a strong contractual framework compared with other sectors, which has led to significant investments from private players in the sector. For instance, the government introduced the Hybrid Annuity model (HAM) in 2016, which has boosted private sector participation. NHAI awarded 28% of its projects through HAM in 2019-20. In terms of execution as well, HAM has been continuously increasing in share and is expected to account for almost half of the overall road execution in FY20-22.

Figure 5: HAM to account half of NHAI's execution by FY22

HAM will account for almost half of NHAI's execution over the next three fiscals



Source: NHAI, CRISIL Research

In spite of the progress made in the last few years, there still remain many obstacles to increasing private participation in road infrastructure. Some of the key hurdles are:

- **Delays in achieving financial closure of new projects** - Banks are becoming conservative in lending to private players in the roads and highways sector.

- **Delayed award of contracts owing to delays in approvals and clearances** – Land acquisition costs have seen a substantial increase in recent years. This, combined with the lengthy acquisition process, is leading to slowdown in project awards and increasing leverage on the authority's balance sheet. While NHAI only issues tenders for projects that have achieved 80% land acquisition to avoid project delays, non-provision of contiguous stretches of land causes slowdown and increases costs for contractors. Delays in fixing appointed dates after award due to non-fulfilment of conditions precedent affect the bidding capacity of contractors.

- **Issues related to sanctity of contracts and delayed dispute resolution** - Enhancing the enforceability of contracts and striving for predictability in execution is critical to attract and sustain private capital for funding infrastructure in key sectors such as roads. Another challenge is delayed resolution of disputes. Delays in resolution as well as execution of awards causes liquidity crunch for contractor.

- **Need for rapid asset monetisation** – NHAI has a number of completed roads that can be monetised by ToT, InvIT, or asset securitisation models, to take up more greenfield project funding without increasing debt levels.

The task force on NIP has suggested certain reform measures to attract more private investment in the sector. Some of the key measures are:

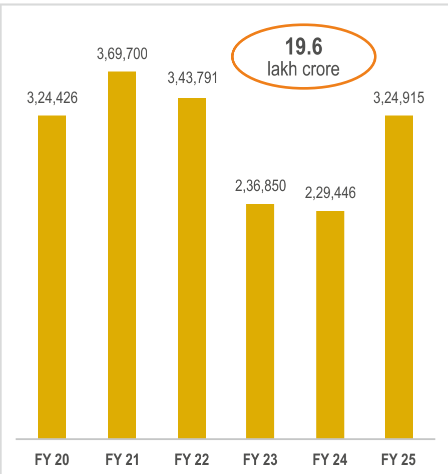
- Focus on strong project preparation, upfront procurement of key approvals /clearances, and availability of required land
- Ensuring better contract enforceability and robust dispute resolution mechanism
- Acquiring 90% of contiguous land along with project clearances before awarding projects
- Fast-tracking of railway clearances through standardised design documents
- Increased use of financing options introduced in the last few years such as InvITs and TOT
- Explore mechanisms for NHAI to raise more low-cost funds at tenures matching the long life of its road projects, possibly through tax-free bonds
- Increased investment in technology such as adoption of cashless modes of payment

NIP - Road Sector Vision 2025:

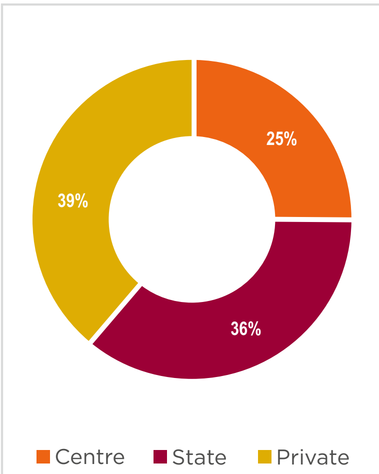
- NH total length - 1.99 lakh km; expressways - 10% of total NH (20,000 km) in major economic corridors, strategic areas and major tourist destinations
- Significantly higher share of the private sector in NH
- Last-mile connectivity – improve access to remote areas
- Increased use of fastag and RFID devices - reduction in leakages and congestion at toll plazas
- Tolling based on 'pay as per use' concept

Figure 6: Road NIP Summary

Annual phasing of investments (Rs Crore)



Implementing agency



Water Infrastructure

India is home to 16 percent of the world's population, covering 2.5 percent of the world's land area, whereas it has only 4 percent of the world's water resources. With increasing water demand putting pressure on availability and quality, India is currently ranked 120 among 122 countries in the water quality index.

Another major problem facing India is the lack of proper infrastructure to provide water. Most people still rely on hand pumps for getting access to water, despite evidence suggesting that they "corrode when installed in soil or groundwater with high levels of salinity". Due to this, after some time, the water pumped out contains iron, causing stomach aches among children. The report titles State of World's Water 2020 by WaterAid's states that the water sector needs to undergo major changes in India. To overcome the lack of efficient infrastructure, the Indian Government is working with overall improvement plans for the sector. The government is committed itself to provide piped water to every household by 2024 through the 'Nal se Jal' scheme.

Agriculture accounts for 80% of the current water consumption. Of the 140 million ha of net sown area in the country, net irrigated area is about 68 million ha and remaining 72 million ha is rain-fed. In order to improve the coverage of overall area under irrigation, India is set to embark on an ambitious exercise to link over 70 of its rivers. The National Water Development Agency (NWDA) has identified 30 links for inter linking projects for transferring water from water surplus basin to water deficit basins. The mission of this programme is to ensure greater equity in the distribution of water by enhancing its availability in drought-prone and rainfed areas.

NIP - Irrigation Sector Vision 2025:

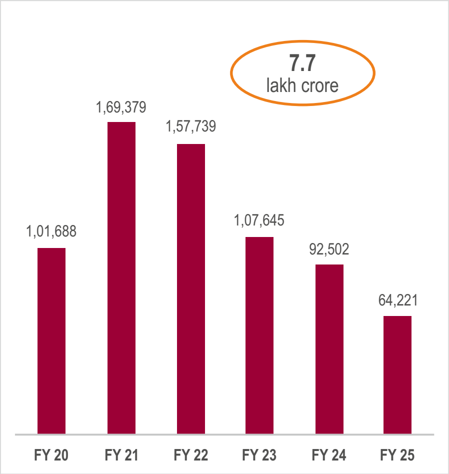
- **Higher irrigation coverage: Total irrigated land is ~85 million hectare (~61% of total).**
- **Reduced dependence on rains to improve farmers' incomes and consumption levels**
- **Emphasis on efficient methods of irrigation**

  - Micro irrigation to cover 28% of total NIA, leading to efficient use of scarce water

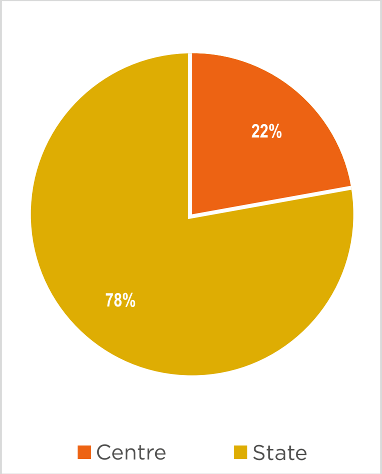
  - Switchover from traditional methods of tank and canal irrigation to efficient methods: drip and sprinkler irrigation
- **Judicious use of water for irrigation**
- **Pricing method based on water quantity-based fees**

Figure 7: Irrigation NIP Summary

Annual phasing of investments (Rs Crore)



Implementing agency



Under India's flagship program for rejuvenation of River Ganga, Namami Gange, a total of 310 projects costing Rs. 287 billion have been sanctioned for various activities like sewage infrastructure, river front development, river surface cleaning and public participation. This will not only create new infrastructure but also rehabilitate the old and dilapidated Sewage Treatment Plants (STPs). In the budget for the financial year 2020-21, Government of India has proposed an allocation of Rs. 1,600 crore for this program. Outside of Namami Gange as well, there are several upcoming opportunities in the waste water sector. Desalination is also becoming more important as the country faces shortage of fresh water.

Successful implementation of these plans will require a strong public private partnership. Thus, after reviving private sector participation in the road infrastructure sector through HAM, the government is making efforts in water infrastructure as well. The government has given an approval on Hybrid Annuity-PPP model for water infrastructure. This will ensure greater private participation, limit the revenue risk for private players and give them complete freedom to choose the design and technology to deliver the desired performance. Also, the ticket size of HAM projects can be increased and/ or multiple small projects bundled together to make them attractive to established players.

Oil and Gas

India's economic growth is closely related to energy demand; therefore, the need for oil and gas is projected to grow more. The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy.

Crude oil is an important energy resource which underpins the energy needs of a global economy. India is the 3rd largest importer and consumer of crude. Changes in crude oil price and global demand-supply directly affects the Indian economy. The country currently imports 80% of its crude oil requirements as domestic reserves are limited. There has been a continuous decline in domestic crude oil production for the past five years. India's crude oil production in 2019-20 fell 6% to 32.6 million metric tonnes, led by 15.5% decline in fields operated by private players.

Natural gas is considered the cleanest fossil fuel because of its clean-burning qualities and it can be used as a fuel (power sector, sponge iron, automotive fuel, domestic cooking etc.) or as a feedstock (fertilizer and petrochemical industry). In 2019-20, production of domestic gas declined 5% to 31,179 million metric standard cubic metres over the previous year as companies struggled with ageing fields. At present, India produces just half of the gas it consumes. A government set formula determines rates for most local gas, and the absence of market price deters producers from investing in the country. By allowing marketing freedom to gas from new discoveries, the government has tried to address much of the investors' concerns in recent years but experts think developing a free market is essential to sustained investment in the sector.

Favourable reforms such as the policy framework to promote and incentivize enhanced recovery methods, liberalizing exploration and production of oil and gas blocks, simplifying the approval processes and removal of sharing of revenue with the government in the less prospective basins (unless there is windfall gain) could prompt exploration in the HELP gas fields. Apart from this, the petroleum ministry has indicated that it is working on certain reforms such as bringing in a new gas tariff policy as well as launching a gas exchange as part of reforms to promote greater use of natural gas. The ministry is also focussed on implementing the city gas distribution network expansion. It is also working on ending conflict of interest in the operations of gas utility GAIL by separation of its pipeline operations into a separate independent subsidiary. It is imperative that the country takes steps to boost its domestic oil & gas production and reduces its dependence on imports.

WEL - BUSINESS STRATEGY AND HIGHLIGHTS

Welspun Enterprise Limited (WEL) is one of the three key companies under the Welspun Group. The company operates in the infrastructure sector (Road and water infrastructure) with investment in oil and gas space. WEL is unique in the Indian infrastructure space with a significant cash balance and a differentiated asset-light model.

WEL has 8 projects (7 HAM and 1 BOT) in its road portfolio taking the total portfolio size to Rs. 106+ billion and 660+ kms. Unexecuted order book at the end of FY20 stands at Rs. 49 billion (excluding GST) implying a book-to-bill ratio of approximately 3 times. This implies a strong revenue visibility for next 2 years.

The Company follows a unique asset-light model, with minimal investment in construction plant and machinery. WEL only focuses on the high value-add Project Management activity ensuring quality, safety and timely completion of the projects in its portfolio. The entire construction is outsourced/sub-contracted to the best-suited sub-contractor. This outsourcing gives WEL flexibility to take up projects in any part of the country. The rigorous project monitoring and supervision by WEL, during the construction phase, helps in achieving early completion and reduces operations and maintenance costs during the O&M period. It also helps improve returns by earning the early completion bonus. WEL's strategy is to unlock value from its completed assets either through an outright sale or through refinancing.

WEL is well-positioned to financially close its PPP projects. The Company has a robust balance sheet with a healthy net cash balance of Rs. 2.2 billion at the standalone level, unlike most other companies in the infrastructure space that are burdened with high amount of debt. The Company has one of the best credit ratings in the Indian infra sector, with its long-term credit rating at 'AA-' and short-term rating at A1+. This, combined with Welspun Group's strong relationship with banks, provides WEL the capability to arrange debt at reasonable rates.

INFRASTRUCTURE PROJECT PORTFOLIO

WEL has 7 HAM projects in its portfolio. All projects are with full financial tie-ups and their status as on 31st March 2020 are detailed below:

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:

- Three annuities received on time
- Project refinanced at lower rate (currently @ 8.17% pa) with top-up loan of Rs. 650 million
- Exploring options for further value unlocking from the project

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 91% has been completed. The project is expected to achieve PCOD in H1FY21. Payment from NHAI pertaining to 5th 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 89% has been completed. The project is expected to achieve PCOD in H1FY21. Payment from NHAI pertaining to 5th milestone has been received.

Chikhali-Tarsod (CTHPL)

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 60% has been completed and payment from NHAI pertaining to 3rd 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 54% has been completed by Q4FY20 and part payment from Maharashtra PWD pertaining to 3rd milestone has been received.

Aunta-Simaria : Ganga Bridge with Approach Roads (ASRP)

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 21.8% has been completed. Payment from NHAI pertaining to 1st milestone (i.e. @ 10% completion) received.

Sattanathapuram-Nagapattinam (SNRP)

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 3rd Dec 2018. Supplementary agreement signed with NHAI for extension of time upto 30th June 2020 for fulfilling conditions precedent. Company expects appointed date by 30th June 2020.

Recent Addition of BOT-Toll Asset to Infra portfolio

- In line with its strategy of buying value-accretive projects, WEL has added one more asset to its portfolio. WEL has acquired a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk - Panipat Highway (NH-44) from Essel group.
- This acquisition through a subsidiary ("Welspun Infrafacility Private Limited"), is being done by way of Harmonious Substitution

which was recommended by the Project Lenders and subsequently approved by NHAI. As on date, ~31% of the 71.1 km long project is complete.

- The total Project cost is estimated to be Rs. 21.22 billion out of which Rs. 15.93 billion 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. WEL expects to complete the project by H1 FY21. 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 addition to EPC order book from this project is expected to be Rs. 11.65 billion. The current toll revenue for only Haryana section is about Rs. 2 billion per annum. Upon achieving COD for both Haryana and Delhi section, the Company expects to collect toll of Rs. 3 billion per annum.

Apart from the HAM projects, the Company also has a small portfolio of legacy BOT projects. The Company currently operates two BOT projects - one in road & one in water. The projects are:

BOT Road Project:

Himmatnagar bypass

Project Description: 8.7 km Bypass road at Himmatnagar on SH-9 in Gujarat

Status: Rs. 54.4 Million toll collection in the year. The concession period of the project is ending in June 2020 and will be handed over to GSRDC post that

BOT Water Project:

Dewas Water project

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 30th April 2019. YTD revenue stands at Rs. 79 mn with EBITDA of Rs. 36 mn.

OIL & GAS

The Company is invested in the oil and gas sector through a Joint Venture Company - Adani Welspun Exploration Ltd. (AWEL), where it owns 35% stake. Under the existing portfolio, the Company has three relevant blocks:

Kutch-1 or GK-OSN-2009/1 - AWEL has 25% stake in this block. Declaration of Commerciality (DoC) has been filed by the operator - ONGC. Preparation of Field Development Plan (FDP) is in progress.

Mumbai Block or MB-OSN-2005/2 - AWEL currently holds 100% ownership interest in Phase I. AWEL has decided to execute Phase – II of the exploration.

B-9 Cluster (DSF) - This block is in close proximity to AWEL's prospective exploratory block

(MB/OSN/2005/2) and ONGC's B-12 area, which is under advanced stage of development. The field development plan has been submitted to DGH and AWEL is preparing for the field development.

WEL believes that its existing blocks have considerable hydrocarbon potential, which would be quantifiable post the preparation of FDP/during the development stage of each of these blocks. The Company intends to unlock value from these blocks at the right time.

COVID-19 IMPACT AND WEL'S RESPONSE:

On account of COVID-19 pandemic, construction work was halted across the country from March 23rd to April 16th. Work at the sites, however, has resumed from mid-April following the safety guidelines. WEL is confident of making up the revenue loss in April over the remainder of the year. The Company has written to authorities invoking Force Majeure which ensures interest of the Company is protected under Concession Agreement.

WEL has adopted several measures across its offices and sites globally to ensure business continuity. In order to create awareness and protect employees, some of the measures taken are:

- 'Work from Home' facility for our office staff
- Thermal screening of all employees at entry of all offices and sites
- Following of social distancing norms i.e. minimum 6 ft distance to be followed.
- Minimize labor entry points

across project by consolidating labor camps.

- Minimizing external visitors unless crucial
- Replacing biometric with RFID card attendance
- Compulsory hand sanitization for all at frequent intervals
- Daily periodic sanitization of offices, work-area, company transport, etc.
- Tie-ups with hospitals and medical centers
- Ensuring availability of medical staff round the clock
- Provision of hand sanitizers, N95 masks and medical equipment
- Multiple awareness drives for all employees
- Posters and banners educating on COVID-19 and hygiene
- Strict prohibition on chewing Pan or Gutka
- Stringent travel advisories for any domestic/international travel

OUTLOOK

Thrust to infrastructure development across sectors is recognized as an important lever to generate growth and social prosperity. With the government clearly signaling through NIP that infrastructure, especially roads and water, will be a priority, sustained order inflows are expected over the next few years. The government has emphasized the role of private investment for funding this developmental infrastructure programme and WEL is well-placed to tap these opportunities. Apart from primary bidding, the current environment is also expected to throw up many opportunities to acquire projects at attractive valuations. The Company will continue to explore inorganic growth opportunities, which meet its threshold return expectations.

For FY21, the opening order book is Rs. 48.6 Billion. The Company's focus will be on completing these projects on time or ahead of schedule. WEL expects to achieve COD on four under-construction projects during FY21. Significant progress is also expected on the execution of other projects, including the recently acquired Mukarba Chowk – Panipat Highway project.

In the current environment, preservation of cash remains key. Therefore, the Company will have a sharp focus on cost optimization and are working on eliminating any unnecessary costs. WEL will also look to leverage its solid credit rating, robust balance sheet with healthy cash balance, and strong relationship with banks and other financial institutions to optimize its financing costs and fuel its growth journey.

In line with its asset-light strategy, WEL will look at unlocking value from its projects, once they are complete. With five operational projects expected before the end of the year (including the already operational Delhi-Meerut Expressway project), the Company will have more options to explore in terms of asset monetization. The Company will also look at unlocking value from its Oil & Gas investments.

KEY RISKS:

Infrastructure

- Land acquisition issues
- Mutliple clearances and associated delays
- Difficulties in raising long-term funding
- Too many assets available for sale combined with limited buyers, reducing valuation of assets
- Inadequate/ changes in regulatory framework
- Interest rate risk
- Competition Risk
- Labour Risk - Availability and cost

Oil & Gas

- Commercial viability of discoveries
- Volatility of oil & gas prices
- Infrastructure constraints for exploration and evacuation of products
- Regulatory controls

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well-qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance. The headcount in the Company as on 31st March 2020 was 491.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies.

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee reviews internal audit reports as well as the internal control systems and financial disclosures.

DISCUSSION OF FINANCIAL PERFORMANCE – FY20

Note: This section discusses the financial performance on a comparable basis. The numbers might differ from the reported numbers.

The standalone financials are as shown below:

Income Statement Snapshot (Rs. Million)	FY20	FY19	YoY Growth
Revenue from Operations	**17,600**	**17,394**	**1%**
Other Income	526	546	-4%
Total Income	**18,126**	**17,940**	**1%**
EBITDA	**2,589**	**2,369**	**9%**
EBITDA margin	14.3%	13.2%	*108 bps*
PBT	**2,141**	**2,122**	**1%**
Exceptional gain	-	199	
Reported PBT	2,141	2,320	-8%
PAT	**1,593**	**1,537**	**4%**
PAT margin	8.8%	8.6%	*22 bps*
Cash PAT	**1,851**	**1,610**	**15%**

Note: Cash PAT = PBDT (before exceptional) – Current tax + Non-cash ESOP

Balance Sheet Snapshot (Rs. Million)	31st Mar 2020	31st Mar 2019
Net Worth	**17,355**	**15,993**
Gross Debt	3,100	1,709
- Long-Term Debt (incl. current maturities)	334	130
- Short-Term Debt	2,766	1,579
Cash & Cash Equivalents*	**5,293**	**4,737**
Net Debt /(Cash)	(2,193)	(3,028)
Other Long-Term Liabilities	306	315
Total Net Fixed Assets (incl. CWIP)	565	645
Net Current Assets (Excl. Cash & Cash Equivalents)@	1,784	1,328
Other Long-Term Investments and Assets@	13,119	11,306

Note: Long Term Debt (incl. current maturities) – Against equipment financing
Short Term Debt (incl. CP) – Against current assets
** Net Cash includes Rs. 522 mn advance towards purchase of mutual fund, which was completed in first week of April*

@ 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. 5,293 million. The same is reflected in Other Long Term Investments and assets

Revenue from Operations:

Revenue from Operations up 1% to Rs. 17,600 million in FY20 from Rs. 17,394 million in FY19, Revenue during the year was contributed by five HAM projects.

EBITDA:

EBITDA up 9% to Rs. 2, 589 million in FY20 from Rs. 2,369 million in FY19, on account of focus on operational excellence and cost controls.

Profitability:

Profit before tax (before exceptional) up 1% to Rs. 2, 141 million in FY20 from Rs. 2,122 million in FY19.

Profit after tax up 4% to Rs. 1, 593 million in FY20 from Rs. 1,537 million in FY19

Networth:

Networth was at Rs. 17, 355 million in FY20 as compared to Rs. 15,993 million in FY19. The increase is mainly due increase in retained earnings

Debt:

The company gross debt stands at Rs. 3,100 million in FY20 compared to Rs. 1,709 million in

FY19. Taking into consideration, cash and cash equivalents of Rs. 5,293 million, the Net Debt/(cash) stood at Rs. (2,193) million in FY20 as compared to Rs. (3,028) million in FY19. The cash & cash equivalents excludes Rs. 1200 million which is given as temporary funding to subsidiaries/JVs in lieu of drawing debt at that level. The temporary funding was done in order to minimise the interest cost at the SPVs and the funds are available to WEL, on demand. The reduction in net cash was primarily on account of investments in SPV for under construction HAM projects.

CHANGES IN KEY FINANCIAL RATIOS

Ratios		31st Mar 2020	31st Mar 2019	Remarks / Response
(i)	Debtors Turnover	5.16	7.64	The Company had done temporary funding of its subsidiaries through outstanding receivables. This was done in order to minimize the interest cost at the subsidiaries
(ii)	Inventory Turnover	2,500	2,428	Inventory is negligible due to the Company's back to back subcontracting business model; so this ratio is not relevant to track
(iii)	Interest Coverage Ratio	10.85	20.35	Interest costs has increased due to higher debt taken to meet working capital requirements
(iv)	Current Ratio	1.57	1.70	In line with previous year's ratio
(v)	Debt Equity Ratio	0.18	0.11	Short-term debt taken has increased but the net worth has gone up correspondingly
(vi)	Operating Profit Margin (%)	12.2%	12.1%	In line with previous year's ratio
(vii)	Net Profit Margin (%)	8.8%	8.6%	In line with previous year's ratio
(viii)	Return on Equity (ROE) %	9.2%	9.6%	In line with previous year's ratio

Directors' Report

To,

The Members,

Welspun Enterprises Limited

The directors have pleasure in presenting the 26th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	F.Y. 2019-20	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2018-19
Revenue from operations	176,005	173,942	180,759	178,660
Other Income	5,258	5,462	11,184	7,350
Total Income	**181,263**	**179,404**	**191,943**	**186,010**
Total Expenditure	**159,856**	**158,187**	**169,791**	**165,846**
Share of profit/ (loss) from associate and joint venture	-	-	(1,878)	(1,450)
Profit Before Tax	**21,407**	**21,217**	**20,274**	**18,713**
Exceptional Items	-	1,985	-	1,985
Tax expenses/ (credit)	5,473	7,833	5,161	8,022
Profit for the year	**15,934**	**15,369**	**15,113**	**12,676**
Other Comprehensive Income	15	(32)	23	(33)
Total Comprehensive Income	**15,949**	**15,337**	**15,136**	**12,643**
Earnings Per Share				
Basic (Rs.)	10.75	10.40	10.04	8.58
Diluted (Rs.)	10.61	10.34	9.91	8.53

The financial statements have been prepared in accordance with the applicable accounting standards.

2. PERFORMANCE HIGHLIGHTS:

Performance highlights for the financial year ended March 31, 2020 are as under:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Revenue from Engineering, Procurement and Construction ('EPC') and other operating income	176,005	173,478	179,414	177,597
Toll Collection	-	464	1,345	1,063

3. SCHEME OF AMALGAMATION:

The Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') pronounced order sanctioning the Scheme of Amalgamation of Anjar Road Private Limited ('ARPL' or the 'Transferor Company') with Welspun Enterprises Limited ('WEL' or the 'Transferee Company') and their respective shareholders and creditors ('the Scheme') on June 21, 2019 which was made effective on July 20, 2019.

4. RECLASSIFICATION OF CO-PROMOTER AS PUBLIC SHAREHOLDER:

The Company was advised by the stock exchanges to re-initiate the process of reclassification in accordance with the Regulation 31A which was substituted vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, w.e.f. November 16, 2018. Accordingly, Intech Metals S.A. resubmitted fresh request vide letter dated November 14, 2019 and approval of the shareholders was obtained for re-classification of promoters. The reclassification application was submitted to the stock exchanges and is pending for approval of the stock exchanges.

5. DIVIDEND & TRANSFER TO RESERVES:

The Board is pleased to recommend a dividend @ 20% for the year ended March 31, 2020, i.e., Rs. 2/- per equity share of Rs. 10/- each fully paid up out of the net profits. In respect of dividend declared during the previous years, Rs. 25.73 lakhs remained unclaimed as on March 31, 2020.

The Company has appointed Ms. Priya Pakhare, Company Secretary as the Nodal Officer for the purpose of co-ordination with Investor Education and Protection Fund Authority. Details of the Nodal Officer are available on the website of the Company at www.welspunenterprises.com.

As per the Dividend Distribution Policy of the Company, the Board endeavors to achieve distribution of an amount of profit subject to maximum of 25% of Profit after Tax for a financial year, on consolidated basis or standalone basis, whichever is higher. The amount of dividend together with the Dividend Distribution Tax for the year ended March 31, 2020 works out to 18.63% of Profit After Tax on standalone basis. The Policy is available on the Company's website at:

http://www.welspunenterprises.com/userfiles/file/WEL%20Dividend%20Distribution%20Policy%20%20(1).pdf

6. INTERNAL CONTROLS:

The Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. The Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material impact on the Company's operation.

7. SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES:

During the year, Welspun Infrafacility Private Limited was incorporated as wholly owned subsidiary.

A report on the performance and financial position of each of the subsidiaries/ joint venture/ associate companies included in the consolidated financial statements, is presented in Form AOC-1, annexed to this Report as Annexure - 1.

The Company's policy on Material Subsidiary as approved by the Board is uploaded on the Company's website www.welspunenterprises.com and a web link thereto is:

http://www.welspunenterprises.com/userfiles/file/Policy%20for%20governance%20of%20Material%20and%20other%20Subsidiaries.pdf

8. AUDITORS AND AUDITORS' REPORT:

a) Statutory Auditors

The Company's Auditors, M/s. MGB & Co. LLP, Chartered Accountants, who have been appointed as the Auditors of the Company for the period up to the conclusion of the 26th Annual General Meeting, subject to ratification by the members of the Company at every Annual General Meeting, have given their consent for re-appointment as the Auditors for the second term of five years. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Members are requested to ratify their appointment as the Auditors of the Company and to fix their remuneration as recommended by the Board, by passing an ordinary under Section 139 of the Companies Act, 2013.

Total fees for all services paid by the Company and its subsidiary/ joint venture/ associate companies, on a consolidated basis, to the Auditors and all entities in the network firm/network entity of which the auditor is a part during the financial year under Report is Rs. 70.40 lakh.

The Auditors' observation, if any, read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

b) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta and Co., Cost Accountants (Firm Registration Number 000025) as the Cost Auditors of the Company for the financial year 2020-21. Members are requested to ratify their remuneration by passing an ordinary resolution.

As required under the Companies (Accounts) Rules, 2014, the cost accounting records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 were made and maintained by the Company.

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2019-20. The Cost Audit Report for the year 2018-19 was e-filed on August 28, 2019. The Cost Audit for the financial year 2019-20 is in progress and the report will be e-filed to Ministry of Corporate Affairs, Government of India, in due course.

c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Mihen Halani & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed with the report as Annexure – 2. There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in the Secretarial Audit Report.

The Board of Directors has appointed M/s. Mihen Halani & Associates, Company Secretaries as the Secretarial Auditors of the Company for the financial year 2020-21.

d) Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

9. SHARE CAPITAL & LISTING

a) Issue of equity shares with differential rights

The Company does not have any equity shares with differential rights.

b) Issue of sweat equity shares

During the year under report, the Company has not issued any sweat equity share.

c) Issue of employee stock options

During the financial year 2019-20, 3,75,000 equity shares were allotted to the ESOP grantees who had exercised the option attached to the Welspun Enterprises Limited – Employees Stock Option Plan-2017" ("WEL ESOP Scheme 2017").

The applicable disclosures as stipulated under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 with regard to WEL ESOP Scheme 2017 are available on the website of the Company at www.welspunenterprises.com and weblink thereto is:

https://www.welspunenterprises.com/userfiles/file/WEL%20ESOP%202019-20.pdf

The particulars required to be disclosed pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are given below:

Sr. no.	Particulars		WEL ESOP Scheme -2017
a	Options granted during FY 2019-20		Nil
b	Options vested during FY 2019-20		600,000
c	Options exercised during FY 2019-20		375,000
d	Total number of shares arising as a result of exercise of Options		375,000
e	Options lapsed		Nil
f	Exercise Price		Nil
g	Variation of terms of options		Date of vesting of the last tranche was changed from 10.10.2022 to 14.07.2022 pursuant to approval of shareholders obtained at Annual General Meeting held on August 14, 2018.
h	Money realized by exercise of options		Nil
i	Total number of options in force		20,75,000
j	Employee wise details of options granted to	Key Managerial Personnel	No fresh option was granted during the year.
		Other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	
		Employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
k	Diluted Earnings Per Share (Rs.)		10.61
l	Weighted-average exercise price (Rs.)		Nil
m	Weighted-average fair values of options (Rs.) - As per Black Scholes Valuation model		139.30

d) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has not made any provision of money for the purchase of, or subscription for, shares in the Company, to be held by or for the benefit of the employees of the Company and hence the disclosure as required under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not required.

e) Listing with the stock exchanges

i The Company's equity shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

ii The Company is in process of listing rated listed secured redeemable non-convertible debentures of Rs. 375 crore on the wholesale debt market segment of BSE Limited.

iii As at March 31, 2020, outstanding unsecured Commercial Papers ("CPs") stood at Rs. 95 crore out of which CPs amounting to Rs. 75 crore are listed on the National Stock Exchange of India on March 27, 2020.

Annual listing fees for the year 2020-21 have been paid to BSE and NSE.

f) Disclosure with respect to shares held in unclaimed suspense account

The details of unclaimed shares account as required to be disclosed pursuant to Point F to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Aggregate number of shareholders and the outstanding shares in the unclaimed shares account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from unclaimed shares account during the year		Number of shareholders to whom shares were transferred from unclaimed shares account during the year		Aggregate number of shareholders and the outstanding shares in the unclaimed shares account lying at the end of the year	
No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders
31,224	209	0	0	0	0	31,224	209

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

10. FINANCE:

a) Credit Rating

The details of credit rating assigned to the Company are as follows:

Facilities	Rating Agency	Change in the Credit Rating as the end of the year
Long term bank facilities	Brickwork Ratings India Private Limited	BWR AA-; Stable (Double A Minus; Outlook : Stable)
Long term / Short term bank facilities	Brickwork Ratings India Private Limited	BWR AA-; Stable (Double A Minus; Outlook : Stable)
Commercial Papers	Credit Analysis & Research Limited / Brickwork Ratings India Private Limited	CARE A1+ / BWR A1+

b) Deposits

The Company has not accepted any deposit within the meaning of Chapter V to the Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under report.

11. EXTRACT OF THE ANNUAL RETURN:

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure – 3 and is also placed on the website of the Company and can be accessed at www.welspunenterprises.com.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Energy conservation -

In the area of alternate energy, the Company has taken initiatives beyond its normal scope of works. At our Delhi Meerut Expressway Package-I project, an entire solar power plant of capacity 1050 kW, at an investment of Rs 7.5 crore has been installed. This power plant, installed on the Yamuna bridge, has generated 11.8 lacs units of green energy in FY 19-20 to meet the requirements of the complete 8.716 km stretch, thereby reducing the intake from the power grid.

Another initiative to reduce our carbon footprint is the installation of LED light bulbs for street lighting at our Delhi Meerut Expressway Package-I project, reducing our power consumption.

b) Technology Absorption -

i SAP PS-Module is used to monitor the physical and financial progress on all our projects.

ii SAP – GRC, which is a modern access controls module is implemented for monitoring the user access risk's and to reduce the process complexity and cut costs – while protecting organizations reputation and financial well-being.

iii Microsoft SharePoint Document Management System (DMS) is implemented and is being used efficiently for managing the sensitive and vulnerable information within the organization.

iv Application "Stithi" has been developed which is a GPS based technology, is being implemented for recording the Site engineers attendance and their movement all across the project sites. This technology provides better connect and engagement with employees.

c) Details of Foreign exchange earnings and outgo-

Foreign exchange earnings – Nil
Foreign exchange outgo – Rs 356 lakhs

13. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The key philosophy of all CSR initiatives of the Company is enshrined in the three E's which have become guiding principles of the CSR initiatives – Education, Empowerment (of Women) and Environment & Health.

The CSR Policy is hosted on the Company's website www.welspunenterprises.com and a web link thereto is: http://www.welspunenterprises.com/userfiles/file/CSR%20Policy%20-.pdf

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as Annexure – 4.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of the Annual Report.

a) Changes in Directors and Key Managerial Personnel

Since the last report, the following changes took place in the composition of the Board of Directors:

Mr. Raghav Chandra	Appointed as an Independent Director w.e.f. May 15, 2019
Mrs. Mala Todarwal	Ceased to be director w.e.f. August 4, 2019 on account of completion of second term as Independent Director
Mr. Dhruv Kaji	Resigned w.e.f. August 9, 2020 for personal reasons
Mr. Shriniwas Kargutkar	Retired from the position of Chief Financial Officer of the Company w.e.f. October 31, 2019.
Mr. Ved Mani Tiwari	Appointed as Deputy Chief Executive Officer of the Company w.e.f. April 1, 2020.
Mr. Akhil Jindal	Appointed as Interim Chief Financial Officer of the Company w.e.f. April 30, 2020.
Mr. Sridhar Narasimhan	Appointed as Chief Financial Officer of the Company w.e.f. May 18, 2020.

The tenure of appointment of Mr. Balkrishan Goenka as the Whole Time Director of the Company expired on May 28, 2020. He was re-appointed for a period of 5 years w.e.f. June 1, 2020.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Mandawewala (DIN : 00007179) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for re-appointment as a director liable to retire by rotation by the Board.

Details about the directors being appointed / re-appointed are given in the Notice of the forthcoming Annual General Meeting being sent to the members along with the Annual Report.

b) Declaration by Independent Director(s)

The independent directors on the Board of the Company have given declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 at the time of their respective appointment and there is no change in the circumstances as on the date of this report which may affect their status as an independent director.

Your Board confirms that in its opinion the independent directors fulfill the conditions prescribed under the SEBI (LODR), 2015 and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and as applicable shall undergo online proficiency self-assessment test within the time prescribed by the IICA .

c) Formal Annual Evaluation

The Company followed the evaluation process with specific focus on the performance vis-à-vis the plans, meeting of challenging situations, performing of leadership role within, and effective functioning of the Board, etc. which was in line with the SEBI Guidance Note on Board Evaluation dated January 5, 2017. The evaluation process invited through IT enabled platform sought graded responses to a structured questionnaire for each aspect of the evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions. For the financial year 2019-20, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

d) Familiarization program for Independent Directors

The familiarization program aims to provide the Independent Directors with the scenario of the infrastructure industry, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization program also seeks to update the directors on their roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization program for independent directors is hosted on the Company's website www.welspunenterprises.com and a web link thereto is: http://welspunenterprises.com/userfiles/file/Familiarisation%20program%20WEL(LODR)-03_05_2019.pdf

e) Policy on directors' appointment, remuneration and other details

The salient features of the Company's "Nomination and Remuneration Policy" on directors' appointment, remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in Point No. "V. NOMINATION AND REMUNERATION COMMITTEE" of the Corporate Governance Report, which forms part of the Annual Report.

f) Number of meetings of the Board

The Board met 7 times during the financial year 2019-20, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g) Committee of the Board of Directors

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, Corporate Social Responsibility Committee and meetings of those Committees held during the year is given in the Corporate Governance Report.

15. VIGIL MECHANISM:

The Company has adopted Whistle Blower Policy and Vigil Mechanism for its directors and employees in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and no personnel have been denied access to the Audit Committee. Protected Disclosures and other communication can be made in writing by an email addressed to the Chairman of the Audit Committee.

The policy on Whistle Blower Policy and Vigil Mechanism is disclosed on the Company's website and a web link thereto is as under:

http://www.welspunenterprises.com/userfiles/file/Whistle%20Blower%20Policy%20and%20Vigil%20Mechanism.pdf

16. LOANS, GUARANTEES AND INVESTMENTS:

Pursuant to Section 186(11)(a) of the Companies Act, 2013, the Company being engaged in the business of providing infrastructural facilities is exempt from the requirement of providing the particulars of loans made, guarantees given or securities provided or any investment made.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into by the Company during the year under report were on an arm's length basis and were in the ordinary course of business, to serve the mutual needs and the mutual interest.

For the details of the related party transactions, please refer Note No. 50 of Notes to Accounts to the standalone financial statements.

The Audit Committee has given its omnibus approval for the transactions which could be envisaged and the same is valid for one financial year.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of LODR is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:

http://www.welspunenterprises.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf

18. MANAGERIAL REMUNERATION:

a) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

I. The ratio of remuneration of Mr. Balkrishan Goenka, Chairman (Executive) and Mr. Sandeep Garg, Managing Director, to the median remuneration of the employees of the Company was 1:163 and 1:90 (Consolidated) and 1:136 and 1:75 (Standalone) (including the value of ESOPs and remuneration from associate company) respectively.

ii. The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year : Managing Director - 0 % (excluding ESOP) Chief Financial Officer - 7% (retired w.e.f. October 31, 2019) and Company Secretary - 12%.

iii. The percentage increase in the median remuneration of employees in the financial year 2019-20 was 12% (Consolidated) and -2% (Standaolne)

iv. As on March 31, 2020, the Company had 384 permanent employees on its rolls, whereas permanent employees for the Company and its subsidiaries stood at 482 employees

v. Market Capitalization of the Company as on March 31, 2020 was Rs. 59,012 lakhs and as on March 31, 2019, it was Rs. 1,57,634 lakhs.

vi. The share price increased to Rs. 39.75 /- (NSE closing Price) as on March 31, 2020 in comparison to Rs. 30 (the rate at which the Company came out with the public issue in the year 2004).

vii. Average percentile increase in the salaries of employees (other than the managerial personnel), and of the managerial personnel, in the FY 2019-20 was ~9 % and 11 % respectively. Higher percentile rise in managerial remuneration viz-a-viz percentile rise in remuneration to the other employees, was to appropriately compensate the managerial personnel for handling key managerial responsibilities in increasingly competitive and challenging business environment.

viii. The Profit before Tax (before exceptional items) of the Company for FY 2019-20 was Rs.21,407/- lakhs whereas Managing Director's, the Chief Financial Officer's, and the Company Secretary's, remuneration were Rs. 360 lakhs (includes Rs. 120 Lakh paid from associate company but excluding ESOP); Rs. 85.22 lakhs (CFO retired w.e.f. October 31, 2019 and this amount includes leave encashment) and Rs. 15.70 lakhs respectively.

ix. We affirm that the remuneration is as per the remuneration policy of the Company.

b) Details of the top ten employee in terms of remuneration drawn and name of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

Name	Designation	Age (yrs)	DOJ	Current CTC (Rs. in lakhs)	Qualification and experience	Previous Company	Nature of Employment (whether contractual or permanent)	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the company	DOL/ Transfer
Balkrishan Goenka	Executive Chairman	53	29.05.2015	750#	B.Com, 35 years	Not applicable	Contractual	Negligible	No	-
Sandeep Garg	MD	59	16.07.2012	515.80%	BE, 38 years	IL&FS	Contractual	1.21	No	-
Akhil Jindal	Director*	50	01.07.2015	326.88	BE & MBA, 26 years	S Kumar Group	Permanent	0.19	No	-
Deepak Chauhan	Director*	48	01.09.2017	231.39	B Com/ LLB/ LLM, 24 years	GVK Power & Infrastructure Ltd	Permanent	0.03	No	-
Jitendra Jain	President	49	01.10.2018	193.89	PGD - Finance, 24 years	GMR	Permanent	-	No	-
Banwari Lal Biyani	Director*	60	01.08.2014	194.45	AICWA, 41 years	Ispat Industrial Ltd.	Permanent	Negligible	No	-
Asim Chakraborty	Director*	59	01.07.2016	178.56	BE, 38 years	Gherzi Eastern Ltd	Permanent	0.01	No	-
Yogen Lal	Director*	52	12.06.2018	150.65	BE, 27 years	D.Thakkar Const. Pvt. Ltd.	Permanent	-	No	-
Asim Tewari	President	51	07.01.2019	135.00	BE/MPM, 27 Years	Bharat Roads Network Limited	Permanent	-	No	-
Girirajan Rajesh Kumar	Senior Vice President	54	26.12.2018	118.00	BE, 29 years	Tarkett Flooring India Pvt. Ltd.	Permanent	-	No	30.06.19

* Not on the Board of the Company

% Includes Rs. 120 lakhs paid from associate company

#In addition the Company has provided for commission @2% of consolidated profits in the financial statement of the Company.

Particulars of the remuneration payable to the executive directors of the Company for the year under report is as under:

(Rs. in lakhs)

Particulars	Mr. Balkrishan Goenka-Chairman (Executive)	Mr. Sandeep Garg – Managing Director			
Salary & Allowance	750.00	360.00$			
Perquisites	Nil	155.80			
Commission	2%#	Nil			
Details of fixed component	Nil	Nil			
Service Contract/Term of appointment	*5 years from May 29, 2015 to May 28, 2020	5 years from July 16, 2017 to July 15, 2022			
Notice Period (as per Company policy)	3 months	3 months			
Severance Fees	Nil	Nil			
Stock Options	Nil	**WEL ESOP – 2017:**			
		No. of ESOPs	**Date of Grant**	**Date of Vesting**	**Date of Exercise**
		30,00,000	10.10.2017	At the rate of 20% of the total ESOPs granted at each anniversary from 1st to 4th anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.	Upto 3rd anniversary from the date of Vesting of ESOPs

The Company has provided for commission, @ 2% of consolidated profits, in the financial statement of the Company.
$ Includes Rs. 120 lakhs paid from associate company
*The Board of Directors approved appointment of Mr. Balkrsihan Goenka for a term of 5 years with effect from June 01, 2020.

c) No remuneration or perquisite was paid to, and no service contract was entered into with, the non-executive directors (including independent directors) of the Company except for the payment of the following sitting fees for attending meetings of Board / Committees of the Board/general meetings for the F.Y. 2019-20.

Sr. No.	Name of the Director	Sitting Fees (Rs.)
1.	Mr. Mohan Tandon	867,000
2.	Mr. Dhruv Kaji#	186,000
3.	Ms. Mala Todarwal*	90,000
4.	Dr. Aruna Sharma	769,000
5.	Mr. Raghav Chandra@	514,000

* Resigned w.e.f. August 9, 2019 @ Appointed w.e.f. May 15, 2019
# Ceased to be Director w.e.f. August 4, 2019 on completion of second term as Independent Director

The above mentioned sitting fees paid to the non-executive directors was in line with the Nomination and Remuneration Policy of the Company. The sitting fees paid to the directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees and therefore, prior approval of the members as stipulated under Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not required.

d) Mr. Sandeep Garg, Managing Director of the Company was neither in receipt of any commission from the Company nor remuneration or commission from the subsidiary companies.

e) Mr. Balkrishan Goenka, Chairman (Executive) of the Company, who was in receipt of remuneration of Rs. 750 lakhs from the Company and was eligible for commission of 2% of the annual profit (excluding profit/loss from capital receipts and assets disposition) of the Company on consolidated basis, was not in receipt of any remuneration or commission from the subsidiary companies.

f) Apart from Sitting Fees for meetings, there is no pecuniary transaction entered into by the non-executive directors with the Company.

19. SHAREHOLDING OF THE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2020:

Refer Corporate Governance Report for detail of shareholding of directors.

Except as mentioned in the Corporate Governance Report, none of the other Directors hold any shares in the Company.

20. CORPORATE GOVERNANCE CERTIFICATE:

The Compliance certificate obtained from M/s. Mihen Halani & Associates, Company Secretaries, regarding compliance of conditions of corporate governance as stipulated under Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this Report.

21. RISK MANAGEMENT POLICY:

Businesses are facing an environment of unprecedented complexity and uncertainty in view of the impact of pandemic on global macroeconomic and microeconomic fundamentals. Prudent business management practices are the only way companies can pursue the strategic objectives of value creation of all stakeholders. With the above in view, the Company has constituted an Enterprise Risk Management Committee (ERMC) of senior executives headed by Managing Director of the Company. The ERMC is continuously scanning strategic, business, financial, regulatory and operational risks which may adversely impact pursuance of the strategic direction the Company has embarked upon.

As part of the Risk Management framework, there are defined Standard Operating Procedures (SOP) to evaluate risks at various levels and stages of the company – at the Enterprise level and at the Project level, both during prebid stage and during the project execution stage. The SOPs envisages identification of specific Enterprise/Project level risks with the probability of occurrence and the impact that these may have on the business objectives and mitigation measures thereof.

For the key business risks identified by the Company please refer to the Management Discussion and Analysis annexed to this Report.

22. MISCELLANEOUS:

- During the year under Report, there was no change in the general nature of business of the Company.

- No material change or commitment has occurred which would have affected the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

- During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.

- No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and the Company's operations in future.

- Further, during the year under review, no case of sexual harassment was reported to the Internal Complaints Committee formed under the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosure of number of complaints filed, disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on the end of the financial year under Report are as under:

- ➢ number of complaints filed during the financial year – Nil

- ➢ number of complaints disposed of during the financial year – Not applicable

- ➢ number of complaints pending as on end of the financial year - Nil

- The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

23. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)c & 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) being a listed Company, the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

24. ACKNOWLEDGEMENTS:

The directors thank the government authorities, financial institutions, Banks, Customers, Suppliers, Shareholders, Employees and other business associates of the Company, who through their continued support and co-operation, have helped as partner in the Company's progress and achievement of its objectives.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Place: Mumbai
Date: June 1, 2020

Annexure – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

	Sr. No.	1	2	3	4	5	6	7
Sr. No.	**Name of the subsidiary**	**Welspun Projects (Himmatnagar Bypass) Private Limited**	**Welspun Projects (Kim Mandvi Corridor) Private Limited**	**Welspun Build-Tech Private Limited**	**Welspun Natural Resources Private Limited**	**Welspun Delhi Meerut Expressway Private Limited**	**ARSS Bus Terminal Private Limited**	**Dewas Waterprojects Works Private Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
3.	Share capital	24	673	1	3,188	500	1,863	1
4.	Instruments entirely equity in nature	-	2,152	1,712	20,988	5,055	-	3,872
5.	Reserves and Surplus /Other Equity	442	(2,829)	(5.32)	(10,677)	(322)	(967)	(1,224)
6.	Total assets	590	387	1,710	31,071	48,978	915	13,123
7.	Total Liabilities	590	387	1,710	31,071	48,978	915	13,123
8.	Investments	360	138	-	25,125	3,226	211	-
9.	Turnover	544	-	-	-	432	-	1,399
10.	Profit before taxation	245	(626)	(0.41)	(1,998)	355	(2)	(984)
11.	Provision for taxation	64	-	-	-	(281)	-	(224)
12.	Profit after taxation	181	(626)	(0.41)	(1,998)	635	(2)	(760)
13.	Proposed Dividend	-	-	-	-	-	-	-
14.	% of shareholding	100	100	100	100	100	100	76@

"0" denotes amount less than Rs. 50,000/-

@ In addition to aforesaid stake, 24% are held through Welspun Project (Kim Mandvi Corridor) Private Limited

Notes:

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Sr. No.		8	9	10	11	12	13	14
	Name of the subsidiary	DME Infra Private Limited*	Welspun Sattanathapuram Nagapattinam Road Private Limited**	Welspun Road Infra Private Limited$	Welspun Amravati Highways Private Limited!	Welspun Aunta-Simaria Project Private Limited^	Welsteel Private Limited^	Welspun Infrafacility Private Limited***
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	NA	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
3.	Share capital	1	1	100	1	100	10	1
4.	Instruments entirely equity in nature	-	2,170	9,565	-	6,932	-	-
5.	Reserves and Surplus /Other Equity	(0.87)	103	554	(2)	(82)	(1)	(0)
6.	Total assets	1.43	12,197	35,098	5	24,567	3,484	36
7.	Total Liabilities	1.43	12,197	35,098	5	24,567	3,484	36
8.	Investments	-	-	-	-	-	3,475	-
9.	Turnover	-	691	71,016	-	13,250	-	-
10.	Profit before taxation	(0.40)	12	467	(1)	(98)	(1)	(0)
11.	Provision for taxation	-	(69)	(87)	-	(133)	-	-
12.	Profit after taxation	(0.40)	80	554	(1)	35	(1)	(0)
13.	Proposed Dividend %	-	-	-	-	-	-	-
14.	% of shareholding	100	70++	100	100	74+	49	100

"0" denotes amount less than Rs 50,000/-

* Subsidiary w.e.f. August 2, 2018
** Subsidiary w.e.f. September 19, 2018
$ Subsidiary w.e.f. September 28, 2018
! Subsidiary w.e.f. December 4, 2018
*** Subsidiary w.e.f. September 13, 2019
^ Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities) (Refer note 56 to the Consolidated Financial Statements)
+ In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited
++ In addition to aforesaid stake, 14.65% are held through Grenoble Infrastructure Private Limited

Notes:

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in lakhs)

Name of Associate/joint venture	Corbello Trading Private Limited	Chikhali - Tarsod Highways Private Limited	RGY Roads Private Limited	MBL (GSY) Road Limited	MBL (CGRG) Road Limited	Adani Welspun Exploration Limited	Grenoble Infrastructure Private Limited !
1. Latest audited Balance Sheet Date	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Joint Venture
2. Shares of Associate/ Joint Venture held by the company on the year end							
No. of Shares	4,900	4,90,000	4,900	24,500	24,500	46,54,997	4,900
Amount of Investment in Associates/Joint Venture	785	49	2,300	2**	2***	25,125#	0
Extend of Holding %	**49**	**49****	**49**	**49** $$	**49** $	**35**	**49**
3. Description of how there is significant influence	NA	NA	NA	NA	NA	The Company through its wholly owned subsidiary Welspun Natural Resources Private Limited holds more than 20% voting power of Adani Welspun Exploration Limited.	NA
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet ^	(0)	(350)	0	(180)	110	34,665	0

Name of Associate/joint venture	Corbello Trading Private Limited	Chikhali - Tarsod Highways Private Limited	RGY Roads Private Limited	MBL (GSY) Road Limited	MBL (CGRG) Road Limited	Adani Welspun Exploration Limited	Grenoble Infrastructure Private Limited %
6. Profit / Loss for the year							0
i. Considered in Consolidation	(0)	(314)	(0)	572	572	(1,340)	0
i. Not Considered in Consolidation	0	0	0	0	0	0	0

"0" denotes amount less than Rs 50,000/-

^ Excluding Compulsorily Convertible Debentures and Optionally Convertible Debentures

! Joint venture w.e.f. July 16, 2018 whereas as per Ind-AS treated as subsidiary based on the definition of control prescribed by Ind-AS

Held through Welspun Natural Resources Private Limited

$ In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited

$$ In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited

** Excludes investment amount of Rs 275 lakhs on account of Ind AS adjustments

*** Excludes investment amount of Rs 133 lakhs on account of Ind AS adjustments

Notes:

1. Names of associates or joint ventures which are yet to commence operations: NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Sandeep Garg
Managing Director
DIN: 00036419

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary
FCS - 7805

Place: Mumbai
Date: June 1, 2020

Annexure – 2

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies ((Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
WELSPUN ENTERPRISES LIMITED
CIN: L45201GJ1994PLC023920

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WELSPUN ENTERPRISES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 , complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act 2013 ("the Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 2018/1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made the reunder to the extent applicable;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') ;
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable during the period under review;**

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable during the period under review** and;

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018/1998 - **Not Applicable during the period under review.;**

vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

I) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI").

ii) The Listing Agreements entered into by the Company with the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that :

a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The committee of the Board is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance (several committee meetings were also convened at shorter notices which were approved/ratified by the Directors) and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following material event has taken place in the company;

- The Company has declared and paid final dividend @ 20% (i.e. Rs. 2 per share) on Equity Shares;

- Hon'ble National Company Law Tribunal, Ahmedabad vide its order dated June 21, 2019 has approved the scheme of Amalgamation of Anjar Road Private Limited ("Transferor Company") with Welspun Enterprises Limited ("Transferee Company") w.e.f. July 20, 2019 and accordingly 5,84,15,951 (39.45%) equity shares of Transferee Company was acquired by Welspun Group Master Trust;

- The Company has approved material related party transactions for Engineering Procurement and Construction Contracts entered into/to be entered between the Company and Project SPVs upto Rs. 10,000 crore for each project and upto Rs. 30,000 crore for all projects upto 5th Anniversary of the date of passing of the shareholders resolution approving the proposal or Annual General Meeting to be held in calendar year 2024, whichever is later;

- The Company has increased limit under Section 180(1)(a) of the Companies Act, 2013 to mortgage, hypothecate, pledge and/or charge or create any security interest of the Company to secure borrowings for an aggregate amount not exceeding paid up capital plus free reserves plus securities premium plus Rs. 6,000 crore.

- The Company has increased borrowing limits not exceeding the aggregate paid up share capital plus free reserves plus securities premium plus Rs.3,500 crore under Section 180(1)(c) of the Companies Act, 2013.

- The Company has approved borrowing by offer of issue of securities on a private placement basis upto Rs. 2,000 crore.

- The Company has allotted 2,00,000, 1,25,000 and 50,000 Equity Shares to Mr. Sandeep Garg, Mr. Akhil Jindal and Mr. Deepak Chauhan, employees of the Company, respectively pursuant to "WEL-ESOP Scheme 2017".

- Due to change in Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has initiated afresh the process of re-classification of "Intech Metals S.A.", a foreign co-promoter not holding any equity shares, from "Promoter" category to "Public" category.

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

FOR MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Mihen Halani (Proprietor)
C.P. No. 12015
FCS No: 9926

Place: Mumbai
Date: June 1, 2020

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.

"ANNEXURE A"

To,
The Members,
WELSPUN ENTERPRISES LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Mihen Halani
(Proprietor)
C.P. No. 12015
FCS No: 9926

Place: Mumbai
Date: June 1, 2020
UDIN: F009926B000306321

Annexure – 3

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN:	L45201GJ1994PLC023920
(ii)	Registration Date:	December 20, 1994
(iii)	Name of the Company:	Welspun Enterprises Limited
(iv)	Category / Sub Category of the Company:	Public Company/ Company having Share Capital and Limited by Shares
(v)	Address of the Registered office and contact details:	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110. Contact: The Company Secretary, Tel: 02836-662222; Email: companysecretary_wel@welspun.com
(vi)	Whether listed company:	Yes, equity shares listed on: • National Stock Exchange of India Limited (NSE) • BSE Limited (BSE)
(vii)	Name, address and contact details of Registrar and Transfer Agent:	Link Intime India Private Limited Unit : Welspun Enterprises Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Email - rnt.helpdesk@linkintime.co.in Tel. No.: +91-22-49186270 Fax No.: +91-22–49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company are stated as under:-

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Construction and maintenance of roads / utilities etc.	42101	99.62

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Welspun Natural Resources Private Limited Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370110.	U11201GJ2006PTC064142	Subsidiary	100.00	2(87)(ii)
2	Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited) Survey No.675, Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370110.	U45200GJ2005PTC045753	Subsidiary	100.00	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3	Welspun Projects (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor) Private Limited) Survey No.675, Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110.	U45203GJ2005PTC047076	Subsidiary	100.00	2(87)(ii)
4	ARSS Bus Terminal Private Limited C-79, BDA Duplex, Near Airport, Palaspalli, Bhubaneswar, Cuttack, Orissa - 751002.	U63031OR2010PTC012372	Subsidiary	100.00	2(87)(ii)
5	Welspun Delhi Meerut Expressway Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45203DL2016PTC291178	Subsidiary	100.00	2(87)(ii)
6	Dewas Waterprojects Works Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U74110DL2010PTC336664	Subsidiary	76.00	2(87)(ii)
7	Welspun Build-Tech Private Limited 7th Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.	U45200MH2008PTC178766	Subsidiary	100.00	2(87)(ii)
8	Welspun Aunta - Simaria Project Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45309DL2017PTC324923	Subsidiary	74.00	2(87)(ii)
9	MBL (CGRG) Road Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45201DL2016PLC299200	Joint Venture	49.00	2(6)
10	MBL (GSY) Road Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45202DL2016PLC299464	Joint Venture	49.00	2(6)
11	RGY Roads Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45309DL2017PTC318149	Joint Venture	49.00	2(6)
12	Corbello Trading Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U51909DL2017PTC337834	Joint Venture	49.00	2(6)
13	Chikhali - Tarsod Highways Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45201DL2016PTC337833	Joint Venture	49.00	2(6)
14	Welsteel Enterprises Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45201DL2018PTC335713	Subsidiary	49.00	2(87)(ii)
15	DME Infra Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45202DL2018PTC337124	Subsidiary	100.00	2(87)(ii)
16	Grenoble Infrastructure Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45309DL2018PTC336572	Joint Venture	49.00	2(6)
17	Welspun Sattanathapuram Nagapattinam Road Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi - 110070.	U45500DL2018PTC338889	Subsidiary	70.00	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
18	Welspun Road Infra Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi – 110070.	U45209DL2018PTC339650	Subsidiary	100.00	2(87)(ii)
19	Welspun Amravati Highways Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector - B, Pocket - V, Vasant Kunj, New Delhi – 110070.	U45500DL2018PTC342566	Subsidiary	100.00	2(87)(ii)
20	Welspun Infrafacility Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector - B, Pocket - V, Vasant Kunj, New Delhi – 110070.	U45401DL2019PTC355068	Subsidiary	100.00	2(87)(ii)
21	Adani Welspun Exploration Limited Adani House, Nr Mithakhalisix Roads, Narangpura, Ahmedabad – 380009.	U40100GJ2005PLC046554	Associate	35.00	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital break-up as percentage of Total Equity)

i. Category-wise shareholding:

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	64,98,316	-	64,98,316	4.39	204	-	204	0.00	(4.39)
(b)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Any Other (Specify)	-	-	-	0.00	-	-	-	0.00	0.00
	Bodies Corporate	6,37,26,687	-	6,37,26,687	43.03	7,47,24,799	0	7,47,24,799	50.33	7.30
	Sub Total (A)(1)	**7,02,25,003**	**-**	**7,02,25,003**	**47.42**	**7,47,25,003**	**0**	**7,47,25,003**	**50.33**	**2.91**
[2]	**Foreign**				0.00					
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)				0.00					
	Sub Total (A)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**7,02,25,003**	**-**	**7,02,25,003**	**47.42**	**7,47,25,003**	**-**	**7,47,25,003**	**50.33**	**2.91**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	6,65,000	-	6,65,000	0.45	20,28,892	-	20,28,892	1.37	0.92
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	10,87,880	-	10,87,880	0.73	10,87,880	-	10,87,880	0.73	0.00
(d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	37,36,982	-	37,36,982	2.52	35,88,061	-	35,88,061	2.42	(0.11)
(f)	Financial Institutions / Banks	51,88,323	-	51,88,323	3.50	41,71,330	-	41,71,330	2.81	(0.69)
(g)	Insurance Companies	1,62,000	-	1,62,000	0.11	1,62,000	-	1,62,000	0.11	0.00
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)				0.00					
	Sub Total (B)(1)	**1,08,40,185**	**-**	**1,08,40,185**	**7.32**	**1,10,38,163**	**-**	**1,10,38,163**	**7.44**	**0.11**
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
[3]	**Non-Institutions**									
(a)	Individuals				0.00					
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1,55,65,107	2,10,179	1,57,75,286	10.65	1,38,79,686	2,00,183	1,40,79,869	9.48	(1.17)
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,76,96,628	-	27,66,628	18.70	3,06,44,430	-	3,06,44,430	20.64	1.94
(b)	NBFCs registered with RBI	3,99,781	-	3,99,781	0.27	25,000	-	25,000	0.02	(0.25)
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	31,176	-	31,176	0.02	31,176	-	31,176	0.02	0.00
	Hindu Undivided Family	29,73,510	-	29,73,510	2.01	29,66,514	-	29,66,514	2.00	(0.01)
	Non Resident Indians (Non Repat)	3,82,317	-	3,82,317	0.26	4,23,547	-	4,23,547	0.29	(0.03)
	Non Resident Indians (Repat)	9,35,480	32,352	9,67,832	0.65	12,93,409	32,352	13,25,761	0.89	0.24
	Unclaimed Shares	0	-	0	0	31,224	-	31,224	0.02	0.02

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	20,52,014	-	20,52,014	1.39	1,84,973	-	1,84,973	0.12	(1.26)
	Bodies Corporate	1,67,35,844	3,480	1,67,39,324	11.30	1,29,78,916	3,480	1,29,82,396	8.74	(2.56)
	Sub Total (B)(3)	**6,67,71,857**	**2,46,011**	**6,70,17,868**	**45.26**	**6,24,58,875**	**2,36,015**	**6,26,94,890**	**42.23**	**(3.03)**
	Total Public	**7,76,12,042**	**2,46,011**	**7,78,58,053**	**52.58**	**7,34,97,038**	**2,36,015**	**7,37,33,053**	**49.67**	**(2.91)**
	Total (A)+(B)	**14,78,37,045**	**2,46,011**	**14,80,83,056**	**100.00**	**14,82,22,041**	**2,36,015**	**14,84,58,056**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	0.00
	(C2) Shares Held By Employee Trust	-	-	-	-	-	-	-	-	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0		0	0	-	-	0.00
	Total (A)+(B)+(C)	**14,78,37,045**	**2,46,011**	**14,80,83,056**	**100.00**	**14,82,22,041**	**2,36,015**	**14,84,58,056**	**100.00**	

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No. of Shares held	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares held	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Anjar Road Private Limited	5,84,15,951	39.45	Nil	0	Nil	Nil	(39.45)
2	Balkrishan Gopiram Goenka as Trustee of Welspun Group Master Trust	64,98,112	4.39	Nil	6,73,09,526	45.34	Nil	40.95
3	Welspun Investments And Commercials Limited	32,39,800	2.19	Nil	41,25,210	2.78	Nil	0.59
4	MGN Agro Properties Private Limited	20,70,936	1.40	Nil	0	Nil	Nil	(1.40)
5	Rajesh R Mandawewala	120	0.00	Nil	120	0.00	Nil	0.00
6	Balkrishan Gopiram Goenka	84	0.00	Nil	84	0.00	Nil	0.00
7	Aryabhat Vyapar Private Limited	0	0.00	Nil	32,90,063	2.22	Nil	2.22
	Total	**7,02,25,003**	**47.42**	**Nil**	**7,47,25,003**	50.33	**Nil**	**2.91**

Note: The Company's paid up share capital increased by 375,000 equity shares on account of issue of Equity shares to ESOP grantees pursuant to the WEL ESOP Scheme 2017. With the change in paid up capital, the % ages referred to above are not exactly comparable for the purposes of arriving at the differences.

iii. Change in Promoter Groups' Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
1	Balkrishan Goenka*	64,98,112	4.38			64,98,112	4.38
	Equity shares cancelled/ allotted pursuant to Scheme of Amalgamation as detailed on page no. 2 of Directors Report.			20 Sep 2019	5,84,15,951	6,49,14,063	43.73
	Purchase			13 Mar 2020	18,70,463	6,67,84,526	44.99
	Purchase			20 Mar 2020	5,25,000	6,73,09,526	45.34
	At The End Of The Year					6,73,09,526	45.34
2	Welspun Investments And Commercials Limited	32,39,800	2.18			32,39,800	2.18
	Purchase			13 Mar 2020	8,85,410	41,25,210	2.78
	At The End Of The Year					41,25,210	2.78
3	Aryabhat Vyapar Private Limited	0	0			0	0
	Purchase			16 Aug 2019	20,70,936	20,70,936	1.36
	Purchase			13 Mar 2020	11,34,313	32,05,249	2.16
	Purchase			20 Mar 2020	84,814	32,90,063	2.22
	At The End Of The Year					32,90,063	2.22
4	Rajesh R Mandawewala	120	0.00			120	0.00
	At The End Of The Year					120	0.00
5	Balkrishan Gopiram Goenka	84	0.00			84	0.00
	At The End Of The Year					84	0.00
6	Anjar Road Private Limited	5,84,15,951	39.35			5,84,15,951	39.35
	Transfer Due to Merger			06 Sep 2019	(5,84,15,951)	0	0
	At The End Of The Year					0	0
7	MGN Agro Properties Private Limited	20,70,936	1.40			20,70,936	1.40
	Transfer due to Scheme of Arrangement of MGN Agro Properties Private Limited and Aryabhat Vyapar Private Limited and Poliare Tradeco Private Limited and their respective shareholders and creditors, as approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order pronounced on July 12, 2019 (which became effective on July 25, 2019)			09 Aug 2019	(20,70,936)	0	0
	At The End Of The Year					0	0

* Trustee of Welspun Group Master Trust.

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No.of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
1	Dilipkumar Lakhi	68,60,243	4.62			6860243	4.62
	Sale			02 Aug 2019	-1,03,401	6756842	4.55
	Sale			09 Aug 2019	-9,217	6747625	4.55
	Sale			16 Aug 2019	-10,000	6737625	4.54
	At The End Of The Year					6737625	4.54
2	Authum Investment And Infrastructure Limited	0	Nil			0	Nil
	Purchase			10 Jan 2020	43,00,000	4300000	2.90
	Sale			27 Mar 2020	-49,598	4250402	2.86
	At The End Of The Year					4250402	2.86
3	Life Insurance Corporation Of India	49,57,719	3.34			4957719	3.34
	Sale			13 Sep 2019	-1,11,897	4845822	3.26
	Sale			20 Sep 2019	-45,897	4799925	3.23
	Sale			27 Sep 2019	-1,78,542	4621383	3.11
	Sale			04 Oct 2019	-10,323	4611060	3.10
	Sale			11 Oct 2019	-1,20,554	4490506	3.02
	Sale			18 Oct 2019	-41,647	4448859	3.00
	Sale			25 Oct 2019	-1,51,505	4297354	2.89
	Sale			01 Nov 2019	-1,09,684	4187670	2.82
	Sale			08 Nov 2019	-30,756	4156914	2.80
	Sale			15 Nov 2019	-50,000	4106914	2.77
	Sale			07 Feb 2020	-44,881	4062033	2.73
	Sale			14 Feb 2020	-1,76,434	3885599	2.62
	Sale			21 Feb 2020	-13,931	3871668	2.61
	At The End Of The Year					3871668	2.61
4	Chirag Dilipkumar Lakhi	28,47,034	1.92			2847034	1.92
	At The End Of The Year					2847034	1.92
5	Reliance Capital Trustee Co Ltd-A/C Nippon India Retirement Fund - Wealth Creation Scheme	0	0			0	0
	Purchase			05 Apr 2019	3,86,624	386624	0.26
	Purchase			12 Apr 2019	4,92,580	879204	0.59
	Purchase			19 Apr 2019	12,873	892077	0.60
	Purchase			26 Apr 2019	2,07,923	1100000	0.74
	Purchase			10 May 2019	1,00,000	1200000	0.81
	Purchase			17 May 2019	2,00,000	1400000	0.94
	Purchase			07 Jun 2019	2,00,000	1600000	1.07
	Purchase			14 Jun 2019	19,400	1619400	1.09
	Purchase			21 Jun 2019	1,80,600	1800000	1.21
	Purchase			05 Jul 2019	1,00,000	1900000	1.28
	Purchase			12 Jul 2019	96,492	1996492	1.34
	Purchase			26 Jul 2019	32,400	2028892	1.37
	At The End Of The Year					2028892	1.37

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No.of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
6	Sandeep Garg	16,00,000	1.08			16,00,000	1.08
	ESOP Allotment			06 Dec 2019	2,00,000	18,00,000	1.21
	At The End Of The Year					18,00,000	1.21
7	Panna Lal C Kothari Huf	13,00,000	0.88			13,00,000	0.88
	Sale			21 Feb 2020	(22,500)	12,77,500	0.86
	At The End Of The Year					12,77,500	0.86
8	Mauryan First	10,87,880	0.73			10,87,880	0.73
	At The End Of The Year					10,87,880	0.73
9	Polus Global Fund	10,00,000	0.67			10,00,000	0.67
	At The End Of The Year					10,00,000	0.67
10	Satya Narayan Dhoot	7,97,476	0.54			7,97,476	0.54
	Purchase			05 Apr 2019	(2,500)	7,99,976	0.54
	Sale			12 Apr 2019	(1,000)	7,98,976	0.54
	Sale			19 Apr 2019	(28,180)	7,70,796	0.52
	Purchase			14 Jun 2019	3,20,669	10,91,465	0.74
	Purchase			21 Jun 2019	1,27,411	12,18,876	0.82
	Purchase			12 Jul 2019	41,402	12,60,278	0.85
	Purchase			26 Jul 2019	13,804	12,74,082	0.86
	Purchase			02 Aug 2019	1,76,043	14,50,125	0.98
	Purchase			09 Aug 2019	61,150	15,11,275	1.01
	Sale			29 Nov 2019	(7,53,870)	7,57,405	0.51
	Purchase			13 Dec 2019	80,000	8,37,405	0.56
	Purchase			20 Dec 2019	10,000	8,47,405	0.57
	Sale			13 Mar 2020	(27,124)	8,20,281	0.55
	Sale			20 Mar 2020	(39,042)	7,81,239	0.53
	Purchase			27 Mar 2020	81,376	8,62,615	0.58
	Purchase			31 Mar 2020	91,786	9,54,401	0.64
	At The End Of The Year					9,54,401	0.64

* The information is an on the date of weekly BENPOS received from the Registrar and Share Transfer Agent. Exact dates of transaction is not available.

v. Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason for Increase/ (Decrease)	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
DIRECTORS										
1	Balkrishan Goenka	84	0.00	-	-	-	-	-	84	0.00
2	Mr. Rajesh R. Mandawewala	120	0.00	-	-	-	-	-	120	0.00
3	Mr. Sandeep Garg	16,00,000	1.08	06 Dec 2019	2,00,000	ESOP Allotment	18,00,000	1.21	18,00,000	1.21
4	Mr. Mohan Tandon	-	-	-	-	-	-	-	-	-
5	Dr. Aruna Sharma	-	-	-	-	-	-	-	-	-
6	Mr. Raghav Chandra%	-	-	-	-	-	-	-	-	-
7	Ms. Mala Todarwal*	800	0.00	-	-	-	-	-	-	-
8	Mr. Dhruv Subodh Kaji#			-	-	-	-	-		
KEY MANAGERIAL PERSONNEL										
8	Mr. Shriniwas Kargutkar$ (Chief Financial Officer)	300	0.00	-	-	-	-	-	-	-
9	Ms. Priya Pakhare (Company Secretary)	101	0.00	-	-	-	101	0.00	101	0.00

% Appointed w.e.f. 15.05.2019 # Resigned w.e.f. 09.08.2019 $ Retired w.e.f. 30.10.2019

* Ceased to be Director w.e.f. 04.08.2019 pursuant to completion of two terms as an Independent Director.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,300	-	-	1,300
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total [(i)+(ii)+(iii)]	**1,300**	**-**	**-**	**1,300**
Change in indebtedness during the financial year		**-**	**-**	
• Addition	5,112	-	-	5,112
• Reduction*	3,072	-	-	3,072
Net Change	**2,040**	**-**	**-**	**2,040**
Indebtedness at the end of the financial year		**-**	**-**	
i) Principal Amount	3,322	-	-	3,322
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18	-	-	18
Total [(i)+(ii)+(iii)]	**3,340**	**-**	**-**	**3,340**

* Includes transaction cost of Rs. 46 Lakhs

The above numbers of indebtedness do not include short term borrowings disclosed under current liabilities-borrowings in the financial statement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:

(Rs. in lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Balkrishan Goenka-Chairman (Executive)	Mr. Sandeep Garg- Managing Director	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	750	360%	1,110
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	155.80	155.80
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options *	Nil	Nil	Nil
3.	Sweat equity	N.A.	N.A.	N.A.
4.	Commission - As % of profit - Others, specify....	2%#	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	750	515.80	1,265.80
	Ceiling as per the Act	Within the limits prescribed under the Companies Act, 2013		

* Included in the value of perquisites u/s 17(2) Income Tax Act, 1961

Commission has been provided for in the financial statement of the Company.

% Include Rs. 120 lakhs paid from Associate Company

B. Remuneration to other directors:

(Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total amount
		Mr. Mohan Tandon	Mr. Dhruv Kaji*	Ms. Mala Todarwal#	Dr. Aruna Sharma	Mr. Raghav Chandra@	
1.		Independent Directors					
	• Fee for attending board/ committee meetings	8.67	1.86	0.90	7.69	5.14	**24.26**
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	**8.67**	**1.86**	**0.90**	**7.69**	**5.14**	**24.26**
2.		Other Non-Executive Directors					
	• Fee for attending board/ committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1 + 2)	**8.67**	**1.86**	**0.90**	**7.69**	**5.14**	**24.26**
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rs. one lakh per meeting of the Board or committee thereof.)					

* Resigned w.e.f. August 9, 2019 @ Appointed w.e.f. May 15, 2019

Ceased to be Director on completion of second term as Independent Director w.e.f. August 4, 2019

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director:

(Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shriniwas Kargutkar, Chief Financial Officer*	Ms. Priya Pakhare, Company Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	85.22	15.70	100.92
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**85.22**	**15.70**	**100.92**

* Retired w.e.f. October 31, 2019

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.: (i) Education; (ii) Empowerment of women; and (iii) Environment and Health.

These 3E's are implemented through:

- The programs organized by a trust, Welspun Foundation for Health and Knowledge created by the group;
- Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
- Facilitating Government initiatives.

The Company's CSR Policy is disclosed on the website of the Company www.welspunenterprises.com , a web-link of which is as under: http://www.welspunenterprises.com/userfiles/file/CSR%20Policy%20-.pdf

2. The Composition of the CSR Committee

The Committee comprises of the following three directors as on date of this Report:
1) Dr. Aruna Sharma– an Independent Director as the Chairman (appointed w.e.f. February 12, 2020); 2) Mr. Mohan Tandon – Member; 3) Mr. Rajesh Mandawewala -Member; and 4) Mr. Sandeep Garg -Member, Ms. Priya Pakhare -Company Secretary acted as the Secretary to the Committee.

3. Average net profit/loss of the Company for last three financial years: Rs. 8,417 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 168 lakh

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year: Rs. 168 lakh

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) project or programs wise (Rs.)	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure. up to the date of reporting period	Amount spent : Direct or through implementing agency
1	Women Health Awareness Program	Promoting Healthcare	Amravati & Devas Maharashtra	-	9.62	9.62	Direct
2	Training of women for Aajevika Centre	Empower -ment of Women	Saranpur - U.P. and Amravati & Devas - Maharashtra	-	18.08	18.08	Direct
3	Fodder Distribution	Promoting Environment Sustainability	Kutch - Gujarat	-	8.15	8.15	Direct
4	Installation of RO Plants in 4 schools	Promoting Education	Kutch - Gujarat	-	2.38	2.38	Direct

(1) Sr No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (Location)	(5) Amount Outlay (Budget) project or programs wise (Rs.)	(6) Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	(7) Cumulative expenditure. up to the date of reporting period	(8) Amount spent : Direct or through implementing agency
5	Tree Plantation	Promoting Environment Sustainability	Anjar, Kutch – Gujarat	-	62.11	62.11	Direct
6	Sponsorship to Sports Persons	Empowering Women	Maharashtra	-	60.00	60.00	Direct
7	Staff Salaries Staff Welfare and other Administrative Expense	CSR capacity building of own personnel	Anjar, Kutch and Vapi - Gujarat, Mumbai	-	7.66	7.66	Direct
		Total			**168**	**168**	

6. It is hereby confirmed by and on behalf of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on Behalf of the Board

Sandeep Garg
Managing Director
DIN: 00036419

Aruna Sharma
Chairman - CSR Committee
DIN : 06515361

Place: Mumbai
Date: June 1, 2020

Corporate Governance Report

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors of the Company acts as trustee and assumes fiduciary responsibility of protecting the interests of the Company, its members and other stakeholders. The Board supports the broad principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy. Except Mr. Balkrishan Goenka and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

The composition and category of directors and relevant details relating to them are given below:

Sr. No.	Name of the Director	Category	Board Meetings attended during FY 2019-20	Attendance at the 25th AGM	Directorship on the Board of other Companies			Membership/ Chairpersonship in No. of Board /Committees including other Companies (as last declared to the Company)@	No. of equity shares held in the Company
					Public	Private	Other Body Corporate		
1)	Mr. Balkrishan Goenka	C, P, E	7/7	No	9	1	3	1C,2M	84
2)	Dr. Aruna Sharma	I	7/7	Yes	3	1	-	1C,2M	-
3)	Mr. Mohan Tandon	I	7/7	Yes	1	-	-	1C,3M	-
4)	Mr. Raghav Chandra*	I	5/6	Yes	2	-	-	2M	-
5)	Mr. Rajesh R. Mandawewala	P, NE	2/7	Yes	9	7	1	5M	120
6)	Mr. Sandeep Garg - Managing Director	E	7/7	No	7	-	-	1M	18,00,000
7)	Mr. Dhruv Subodh Kaji$	I	2/3	No	-	-	-	-	-
8)	Ms. Mala Todarwal#	I	2/3	No	-	-	-	-	-

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee alone considered

* Appointed w.e.f. May 15, 2019 $Resigned w.e.f. August 09, 2019

\# Ceased to be Director on completion of second term of appointment as Independent Director w.e.f. August 04, 2019

Abbreviations:

P = Promoter/Promoter Group; E = Executive Director; NE = Non-Executive Director; I = Independent Non-Executive; C = Chairman; and M= Member.

7 meetings of the Board of Directors were held during the financial year 2019-20 on the following dates: April 16, 2019, May 15, 2019, August 1, 2019, October 30, 2019, January 8, 2020, February 12, 2020 and March 19, 2020.

In addition to the above, a meeting of the Independent Directors was held on March 19, 2020 in compliance with Section 149(8) read with Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said meeting was attended by all the Independent Directors of the Company.

It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. Further, there is no relationship between the directors inter-se.

The names of the listed entities where the person is a director and the category of directorship and matrix of the skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and directors who have such skills / expertise / competence. Details of current members of the Board is given below:

Sr. No.	Name of the Director(s)	Skills/expertise/competence	Names of the other listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
1	Mr. Balkrishan Goenka	Leading figure in textile and steel industry, Strategy and Business Management	Welspun India Limited, Welspun Corp Limited and Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)	Non-Independent	N.A.
2	Dr. Aruna Sharma	Retd. IAS Officer with areas of specialisation - Information Technology and its use in Banking, Big Data & Cyber Security, Steel and Core Sector, Business Models, Convergence of Resources for Outcome and Rural Development.	Jindal Steel and Power Limited	Independent	N.A.
3	Mr. Mohan Tandon	Professional with experience in Organization Restructuring and designing Productivity-oriented Incentive Schemes.	AYM Syntex Limited	Independent	N.A.
4	Mr. Raghav Chandra	Retd. IAS Officer with areas of specialization- (1) Infrastructure Development and Public-Private Partnerships, (2) Urban Infrastructure, Housing and Public-Private Partnerships, (3) Industrial Infrastructure and Public-Private Partnerships, (4) International Trade, Industry, Business and Finance, (5) Investment Promotion and Corporate Marketing and (6) Governance and Services Management	Vardhman Special Steels Limited	Independent	N.A.
5	Mr. Rajesh R. Mandawewala	Leading figure in textiles and Steel, believes in driving innovation through continuous research and product developments.	Welspun India Limited, AYM Syntex Limited and Welspun Corp Limited	Non-Independent	N.A.
6	Mr. Sandeep Garg	Prominent figure in the industry with long and varied experience of over three decades in engineering and construction of infrastructure in road, elevated roads, power, irrigation, railways, buildings and oil & gas.	-	Non-Independent	N.A.
7	Mr. Dhruv Kaji*	-	-	Independent	Resigned due to personal reasons
8	Ms. Mala Todarwal#	-	-	Independent	Ceased to be director on completion of second term as Independent Director

* Resigned w.e.f. August 09, 2019

Ceased to be Director on completion of second term of appointment as Independent Director w.e.f. August 04, 2019

The directors who ceased to be member of the Board have confirmed that there are no other material reasons other than those provided in the resignation letter submitted to the Company.

The policy on Company's familiarization program (for independent directors) is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is: http://welspunenterprises.com/userfiles/file/Familiarisation%20program%20WEL(LODR).PDF

III. AUDIT COMMITTEE

The Committee comprises of 4 non-executive directors with majority of members having accounts and finance background. Majority of the members of the Committee are independent directors.

The composition of the Committee as on the date of this report and attendance of members for meetings held during the financial year 2019-20 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon*	Chairman	7/7
Dr. Aruna Sharma	Member	7/7
Mr. Rajesh Mandawewala	Member	2/7
Mr. Raghav Chandra#	Member	-
Mr. Dhruv Kaji$	Chairman	-

* Appointed as Chairman w.e.f. August 9, 2019
# Appointed as Member w.e.f. February 12, 2020
$ Resigned w.e.f. August 9, 2019

The Company Secretary of the Company, Ms. Priya Pakhare acts as the Secretary to the Committee.

7 meetings of the Audit Committee were held during the financial year 2019-20 on the following dates: April 16, 2019, May 14, 2019, May 15, 2019, July 31, 2019, October 30, 2019, January 8, 2020 and February 12, 2020.

None of the recommendations made by the Audit Committee were rejected by the Board.

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

IV. DETAILS OF ESTABLISHMENT OF VIGIL MECHANSIM FOR DIRECTORS AND EMPLOYEES

The Company has a Whistle Blower Policy and Vigil Mechanism for its employees and other stakeholders and no personnel has been denied access to the Audit Committee Chairman.

V. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee consisting of non-executive directors, majority of which are independent directors. During the year under review, 4 meetings of the Committee were held on May 14, 2019, July 31, 2019, December 12, 2019 and January 3, 2020.

Terms of reference: To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

Composition of Committee:

The composition of the Committee as on the date of this report and attendance of the members for meetings held during the financial year 2019-20 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon	Chairman	4/4
Mr. Raghav Chandra#	Member	2/2
Mr. Rajesh Mandawewala	Member	2/4
Mr. Dhruv Kaji$	Member	-

$ Resigned w.e.f. August 9, 2019
# Appointed w.e.f. August 9, 2019

Remuneration Policy:

The Company follows the Nomination and Remuneration Policy for appointment of, payment of remuneration to, and performance evaluation of directors, key managerial personnel and senior management personnel which, inter alia, sets out the criteria for performance evaluation of independent directors. The salient features of the policy are as under:

- The Nomination and Remuneration (NRC) Committee shall be constituted from amongst the directors serving on the Board of Directors of the Company to recommend appointment of, payment of remuneration to and performance evaluation of directors, Key Managerial Personnel and Senior Management officials, to the Board of Directors.

- While appointing any person as director, important aspects like business of the Company; strength, weakness, opportunity and threats to Company's business; existing composition of the board of directors; diversity in background of existing directors; background; skills; expertise and qualification possessed by persons being considered and specific requirements under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board shall be taken into consideration.

- While identifying persons who may be appointed as independent directors, their qualifications and suitability shall be reviewed to ensure that such candidates will be able to function as directors 'Independently' and avoid any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

- While recommending appointment of any candidate as Key Managerial Personnel or as a part of senior management, factors such as expectations of the role of the position being considered, qualification, skill, expertise, background, human qualities such as abilities to perform as a part of a team, emotional quotient, etc. shall be taken into consideration.

- The NRC Committee shall recommend remuneration payable to directors, Key Managerial Personnel and senior management personnel taking into consideration top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit.

- The NRC Committee shall further co-ordinate the process of evaluation of performance of directors (including Independent Directors), various committees of the Board and the Board as required under section 178 of the Companies Act, 2013.

The Company's Nomination and Remuneration Policy as required under Section 178(3) of the Companies Act, 2013 is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under: http://welspunenterprises.com/userfiles/file/Nomination%20and%20Remuneration%20Policy.pdf

VI. REMUNERATION OF DIRECTORS

Refer point no. 18 of the Directors' Report.

VII. SHARE TRANSFER, INVESTORS' GRIEVANCE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee is constituted in accordance with the Section 178 of the Companies Act, 2013 and the Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into transfer of securities and redress investor's complaints and to review the functioning of the investors grievance redressal system.

The Chairman of the Committee is a non – executive & Independent Director. The composition of the Committee as on the date of this report is given hereunder:

Name of the Member	Member / Chairman
Dr. Aruna Sharma*	Chairman
Mr. Mohan Tandon	Member
Mr. Raghav Chandra#	Member
Mr. Sandeep Garg	Member
Mr. Dhruv Kaji$	Member

$ Resigned w.e.f. August 9, 2019
# Appointed w.e.f. February 12, 2020
* Appointed w.e.f. August 9, 2019 and as Chairman w.e.f. February 12, 2020

Ms. Priya Pakhare, Company Secretary acts as the Compliance Officer.

During the year under review, no complaint was received from any of the shareholders of the Company.

VIII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition and the terms of reference of the Corporate Social Responsibility Committee is as required under Section 135 of the Companies Act, 2013 and the rules made thereunder.

The composition of the Committee as on the date of this report is given hereunder:

Name of the Member	Member / Chairman
Dr. Aruna Sharma*	Chairman
Mr. Mohan Tandon	Member
Mr. Rajesh Mandawewala	Member
Mr. Sandeep Garg	Member

* Appointed w.e.f. February 12, 2020

IX. GENERAL BODY MEETINGS

The details of Annual General Meetings held and special resolutions passed in the last three years are given hereunder:

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
25th Annual General Meeting	Monday 12th August, 2019	12:30 p.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Appointment of Dr. Aruna Sharma (DIN:06515361), as an independent director. • Appointment of Mr. Raghav Chandra (DIN:00057760), as an independent director. • Authority to the Board of Directors to mortgage, hypothecate, pledge and/or charge or create any security interest to secure borrowings pursuant to Section 180(1)(a) upto amount not exceeding aggregate of the paid up capital plus free reserves plus securities premium plus Rs. 6,000 crore. • Authority to borrow (apart from temporary loans including working capital facilities obtained from the Company's banker/lenders in the ordinary course of business) pursuant to Section 180 (1)(c) of the Companies Act, 2013 upto amount not exceeding aggregate of the paid up capital plus free reserves plus securities premium plus Rs. 3,500 crore. • Borrowing by offer of issue of securities on a private placement basis.
24th Annual General Meeting	Tuesday, 14th August, 2018	12:30 p.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Revision in remuneration of Mr. Balkrishan Goenka (DIN: 00270175) • Borrowing by offer of issue of securities on a private placement basis. • Shifting of the Registered Office from the State of Gujarat to the State of Maharashtra • Modification of WEL-ESOP Scheme 2017
23rd Annual General Meeting	Thursday, 28th September, 2017	11:30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Appointment of Mr. Dhruv Kaji as Independent Director. • Re-appointment of Mr. Sandeep Garg as Managing Director of the Company. • Increase in remuneration of Mr. Balkrishan Goenka. • Approval of Employee Stock Option Plan 2017. • Alteration of Articles of Association by way of deletion of Article 241 relating to Investor's rights.

- During the year under Report, resolutions which were passed through postal ballot are as follows:

Procedure for postal ballot:

Procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 was followed. The postal ballot and all other papers relating to postal ballot including voting by electronic means, remained under the safe custody of the scrutinizer till the Chairman considered, approved and signed the minutes and thereafter, the scrutinizer returned the ballot papers and other related papers and register to the Company for preservation. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company.

Details of voting pattern on the resolutions, proposed through Postal Ballot Notice dated February 12, 2020 were as under:

Sr. No.	Resolution	Type of Resolution	No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against	Who conducted the postal ballot exercise
1.	Re-classification of Intech Metals S.A., a foreign co-promoter from "Promoter" category to the "Public" category.	Ordinary	3,585,909	3,583,325	2,584	99.93	0.07	Mr. Mihen Halani of M/s. Mihen Halani & Associates, Company Secretaries

X. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited/audited financial results in Kutch Mitra and Kutch Uday (Gujarati edition) and Financial Express (English Edition).

These results are simultaneously posted on the website of the Company at www.welspunenterprises.com. The official press release and the presentations made to institutional investors or to the analyst are also available on the website of the Company.

XI. GENERAL SHAREHOLDER INFORMATION

a) **Annual General Meeting:** shall be held on Tuesday, June 30, 2020 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

b) **Financial Year:** of the Company is 1st April to 31st March.

c) **Date of Book Closure:** Saturday, June 13, 2020 to Monday, June 15, 2020 (both days inclusive).

d) **Dividend payment date:** From Tuesday, June 30, 2020 onwards.

e) Listing on Stock Exchanges: The equity shares of the Company are listed on:

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock code/ symbol for equity shares	Whether Annual Listing Fee paid for FY 2019-20	Whether share suspended from trading during FY 2019-20
1.	National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	WELENT; Series: EQ	Yes	No
2.	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	532553	Yes	No

Note: ISIN No. (For dematerialized shares) : INE625G01013

The unsecured Commercial Papers amounting to Rs. 75 crore are listed on the National Stock Exchange of India Limited on March 27, 2020.

f) Stock Market price data, high and low price of equity shares during each month in FY 2019-20 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2019	124.90	108.00	125.00	107.25
May, 2019	142.35	103.80	142.50	104.00
June, 2019	137.20	123.50	137.05	123.40
July, 2019	135.65	99.80	135.90	99.80
August, 2019	105.90	83.60	106.10	83.65
September, 2019	104.00	87.55	104.50	87.40
October, 2019	98.10	83.75	98.50	82.00
November, 2019	90.60	70.30	90.50	70.10
December, 2019	83.80	69.95	84.45	69.55
January, 2020	100.10	76.45	100.20	76.30
February, 2020	86.40	65.75	86.30	62.50
March, 2020	75.20	33.35	75.15	33.15

g) Performance in comparison to broad-based indices i.e. BSE - Sensex and NSE - S&P Nifty are as under:

Month	BSE Index (Sensex)	BSE Closing price of Share (Rs.)	NSE (S&P Nifty)	NSE Closing price of Share (Rs.)
April, 2019	39,031.55	111.70	11,748.15	112.35
May, 2019	39,714.20	131.55	11,922.80	131.25
June, 2019	39,394.64	133.10	11,788.85	133.05
July, 2019	37,481.12	101.30	11,118.00	101.45
August, 2019	37,332.79	90.05	11,023.25	89.90
September, 2019	38,667.33	94.55	11,474.45	94.85
October, 2019	40,129.05	86.25	11,877.45	86.15
November, 2019	40,793.81	84.45	12,056.05	84.35
December, 2019	41,253.74	76.50	12,168.45	76.30
January, 2020	40,723.49	79.90	11,962.10	79.95
February, 2020	38,297.29	66.25	11,201.75	65.90
March, 2020	29,468.49	40.90	8,597.75	39.75

h) Registrar and Transfer Agent: The Company has appointed Registrar and Transfer Agent to handle the share transfer / transmission work and to resolve the complaints of shareholders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder :

Link Intime India Private Limited
Unit : Welspun Enterprises Limited
C-101, 247 Park, L.B. S. Marg,
Vikhroli (West), Mumbai – 400 083.
Email - rnt.helpdesk@linkintime.co.in
Tele. No.: +91-22- 4918 6270
Fax No. : +91-22– 4918 6060

i) Share Transfer System: Our Registrar and Transfer Agent registers securities sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within two weeks.

j) Distribution of Shareholding:

Shareholding Pattern as on March 31, 2020

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	45,172	87.13	4,951,089	3.34
501-1,000	3,046	5.88	2,362,698	1.59
1,001-2,000	1,590	3.07	2,375,897	1.60
2,001-3,000	605	1.17	1,545,529	1.04
3,001-4,000	281	0.54	1,006,187	0.68
4,001-5,000	255	0.49	1,208,625	0.81
5,001-10,000	430	0.83	3,186,232	2.15
10,001 and above	459	0.89	131,821,799	88.79
Total	**51,838**	**100**	**148,458,056**	**100**

k) De-materialization of shares and liquidity: As on March 31, 2020, 99.84% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

l) Outstanding Employee Stock Options, Conversion date and likely impact on equity share capital is as under:

Outstanding as on 31.03.2020	Conversion Date	Likely impact on equity share capital
20,75,000 Stock Options carrying right to subscribe for equal number of equity shares in the Company	The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1st to 4th anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.	Increase in equity capital by 20,75,000 equity shares of Rs. 10/- each.

m) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments / fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad.

Facilities	Rating Agency	Credit Rating at the beginning of the year	Change in the Credit Rating as the end of the year
Non-Convertible Debentures	Brickwork Ratings India Private Limited. / Acuite Ratings & Research	BWR AA (SO) ACUITE AA (SO)	Withdrawn
Commercial Papers	Credit Analysis & Research Limited / Brickwork Ratings India Private Limited	CARE A1+	CARE A1+ / BWR A1+

During May 2020, Brickwork Ratings India Private Limited and Acuite Ratings & Research have issued fresh rating of BWR AA - (Stable) & Acuite AA - (Stable) respectively for NCD issuance of Rs 375 Crore.

n) Project locations of the Company and its Subsidiaries:

- **Company**

Sr. No.	Company	Location	State	Nature of Business	Remark
1	Welspun Enterprises Limited	Mohali	Punjab	Project- EPC	COD achieved on 12 Oct 19. Under O&M
2	Welspun Enterprises Limited	Delhi	Delhi	Project- EPC	COD achieved on 28 June 18
3	Welspun Enterprises Limited	Aunta-Simaria	Bihar	Project- EPC	-
4	Welspun Enterprises Limited	Chutmalpur-Ganeshpur and Rorkee-Chutmalpur-Gagalheri	Uttar Pradesh & Uttarakhand	Project- EPC	-
5	Welspun Enterprises Limited	Gagalheri-Sahranpur-Yamunanagar	Uttar Pradesh	Project- EPC	-
6	Welspun Enterprises Limited	Chikhali – Tarsod	Maharashtra	Project- EPC	-
7	Welspun Enterprises Limited	Sattanathapuram Nagapattinam	Tamil Nadu	Project- EPC	-
8	Welspun Enterprises Limited	Amaravati Akola-	Maharashtra	Project- EPC	-

- **Subsidiaries**

Sr. No.	Company	Location	State	Nature of Business	Remark
1	Dewas Waterprojects Works Private Limited	Dewas	Madhya Pradesh	Project- BOT	Provisional COD received from MPSIDC on 30.04.19 and O&M has started
2	Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)	Himmatnagar	Gujarat	Project- BOT	Currently project is operational
3	Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor) Private Limited)	Kim Mandvi	Gujarat	Project- BOT	Project handed over to GSRDC on 07.04.18

Sr. No.	Company	Location	State	Nature of Business	Remark
4	Welspun Delhi Meerut Expressway Private Limited	Delhi	Delhi	Project-Hybrid Annuity	-
5	Welspun Aunta-Simaria Project Private Ltd	Aunta - Simaria	Bihar	Project-Hybrid Annuity	-
6	Welspun Sattanathapuram Nagapattinam Road Private Limited	Sattanathapuram Nagapattinam	Tamil Nadu	Project-Hybrid Annuity	-
7	Welspun Road Infra Private Limited	Amaravati Akola-	Maharashtra	Project-Hybrid Annuity	-

o) Disclosure of shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Refer to point No. 9(f) to the Directors' Report.

p) Address for correspondence

The Company Secretary,
Welspun Enterprises Limited
Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Tel: +91-22-66136000; +91-22-24908000, Fax: +91-22-24908020 /21
e-mail: companysecretary_wel@welspun.com

XII. OTHER DISCLOSURES

a) Related Party Transactions

For materially significant related party transactions, refer Note No. 50 of Notes to Accounts annexed to the Standalone Financial Statement and Annexure 5 to the Directors' Report.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website and a web link thereto is as under:
http://welspunenterprises.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf

b) Disclosure pursuant to Regulation 34 (3) of the SEBI (LODR), 2015

For disclosures pursuant to Regulation 34(3), refer Note No. 56 of Notes to Accounts annexed to the Standalone Financial Statement.

c) Non-Compliance

There was no non-compliance by the Company and hence no penalty or stricture was imposed / passed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital market, during the last 3 years.

d) Policy for determining 'material' subsidiaries

The Company's policy on determining material subsidiaries as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:
http://welspunenterprises.com/userfiles/file/Policy%20for%20governance%20of%20Material%20and%20other%20Subsidiaries.pdf

e) Details of compliance with Corporate Governance Requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

The Company is in compliance with mandatory requirements mentioned under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable and in addition the Company adopted non-mandatory requirement mentioned at (C) – "Modified Opinion(s) in Audit Report", (D) – "Separate posts of chairperson and chief executive officer"; and (E) – "Reporting of Internal Auditor" of Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) Disclosure of commodity price risks and commodity hedging activities

The Company enters into contracts with clients with provision for contract price escalation based on CPI and WPI movements. We enter into subcontracts on the same terms on price escalation with our subcontractor(s). Any actual escalation beyond the agreed terms is undertaken by the subcontractor(s). Thus, the Company is insulated from the risk of the commodity price fluctuation.

Please refer para on "Key Risks" the Management Discussion and Analysis for other risks.

g) Code of Conduct for Board and Senior Management

The Company has a Code of Conduct for Board members and senior management personnel. The Code has been put on the Company's website for information of all the members of the Board and management personnel.

All Board members and senior management personnel have affirmed compliance of the same.

A declaration signed by the Managing Director of the Company is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2019-20."

Sandeep Garg
Managing Director
DIN: 00036419

CERIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To
The Members,
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920

We have examined the compliance of conditions of Corporate Governance by Welspun Enterprises Limited for the year ended on March 31, 2020, as stipulated in Clause E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations as given to us , we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We state that in respect of investors' grievances received during the year ended March 31, 2020, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2020, there was no investors' grievance remaining unattended/pending to the satisfaction of the investor.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mihen Halani & Associates
Practicing Company Secretary

Place: Mumbai
Date: June 1, 2020
UDIN: F009926B000306299

Mihen Halani
C.P. No. 12015
FCS No. 9926

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Welspun Enterprises Limited

CIN: L45201GJ1994PLC023920

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun Enterprises Limited bearing CIN-L45201GJ1994PLC023920 and having registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Balkrishan Goenka	00270175	27.04.2010
2	Dr. Aruna Sharma	06515361	29.01.2019
3	Mr. Mohan Tandon	00026460	31.01.2012
4	Mr. Rajesh R. Mandawewala	00007179	06.07.2012
5	Mr. Sandeep Garg	00036419	16.07.2012
6	Mr. Raghav Chandra	00057760	15.05.2019

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mihen Halani & Associates
Practicing Company Secretary

Place: Mumbai
Date: June 1, 2020
UDIN: F009926B000306200

Mihen Halani
C.P. No. 12015
FCS No. 9926

Business Responsibility Report

About the Report

The Business Responsibility Report of Welspun Enterprises Limited ("WEL") follows the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' as notified by Ministry of Corporate Affairs (MCA), Government of India. This Report has been developed as per SEBI notification SEBI/LAD-NRO/GN/2019/45 that extends the requirement of submitting BRR as a part of annual reports to top 1000 listed companies based on market capitalization. It covers topics across environment protection, human rights, governance and stakeholders Relationships, community contributions to disclose the responsible business practices undertaken by WEL.

Section A: General Information about the Company

1) Corporate Identity Number (CIN) of the Company: L45201GJ1994PLC023920
2 Name of the Company: Welspun Enterprises Limited.
3) Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110
4) Website: www.welspunenterprises.com
5) E-mail id: companysecretary_wel@welspun.com
6) Financial Year Reported: Financial year 2019-20
7) Sector(s) that the Company is engaged in (industrial activity code-wise): Construction and maintenance of roads and highways utilities, etc. NIC Industrial Activity Code: 42101.
8) List three key products/services that the Company manufactures/provides (as in balance sheet)

   - The Company is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis). It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.
9) Total number of locations where business activity is undertaken by the Company:

   - Number of International Locations: Nil

   - Number of National Locations: The Company has business activities undertaken in six states in India viz., Maharashtra, Bihar, Punjab, Uttarakhand, Uttar Pradesh and Tamil Nadu. In addition to this, there are offices located at Mumbai and New Delhi.
10) Markets served by the Company: National level markets in India

Section B: Financial Details of the Company

1.	Paid Up Capital (INR)	₹ 14,846 lakhs
2.	Total Turnover (INR)	₹ 176,005 lakhs
3.	Total Profit after Taxes (INR)	₹ 15934 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	₹ 168 lakhs (i.e. 1.054% as percentage of Profit after Tax. As per the section 135 of the companies Act, 2013, the CSR spend is 2% of the average net profits of the previous three financial years.)
5.	List of activities in which expenditure in 4 above has been incurred:	Donations towards: (a). Livelihood and skill development (b). Healthcare For further information, please refer to Principle 8

- **Section C: Other Details**
- Does the Company have any Subsidiary Company/ Companies?

  - Yes. As of 31st March 2020, the company has 14 subsidiary companies as listed below:

➢ Welspun Natural Resources Private Limited

➢ Welspun Project (Himmatnagar Bypass) Private Limited (Formerly known as known as MSK Projects (Himmatnagar Bypass) Private Limited)

➢ Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor) Private Limited)

➢ ARSS Bus Terminal Private Limited

➢ Welspun Delhi Meerut Expressway Private Limited

➢ Dewas Waterprojects Works Private Limited

➢ Welspun Build-Tech Private Limited

➢ Welspun Aunta - Simaria Project Private Limited

➢ Welsteel Enterprises Private Limited

➢ DME Infra Private Limited

➢ Welspun Sattanathapuram Nagapattinam Road Private Limited

- Welspun Road Infra Private Limited
- Welspun Amravati Highways Private Limited
- Welspun Infrafacility Private Limited

■ Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

- No. The subsidiaries actively manage and carry out their own BR initiatives, which are in line with the policies, vision and mission of the Welspun Group.

■ Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

- No. However WEL encourages its suppliers and vendors to participate in the BR initiatives of the company. The third-party contractors who work with WEL are required to abide by the Code of Conduct and Ethics of the Welspun Group which highlights principles on ethical business practices, protection of human rights and compliance with all applicable laws including the labour laws.

Section D: BR Information

■ Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN Number	Designation
Mr. Sandeep Garg	00036419	Managing Director

b) Details of the Business Responsibility Head

DIN Number (if applicable)	00036419
Name	Mr. Sandeep Garg
Designation	Managing Director
Telephone number	+91 22 6613 6000
e-mail id	CompanySecretary_WEL@welspun.com

■ Principle-wise (as per NVGs) BR Policy/policies

a) **Details of compliance**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y*
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		The policies that have been formulated are in line with the applicable national standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs Government of India.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		The Code of Conduct for Board of Directors and Senior Management, Corporate Social Responsibility Policy, Whistle Blower Policy and Vigil Mechanism, Ethics and Compliance Policy and Procedures Manual and other statutory policies have been approved by the Board. The relevant policies are administered by the Departmental Heads who report to the Management of the Company who is responsible for monitoring policy implementation.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		WEL has appointed the Managing Director who is also the BR Head and responsible for implementation of BR policies and to oversee the BR performance								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		The policies can be viewed on the website of the Company at www.welspunenterprises.com. All the policies are made available for all employees of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		The queries regarding to BR polices can be sent to CompanySecretary_WEL@welspun.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y*
		WEL has various kinds of audits carried out like Internal Audit, Vendor Audit, Compliance Audit, etc. that are independent and cover specific policies. These audits and evaluations are conducted external agencies as well as by internal teams in line with the Code of Conduct.								

*WEL is a tender based company involved with developing road and highway infrastructure projects and does not involve any manufacture of goods for consumers.

■ Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

- The BR performance of WEL is reviewed annually by the Board of Directors.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- Yes, the Business Responsibility Report has been published along with the Annual Report of WEL for Financial year 2019-20 and it can be viewed at: www.welspunenterprises.com

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

At WEL, we are driven by the philosophy of "Leading Tomorrow Together" and are committed towards ethical and transparent business practices. The Board of Directors play an important role in monitoring Company's activities with high standards of integrity. The Code of Conduct for Board Members and Senior Management, the Ethics and Compliance Policy and Procedures and the Code of Conduct and Ethics are a testimony to our committed to adhere to the highest standards of ethical, moral and legal conduct in all our business operations. These policies guide all officers, directors, employees and representatives on compliance with anti-corruption, anti-bribery, conflict of interest, unethical conduct, laws & regulations, etc. These values further guide us in strengthening trust with our partners and enhance stakeholder value.

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

  - No, the Code of Business and Ethics, ECCP Manual and Whistleblower Policy extends to all employees of Welspun Group, including the Board of Directors and any third parties that WEL engages in the course of its business.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

  - WEL has implemented a Whistleblower Policy across the organization to encourage employees to report on any actual or potential violation of the legal & regulatory requirements, incorrect or misrepresentation of any financial statements and to act with honesty and integrity. A Vigil Mechanism has also been set up to investigate and take measures against ethical violations such as corruption and bribery. Transparency and accountability are crucial to enhance stakeholder trust and the grievances of investors and shareholders are reviewed on a periodic basis by the Stakeholders Relationship Committee. All the complaints received are thoroughly investigated and systematically resolved. During the reporting year, there have been no complaints from investors, shareholders and employees regarding ethics and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

WEL ensures that environment, health, and safety aspects are taken into consideration at the planning stage itself for all our infrastructure projects. Sustainability aspects, including energy and resource conservation are integrated into our engineering and design phase. Material recycling and use of alternate materials are practiced by our infrastructure business wherever possible as we follow strict design requirements. We employ and engage with the best vendors and contractors who demonstrate superiority and excellence in projects.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

  - In all our highway projects environment and social concerns play a key role in planning and execution stages.

  a) Environmental Planning

  For highway construction we install Crushers, Ready Mix Concrete Plant, Hot Mix Plants etc. with the required approvals from respective pollution control boards. These plants are operated under controlled conditions ensuring minimum impact on environment. These plants are equipped with bag filters for pollution control and the parameters are monitored periodically to ensure compliance.

  In some cases, tree clearance is required that could be an impediment in our project operation. Appropriate consent is obtained from the authorities before carrying out such activities. We involve the Forest Department in this process and pay necessary compensation for tree clearance. WEL undertakes efforts to protect trees at sites by also considering the possibility of slight change in the design plan.

  b) Safety Planning

  At the start of every project, a detailed HSE Plan is developed depending on the risk exposure and methodology planned to execute the project. Through safety planning, two key areas of safety have been identified – safety during construction and safety of road users. To achieve this, we observe the following procedures:

  i) **Risk Assessment:** Before start of any activity, a risk assessment is conducted involving all the key persons from WEL and contractors. All hazards are identified in this process along with the controls required. The processes to be followed and recording systems are identified for each hazard.

ii) HSE Inspection: Systematic Inspections of the plant, equipment and workplace is performed on regular basis by HSE team and any identified issues are promptly addressed by the contractor.

iii) Diversions on Road: A diversion plan is required for constructing bridges, underpasses etc. It mainly involves provision of signs, diversion boards provision of blinkers etc. Advance planning is performed, and the diversion plan is prepared which is submitted for approval by IE / NHAI.

iv) Toolbox Talk: Daily toolbox talk is conducted wherein the controls are communicated to all workmen to ensure that the required PPE's are available and being used by them

v) Walk through Inspection: Fortnightly walk through inspections are performed by WEL and the contractors' team along with HSE personnel at sites to check compliance at the sites. Prompt actions are initiated in-case activities are not performed as per plan and observations of sub-standard work practices.

vi) HSEQ Committee Meeting: Monthly HSEQ Committee meetings are conducted with a structured agenda along with suitable action plans, accountability and target dates. These meetings involve key members from WEL project teams, HSE team and representatives for the contractors for corrective actions and performance monitoring against target dates.

vii)Near Miss Reporting: We promote near miss reporting for all WEL employees, contractors, engineers, supervisors and workmen. These reported near miss cases are evaluated to prevent similar cases from reoccurring.

Accident / Incident Investigation: Due to human error or equipment failure at times there are certain accidents that take place. A detailed investigation is performed to determine a reason for the accident involving all the concerned personnel's from both the company and the contractor's side and suitable actions are determined to correct the gaps.

viii) Training: Training provided to workers and employees improves compliance, safety, awareness, performance and effectiveness of project execution. All new joiners are provided induction training and we have developed flip charts as reference for workmen in the field.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

  a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

  b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

  - WEL focuses only on Project Management Consultancy (PMC), ensuring quality, safety and timely completion of the projects and we outsource the construction to the best suited sub-contractor. However, we encourage and collaborate with them to take adequate measures to ensure efficient use of the raw materials, conservation of water, waste management and energy reduction during the design as well as implementation stages of our infrastructure projects.

- Does the company have procedures in place for sustainable sourcing (including transportation)?

  a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

  - WEL conducts business activities in a safe and sustainable manner. All work practices, procedures and production endeavours comply with the highest health, safety and environment standards as per the Industry norms, Government and relevant statutory bodies. Our contractors are encouraged to source construction material like sand, stone aggregates etc. locally which helps in reducing transportation costs. As we abide to delivering high quality and engineering excellence, there is limited scope for sourcing different types of materials locally.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

  a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

  - We also specialize in external liaison and implement the most modern methods and equipment for civil engineering work. Our sub-contractors act as our business partners, we have developed a potential pipeline of reputed contractors, which is leveraged for efficient project execution. They are selected on the basis of their capabilities and specialization in construction of roads and bridges. We not only handhold them during the construction phases, but also share best practices for them to improve their processes.

In activities where we require un-skilled manpower use of local manpower is preferred providing them with employment opportunities. Through this process they gain skills and derive benefits working with us.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- We understand the impact of the waste generated on the environment and strive to minimize the generation of waste through a robust disposal mechanism. WEL has set up onsite treatment and appropriate measures for waste management. We have taken efforts to improve utilization of recycled material, reduce loss, increase operational efficiency thus ensuring optimum use of materials. Promotion of recycling is also done in an economical, ecological and efficient manner. The waste generated from our operations along with the disposal mechanism is mentioned below:

Waste Type	Usage/ Activities	Disposal Mechanism
Steel Scrap	It constitutes mainly Rebar steel cut pieces and damaged shuttering material	Sent to recyclers which further goes for re-melting and reuse.
Batteries	We have a number of mobile equipment like rollers, excavators, Cranes, Loaders, etc. that use batteries	Whenever the battery is discharged, it is sold / returned to the battery supplier in exchange of new battery.
Used / Waste Oil	After the useful life engine oil needs to be changed. This oil is collected in drums.	After economical size for transportation is collected, it is disposed off to authorized oil recyclers. This used oil is centrifuged by recyclers at high rpm to separate out burnt constituents, again add required essential components of oil and sell in market.
Milled Material	The material after milling process is collected. Depending on the quality and characteristics of milled material after testing, it is used in the Hot Mix Plant approved design mix.	Alternatively, it is disposed if the material is not suitable for highway construction to other users.
Unsuitable Earth	In the cleaning and grubbing stage, a large portion of the soil is excavated.	Fertile soil is stored and used for median filling or for plantation. The black cotton soil excavated is taken by villagers to their farms for cultivation purposes.
Construction debris	Concreting activity is carried out using modern techniques so minimal amount of waste is generated.	The generated waste is used for land filling or disposed off as per statutory requirements. Villagers frequently use this as foundation material or for local road construction.
Cut Trees	Tree clearance is required at times for project execution as per design plan	As per regulations, in cases of tree clearance, the wood is taken by Forest department for its disposition as furniture wood or fuel.
Camp Waste	There are two main type of waste generated at camps – food waste and trash	Food waste is disposed off to a piggery and trash is sent for disposal to nearby municipality area.
Retro Reflective Sheets (RRS)	Used for signage on highway and construction activities	Damaged or torn RRS are taken by the villagers to make sheds for their animals or usage in their houses.

Principle 3: Businesses should promote the wellbeing of all employees

At WEL, we lay emphasis in ensuring employee wellbeing and safety at all times. We take efforts to develop a vibrant and diverse work environment that fosters collaboration, exchange of ideas, inclusivity and motivation. As a part of our human resource strategy, training and capability building workshops are provided for our employees to enable them to achieve their professional and organizational goals. Our corporate values drive us in establishing a dialogue-oriented culture that is based on mutual trust and respect for diversity and equal opportunity. We are committed to enhance diversity across the organization in terms of gender, caste, religion, region, disability and nationality.

WEL has a holistic approach with regards to the health and wellbeing of our employees. Some of the benefits we offer to our employees include flexi-working hours, insurance provisions, parental leave, educational sponsorship, festive gifts, etc. In matters of remuneration, we have a fair approach and compensation plans are solely based on performance, skills, experience, knowledge and educational qualifications. Harassment is unacceptable at the workplace. There are manuals and policies in place that establish behavioural codes, grievance redressal and mandatory compliance procedures that our employees are required to follow. Feedback and performance reviews are conducted annually for all our employees. This helps in appreciating their efforts and identifying areas of improvement.

1) Please indicate the Total number of employees.

   - WEL has a total of 384 employees as on March 31, 2020

2) Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   - WEL hired no employees on temporary/contractual/casual basis as on March 31, 2020

3) Please indicate the Number of permanent women employees.

   - WEL has 49 permanent women employees as on March 31, 2020.

4) Please indicate the Number of permanent employees with disabilities

   - WEL has 4 employees with disability as on March 31, 2020.

5) Do you have an employee association that is recognized by management.

   - There is no employee association recognized by the management of WEL.

6) What percentage of your permanent employees is members of this recognized employee association?

   - Not Applicable

7) Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   - The Company recognizes that all employees have a right to work in an environment in which the dignity of individuals is respected and which is free from harassment of any kind. Our policy on sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, enables employees to work without fear of prejudice, gender bias and sexual harassment. Internal Complaints Committees have been set up at our project sites and offices for employees to report their concerns on such matters. We also have a zero tolerance towards child labour and forced or bonded labour and have strong mechanisms for prevention of any such incidents in our operations and supply chain.

Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
Child Labour / Forced Labour / Involuntary Labour	0	0
Sexual Harassment	0	0
Discriminatory employment	0	0

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

  - At WEL, the training and development programmes are aligned with the development needs of our people, market needs and our organizational goals. High importance is placed on being informed about latest technologies, behavioral skills, design and engineering software and team management, etc. A wide range of learning programmes are offered to our employees across technical, soft skills and leadership development categories.

  Working towards our long-term objective of building a Digital Learning Culture, 'WeLearn' our online training module has helped us to create learning opportunities for our employees. Availability of WeLearn on mobile applications has allowed users to access a wide range of courses ranging from Project Management, Digital Infrastructure to Team Management & Emotional Intelligence. The course catalog includes Videos, E Books, Audio Books &

Webinars. In addition to this, few courses are also assigned to employees as per their training needs. This portal has 317 users with over 95% active usage. Employees have embraced this new learning tool as it allows them to learn at their own pace & interest.

Category	Safety Training	Skill Upgradation Training
Permanent Employees	100%	60%
Permanent Women Employees	100%	16%
Employees with Disabilities	100%	100%
Casual/Temporary/Contractual Employees	100%	Our contractual workforce is provided necessary safety training and is given awareness on relevant operations on the site

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

Identification and consultation with our stakeholders forms the bedrock of stakeholder engagement at WEL that results in mutually beneficial partnerships. By engaging with our internal and external stakeholders, we are able to identify their areas of concerns and take necessary measures to arrive at suitable solutions. This also helps us in building a better workplace, focus on compliance, performance and growth strategy, local needs of settlements in the vicinity of our facilities among others.

We lay emphasis on supporting and engaging with the marginalized and neglected sections of communities surrounding our operations and project locations. By facilitating healthcare, skilling and awareness sessions for women in rural areas, WEL aims at improving women's health and social status by understanding the gaps in the existing health systems in dealing with women's specific health problems and identifying income generation opportunities for them. With an ambition to empower women towards better reproductive health and sustainable livelihood several initiatives have been carried out across the states of Madhya Pradesh, Uttar Pradesh, Maharashtra, Andhra Pradesh and Gujarat.

- Has the company mapped its internal and external stakeholders? Yes/No

  - Yes, we have identified internal and external stakeholders through consultations from our operations. Various engagement channels are used to reach out to our stakeholders on areas that are of importance to them.

  The following stakeholder groups have been identified:

  Internal Stakeholders:

  - Employees
  - Board of Directors

  External Stakeholders:

  - Shareholders
  - Investors
  - Regulatory Bodies
  - Suppliers
  - Vendors
  - CSR Beneficiaries
  - Government
  - Contractors

- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

  - We have a well-established system to identify the disadvantaged, vulnerable & marginalized stakeholders. Through our initiatives and beneficiary selection format we try to reach out to the most vulnerable and economically backward section of the community. Our livelihood initiative mostly benefits the women in the village. The healthcare initiatives cover a minimum of 75% women population form the village who are in age group of 11 to 50 years.

- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

  - Yes, the following steps are followed to identify and engage with the village/communities who are impacted by our business in which CSR activities can be undertaken:

  > The list of the villages under our business jurisdiction is reviewed and few villages with marginalized and vulnerable population/beneficiaries/ women/ adolescents are identified with the help of local team.

  > Visits are organized to the village by local and CSR team to meet the community, understand their vulnerabilities, check the current conditions and shortlist villages based on vulnerabilities.

  > Rapid assessment of the village is conducted to help us understand the need of the village in terms of health, livelihood and gender disparity. During this need assessment primary and secondary data is also analyzed.

  > Designing the program approaches and activities as per the assessment report.

  Line listing of the women in the village is done to understand their economic status, vulnerabilities along with the involvement of public health functionaries, National Rural Livelihood Mission, Gram Panchayat so that these vulnerable groups are included in the initiatives. Regular visits to the villages, house to house visits and tracking of cases affected is done on regular basis so that the marginalized community is not left out. To create acceptability towards the initiatives that are organized, the involvement of opinion leaders and religious leaders from specific communities who can influence this section for creating enabling environment is also undertaken.

Principle 5: Businesses should respect and promote human rights

Promoting and protection of human rights is a cornerstone on which our values have been built. It is our constant endeavour to create an environment wherein employees and stakeholders can work at their full potential with dignity and respect. Our Code of Business and Ethics asserts values and guides human rights practices within our organization and supply chain. Our group wide Human Rights Policy is aligned to the principles of human rights as enshrined in the Constitution, national laws and policies and International Bill of Human Rights.

We are against any kind of discrimination based on nationality, gender, race, economic status or religion which forms a fundamental part of our core value of inclusive growth. In our processes of hiring, training and employment, the compensation plans are based on performance, skills, experience, knowledge and educational qualifications thus upholding fair treatment among our employees. WEL respects the dignity of labour and is an equal opportunity employer dedicated to support gender diversity across the organization. We also ensure that our employees, contractors and suppliers are made aware of human rights through various channels.

- Does the policy of the company on human rights cover only the company or extend to the Group/JointVentures/Suppliers/Contractors/NGOs/Others?
- WEL is committed to respecting the human rights and the Group's Human Rights Policy extends to our workforce, communities, contractors, suppliers and those impacted by our operations. We work with subcontractors as well as suppliers to prevent incidents of child labour or forced labour and raise their awareness to ensure our operations as well as supply chain uphold human rights. We do not tolerate disrespectful, inappropriate behavior, unfair treatment and harassment of any kind at the workplace and in any work-related circumstance outside the workplace.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

  - WEL respects human rights and also identifies, assesses and minimizes the potential adverse impacts through due diligence processes and effective resolution of grievances for the affected stakeholders. We have a dedicated Human Rights Committee for addressing employee concerns against such violations. The employees can report cases by sending a letter or email to humanrights@welspun.com without worry of reprisal or retaliatory action against them. During the reporting year, there have been no stakeholder complaints regarding violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

WEL cares for the environment and continually strives to mitigate the environmental impact, that may arise from business activities with a holistic approach. As a responsible corporate citizen, we are committed to managing our operations in a manner that reduces our environmental footprint. This involves energy and material reduction, recycling activities, environment monitoring and reporting and waste management efforts. We conduct tree plantations in the surrounding areas and compensate loss of trees due to clearances with the forest department. We have implemented the use of renewable energy at our project sites to improve the energy efficiency from our operations. Through prudent management of waste generated, we make efforts to recycle and minimize waste generated through our activities using proper disposal mechanisms and innovative technology.

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

  - Our Environment, Health, Safety and Quality (EHSQ) Policy related to Principle 6 extends to all permanent and contractual employees, suppliers and contractors. WEL accords highest priority to sustainable operations and protection of environment and safety of our workforce.
- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

- Yes, WEL addresses issues such as climate change, global warming through conservation of natural resources and disposal of hazardous wastes as per statutory provisions. The following measures are taken for addressing such issues:

Tree plantation - Each site undertakes tree plantation initiatives in the land surrounding the project. For clearance of trees in projects, compensation is paid to the authorities including additional afforestation by the Forest Department based on trees cleared as per the sanction granted.

Water conservation - Preparation of concrete is a major area of water consumption due to its fixed water cement ratio. Large quantities of water is used for curing after concreting. As practice we use hessian cloth to prevent rapid loss of moisture thus optimizing water usage in curing activities.

Our conservation efforts are also undertaken in water scarce regions. In Amravati, we have converted a mine into a water aquifer. It is replenished in the monsoon season and water is used for construction activities based on testing and quality requirements. Therefore, the load on from surrounding water bodies is reduced and the aquifer will be handed over to the local community upon completion of the project providing them with additional water source.

Plastic in construction - In our Chikali-Tarsod Highway Project, we have planned to use Plastic for 5 km stretch of service lane. This has been approved by NHAI and suitable modification has already been performed in the Hot Mix Plant for addition of plastic in the concrete mix. Such efforts of using plastic in construction activities, reduce the load on the environment and add to creating a sustainable future.

Material reuse - In highway projects where new construction/ widening is proposed, we undertaken milling and recycling the materials based on profile of existing and proposed carriageway, standard requirements and cost benefit analysis. The benefits of this process results in saving of materials used such as aggregate and binder and conservation of energy and protecting the environment.

- Does the company identify and assess potential environmental risks? Y/N

  - WEL addresses the potential risks through the EHSQ Policy. Environmental Impact Assessment is performed in the pre-start phase by our client at detailed project report stage. Our work in forest areas is performed based on the consent from regulatory bodies and care is taken during the execution stage.

  We also have a structured Risk Management Policy and process to effectively address strategic, business, regulatory and operational risks. The Policy envisages identification of risks together with the impact that these may have on the business objectives. The risks identified are reviewed by a committee of senior executives and the Managing Director of the Company and appropriate actions for mitigation of risks are advised.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

  - No, WEL does not have any project related to Clean Development Mechanism.

- Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

  - Yes, WEL has taken initiatives towards clean technology and renewable energy. At our Delhi Meerut Expressway Package-I project, an entire solar power plant of capacity 1050 kW has been installed. This plant generating on average 12 Lakh Units of green energy per year to meet the requirements of the complete 8.716 km stretch, thereby reducing the intake from the power grid.

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

  - Yes, all the emissions and waste generated by WEL is within the permissible limits prescribed by CPCB / SPCB.

- Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

  - WEL has no pending show cause or legal notices from CPCB/ SPCB as on March 31, 2020.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Our Code of Conduct and Ethics ensures that employees, and third-party agents acting on behalf of the company in connection with any lobbying activities must act with honesty and integrity. The information provided in these lobbying activities must be transparent, factually correct and fairly represented.

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

  - Yes, WEL is a member of the National Highway Builders Federation (NHBF)

- Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

  - Yes, we regularly advocate on key policy issues through the NHBF. These include taxation policies impacting the infrastructure sector; policy interventions that can boost private / foreign investment in infrastructure; regulatory reform suggestions etc.

Principle 8: Businesses should support inclusive growth and equitable development

We believe that a business can never be successful if the society around them fails. Therefore, it is our mission to identify & address the needs of our society and build a sustainable & progressive community. The Welspun commitment to delivering impactful value goes beyond business, to impact every stakeholder, including the communities around which we work. We are dedicated in working towards meeting the aspirations of the communities. WEL strongly stands for the empowerment of women, creating equal opportunities, and providing an environment that helps them earn a livelihood. Livelihood, skill development and healthcare are crucial aspects for any community. We have encouraged sanitation practices for women by initiating projects that promote menstrual hygiene management and empowering them by providing vocational trainings to earn a better livelihood.

- Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

  - Yes, WEL has a well-defined CSR Policy which states our commitment towards inclusive growth and ensure development that caters to sustainable livelihoods. The Welspun Foundation for Health and Knowledge (WFHK) has several initiatives that work on preventive & curative healthcare for women and enabling them to earn a livelihood through skilling programs in the communities associated with us. Our initiate of Wel-Netrutva is a flagship program aimed at empowering women across rural India. It addresses health issues among adolescent girls and women through livelihood opportunities and entrepreneurship.

  We have employee volunteering programmes in targeted villages being encouraged. This offers opportunities to employees to be socially responsible and make contributions on an individual basis. Activities like awareness drives and health camps, are organized with support from the employee volunteers who assist in smooth functioning of the event. In addition to this, the senior management also shows significant participation in the events, like stakeholder meetings, training programs, and facilitation programs. These forums give them an opportunity to interact with the community opinion leaders, motivate them and understand them.

- Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

  - Our Board level CSR Committee monitors and governs the CSR programs and activities that create corporate social value. WEL implements the community development programs through the WFHK across five states in India. These projects either run independently, implemented by Welspun or through nurtured partnerships with the local Government and credible Non-Governmental organizations (NGOs), developmental agencies and institutions. We also facilitate Government initiatives to benefit the communities.

- Have you done any impact assessment of your initiative?

  - At WEL, all the initiatives outcomes and indicators are regularly monitored through robust MIS, regular visits, interaction with the local stakeholder and beneficiaries. The outcomes achieved from our healthcare and livelihood CSR interventions are highlighted below:

  Healthcare:

  - 55% females use sanitary pads & demonstrate safe menstrual hygiene management (MHM).

  - 75% participation of young women/girls in the camps and awareness sessions.

  - 250-300 women screened for RTIs and Breast cancer.

  - Women and girls thoroughly aware on safe practices related to menstrual health management and Nutrition.

Livelihood:

- 6-7 sustainable SHGs formed in a village.

- 7-9 micro group/ individual enterprises set up.

- 100 women capacitated with the requisite skill set to run the enterprises.

- Sustainable livelihood opportunities with a monthly income of ₹ 3000-4000.

- Sustainable replicable model of farm and non-farmed based scalable enterprises established.

- What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

  - For the year ended March 31, 2020, WEL's contribution to community development projects through the WFHK is ₹ 168 lakhs. By empowering women from identified locations towards better health and a sustainable livelihood, WEL-Netrutva has been launched by the Welspun Foundation. The activities and outcomes from this initiative in the areas of healthcare and livelihood has been mentioned below:

  Activities:

  Healthcare:

  - Sanitary Napkins entrepreneurship provided availability in target areas.

  - Preventive health services such as awareness sessions and trainings on various issues.

  - Curative health services like OPD, counselling session, screening of anemia, reproductive tract infections (RTIs), sexually transmitted infections (STIs) and cancer treatment carried out.

  - Convergence of programs with public health systems and government schemes.

  Livelihood:

  - Formation of Self-Help Groups (SHGs) and successfully linking them to the banking schemes.

  - Market mapping and analysis, identification of business avenues, linkages and partnerships for enterprises.

  - Capacitating women on set enterprise skills.

  - Hand holding the enterprises for enabling scalability.

- Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

  - Yes, through CSR partners WEL has undertaken steps to ensure that the community development initiatives are adopted successfully by the community. Special training and counseling sessions have been organized by facilitating close interface with village level health functionaries. Detection and counselling camps at the village level to deal with apprehension of various diseases specific to women have also been carried out. Sensitizing the men and family members on the grave consequences on unhealthy MHM practices has helped in better communication and awareness of the issues in the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

At Welspun Enterprises Ltd., excellence is a quality attribute, inherent to our people and the organization. We are dedicated to delivering high performance assets, while achieving functional objectives. The rigorous project monitoring and supervision by WEL during the construction phase also helps in achieving early completion and reducing operations and maintenance during the O&M period.

We are leveraging the Hybrid Annuity Model (HAM), which is a better financial mechanism for road development, with a mix of EPC and Build Operate Transfer (BOT) models. Our first HAM project – the Delhi-Meerut Expressway, was completed in record time, well ahead of schedule. We have been operating and maintaining this road which has reduced travel time from 45-50 minutes to 8 minutes. Beautification and sustainable projects initiated along the way include a 2.5-meter-wide cycle track on either side, a vertical garden on Yamuna Bridge, solar lighting system, watering of plants through drip irrigation and wall art & replicas of famous monuments. The highway does away with 31 traffic signals on the route, making one of the region's busiest highways seamless and efficient. It is equipped with smart and intelligent highway traffic management system and video incident detection system. This sets a benchmark in highway construction by being environment-friendly with world-class safety features and smart, interactive infrastructure. It further encourages environmental sustainability by reducing pollution, providing better fuel efficiency and reduced travel times and improved travel experience.

- What percentage of customer complaints/consumer cases are pending as on the end of financial year.

  - We follow all mandated standards and

requirements as applicable for our infrastructure projects. By delivering projects with highest quality standards and through prudent operation and maintenance activities, we strive to obtain high satisfaction among the commuters. There have been no customer complaints reported or pending as on end of the financial year.

- Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

  - Not applicable as we are a tender based company and our industry is not governed by regulations with regards to product information and labelling. To keep the commuters aware, signage, retro reflective stickers and appropriate indicators have been installed at several intervals on the highway. Concrete crash barriers are used at turnings, bends and other suitable areas on the highways to prevent major accidents from occurring. We also ensure that while carrying out maintenance activities proper demarcations are made to safeguard the commuters and provide them with guidance. Contractors are encouraged to use a light tower powered by solar energy that provides good illumination for work during night hours.

- Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

  - WEL's policies and organizational values promote ethics and transparency at all levels. Strong internal systems have been established to report and prevent any irregularities in our business practices. There have been no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

- Did your company carry out any consumer survey/ consumer satisfaction trends?

  - Our industry does not involve any direct engagement with customers. However, our efforts in project management have been recognized by Government bodies. The NHAI has appreciated our performance in operational excellence and superior project management by completion of India's first 14-lane expressway in 19 months well before the scheduled period of 30 months. This has also led to faster and safer connectivity between Delhi and Meerut and helped curb pollution through diversion of traffic to other states.

Independent Auditor's Report

To
The Members of
Welspun Enterprises Limited

Report on the Audit of the Standalone Financial Statements

1. **Opinion**
We have audited the accompanying standalone financial statements of **Welspun Enterprises Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for opinion**
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. **Key audit matters**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Auditor's response
Accuracy in respect of Construction contract revenue involves critical estimates. ▪ Estimated cost is a critical estimate to determine revenues. This estimate has a high inherent uncertainty as it requires consideration of progress of	**Principal audit procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ▪ Evaluated the design of internal controls relating to recording of costs incurred and

the contract, costs incurred till date, costs required to complete the remaining contract performance obligations.	estimation of efforts required to complete the performance obligations. ▪ Tested the access and application controls pertaining to allocation and budgeting systems which prevents unauthorized changes to recording of costs incurred. ▪ Selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimated through inspection of evidence of performance of these controls. ▪ Selected a sample of contracts and performed a retrospective review of costs incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract. ▪ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations. ▪ Performed analytical procedures and test of details for reasonableness of incurred and estimated costs.

4. **Other information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report and Chairman's Statement but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

5. **Management's responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. **Auditor's responsibilities for the audit of the standalone financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. **Report on Other Legal and Regulatory requirements**

A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

B. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Company as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 1 June 2020
UDIN: 20048215AAAABT4749

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 7 (A) under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2020

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of a freehold land of Rs. 36 lakhs whose title is not yet transferred in the name of the Company.

ii. The physical verification of inventory has been conducted by the management at reasonable intervals during the year. As informed to us, no material discrepancies were noticed on such verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. According to the records of the Company, examined by us and information and explanations given to us:

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2020 for a period of more than six months from the date they became payable except professional tax amounting to Rs. 0.23 Lakhs.

b) There are no dues of duty of customs, sales tax and duty of excise which have not been deposited on account of any dispute. The disputed dues of income tax, service tax and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Penalty	10	F.Y. 2007-08 to F.Y. 2009-2010	Assistant / Deputy Commissioner of Income Tax
	Income Tax	2	F.Y. 2007-2008 and F.Y. 2009-10	Assistant Commissioner of Income Tax
	Income Tax	2,953	F.Y. 2009-10 and F.Y. 2014-2015 to F.Y. 2017-18	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Service tax	70	F.Y. 2008-2009 to F.Y. 2010-2011	Additional Commissioner-Central Excise and Service Tax
		96	F.Y. 2007-2008 to F.Y. 2009-2010	Central Excise Service Tax Appellate Tribunal
		2,173	F.Y. 2012-13 to F.Y. 2015-16	Directorate General of Goods and Service Tax Intelligence
Haryana Value Added Tax Act, 2003	Value Added Tax	171	F.Y. 2009-2010	Deputy Excise and Taxation Commissioner
Gujarat Value Added Tax Act, 2003	Value Added Tax	4	F.Y. 2011-12	Deputy Commissioner of Commercial Tax
Delhi Value Added Tax Act, 2004	Value Added Tax	98	F.Y. 2015-16	Chief Commissioner of Commercial Tax

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company has not taken any loans from Government and has not issued any debentures.

ix. In our opinion and according to the information and explanations give to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Amount raised by way of term loan during the year has been applied for the purpose it was raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.

xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 1 June 2020
UDIN: 20048215AAAABT4749

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2020

We have audited the internal financial controls over financial reporting of **Welspun Enterprises Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls over Financial Reporting" (the " Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.
The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 1 June 2020
UDIN: 20048215AAAABT4749

Balance Sheet as at 31 March 2020

(Rs in lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	2,770	6,288
(b) Right-of-use assets	5	387	-
(c) Capital work-in-progress	4	-	131
(d) Intangible assets	6	-	-
(e) Financial assets			
(i) Investments	7	107,685	84,905
(ii) Loans	8	9,141	1,924
(iii) Other financial assets	9	307	382
(f) Deferred tax assets (net)	40	789	539
(g) Non-current tax assets	10	746	804
(h) Other non-current assets	11	533	1,256
Total non-current assets		**122,358**	**96,229**
2. Current assets			
(a) Inventories	12	68	73
(b) Contract assets	13	32,551	52,748
(c) Financial assets			
(i) Investments	14	35,617	36,122
(ii) Trade receivables	15	34,101	34,162
(iii) Cash and cash equivalents	16	10,963	9,076
(iv) Bank balances other than (iii) above	17	1,116	2,074
(v) Loans	18	6,721	18,019
(vi) Other financial assets	19	5,340	165
(d) Other current assets	20	16,543	11,076
Total current assets		**143,020**	**163,515**
Assets held-for-sale	21	2,497	36
		145,517	**163,551**
Total assets		**267,875**	**259,780**
Equity and liabilities			
Equity			
(a) Equity share capital	22 (a)	14,846	14,808
(b) Other equity	22 (b)	158,705	145,120
Total equity		**173,551**	**159,928**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	371	560
(ii) Other financial liabilities	24	153	-
(b) Provisions	25	2,912	3,148
Total non-current liabilities		**3,436**	**3,708**
2. Current liabilities			
(a) Contract liabilities	26	9,906	9,514
(b) Financial liabilities			
(i) Borrowings	27	27,661	15,790
(ii) Trade payables	28		
- Due of micro enterprises and small enterprises		2	29
- Due of creditors other than micro enterprises and small enterprises		28,728	56,332
(iii) Other financial liabilities	29	22,161	11,206
(c) Provisions	30	209	139
(d) Other current liabilities	31	2,221	2,543
(e) Current tax liabilities	32	-	591
Total current liabilities		**90,888**	**96,144**
Total equity and liabilities		**267,875**	**259,780**

Notes forming part of the standalone financial statements 1 to 62

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Statement of profit and loss for the year ended 31 March 2020

(Rs in lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	33	176,005	173,942
Other income	34	5,258	5,462
Total income		**181,263**	**179,404**
Expenses			
Cost of materials consumed	35	862	1,732
Subcontracting, civil and repair work		140,036	139,533
Employee benefits expense	36	8,399	7,726
Finance costs	37	2,537	1,421
Depreciation and amortisation expense	38	1,944	1,051
Other expenses	39	6,078	6,724
Total expenses		**159,856**	**158,187**
Profit before exceptional items and tax		**21,407**	**21,217**
Exceptional items (net)	48	-	1,985
Profit before tax		**21,407**	**23,202**
Tax expense	40		
- Current tax		5,728	7,688
- Deferred tax charge/ (credit)		(255)	145
Total tax expense		**5,473**	**7,833**
Profit for the year		**15,934**	**15,369**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	49	20	(48)
Income tax effect on above		(5)	16
Other comprehensive income for the year (net of tax)		**15**	**(32)**
Total comprehensive income for the year		**15,949**	**15,337**
Earnings per equity share of Rs.10 each fully paid up	44		
Basic (Rs)		10.75	10.40
Diluted (Rs)		10.61	10.34

Notes forming part of the standalone financial statements 1 to 62

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Place: Mumbai
Date : 01 June 2020

Priya Pakhare
Company Secretary

Statement of changes in equity for the year ended 31 March 2020

A. Equity share capital

(Rs in lakhs)

	Note	
Balances as at 01 April 2018	**22 (a)**	**14,753**
Changes in equity share capital		55
Balances as at 31 March 2019	**22 (a)**	**14,808**
Changes in equity share capital		38
Balances as at 31 March 2020	**22 (a)**	**14,846**

B. Other equity (Rs in lakhs)

	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings	
Balance as at 01 April 2018 (A)		**22,355**	**92,140**	**904**	**521**	**322**	**14,739**	**130,981**
Profit for the year		-	-	-	-	-	15,369	**15,369**
Other comprehensive income for the year		-	-	-	-	-	(32)	**(32)**
Total comprehensive income for the year (B)		**-**	**-**	**-**	**-**	**-**	**15,337**	**15,337**
Compensation options granted	46 & 22 b	-	-	1,524	-	-	-	**1,524**
Exercise of share options	46 & 22 b	-	711	(766)	-	-	-	**(55)**
Dividend paid		-		-	-	-	(2,213)	**(2,213)**
Dividend distribution tax paid		-		-	-	-	(455)	**(455)**
Total (C)		**-**	**711**	**758**	**-**	**-**	**(2,668)**	**(1,199)**
Balance as at 31 March 2019 (D=A+B+C))		**22,355**	**92,851**	**1,662**	**521**	**322**	**27,409**	**145,120**
Profit for the year		-	-	-	-	-	15,934	**15,934**
Other comprehensive income for the year		-	-	-	-	-	15	**15**
Total comprehensive income for the year (E)		**-**	**-**	**-**	**-**	**-**	**15,949**	**15,949**
Compensation options granted	46 & 22 b	-	-	884	-	-	-	**884**
Exercise of share options	46 & 22 b	-	485	(522)	-	-	-	**(38)**
Scheme of Amalgamation - Refer note 53		-	-	-	-	246	-	**246**
Dividend paid	58	-	-	-	-	-	(2,962)	**(2,962)**
Dividend distribution tax paid	58	-	-	-	-	-	(494)	**(494)**
Total (F)		**-**	**485**	**362**	**-**	**246**	**(3,456)**	**(2,364)**
Balance as at 31 March 2020 (G = D+E+F))		**22,355**	**93,336**	**2,024**	**521**	**568**	**39,902**	**158,705**

Nature and purpose of reserves

a) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) Share options outstanding account

The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 46 for further details of this plan.

d) Amalgamation reserve

It represents reserve arising out of amalgamation of two subsidiaries with the Company.

e) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from profits.

f) Other comprehensive income

Other comprehensive income comprises of re-measurement gains/ (losses) of defined benefit obligations

Notes forming part of the standalone financial statements 1 to 62

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Place: Mumbai
Date : 01 June 2020

Priya Pakhare
Company Secretary

Statement of cash flows for the year ended 31 March 2020

(Rs in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
A	**Cash flow from operating activities**		
	Profit before tax	21,407	23,202
	Adjustments for		
	Depreciation and amortisation expense	1,944	1,051
	Gain on sale/discard of property, plant and equipment (net)	(565)	(32)
	Bad debts	-	1
	Interest income	(1,966)	(3,869)
	Finance costs	2,537	1,301
	Gain on sale of non-current investments	-	(1,985)
	Provision for employee benefits	20	134
	Net gain on financial assets mandatorily measured at FVTPL	(2,108)	(981)
	Reversal of provision no longer required	(11)	(48)
	Unwinding of discount on security deposits	(9)	(4)
	Expected credit loss	-	1,304
	Share based payments to employees	884	1,524
	Dividend income	(579)	(16)
	Operating profit before working capital changes	**21,554**	**21,582**
	Adjustments for		
	Decrease / (Increase) in trade and other receivables	15,046	(64,083)
	(Decrease) / Increase in trade and other payables	(19,927)	43,573
	Decrease / (Increase) in inventories	4	(2)
	Cash generated in operating activities	**16,677**	**1,070**
	Direct taxes paid	(6,259)	(7,262)
	Net cash generated/ (used) in operating activities (A)	**10,418**	**(6,192)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(1,116)	(7,387)
	Sale of property, plant and equipment	1,956	38
	Loss on sale of current investments (net)	(293)	62
	Investment in subsidiaries	(8,858)	(1,604)
	Investment in joint venture companies	-	(6,444)
	Investment in other entities	-	(25)
	Advance towards purchase of investment	(5,224)	-
	Loans given to subsidiaries	(25,641)	(22,301)
	Loans given to joint venture companies	(9,969)	(11,589)
	Loans given to associate	(41)	(30)
	Loans given to others	-	(14)
	Loans given to subsidiaries repaid	16,592	3,394
	Loans given to joint ventures repaid	2,930	12,705
	Loans given to associate repaid	23	30
	Loans given to others repaid	10	5
	Redemption of investment in optionally convertible debentures	1,171	182
	Proceeds from redemption of optionally convertible debentures of wholly owned subsidiary	5,000	-
	Proceeds from sale of investment in other entities	-	5,911
	Increase in other bank balances	1,108	1,716
	Inter-corporate deposits given repaid	-	50
	Dividend received	579	16
	Interest received	3,998	3,199
	Net cash used in investing activities (B)	**(17,775)**	**(22,086)**

Statement of cash flows for the year ended 31 March 2020

(Rs in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	5,094	1,300
	Repayment of long-term borrowings	(3,025)	(5,181)
	Increase in short-term borrowings (net)	11,996	14,557
	Finance costs paid	(2,515)	(1,285)
	Principal payment of lease liability	(321)	-
	Dividend paid including dividend distribution tax	(3,456)	(2,668)
	Net cash generated from financing activities (C)	**7,773**	**6,723**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**415**	**(21,555)**
	Cash and cash equivalents at the beginning of the year	45,365	66,920
	Cash and cash equivalents of Anjar Road Private Limited (Refer Note 53)	940	-
	Cash and cash equivalents at the end of the year	**46,720**	**45,365**

Notes:

	1. Break up of cash and cash equivalents as follows	Year ended 31 March 2020	Year ended 31 March 2019
	Current investments	35,757	36,288
	Cash and cash equivalents	10,963	9,077
		46,720	**45,365**

2 As required by Ind AS 7 “Statement of Cash Flows”, a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 59

3 The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 59

4. Previous year figures are regrouped/ reclassified wherever considered necessary.

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Place: Mumbai
Date : 01 June 2020

Priya Pakhare
Company Secretary

Notes forming part of the standalone financial statements

1 Corporate information

Welspun Enterprises Limited ('WEL' or 'the Company') is a public limited company incorporated in India. Its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis). It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the financial year 2019-20 were authorised for issue in accordance with a resolution of board of directors on 01 June 2020.

2 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules (as amended) from time to time and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

The financial statements have been prepared under the historical cost convention and on accrual basis, except for the following that are measured at fair value :

a) Certain financial assets and liabilities (Refer accounting policy regarding financial instruments).

b) Non current assets held-for-sale -measured at fair value less cost to sell

c) Defined benefit plan assets and liabilities

d) Share based payments

The financial statements are presented in Indian rupees (INR) with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than Rs 50,000/-

3(A) Significant accounting policies

i) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Refer Note 3(B) for Changes in accounting policies and disclosures

Notes forming part of the standalone financial statements

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3(C).

a) Construction contract revenue

The Company derives revenue from the long-term construction of major infrastructure projects across India. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

The Company recognises revenue from construction contracts, using an input method on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion. This method reflects close approximation of actual work performed. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

b) Toll collection

Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll.

c) Services revenue

The Company performs maintenance and other services (advisory and consultancy). Revenue is recognised in the accounting period in which the services are rendered.

d) Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Company assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

e) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects goods and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

f) Contract Balances

Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

Notes forming part of the standalone financial statements

Unlike the method used to recognise contract revenue related to construction contract, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under “Contract assets”, whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under “Contract liabilities”.

Trade receivables

A trade receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. We refer to the accounting policies on financial assets in this note for more information.

g) Cost to obtain a contract

The Company incurs costs to obtain the contracts such as bidding costs, feasibility study. The Company has charged these costs to statement of profit and loss as the Company does not expect to recover these costs.

h) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. However incase financing element is present then the Company would split the transaction price between the consideration for services rendered and time value of money ('financing component')

i) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income. Interest income on debt instruments which are credit impaired is recogised using EIR on net carrying value (net of ECL) of debt instruments.

j) Dividend income

Dividend income is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Exceptional items

On certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

iv) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes forming part of the standalone financial statements

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term of useful lives of the leased assets.

The right-of-use assets are also subject to impairment. Refer to the significant accounting policies - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

v) Property, plant and equipment

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013. If the management estimate of the useful life of assets at the time of acquisition of assets or remaining useful life on a subsequent review is shorter/longer than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate/ lower rate based on the management estimate of the useful life/remaining useful life.

Notes forming part of the standalone financial statements

Pursuant to this policy, property, plant and equipment are depreciated over the useful life as provided below :-

Assets description	Useful life
Buildings	60 years
Plant and machinery	2 years to 12 years
Furniture and fixtures	10 years
Vehicles	8 years to 10 years
Office and other equipments	3 years to 5 years
Computers	3 years to 6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

vi) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Notes forming part of the standalone financial statements

vii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

viii) Valuation of Inventories

Raw materials and components are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Traded goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

ix) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

x) Non-current assets held-for-sale

The Company classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

xi) Employee benefits

a) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

b) Defined benefit plans

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

c) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

Notes forming part of the standalone financial statements

xii) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions).

Employee stock options

The fair value of the options granted under the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

xiii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xiv) Taxes on income

a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes forming part of the standalone financial statements

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the Company expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xv) Foreign Currency transactions

The Company's financial statements are presented in INR rupees in lakhs, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvi) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

xviii) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Notes forming part of the standalone financial statements

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. when discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurence or non occurence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

xix) Investment in subsidiaries, associates and joint venture companies

The Company has accounted for its investment in subsidiaries, associates and joint venture companies at cost.

xx) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a) Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:
i) Debt instruments measured at amortised cost
ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
iii) Debt instruments measured at fair value through profit or loss (FVTPL)
iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes forming part of the standalone financial statements

C. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

i) Financial assets measured at amortised cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or

ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on twelve months ECL.

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

i) Financial liabilities measured at amortised cost

ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Notes forming part of the standalone financial statements

xxi) Business combinations

In accordance with Ind AS 101, provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combination prospectively from 1 April 2015. Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

xxii) Fair value measurement

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• in the principal market for the asset or liability, or
• in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers, if any, have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes forming part of the standalone financial statements

3 (B) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the same to lease contracts existing on 1 April 2019 using the modified retrospective approach. Accordingly, the comparative figures have not been restated. This resulted in recognition of lease liability of Rs. 662 lakhs with an equivalent amount recognized as right to use of asset as of 1 April 2019. The effect of this adoption is not material on the profit for the current year.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

3 (C) Significant estimates, judgements and assumptions

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Contract estimates

The Company prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to complexities involved in the budgeting process, contract estimates are sensitive to changes in these assumptions. Budgeted costs are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 49.

c) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

Notes forming part of the standalone financial statements

d) Impairment testing

i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 41).

g) Share based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46.

3 (D) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from April 1, 2020.

Notes forming part of the standalone financial statements

4 Property, plant and equipment

(Rs in lakhs)

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Furniture and Fixtures	Vehicles	Office and other Equipments	Computers	Total
Gross carrying amount									
Balance as at 01 April 2018	**88** *	**6**	**200**	**64**	**44**	**338**	**85**	**22**	**847**
Additions	-	-	4,597	-	49	1,807	53	6	6,512
Disposals	-	-	9	-	-	10	-	-	19
Balance as at 31 March 2019	**88**	**6**	**4,788**	**64**	**93**	**2,135**	**138**	**28**	**7,340**
Additions	-	-	1,602	-	13	301	36	18	1,970
Disposals	48	-	458	-	-	193	0	-	699
Reclassification as held for sale	-	-	3,318	-	-	1,050	-	-	4,368
Balance as at 31 March 2020	**40**	**6**	**2,614**	**64**	**106**	**1,193**	**174**	**46**	**4,243**

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Furniture and Fixtures	Vehicles	Office and other Equipments	Computers	Total
Accumulated depreciation									
Upto 01 April 2018	-	2	109	64	9	111	39	9	**343**
Additions	-	0	392	-	14	282	25	9	722
Disposals	-	-	7	-	-	6	-	-	13
Reclassification as held for sale	-	-	-	-	-	-	-	-	**-**
Upto 31 March 2019	**-**	**2**	**494**	**64**	**23**	**387**	**64**	**18**	**1,052**
Additions	-	0	1,114	-	22	441	48	12	1,637
Disposals	-	-	167	-	-	61	-	-	228
Reclassification as held for sale	-	-	672	-	-	316	-	-	988
Upto 31 March 2020	**-**	**2**	**769**	**64**	**45**	**451**	**112**	**30**	**1,473**
Net carrying amount									
Balance as at 31 March 2020	**40**	**4**	**1,845**	**-**	**61**	**742**	**62**	**16**	**2,770**
Balance as at 31 March 2019	**88**	**4**	**4,294**	**-**	**70**	**1,748**	**74**	**10**	**6,288**

	As at 31 March 2020	As at 31 March 2019
Net carrying amount		
Property, plant and equipment	2,770	6,288
Capital work-in-progress	-	131

Note

* Includes value of land Rs Nil (Original value of Rs 36 lakhs) at Pune for which the legal documents are yet to be executed.

For details of property, plant and equipment pledged as security, refer note 57

Notes forming part of the standalone financial statements

5 Right-of-use assets

(Rs in lakhs)

	Leased premises	Total
Gross carrying amount		
Balance as at 01 April 2018	**-**	**-**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**-**	**-**
Additions	694	694
Disposals	-	-
Balance as at 31 March 2020	**694**	**694**

	Leased premises	Total
Accumulated amortisation		
Upto 01 April 2018	-	**-**
Additions	-	-
Disposals	-	-
Upto 31 March 2019	**-**	**-**
Additions	307	307
Disposals	-	-
Upto 31 March 2020	**307**	**307**
Net carrying amount		
Balance as at 31 March 2020	**387**	**387**
Balance as at 31 March 2019	**-**	**-**

	As at 31 March 2020	As at 31 March 2019
Net carrying amount		
Right-of-use assets	387	-

Notes forming part of the standalone financial statements

6 Intangible assets (BOT Toll Collection Right)

(Rs in lakhs)

	Hoshanagabad-Harda-Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Total
Gross carrying amount				
Balance as at 01 April 2018	3,161	2,749	240	6,150
Additions	-	-	-	-
Balance as at 31 March 2019	3,161	2,749	240	6,150
Additions	-	-	-	-
Balance as at 31 March 2020	3,161	2,749	240	6,150

	Hoshanagabad-Harda-Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Total
Accumulated Amortisation				
Upto 01 April 2018	3,161	2,420	240	5,821
Additions	-	329	-	329
Upto 31 March 2019	3,161	2,749	240	6,150
Additions	-	-	-	-
Upto 31 March 2020	3,161	2,749	240	6,150
Net carrying amount				
Balance as at 31 March 2020	-	-	-	-
Balance as at 31 March 2019	-	-	-	-

Note :
For details of intangible assets pledged as security, refer note 57

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
7 Non-current investments		
Unquoted		
Investments in subsidiaries - at cost unless otherwise stated		
Welspun Projects(Himmatnagar Bypass) Private Limited 242,000 (31 March 2019 : 242,000) equity shares of Rs. 10/- each fully paid up	233	233
Welspun Projects (Kim Mandvi Corridor) Private Limited 6,730,000 (31 March 2019 :6,730,000) equity shares of Rs. 10/- each fully paid up	673	673
1,001,784 (31 March 2019 :1,001,784) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	1,002	1,002
Welspun Natural Resources Private Limited 31,875,000 (31 March 2019 :31,875,000) equity shares of Rs 10 each fully paid up @	4,036	4,036
20,987,544 (31 March 2019 :15,997,260) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	20,988	15,997
Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited) 7,600 (31 March 2019 :7,600) equity shares of Rs 10 each fully paid up ^^	1	1
3,872,000 (31 March 2019 : 2,291,080) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up ^^ ##	3,872	2,291
5,049,000 (31 March 2019 : Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $	5,049	-
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited) 10,000 (31 March 2019 :10,000) equity shares of Rs 10 each fully paid up	1	1
1,711,775 (31 March 2019 :1,711,775) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	1,712	1,712
ARSS Bus Terminal Private Limited 18,627,451 (31 March 2019 :18,627,451) equity shares of Rs 10 each fully paid up	3,101	3,101
Welspun Delhi Meerut Expressway Private Limited 5,000,000 (31 March 2019 : 5,000,000) equity shares of Rs 10 each fully paid up ^^	500	500
2,155,000 (31 March 2019 : 2,155,000) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up # ^^	2,155	2,155
2,900,000 (31 March 2019 : 7,900,000) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up $$	2,900	7,900
Grenoble Infrastructure Private Limited 4,900 (31 March 2019 : 4,900) equity shares of Rs 10/- each fully paid up (a)	0	0
DME Infra Private Limited 10,000 (31 March 2019 : 10,000) equity shares of Rs 10/- each fully paid up (b)	1	1

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Welspun Sattanathapuram Nagapattinam Road Private Limited		
7,000 (31 March 2019: 7,000) equity shares of Rs 10/- each fully paid up (c) ^^	1	1
2,170,000 (31 March 2019 : 2,000,000) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	2,170	2,000
Welspun Road Infra Private Limited		
1,000,000 (31 March 2019 : 1,000,000) equity shares of Rs 10/- each fully paid up (d) @@ ^^	795	100
9,565,474 (31 March 2019 : 210,212) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	9,565	210
Welsteel Enterprises Private Limited *		
49,000 (31 March 2019 : 49,000) equity shares of Rs 10 each fully paid up (e)	5	5
3,475,000 (31 March 2019 : 1,375,000) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $	3,475	1,375
Welspun Aunta-Simaria Project Private Limited *		
740,000 (31 March 2019 :7,400) equity shares of Rs 10 each fully paid up ^^	74	1
3,482,260 (31 March 2019 :3,482,260) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	3,482	3,482
3,550,305 (31 March 2019 :2,585,305) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $	3,550	2,585
Welspun Amravati Highways Private Limited		
10,000 (31 March 2019 : 10,000) equity shares of Rs 10/- each fully paid up (f)	1	1
Welspun InfraFacility Private Limited		
10,000 (31 March 2019 : Nil) equity shares of Rs 10/- each fully paid up (g)	1	-
Investment in joint venture entities (at cost unless otherwise stated)		
RGY Roads Private Limited		
4,900 (31 March 2019 : 4,900) equity shares of Rs 10 each fully paid up ^^	2,300	2,300
6,372,910 (31 March 2019 : 6,372,910) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	6,373	6,373
MBL (GSY) Road Limited		
24,500 (31 March 2019 : 24,500) equity shares of Rs 10 each fully paid up ^^ @@@	277	2
3,549,550 (31 March 2019 : 3,549,550) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	3,550	3,550
7,910,245 (31 March 2019 : 7,103,995) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $	7,910	7,104
MBL (CGRG) Road Limited		
24,500 (31 March 2019 : 24,500) equity shares of Rs 10 each fully paid up ^^ @@@@	135	2
2,823,550 (31 March 2019 : 2,823,550) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	2,824	2,824
6,456,995 (31 March 2019 : 5,651,995) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $	6,457	5,652

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Corbello Trading Private Limited		
4,900 (31 March 2019 : 4,900) equity shares of Rs 10/- each fully paid up ^^	785	785
3,143,790 (31 March 2019 : 3,143,790) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up # ^^	3,144	3,144
Chikhali - Tarsod Highways Private Limited		
490,000 (31 March 2019 : 490,000) equity shares of Rs 10/- each fully paid up ^^	49	49
3,095,300 (31 March 2019 : 3,095,300) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up # ^^	3,095	3,095
1,954,000 (31 March 2019 : Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) $ ^^	1,954	-
Investment at fair value through profit and loss		
Other Investments - Quoted		
Union Bank of India (Formerly known as Corporation Bank Limited)		
2,640 (31 March 2019 : 8,000) equity Shares of Rs 10/- (31 March 2019 : Rs. 2/-) each fully paid up **	1	2
Other Investments - Unquoted		
Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited)		
1,549 (31 March 2019:1,549) equity shares of Rs 10 each fully paid up	0	0
8,559,325 (31 March 2019 :Nil) 0% unsecured optional convertible debentures of Rs 10 each fully paid up $$$	856	-
Nil (31 March 2019 :20,264,500) 0% unsecured compulsorily convertible debentures of Rs 10 each fully paid up $$$$	-	2,026
Ecstatic Engineering Consultants Private Limited		
480 (31 March 2019 : 480) equity shares of Rs 10 each fully paid up	0	0
Investment in Government Securities		
Indira Vikash Patra	0	0
	109,054	**86,273**
Less : Provision for impairment	(1,368)	(1,368)
Total	**107,685**	**84,905**
Aggregate book value of quoted investments	1	2
Aggregate book value of unquoted investments	109,053	86,271
Aggregate market value of quoted investments	1	2
Aggregate amount of impairment in value of investments	1,368	1,368

Each debenture having face value of Rs 100 each shall be compulsorily convertible into 10 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

Each debenture having face value of Rs 100 each shall be compulsorily convertible into 10 equity shares of Rs 10 each fully paid up at any time after 29 March 2024. Unless converted earlier, the CCDs shall be compulsorily converted into equity shares at the end of the Concession period.

Notes forming part of the standalone financial statements

	(Rs in lakhs)	
	As at 31 March 2020	**As at 31 March 2019**

$ Each debenture having face value of Rs 100 each shall be convertible, at the option of the holder or the Company into 10 equity shares of Rs 10 each of the Company at any time after the expiry of 5 years and such conversion option shall be available till the expiry of the tenure (10 years from date of allotment) unless redeemed earlier. Besides, the Debenture holder as well as the Company has the right to seek redemption or do redemption, as the case may be, any time after the allotment of debentures. If the debentures are not converted into equity or redeemed until the expiry of the tenure, the debentures shall be redeemed at the expiry of the tenure.

$$ Each debenture having face value of Rs 100 each shall be convertible at the option of the holder at any time during the tenure of the debentures into 10 equity shares of Rs 10 each. If the debentures are not redeemed within 18 years from the date of issue, the debentures will be mandatorily converted into equity shares. Debentures shall be redeemable at the option of the Issuer, any-time after a period of 3 months from the date of issue but not later than 18 years. If redeemed after a period of 2 years from the date of issue, the redemption amount shall be the aggregate of the Issue price and premium equivalent to 15% of the aggregate of present value of Free Cash Flow for Equity (FCFE) and cash balance, if any of the Issuer. Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 day's notice thereto. If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

$$$ Each debenture having face value of Rs 10 each shall at the option of the Company be converted into appropriate number of equity shares of Rs 10 each, equity share of Rs 10 each fully paid up not later than 10 years from the date of allotment of OCDs.

$$$$ Each debenture having face value of Rs 10 each shall be compulsorily convertible into 1 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

** Number of shares reduced pursuant to merger

^^ The Company has pledged below mentioned equity shares, CCD and OCD :-

Entities	As at 31 March 2020 Units	As at 31 March 2019 Units
A) Equity shares		
Welspun Delhi Meerut Expressway Private Limited	1,500,000	2,550,000
Dewas Waterprojects Works Private Limited	5,100	5,100
Welspun Aunta-Simaria Project Private Limited	5,100	5,100
RGY Roads Private Limited	4,900	4,900
MBL (GSY) Road Limited	24,495	24,495
MBL (CGRG) Road Limited	24,495	24,495
Corbello Trading Private Limited	4,895	4,895
Chikhali - Tarsod Highways Private Limited	489,995	4,895
Welspun Road Infra Private Limited	5,100	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	5,100	-
B) Compulsorily Convertible Debentures (CCD)		
Dewas Waterprojects Works Private Limited	2,000,000	2,000,000
Corbello Trading Private Limited	3,143,790	-
Chikhali - Tarsod Highways Private Limited	3,095,300	-
Welspun Delhi Meerut Expressway Private Limited	2,155,000	-
C) Optionally Convertible Debentures (OCD)		
Chikhali - Tarsod Highways Private Limited	79,000	-

(a) became subsidiary w.e.f. 16 July 2018
(b) became subsidiary w.e.f. 02 August 2018
(c) became subsidiary w.e.f. 19 September 2018
(d) became subsidiary w.e.f. 05 December 2018
(e) became joint venture entity w.e.f. 25 June 2018
(f) became subsidiary w.e.f. 28 September 2018
(g) became subsidiary w.e.f. 13 September 2019

Notes forming part of the standalone financial statements

	As at 31 March 2020	As at 31 March 2019
		(Rs in lakhs)

* Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities)

@ Investment as at 31 March 2020 includes cumulative adjustment for fair value of interest free loan Rs 1,036 lakhs (31 March 2019:Rs 1,036 lakhs).

@@ Investment as at 31 March 2020 includes cumulative adjustment for fair value of interest free loan Rs 695 lakhs (31 March 2019:Rs Nil)

@@@ Investment as at 31 March 2020 includes cumulative adjustment for fair value of interest free loan Rs 274 lakhs (31 March 2019:Rs Nil)

@@@@ Investment as at 31 March 2020 includes cumulative adjustment for fair value of interest free loan Rs 133 lakhs (31 March 2019:Rs Nil)

8 Non-current financial assets - Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 50)	14	12
- Others	96	121
	110	**133**
Loans to related parties (Refer note 50)		
Considered good	9,031	1,791
Credit impaired	13,377	13,377
	22,408	**15,168**
Less : Expected credit loss	13,377	13,377
	9,031	**1,791**
Total	**9,141**	**1,924**

Loans are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

9 Non-current financial assets - Others

	As at 31 March 2020	As at 31 March 2019
Deposit - Others	296	296
Bank deposit having maturity of more than 12 months - *		
Held as margin money or security against guarantees and other commitments (with various government authorities and banks)	11	86
Total	**307**	**382**

* Deposits with banks earns interest at prevailing bank deposit rates.

10 Non-current tax assets

	As at 31 March 2020	As at 31 March 2019
Balance with government authorities		
- Direct tax (net of provision for taxation)	746	804
Total	**746**	**804**

11 Other non-current assets

	As at 31 March 2020	As at 31 March 2019
Capital advances	21	744
Prepaid expenses	148	132
Balances with government authorities - Indirect tax	364	364
Deferred revenue	-	16
Total	**533**	**1,256**

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
12 Inventories		
Raw materials	68	73
Total	**68**	**73**
13 Contract assets		
Contract assets (Refer note 52) :		
- Related parties (Refer note 50)	31,810	51,761
- Others	741	987
Total	**32,551**	**52,748**
14 Current investments		
Investments at fair value through profit and loss		
I. Quoted		
a) Investment in bonds	19,112	35,748
b) Investment in mutual funds	16,400	245
c) Investment in equity shares		
NMDC Limited 100,000 (31 March 2019 : 100,000) shares of face value of Re 1/- each fully paid up	80	104
II Unquoted		
Ecstatic Engineering Consultants Private Limited 5,584 (31 March 2019: 5,584) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up #	25	25
Total	**35,617**	**36,122**
Aggregate book value of quoted investments	35,592	36,097
Aggregate book value of unquoted investments	25	25
Aggregate market value of quoted investments	35,592	36,097

Each debenture having face value of Rs 100 each shall be convertible, at the option of the holder into 1 equity share of Rs 10 each of the Company at any time after the expiry of 6 months and may be redeemed or renewed or converted upon maturity at the option of the debentureholder.

	As at 31 March 2020	As at 31 March 2019
15 Trade receivables		
Unsecured		
Considered good		
- Related parties (Refer note 50)	31,518	32,477
- Others	2,583	1,685
Total	**34,101**	**34,162**

Trade receivables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

Notes forming part of the standalone financial statements

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
16	**Cash and cash equivalents**		
	Balances with banks :		
	- On current accounts	304	7,938
	- Deposit with original maturity of less than three months *	-	1,133
	Cash on hand	3	5
	Remittances in transit **	10,656	-
	Total	**10,963**	**9,076**
	* Deposits with banks earns interest at prevailing bank deposit rates.		
	** Subsequently cleared on 04 April 2020.		
17	**Bank balances (other than 16 above)**		
	Balances with banks		
	- Deposits having maturity period less than twelve months *	-	5
	- Held as margin money or security against guarantees and other commitments (with various government authorities and banks) *	1,090	2,056
	- Unclaimed dividend account	26	13
	Total	**1,116**	**2,074**
	* Deposits with banks earns interest at prevailing bank deposit rates.		
18	**Current financial assets - loans**		
	Unsecured, considered good		
	Inter corporate deposits - Others	100	100
	Security deposits		
	- Related parties (Refer note 50)	16	235
	- Others	82	266
	Loans and advances		
	- Related parties (Refer note 50)	4,256	15,151
	- Others	2,267	2,267
	Total	**6,721**	**18,019**
19	**Other current financial assets**		
	Unsecured, considered good		
	Advances recoverable	116	165
	Advance towards purchase of investment	5,224	-
	Total	**5,340**	**165**
20	**Other current assets**		
	Unsecured, considered good		
	Advance against goods and services	7,684	2,965
	Mobilisation advance receivable	3,598	2,448
	Prepaid expenses	401	156
	Balances with government authorities - Indirect tax	4,860	5,507
	Total	**16,543**	**11,076**
21	**Assets held-for-sale**		
	Assets held-for-sale	2,497	36
	Total	**2,497**	**36**

Notes forming part of the standalone financial statements

22 Equity

22(a) - Equity share capital

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Authorised		
180,050,000 (31 March 2019: 180,000,000) equity shares of Rs. 10/- each	18,005	18,000
	18,005	**18,000**

The authorised share capital stands increase by Rs 5 lakhs as per the Scheme of Amalgamation (Refer note 53)

	As at 31 March 2020	As at 31 March 2019
Issued, subscribed and paid up		
148,458,056 (31 March 2019: 148,083,056) equity shares of Rs. 10/- each fully paid up	14,846	14,808
	14,846	**14,808**

(i) Reconciliation of the number of equity shares outstanding and the amount of the share capital

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	**(Rs in lakhs)**	**Number of equity shares**	**(Rs in lakhs)**
At the beginning of the year	148,083,056	14,808	147,533,056	14,753
Add : Pursuant to exercise of stock options (Refer note 46)	375,000	38	550,000	55
Add : Equity shares issued (Refer note 53)	58,415,951	5,842	-	-
Less : Equity shares cancelled (Refer note 53)	(58,415,951)	(5,842)	-	-
Outstanding at the end of the year	148,458,056	14,846	148,083,056	14,808

(ii) Rights, preference and restriction on shares

The Company has only one class of equity having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	**% Holding**	**Number of equity shares**	**% Holding**
Balkrishan Goenka as Trustee of Welspun Group Master Trust	67,309,526	45.34%	-	-
Anjar Road Private Limited	-	-	58,415,951	39.45%

Notes forming part of the standalone financial statements

(iv) Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the last five years immediately preceding the reporting date.

	As at 31 March 2020	As at 31 March 2019
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement	157,768,980	157,768,980
- Pursuant to exercise of stock options (Refer note 46)	2,125,000	1,750,000
b) Equity shares bought back	(26,987,479)	(26,987,479)

(v) Shares reserved for issue under options
For details of shares reserved for issue under the share based payment plan of the company, please refer note 46

22(b) - Other equity (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Capital reserve	22,355	22,355
Securities premium	93,336	92,851
Share options outstanding account	2,024	1,662
Amalgamation reserve	521	521
General reserve	568	322
Retained earnings	39,902	27,409
Total	**158,705**	**145,120**
(i) Capital reserve		
As per last balance sheet	22,355	22,355
(ii) Securities premium		
As per last balance sheet	92,851	92,140
Exercise of share options	485	711
	93,336	**92,851**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	1,662	904
Compensation options granted during the year-Refer note 46	884	1,524
Share options exercised during the year-Refer note 46	(522)	(766)
	2,024	**1,662**
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	322	322
Scheme of Amalgamation (Refer Note 53)	246	-
Closing balance	**568**	**322**
(d) Retained earnings		
As per last balance sheet	27,409	14,739
Total comprehensive income for the year	15,949	15,337
Dividends paid	(2,962)	(2,213)
Dividends distribution tax paid	(494)	(455)
	39,902	**27,409**
Total	**158,705**	**145,120**

Notes forming part of the standalone financial statements

	As at 31 March 2020	As at 31 March 2019
		(Rs in lakhs)
23 Non-current borrowings		
Secured		
Term loans from banks (Refer note (i) below)	2,200	-
Term loans from financial institutions (Refer note (ii) below)	1,140	1,300
Less : Current maturities disclosed under other current financial liabilites (Refer note 29)	(2,969)	(740)
Total	**371**	**560**

Nature of security and terms of repayments for long term borrowings

i) IndusInd Bank Limited

Term loan from IndusInd Bank Limited was secured by first and exclusive charge over the assets financed under the facility, providing minimum asset over of 1.2x throughout the tenor of the loan

Repayment terms : Repayment in 8 equal quarterly installments starting from 1st quarter end from the date of first disbursement i.e. from September 2019.

Rate of Interest : 1 year MCLR + 1 % spread (10.00% p.a.)

ii) Tata Capital Financial Services Limited ('TCFSL')

Term loan from TCFSL is secured by hypothecation of first and exclusive charge on construction equipment which is forming part of Property, Plant and Equipment ('PPE')

Repayment terms : Repayment in 25 monthly installments w.e.f. 21 April 2019
Rate of Interest : 10.90% to 11.03% p.a.

24 Non-current financial liabilities - others		
Lease liabilities (Refer note 54)	153	-
Total	**153**	**-**
25 Non-current provisions		
Provision for employee benefits	324	560
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	**2,912**	**3,148**

* Represents certain obligations related to stamp duty, etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier period. There is no movement during the year.

26 Contract liabilities		
Contract liabilities (Refer note 52) :		
- Related party (Refer note 50)	9,720	9,466
- Other parties	186	48
Total	**9,906**	**9,514**

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
27 Current financial liabilities - borrowings		
Secured		
Loans repayable on demand from banks *	18,482	987
Unsecured		
Commercial paper	9,179	14,803
Total	**27,661**	**15,790**

Nature of security and terms of repayment for secured borrowings

i) Central Bank of India

Primary security : First pari passu hypothecation charges on inventory cum book debts/ current assets on total working capital limit of Rs 1200 Cr

Collateral security : First pari passu hypothecation charges on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : 1 year MCLR + 1.20%

ii) Corporation Bank ^

First pari passu first charge by way of hypothecation of entire book debts/ stocks / other current assets of the Company along with other lenders

Rate of interest : 3 Month MCLR + 1.25% pa

iii) Karnataka Bank Limited

Primary security : First pari passu first charge by way of hypothecation of entire book debts/ stocks / other current assets of the Company along with other lenders

Collateral security : First pari passu hypothecation charges on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : 1 year MCLR

iv) Union Bank of India

First pari passu charge on entire current assets of the Company (present and future)

Rate of interest : 1 year MCLR + 0.80%

v) IDBI Bank Limited

First pari passu charge on current assets of the Company

First pari passu on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : Upto 30 days MCLR + 10 BPS; For 1 - 3 months MCLR + 25 BPS

* Includes interest accrued and not due Rs 3 Lakhs (31 March 2019 Nil)

^ Merged with Union Bank of India w.e.f 01 April 2020

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
28 Trade payables		
Dues of micro enterprises and small enterprises - (Refer note 51)	2	29
Dues of creditors other than micro enterprises and small enterprises		
- Others (Refer note 50)	28,728	56,332
	28,730	**56,361**

Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

Notes forming part of the standalone financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
29 Current financial liabilities - others		
Current maturities of long-term borrowings (Refer Note 23) *	2,969	740
Security deposits/ retention money payable	17,986	10,292
Payable to employees	940	162
Lease liabilities (Refer note 54)	240	-
Unclaimed dividend payable	26	12
Total	**22,161**	**11,206**

* Includes interest accrued but not due Rs 18 lakhs (31 March 2019 Rs Nil)

	As at 31 March 2020	As at 31 March 2019
30 Current provisions		
Provision for employee benefits	209	139
Total	**209**	**139**
31 Other current liabilities		
Income received in advance	148	-
Statutory dues	2,073	2,543
Total	**2,221**	**2,543**
32 Current tax liabilities		
Provision for tax	-	591
Total	**-**	**591**

Notes forming part of the standalone financial statements

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
33 Revenue from operations		
Revenue from		
- Engineering, Procurement and Construction #	175,329	172,987
- Operation and Maintenance #	432	333
- Build Operate Transfer (BOT) Business	-	464
- Advisory and consultancy income #	233	126
Other operating revenues		
- Scrap sales	11	32
Total	**176,005**	**173,942**

Refer note 50 for related parties transactions

	Year ended 31 March 2020	Year ended 31 March 2019
34 Other income		
Interest income on financial assets at amortised cost		
- On bank deposits	171	443
- On loans and advances to related parties #	355	1,401
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	483	2,025
- Others - Related parties # ^	11	-
- Others *	946	158
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	22	16
Dividend income from subsidiary #	557	-
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	2,108	981
Reversal of provision no longer required	11	48
Insurance claim received	0	25
Recovery of bad debts	-	297
Unwinding of discount on interest free deposits	10	34
Gain on sale of property, plant and equipment (net)	565	32
Miscellaneous income	19	3
Total	**5,258**	**5,462**

* Includes interest income recognised on mobilisation advances and Interest on income tax refund
# Refer note 50 for related parties transactions
^ Refer note 42

Notes forming part of the standalone financial statements

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
35 Cost of materials consumed		
Inventories at the beginning of the year	73	71
Add: Purchases	857	1,734
	930	**1,805**
Less: Inventories at the end of the year	(68)	(73)
Total	**862**	**1,732**
36 Employee benefits expense		
Salaries, wages and bonus	6,744	5,554
Contribution to provident and other funds	523	422
Share based payments to employees (Refer note 46)	884	1,524
Staff welfare expenses	248	226
Total	**8,399**	**7,726**
37 Finance costs		
Interest expenses on financial liabilities at amortised cost		
- Term loans	433	370
- Working capital	1,603	636
Net interest on net defined benefit liability	53	43
Interest on lease liability	51	-
Other interest costs ^	87	90
	2,227	**1,139**
Bank charges and other finance costs	310	252
Unwinding of discount on interest free deposits	-	30
Total	**2,537**	**1,421**

^ Refer note 42

	Year ended 31 March 2020	Year ended 31 March 2019
38 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1,637	722
Amortisation of right-of-use assets	307	-
Amortisation of intangible assets	-	329
Total	**1,944**	**1,051**

Notes forming part of the standalone financial statements

(Rs in lakhs)

39 Other expenses	Year ended 31 March 2020	Year ended 31 March 2019
Site expenses	436	283
Hire charges	336	173
Power, fuel and water charges	175	258
Repairs and maintenance :-		
- Property, plant and equipment	19	1
- Others	627	536
Project monitoring and maintenance fees	-	12
Rent	174	363
Rates and taxes	998	1,116
Insurance	310	186
Travelling and conveyance expense	607	559
Communication expenses	23	31
Legal and professional fees	1,354	1,226
Freight	4	5
Business promotion and advertisement	291	235
Printing and stationary	31	36
Directors sitting fees	24	15
Payment to Auditor :-		
- Audit fees (including fees for limited review)	40	35
- Certifications	10	3
- Reimbursement of expenses	2	2
Bad debts	-	1
Donation	480	208
Expected credit loss	-	1,304
Miscellaneous expenses	137	135
Total	**6,078**	**6,724**

Notes forming part of the standalone financial statements

40 Income tax

a) The major components of income tax for the year ended 31 March 2020 are as under:

i) Income tax related to items recognised in Statement of profit and loss during the year

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on taxable income for the year	**5,728**	**7,688**
Deferred tax		
Relating to origination and reversal of temporary differences	(255)	145
Total deferred tax charge/ (credit)	**(255)**	**145**
Income tax expense reported in the statement of profit and loss	**5,473**	**7,833**

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(5)	16
Deferred tax charged to other comprehensive income	**(5)**	**16**

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	**21,407**	**23,202**
Income tax @ 25.168% (31 March 2019: 34.944%)	5,388	8,108
Non-deductible expenses for tax purpose		
Other non deductible expenses including tax rate difference	510	542
Other allowances and exempt income for tax purpose	(193)	(290)
Effect of tax on exempt income	(232)	-
Utilisation of previously unrecognised tax losses	-	(527)
Income tax expense charged to the statement of profit and loss	**5,473**	**7,833**

Notes forming part of the standalone financial statements

c) Deferred tax relates to the following: **(Rs in lakhs)**

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a) Taxable temporary differences						
Depreciation on property, plant and equipment and intangible assets	(32)	(76)	44	(68)	-	-
Fair valuation of financial instruments	(62)	(219)	157	(916)	-	-
Total (a)	**(94)**	**(295)**	**201**	**(984)**	**-**	**-**
b) Deductible temporary differences						
Employee benefits / expenses allowable on payment basis	695	244	(456)	(47)	5	(16)
Unused tax losses and unabsorbed depreciation		-	-	687	-	-
Total (b)	**695**	**244**	**(456)**	**640**	**5**	**(16)**
Less: MAT credit entitlement (c)	-	-	-	489	-	-
Net deferred tax (assets)/liabilities (a-b-c)	**(789)**	**(539)**				
Deferred tax charge/(credit) (a+b)			**(255)**	**145**	**5**	**(16)**

d) Unrecognised deferred tax assets on unused tax losses

The Company has brought forward long term capital losses of Rs. 81,167 lakhs (31 March 2019 Rs.81,167 lakhs) (majority of which is expiring in 31 March 2023) and short term capital losses of Rs. 7,898 lakhs (31 March 2019 Rs. 7,607 Lakhs) (majority of which is expiring in 31 March 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of Rs.18,571 lakhs (31 March 2019 Rs. 18,909 Lakhs) have not been recognized in respect of long term capital losses in view of uncertainty of future taxable capital gains and deferred tax assets of Rs. 1,988 lakhs (31 March 2019 Rs. 2,658 lakhs) have not been recognized in respect of short term capital losses in view of uncertainty of future taxable capital gains.

Notes forming part of the standalone financial statements

41 Fair value measurements

Financial instruments by category

(Rs in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets (other than investment in subsidiaries, associates and joint venture companies at cost)				
Non-current assets				
Investments	29,253	-	18,746	-
Loans	-	9,141	-	2,190
Other financial assets	-	307	-	86
Current assets				
Investments	35,617	-	36,122	-
Trade receivables	-	34,101	-	34,162
Cash and cash equivalents	-	10,963	-	9,076
Other bank balances	-	1,116	-	2,074
Loans	-	6,721	-	18,019
Other financial assets	-	5,340	-	52,913
Total financial assets	**64,870**	**67,689**	**54,868**	**118,520**
Non-current liabilities				
Borrowings	-	371	-	560
Other financial liabilities	-	153	-	-
Current liabilities				
Borrowings	-	27,661	-	15,790
Trade and other payables	-	28,730	-	56,361
Other financial liabilities	-	22,161	-	11,206
Total financial liabilities	**-**	**79,076**	**-**	**83,917**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Fair value of the cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to short term maturities of these instruments.

(Rs in lakhs)

	As at 31 March 2020				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at FVTPL					
Non-current investments	29,253	29,253	1	-	29,252
Current investments	35,617	35,617	16,480	19,112	25
Total	**64,870**	**64,870**	**16,481**	**19,112**	**29,277**

	As at 31 March 2019				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at FVTPL					
Non-current investments	18,746	18,746	2	-	18,744
Current investments	36,122	36,122	349	35,748	25
Total	**54,868**	**54,868**	**351**	**35,748**	**18,769**

Valuation technique used to determine fair value

a) Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

The carrying amounts of loans, trade receivables, cash and cash equivalents, Other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities

Notes forming part of the standalone financial statements

42 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize Company's position with regard to interest income and interest expenses and manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its total portfolio.

(i) Interest rate risk exposure (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	31,001	17,089

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rs in lakhs)

Effect on Profit before tax	Year ended 31 March 2020	Year ended 31 March 2019
Interest rates : (Increase) by 50 basis points	(155)	(85)
Interest rates : Decrease by 50 basis points	155	85

In line with the requirement of Ind AS 1 "Presentation of Financial Statements" , finance cost (representing LC discounting charges) aggregating to Rs 1,050 lakhs are offsetted by the Company with reimbursable right to recover the same from its subsidiaries/joint venture companies to reflect the substance of the transaction/arrangement.

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the Company is currently not exposed to foreign currency risk.

B Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.
The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

c) The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due.

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Up to 3 months	29,714	28,375
3 to 6 months	2,633	4,328
More than 6 months *	1,785	1,459
Total	**34,132**	**34,162**

* Includes mainly retention money
No significant changes in estmation techniques or assumption were made during the reporting period.

Notes forming part of the standalone financial statements

C Liquidity risk

a) Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forcasts on the basis of expected cash flows.

b) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

(Rs in lakhs)

As at 31 March 2020	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	371	-	371	-
Short term borrowings	27,661	27,661	-	-
Trade payables	28,730	28,730	-	-
Other financial liabilities	22,314	22,161	153	-

As at 31 March 2019	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	560	-	560	-
Short term borrowings	15,790	15,790	-	-
Trade payables	56,361	56,361	-	-
Other financial liabilities	11,206	11,206	-	-

43 Capital Management

For the purpose of Company's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Company's Capital Management is to maximize shareholders value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
Gross debts			
Net debts	A	44,394	50,695
Total capital	B	173,551	159,928
Capital and net debt	C = A + B	217,945	210,622
Gearing ratio	A / C	**20%**	**24%**

Notes forming part of the standalone financial statements

44 Earnings per share (EPS)

	As at 31 March 2020	As at 31 March 2019
Profit for the year (Rs in lakhs)	15,934	15,369
Weighted average number of equity shares for Basic EPS (Number of shares)	148,219,326	147,793,741
Weighted average number of equity shares for Diluted EPS (Number of shares)	150,139,595	148,624,397
Nominal value of equity shares (Rs)	10	10
Basic EPS (Rs)	10.75	10.40
Diluted EPS (Rs)	10.61	10.34

45 Contingencies and Commitments

(a) Leases

Lease commitments — Company as lessee

Future minimum rental payable under non-cancellable operating leases are as follows :-

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Not later than one year	-	268
Later than one year but not later than five years	-	280
Later than five years	-	-
	-	**548**

(b) Contingent liabilities (to the extent not provided for)

i) Claims against the Company not acknowledged as debts

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Disputed labour cess demand (net of provision)	405	384
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	1,465	780
Disputed service tax liabilty	2,340	2,347
Disputed value added tax liability	298	175
Other claims against the Company	281	281
	4,904	**4,082**

a) The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed professionals to protect its interest and has been advised that it has strong legal positions against such disputes.

b) The Company has received legal notices of claims / lawsuits filed against it relating to other matters. In the opinion of the management, no material liability is likely to arise on account of such claims/ law suits.

ii) Guarantees excluding financial guarantees

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Bank guarantees issued	41,523	34,134
		-
	41,523	**34,134**

iii) Financial guarantees

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Guarantee given for the facilities granted		
- Subsidiaries and joint venture entities	75,333	34,633
	75,333	**34,633**

In case of termination, the Company is providing corporate guarantee for any shortfall in amount received from the client against the debt obligation of its subsidiaries and joint venture entities. This risk has been covered through appropriate insurance policy. However, on prudent basis in line with Ind AS requirements, the same has been disclosed as contingent liabilities above.

Notes forming part of the standalone financial statements

(c) Commitments

i) The Company has an outstanding commitments of Rs 5,400 lakhs (31 March 2019 Rs 49,938 lakhs) and Rs 20,258 lakhs (31 March 2019 Rs 1,582 lakhs) towards equity contribution in joint venture entities and its subsidiaries respectively under the financing arrangement tied up with bankers.

ii) Pursuant to the understanding with MBL Projects Private Limited, with respect to investment in RGY Roads Private Limited ('RGY'), paid against option for acquisition of balance 51% shares in RGY equivalent to Rs 1,450 lakhs (31 March 2019 Rs 1,450 lakhs) on 22 February 2018. The balance amount is Rs.122 lakhs (31 March 2019 Rs 122 lakhs).

iii) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), Rs 1.63 lakhs (31 March 2019 Rs 1.63 lakhs) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is Rs. 0.13 lakhs (31 March 2019 Rs 0.13 lakhs).

iv) Pursuant to the understanding with Vishvaraj Environment Private Limited, with respect to investment in Corbello Trading Private Limited ('CTPL') paid against option for acquisition of balance 51% shares in CTPL equivalent to Rs 745 lakhs (31 March 2019 Rs 745 lakhs) . The balance amount is Rs 72 lakhs (31 March 2019 Rs 72 lakhs).

v) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') Rs. 0.48 lakhs (31 March 2019 Rs 0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is Rs. 0.03 lakhs (31 March 2019 Rs 0.03 lakhs).

46 Share based payments

a) In accordance with the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" the company has granted 3,000,000 equity shares (maximum 2,000,000 equity shares to the "Managing Director") at zero cost on 10 October 2017. The fair value of the above stock option of Rs 4,179 lakhs is calculated at the average rate of Rs 139.30 per share is amortised on the straight line basis over the vesting period in accordance with the Ind AS 102 "Share-based payment".
Accordingly proportionate amount of Rs 884 lakhs (31 March 2019 - Rs 1,524 lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 32).

The salient features of the Scheme ("Welspun Enterprises Limited - Employees Stock Option Plan 2017") are as under:

(i) **Vesting**: Options to vest shall happen at every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the date of grant. However vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP	Date of Grant	Date of Vesting
600,000	10-Oct-17	09-Oct-18
600,000	10-Oct-17	09-Oct-19
600,000	10-Oct-17	09-Oct-20
600,000	10-Oct-17	09-Oct-21
600,000	10-Oct-17	14-Jul-22

(ii) **Exercise**: Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	10-Oct-17
Number of Options Granted	3,000,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	Rs. Nil

Notes forming part of the standalone financial statements

	31 March 2020		31 March 2019	
	No. of Stock Options	Weighted Average Exercise Price (Rs.)	No. of Stock Options	Weighted Average Exercise Price (Rs.)
Options outstanding at the beginning of the year	2,450,000	Nil	3,000,000	Nil
Options granted during the year	Nil	Nil	Nil	Nil
Options exercised during the year	375,000	Nil	550,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year *	2,075,000	Nil	2,450,000	Nil
Options vested but not exercised at the end of the year	275,000	Nil	50,000	Nil

* includes options vested but not exercised

(iii) Information in respect of options outstanding as at 31 March 2020

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
2,075,000	27	Nil

Information in respect of options outstanding as at 31 March 2019

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
2,450,000	39	Nil

(iv) The fair value of each option granted is estimated on the date of grant using the Black Scholes valuation model with the following assumptions :

No of Stock Options	Grant Date	Vesting Date
600,000	10-Oct-17	09-Oct-18
600,000	10-Oct-17	09-Oct-19
600,000	10-Oct-17	09-Oct-20
600,000	10-Oct-17	09-Oct-21
600,000	10-Oct-17	14-Jul-22

Variables :-

Stock price	139.30
Volatility	45.14%
Risk free rate (on the basis of tenure)	6.43% to 6.69%
Exercise price	Nil
Time to maturity	2 to 6
Dividend yield	0%
Option fair value	139.30

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(v) Effect of share- based payment plan on the Balance sheet and Statement of profit and loss:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Share options outstanding account (Refer note 22(b))	2,024	1,662
Share based payments to employees (Refer note 36)	884	1,524

47 Segment Information

The financial statements of the Company contains both the consolidated financial statements as well as the standalone financial statements of the Company. Hence, the Company has presented segment information based on the consolidated financial statements as permitted by Ind AS - 108 "Operating segments".

Notes forming part of the standalone financial statements

48 Exceptional items (net)

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
a) Gain on sale of stake in Welspun Energy Private Limited	-	141
b) Profit on sale of Dewas Bhopal Corridor Limited	-	1,844
TOTAL	**-**	**1,985**

49 Gratuity and other post employment benefits plans

The disclosures of employee benefit as defined in the Ind AS 19 - " Employee Benefits" are given below :

a. The Company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Net expenses recognised during the year in the statement of profit and loss :-

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	100	63
Interest cost (net)	33	23
Net expenses recognised in statement of profit and loss	**133**	**86**

ii. Net expenses recognised during the year in other comprehensive income (OCI)

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gains) / losses arising from changes in demographic assumptions	1	5
Actuarial (gains) / losses arising from changes in financial assumptions	(18)	44
Actuarial (gains) / losses arising from changes in experience assumptions	37	7
Actuarial (gains) / losses from plan asset	(0)	2
Net expenses recognised in other comprehensive income	**20**	**58**

iii. Net liability recognised in the balance sheet

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets	349	83
Present value of obligation	605	513
Net liability recognized in balance sheet	**256**	**430**

Notes forming part of the standalone financial statements

iv. Reconciliation of opening and closing balances of defined benefit obligation

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation as at the beginning of the year	513	413
Current service cost	100	63
Interest cost	39	32
Actuarial (gain) / loss on obligation	20	56
Liability transferred in/ (paid)	(67)	(51)
Defined benefit obligation at the end of the year	**605**	**513**

v. Reconciliation of opening and closing balance of fair value of plan assets

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Fair values of plan assets at the beginning of the year	83	122
Return on plant assets, excluding interest income	6	8
Employer contribution	287	-
Fund charges	(2)	(1)
Benefits paid	(25)	(46)
Fair value of plan assets at year end	**349**	**83**

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Net defined benefit obligation as at the beginning of the year	430	291
Current service cost	100	63
Interest cost (net)	33	23
Actuarial (gain) / loss on obligation	20	58
Liability transferred in/ (paid)	(42)	(5)
Fund charges	2	1
Contribution paid to the fund	(287)	-
Net defined benefit obligation at the end of the year	**256**	**431**

vii. Actuarial assumptions

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2006-08)
Discount rate (per annum)	6.91%	7.65%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	30% up to age 30, 24% from age 31 to 44 and 21% thereafter	38% up to age 30, 26% from age 31 to 44 and 19% thereafter

ix. Quantitative sensitivity analysis

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Impact of change in discount rate		
Present value obligation at the end of the period	605	513
Impact due to increase of 0.50%	(9)	(8)
Impact due to decrease of 0.50%	9	8
Impact of change in salary increase		
Present value obligation at the end of the period	605	513
Impact due to increase of 0.50%	(9)	9
Impact due to decrease of 0.50%	9	(8)

Notes forming part of the standalone financial statements

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

x. Maturity analysis of projected benefit obligation: from the fund

	As at 31 March 2020	As at 31 March 2019
Year ended		
31-Mar-20	-	267
31-Mar-21	307	138
31-Mar-22	164	138
31-Mar-23	201	157
31-Mar-24	237	172
31-Mar-25	315	

The weighted average duration of defined benefit obligation is 12.22 (31 March 2019 - 11.71)

Notes

1. Amounts recognized as an expense and included in the Note 36 “Employee benefits expense” are gratuity Rs 100 lakhs (31 March 2019 Rs 63 lakhs) and leave encashment Rs 11 lakhs (31 March 2019 Rs 55 lakhs). Net interest cost on defined benefit obligation recognised in Note 37 under “Finance costs” is Rs 53 lakhs (31 March 2019 Rs 43 lakhs)

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3. Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 35 of the financial statements.

50 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Particulars of subsidiaries

Direct subsidiaries	Principal activities	Extent of holding		Principal place of business
		As at 31 March 2020	As at 31 March 2019	
Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass)	Infrastructure	100%	100%	India
Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor Private Limited)	Infrastructure	100%	100%	India
Dewas Waterprojects Works Private Limited @ (Formerly known as Anjar Water Solutions Private Limited)	Infrastructure	76%	100%	India
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited)	Infrastructure	100%	100%	India
Welspun Natural Resources Private Limited	Oil and Gas exploration	100%	100%	India
Welspun Delhi Meerut Expressway Private Limited	Infrastructure	100%	100%	India
ARSS Bus Terminal Private Limited	Infrastructure	100%	100%	India
Grenoble Infrastructure Private Limited	Infrastructure	49%	49%	India
DME Infra Private Limited	Infrastructure	100%	100%	India
Welspun Sattanathapuram Nagapattinam Road Private Limited $	Infrastructure	70%	70%	India
Welspun Amravati Highways Private Limited	Infrastructure	100%	100%	India
Welspun Road Infra Private Limited	Infrastructure	100%	100%	India
Welsteel Enterprises Private Limited *	Infrastructure	49%	-	India
Welspun Aunta-Simaria Project Private Limited * #	Infrastructure	74%	-	India
Welspun Infrafacility Private Limited **	Infrastructure	100%	-	India

* Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities)
** Became subsidiary on 13 September 2019
@ In addition to aforesaid stake, 24% are held through Welspun Project (Kim Mandvi Corridor) Private Limited
$ In addition to aforesaid stake, 14.65% are held through Grenoble Infrastructure Private Limited
# In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited

Notes forming part of the standalone financial statements

b) Joint venture companies

Name of the Entities	Extent of holding		Principal place of business
	As at 31 March 2020	As at 31 March 2019	
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited #	49%	49%	India
MBL (CGRG) Road Limited #	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ##	49%	49%	India
Welsteel Enterprises Private Limited *	-	49%	India
Welspun Aunta-Simaria Project Private Limited * ###	-	74%	India

* Ceased to be Joint controlling entity on 31 October 2019
# In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited
In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited

c) Associate

Name of the Entity	Extent of holding		Principal place of business
	As at 31 March 2020	As at 31 March 2019	
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)	35%	35%	India

c) Directors / Key Managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive Chairman and Whole Time Director
Mr. Sandeep Garg	Managing Director
Mr Rajesh R. Mandawewala	Non Independent Director
Dr Aruna Sharma	Independent Director
Mr. Dhruv Subodh Kaji *	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra **	Independent Director
Mr. Ramgopal Sharma ***	Independent Director
Mr. Yogesh Agarwal ****	Independent Director
Ms. Mala Todarwal *****	Independent Director
Mr. Shriniwas Kargutkar @	Chief Financial Officer
Mr Sridhar Narasimhan @@	Chief Financial Officer
Ms. Priya Pakhare	Company Secretary

* Ceased to be director w.e.f 09 August 2019
** Appointed to be director w.e.f 05 May 2019
*** Ceased to be director w.e.f 30 October 2018
**** Ceased to be director w.e.f 20 June 2018
***** Ceased to be director w.e.f 04 August 2019
@ Ceased to be Chief Financial Officer w.e.f 31 October 2019
@@ Appointed as Chief Financial Officer w.e.f 18 May 2020

d) Other related parties with whom transactions have taken place or balances outstanding at the year end

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited,Welspun Global Brands Limited, Welspun Energy Private Limited #, Welspun Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited); Welspun Multiventures LLP; Welshop Trading Private Limited* ; Balkrishan Goenka as Trustee of Welspun Group Master Trust; Anjar Road Private Limited ^

Welspun Energy Private Limited ('WEPL') merged with Welspun Steel Limited ('WSL') w.e.f 21 August 2017

* Welshop Trading Private Limited merged with Welspun Steel Limited ('WSL') w.e.f. 19 August 2017
^ Anjar Road Private Limited merged with Welspun Enterprises Limited w.e.f 20 July 2019

Notes forming part of the standalone financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Construction contract revenue (including unbilled work-in-progress)	**174,021**	**173,036**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	(1,714)	72
Dewas Waterprojects Works Private Limited	433	4,177
Welspun Sattanathapuram Nagapattinam Road Private Limited	509	9,358
Welspun Road Infra Private Limited	68,035	10,075
Welspun Aunta-Simaria Projects Private Limited	11,595	-
Joint Venture Companies		
Welspun Aunta-Simaria Projects Private Limited	-	16,374
MBL (CGRG) Road Limited	26,734	51,093
MBL (GSY) Road Limited	32,665	57,950
Chikhali - Tarsod Highways Private Limited	35,764	23,950
Other Related Party		
Welspun India Limited	-	(13)
Dividend Income	**557**	**-**
Subsidiary		
Welspun Projects (Himmatnagar Bypass) Private Limited	557	-
Interest income on loans and advances	**12**	**44**
Subsidiary		
Welspun Natural Resources Private Limited	12	44
Interest income - Others	**1,061**	**-**
Joint Venture Companies		
MBL (CGRG) Road Limited	281	-
MBL (GSY) Road Limited	362	-
Chikhali - Tarsod Highways Private Limited	418	-
Operation and maintenance income	**432**	**333**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	432	333
Advisory and consultancy income	**228**	**125**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	-	50
Welspun Sattanathapuram Nagapattinam Road Private Limited	7	-
Welspun Road Infra Private Limited	109	-
Joint Venture Companies		
MBL (CGRG) Road Limited	44	53
MBL (GSY) Road Limited	47	22
Chikhali - Tarsod Highways Private Limited	21	-
Interest income on loans and advances #	**344**	**1,357**
Subsidiaries		
Welspun Natural Resources Private Limited	219	1,357
Welspun Road Infra Private Limited	84	-
Joint Venture Companies		
MBL (CGRG) Road Limited	11	-
MBL (GSY) Road Limited	30	-
Expected Credit Loss #	**-**	**1,304**
Subsidiary		
Welspun Natural Resources Private Limited	-	1,304
Income on unwinding of discount on interest free deposits #	**4**	**34**
Other Related Party		
Welspun Realty Private Limited	4	34
Expenses on unwinding of discount on interest free deposits #	**-**	**30**
Other Related Party		
Welspun Realty Private Limited	-	30
Interest expense on lease liability #	**11**	**-**
Other Related Party		
Welspun Realty Private Limited	11	-
Right-to-use an underlying asset #	**130**	**-**
Other Related Party		
Welspun Realty Private Limited	130	-

Notes forming part of the standalone financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Obligation to make lease payment #	**130**	**-**
Other Related Party		
Welspun Realty Private Limited	130	-
Repayment of lease obligation #	**50**	**-**
Other Related Party		
Welspun Realty Private Limited	50	-
Rent expenses	**94**	**225**
Other Related Parties		
Welspun Corp Limited	42	24
Welspun Realty Private Limited	50	200
Welspun Multiventures LLP	2	1
Business promotion expenses	**32**	**38**
Other Related Party		
Welspun Global Brands Limited	32	38
Insurance expenses	**2**	**-**
Other Related Party		
Welspun Corp Limited	2	-
Staff welfare expenses	**29**	**85**
Other Related Parties		
Welspun Global Brands Limited	-	75
Welspun Corp Limited	28	10
Welspun India Limited	1	-
Donation	**168**	**200**
Other Related Party		
Welspun Foundation for Health and Knowledge	168	200
Repairs and maintenance	**-**	**11**
Other Related Party		
Welspun India Limited	-	11
Purchase of materials	**-**	**506**
Other Related Parties		
Welspun Corp Limited	-	502
Welspun India Limited	-	4
Investment (Fair value of interest free loan) #	**1,102**	**-**
Subsidiaries		
Welspun Road Infra Private Limited	695	-
Joint Venture Companies		
MBL (GSY) Road Limited	274	-
MBL (CGRG) Road Limited	133	-
Cancellation of equity shares of the Company at face value	**5,842**	**-**
Other Related Party		
Anjar Road Private Limited	5,842	-
Allotment of equity shares of the Company at face value	**5,842**	**-**
Other Related Party		
Balkrishan Goenka as Trustee of Welspun Group Master Trust	5,842	-
Loans/ deposits/ advances given	**35,649**	**32,869**
Subsidiaries		
ARSS Bus Terminal Private Limited	4	2
Dewas Waterprojects Works Private Limited	5,530	2,287
Welspun Projects (Himmatnagar Bypass) Private Limited	992	94
Welspun Project (Kim Mandvi Corridor) Private Limited	0	615
Welspun Build-Tech Private Limited	0	0
Welspun Natural Resources Private Limited	2,924	9,807
Welspun Delhi Meerut Expressway Private Limited	4,618	7,335
DME Infra Private Limited	1	0
Welsteel Enterprises Private Limited	0	-
Welspun Aunta-Simaria Project Private Limited	518	-
Grenoble Infrastructure Private Limited	0	0
Welspun Amravati Highways Private Limited	5	0
Welspun Sattanathapuram Nagapattinam Road Private Limited	862	786
Welspun Road Infra Private Limited	10,154	309
Welspun Infrafacility Private Limited	32	-

Notes forming part of the standalone financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Associate		
Adani Welspun Exploration Limited	41	30
Joint Venture Companies		
RGY Roads Private Limited	0	9,026
MBL (GSY) Road Limited	4,742	785
MBL (CGRG) Road Limited	2,864	469
Welsteel Enterprises Private Limited	-	0
Welspun Aunta-Simaria Project Private Limited	-	820
Corbello Trading Private Limited	0	1
Chikhali - Tarsod Highways Private Limited	2,362	488
Other Related Parties		
Welspun India Limited	-	5
Anjar Road Private Limited	-	10
Repayments of loans/ advances given	**19,546**	**16,227**
Subsidiaries		
Dewas Waterprojects Works Private Limited	1,300	86
MSK Projects (Himmatnagar Bypass) Private Limited	965	94
MSK Projects (Kim Mandvi Corridor) Private Limited	320	222
Welspun Delhi Meerut Expressway Private Limited	7,008	2,783
Welspun Natural Resources Private Limited	6,167	-
Welspun Road Infra Private Limited	30	-
Welspun Aunta-Simaria Project Private Limited	0	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	803	303
Associate		
Adani Welspun Exploration Limited	23	30
Joint Venture Companies		
RGY Roads Private Limited	-	2,651
MBL (GSY) Road Limited	1,910	6,577
MBL (CGRG) Road Limited	953	3,176
Welspun Aunta-Simaria Project Private Limited	-	100
Corbello Trading Private Limited	-	0
Chikhali - Tarsod Highways Private Limited	67	200
Other Related Party		
Welspun India Limited	-	5
Security deposit given	**-**	**12**
Other Related Parties		
Welspun Multiventures LLP	-	5
Welspun Corp Limited	-	7
Security deposit given refunded	**206**	**23**
Other Related Party		
Welspun Realty Private Limited	206	23
Mobilisation advance received	**-**	**9,300**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	9,300
Mobilisation advance repaid/ adjusted	**4,977**	**-**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	4,977	-
Redemption of Investment in optionally convertible debentures	**6,171**	**182**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	5,000	-
Other Related Parties		
Welspun Energy Thermal Private Limited	1,171	-
Welspun Steel Limited	-	182
Additional sale consideration for equity shares of Welspun Energy Private Limited	**-**	**141**
Other Related Party		
Welspun Steel Limited	-	141
Conversion of loan/ advance to equity shares	**-**	**148**
Subsidiary		
Welspun Road Infra Private Limited	-	99
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	49

Notes forming part of the standalone financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Conversion of loan/ advance to Compulsorily Convertible Debentures	**10,312**	**9,987**
Subsidiaries		
Dewas Waterprojects Works Private Limited	75	1,130
Welspun Natural Resources Private Limited	4,990	1,573
Welspun Sattanathapuram Nagapattinam Road Private Limited	142	400
Welspun Road Infra Private Limited	5,105	210
Joint Venture Companies		
RGY Roads Private Limited	-	6,373
Chikhali - Tarsod Highways Private Limited	-	301
Conversion of loan/ advance to Optionally Convertible Debentures	**8,679**	**718**
Subsidiaries		
Dewas Waterprojects Works Private Limited	5,049	-
Welspun Aunta-Simaria Project Private Limited	65	-
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	1,954	-
MBL (GSY) Road Limited	806	-
MBL (CGRG) Road Limited	805	-
Welspun Aunta-Simaria Project Private Limited	-	718
Conversion of Compulsorily Convertible Debentures to Optionally Convertible Debentures	**2,026**	**7,900**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	7,900
Other Related Party		
Welspun Energy Thermal Private Limited	2,026	-
Conversion of trade receivable to Compulsorily Convertible Debentures	**-**	**1,161**
Subsidiary		
Dewas Waterprojects Works Private Limited	-	1,161
Investment in equity shares	**74**	**9**
Subsidiaries		
Welspun Road Infra Private Limited	-	1
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	1
Welspun Aunta-Simaria Project Private Limited	73	-
DME Infra Private Limited	-	1
Grenoble Infrastructure Private Limited	-	0
Welspun Amravati Highways Private Limited	-	1
Welspun Infrafacility Private Limited	1	-
Joint Venture Company		
Welsteel Enterprises Private Limited	-	5
Investment in compulsorily convertible debentures	**5,784**	**6,665**
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	28	1,600
Welspun Road Infra Private Limited	4,250	-
Dewas Waterprojects Works Private Limited	1,506	-
Welsteel Enterprises Private Limited	-	-
Joint Venture Companies		
Corbello Trading Private Limited	-	3,144
Chikhali - Tarsod Highways Private Limited	-	1,921
Investment in optionally convertible debentures	**3,000**	**1,375**
Subsidiaries		
Welsteel Enterprises Private Limited	2,100	-
Welspun Aunta-Simaria Project Private Limited	900	-
Joint Venture Company		
Welsteel Enterprises Private Limited	-	1,375

Notes forming part of the standalone financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Bank guarantee given/ (discharged)	**(12,949)**	**28,612**
Subsidiaries		
MSK Projects (Kim Mandvi Corridor) Private Limited	-	(21)
Dewas Waterprojects Works Private Limited	-	5
Welspun Road Infra Private Limited	1,460	-
Welspun Delhi Meerut Expressway Private Limited	(950)	950
Welspun Aunta-Simaria Project Private Limited	(2,903)	-
Joint Venture Companies		
MBL (GSY) Road Limited	(2,960)	4,144
MBL (CGRG) Road Limited	(2,355)	3,297
Welspun Aunta-Simaria Project Private Limited	-	8,708
Chikhali - Tarsod Highways Private Limited	(5,241)	11,529
Corporate guarantee given/ (discharged) for performance security	**(28,981)**	**12,159**
Subsidiaries		
Dewas Waterprojects Works Private Limited	(5)	-
Welspun Road Infra Private Limited	(7,300)	7,300
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	10,100
Welspun Aunta-Simaria Project Private Limited	(5,805)	-
Joint Venture Companies		
MBL (GSY) Road Limited *	(5,920)	-
MBL (CGRG) Road Limited *	(4,710)	-
Chikhali - Tarsod Highways Private Limited *	(5,241)	(5,241)
Directors Sitting Fees paid/ provided	**25**	**15**
Mr. Mohan Tandon	9	6
Mr. Raghav Chandra	5	-
Mr. Ram Gopal Sharma	-	1
Ms. Mala Todarwal	1	3
Mr. Yogesh Agarwal	-	0
Mr. Dhruv Kaji	2	4
Dr. Aruna Sharma	8	1
Mr Utsav Baijal	-	-
Remuneration paid/ provided to KMP ^	**1,910**	**2,266**
Short term benefits **	1,910	2,266

^ excludes retirement benefits (employer PF contribution, gratuity, leave encashment etc)

* Release of performance guarantees represent the release of performance bank guarantee of SPV. Consequently the corporate guarantee given to the bankers of SPV to that extent stands extinguished.

** excludes Rs 120 lakhs (31 March 2019 Rs. 120 lakhs) paid from AWEL to Mr. Sandeep Garg

Represents transactions related to Ind AS adjustments

*** Closing balances as at** (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Loans, advances and deposits given	**26,691**	**30,566**
Subsidiaries		
Welspun Natural Resources Private Limited	15,386	23,401
Dewas Waterprojects Works Private Limited	315	1,209
Welspun Projects (Kim Mandvi Corridor) Private Limited	379	699
Welspun Projects (Himmatnagar Bypass) Private Limited	27	-
ARSS Bus Terminal Private Limited	18	14
Welspun Delhi Meerut Expressway Private Limited	2,168	4,558
Welspun Build-Tech Private Limited	2	2
Welsteel Enterprises Private Limited	0	-
Welspun Aunta-Simaria Project Private Limited	477	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	83
DME Infra Private Limited	1	0
Grenoble Infrastructure Private Limited	0	0
Welspun Amravati Highways Private Limited	5	0
Welspun Road Infra Private Limited	4,407	0
Welspun Infrafacility Private Limited	32	0

Notes forming part of the standalone financial statements

*** Closing balances as at** (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Associate		
Adani Welspun Exploration Limited	19	0
Joint Venture Companies		
RGY Roads Private Limited	3	3
MBL (GSY) Road Limited	2,005	224
MBL (CGRG) Road Limited	1,073	90
Welsteel Enterprises Private Limited	-	0
Welspun Aunta-Simaria Project Private Limited	-	23
Corbello Trading Private Limited	3	3
Chikhali - Tarsod Highways Private Limited	341	-
Other related parties		
Welspun Realty Private Limited	18	235
Anjar Road Private Limited	-	10
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	**63,329**	**84,237**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	-	1,312
Dewas Waterprojects Works Private Limited	-	4,812
Welspun Sattanathapuram Nagapattinam Road Private Limited	9,875	9,171
Welspun Aunta-Simaria Project Private Limited	5,018	-
Welspun Road Infra Private Limited	14,520	9,874
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	-	938
Chikhali - Tarsod Highways Private Limited	10,739	24,658
MBL (GSY) Road Limited	9,202	17,252
MBL (CGRG) Road Limited	13,975	16,220

Payable at the end of the year		
Trade Payable	**1,053**	**5**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	1,036	-
Other related party		
Welspun Corp Limited	17	5
Expected credit loss	**13,377**	**13,377**
Subsidiary		
Welspun Natural Resources Private Limited	13,377	13,377
Contract liabilities	**9,720**	**166**
Subsidiaries		
Dewas Waterprojects Works Private Limited	210	166
Welspun Aunta-Simaria Project Private Limited	5,120	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	67	-
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	4,323	-
Provision for impairment of investment	**1,368**	**1,368**
Subsidiary		
MSK Projects (Kim Mandvi Corridor) Private Limited	1,368	1,368
Investment in equity shares	**12,968**	**11,792**
Subsidiaries		
Welspun Natural Resources Private Limited	4,036	4,036
ARSS Bus Terminal Private Limited	3,101	3,101
Welspun Build-Tech Private Limited	1	1
MSK Projects(Himmatnagar Bypass) Private Limited	233	233
MSK Projects (Kim Mandvi Corridor) Private Limited	673	673
Dewas Waterprojects Works Private Limited	1	1
Welspun Delhi Meerut Expressway Private Limited	500	500
Welspun Sattanathapuram Nagapattinam Road Private Limited	1	1
DME Infra Private Limited	1	1

Notes forming part of the standalone financial statements

Payable at the end of the year		
Grenoble Infrastructure Private Limited	0	0
Welspun Amravati Highways Private Limited	1	1
Welspun Road Infra Private Limited	795	100
Welspun Infrafacility Private Limited	1	-
Welspun Aunta-Simaria Project Private Limited	74	-
Welsteel Enterprises Private Limited	5	-
Joint Venture Companies		
RGY Roads Private Limited	2,300	2,300
MBL (GSY) Road Limited	276	2
MBL (CGRG) Road Limited	135	2
Welspun Aunta-Simaria Project Private Limited	-	1
Corbello Trading Private Limited	785	785
Chikhali - Tarsod Highways Private Limited	49	49
Welsteel Enterprises Private Limited	-	5
Other related party		
Welspun Energy Thermal Private Limited	0	0
Investment in compulsorily convertible debentures	**63,932**	**49,861**
Subsidiaries		
Welspun Natural Resources Private Limited	20,987	15,997
Welspun Build-Tech Private Limited	1,712	1,712
MSK Projects (Kim Mandvi Corridor) Private Limited	1,002	1,002
Welspun Delhi Meerut Expressway Private Limited	2,155	2,155
Dewas Waterprojects Works Private Limited	3,872	2,291
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,170	2,000
Welspun Road Infra Private Limited	9,566	210
Welspun Aunta-Simaria Project Private Limited	3,482	-
Joint Venture Companies		
RGY Roads Private Limited	6,373	6,373
MBL (GSY) Road Limited	3,550	3,550
MBL (CGRG) Road Limited	2,824	2,824
Welspun Aunta-Simaria Project Private Limited	-	3,482
Corbello Trading Private Limited	3,144	3,144
Chikhali - Tarsod Highways Private Limited	3,095	3,095
Other related party		
Welspun Energy Thermal Private Limited	-	2,026
Investment in optionally convertible debentures	**32,151**	**24,616**
Subsidiaries		
Dewas Waterprojects Works Private Limited	5,049	-
Welspun Delhi Meerut Expressway Private Limited	2,900	7,900
Welspun Aunta-Simaria Project Private Limited	3,550	-
Welsteel Enterprises Private Limited	3,475	-
Joint Venture Companies		
MBL (GSY) Road Limited	7,910	7,104
MBL (CGRG) Road Limited	6,457	5,652
Chikhali - Tarsod Highways Private Limited	1,954	-
Welsteel Enterprises Private Limited	-	1,375
Welspun Aunta-Simaria Project Private Limited	-	2,585
Other related party		
Welspun Energy Thermal Private Limited	856	-
Income received in advance	**147**	**-**
Joint Venture Companies		
MBL (CGRG) Road Limited	47	-
Chikhali - Tarsod Highways Private Limited	100	-
Bank guarantee outstanding	**15,680**	**28,628**
Subsidiaries		
Welspun Road Infra Private Limited	1,460	-
MSK Projects (Himmatnagar Bypass) Private Limited		
Welspun Aunta-Simaria Project Private Limited	5,805	-
Welspun Delhi Meerut Expressway Private Limited	-	950
Joint Venture Companies		
MBL (GSY) Road Limited	1,184	4,144
MBL (CGRG) Road Limited	942	3,297
Welspun Aunta-Simaria Project Private Limited	-	8,708
Chikhali - Tarsod Highways Private Limited	6,289	11,529

Notes forming part of the standalone financial statements

Payable at the end of the year		
Corporate guarantee outstanding for performance security	**12,414**	**41,395**
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	10,100	10,100
Welspun Projects (Himmatnagar Bypass) Private Limited	10	10
Welspun Road Infra Private Limited	-	7,300
Welspun Aunta-Simaria Project Private Limited	361	366
Associate		
Adani Welspun Exploration Limited	1,943	1,943
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	-	5,805
MBL (GSY) Road Limited	-	5,920
MBL (CGRG) Road Limited	-	4,710
Chikhali - Tarsod Highways Private Limited	-	5,241

* Closing balances are considered after considering the Ind AS adjustments to make comparable with financial statements for reporting purpose.

Notes :

During the year, the Company has given undertaking for Welspun Delhi Meerut Expressway Private Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 5,171 lakhs (31 March 2019 1,579 lakhs)

Further, in respect of Welspun Sattanathapuram Nagapattinam Road Private Limited also the guarantees are given during the year wherein maximum exposure as on 31 March 2020 is Rs Nil (31 March 2019 Rs Nil) as the conditions precedent have not been met by the Client and the appointed date has not triggered and no disbursement obtained.

During the previous year, the Company had given guarantee for Dewas Waterprojects Works Private Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 500 lakhs (31 March 2019 Rs 5,000 lakhs)

During the previous year, the Company had given guarantee for Welspun Road Infra Private Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs Nil (31 March 2019 Rs Nil)

During the earlier years, the Company had given guarantee for MBL (GSY) Road Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 10,834 lakhs (31 March 2019 Rs 17,525 lakhs)

During the earlier years, the Company had given guarantee for MBL (CGRG) Road Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 16,008 lakhs (31 March 2019 Rs 10,530 lakhs)

During the earlier years, the Company had given guarantee for Chikhali - Tarsod Highways Private Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 18,951 lakhs (31 March 2019 Rs Nil)

An undertaking (financial guarantee as per Ind AS) is given to lenders for debt obligations to be given to Welspun Aunta-Simaria Private Limited, maximum exposure towards this is Rs 4,000 lakhs (31 March 2019 Rs Nil)

During the year, Welspun Enterprises Limited acquired control of Welspun Aunta-Simaria Project Private Limited and Welsteel Enterprises Private Limited from Welsteel Enterprises Private Limited and Welspun Steel Limited respectively by virtue of change in contractual rights amongst the aforementioned parties.

All transactions with related parties are made on arm's length basis in the ordinary course of business.

51 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ('The Act') are given as follows :-

(Rs in lakhs)

	31-Mar-20	31-Mar-19
a) Principal amount payable to the suppliers under the Act		
- For capital goods	-	-
- For others	2	29
b) Principal amount due to the suppliers under the Act	-	-
c) Interest accrued and due to the suppliers under the Act, on the above amount	-	-
d) Payment made to suppliers other than interest beyond the appointed day, during the year	-	-
e) Interest paid to suppliers under the Act	-	-
f) Interest due and payable to suppliers undet the Act, for payment already made	-	-
g) Interest accrued and remaining unpaid at the end of the year under the Act	-	
h) The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company

Notes forming part of the standalone financial statements

52 A) Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

The Company believes that the information provided under Note 33 Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

B) Contract Balances

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables	34,101	34,162
Contract assets	32,551	52,748
Contract liabilities	9,906	9,514

a) Trade receivables are non-interest bearing and are generally on terms as per agreements.

b) Explanation for increase in Contract assets/ Contract liabilities

(i) Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. The significant decrease in Contract assets in March 2020 is on account of reduction in unbilled revenue.

(ii) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The increase in Contract liabilities in March 2020 is on account of increase in unearned revenue.

(iii) Amount of revenue recognised from :-

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Amounts included in contract liabilities at the beginning of the year	214	4,545

(iv) During the year, Contract assets worth Rs 32,551 lakhs (31 March 2019 Rs 52,748 lakhs) representing the unbilled work in progress is reclassified from Other Current Financial assets to the face of balance sheet as separate line item under the head Current assets. Further Contract liabilities worth Rs 9,906 lakhs (31 March 2019 Rs 9,514 lakhs) repesenting mobilisation advances and unearned revenue are reclassified from Other Current Liabilties to the face of balance sheet as separate line item under the head Current liabilities. Considering the nature and surrounding circumstances, management believes that this reflects the true classification of the asset. The impact of this change is considered to be immaterial on the Company's financial performance and position.

53 Anjar Road Private Limited ('Transferor Company') is merged with Welspun Enteprises Limited ('WEL') ('Transferee Company') pursuant to Hon'ble National Company Law Tribunal order dated 21 June 2019 approving the Scheme of Amalgamation with effective date being 20 July 2019 and appointed date being 10 December 2018. As prescribed by the Scheme, all assets and liabilities and reserve appearing in the books of transferor company are recorded by transferee company at their respective book value appearing in transferor company. Further, difference if any between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) has been adjusted in capital reserve of transferor company (to the extent available), balance if any has been adjusted in Reserve and Surplus (General Reserve) of transferee company. The authorised share capital will stand increased automatically.

The following assets and liabilities of the Transferor companies as at 20 July 2019 have been recorded at their book value

Details of assets and liabilities acquired :-

	As at 20 July 2019	As at 20 July 2019
Assets		
a) Non-current tax asset	3	
b) Current investments		
Investment in bonds	806	
Investment in mutual funds	132	
	938	
c) Cash and cash equivalents	1	942
Liabilities		
a) Other current liabilities - Stamp duty payable	685	
b) Trade payable	10	
c) Current tax liabilities - Provision for tax	1	696
Net assets taken over		**246**
Difference between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) adjusted in Reserve and Surplus (General Reserve) of the Company		**246**

Notes forming part of the standalone financial statements

54 Leases

The Company has building premises being used for its operation having lease term between 0.5 years and 5 years.

A The details of the right-of-use asset held by the Company is as follows:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Additions for year ended 31 March 2020	694	-
Less: Depreciation Expenses	(307)	-
Net carrying amount as at 31 March 2020	**387**	**-**

B The details of the lease liability of the Company is as follows:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Additions for year ended 31 March 2020	663	-
Add: Accretion of interest	51	-
Less: Payments	(321)	-
Net carrying amount as at 31 March 2020	**393**	-
Lease liability (Current) shown under Other Current Financial Liabilities	240	-
Lease liability (Non Current) shown under Other Non-Current Financial Liabilities	153	-
	393	-

C The maturity analysis of lease liabilities are disclosed in Note 42

(Rs in lakhs)

	31 March 2020	31 March 2019
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	307	-
Interest expense on lease liabilities	51	-
Total amount recognised in profit or loss	**358**	**-**

The Company had total cash outflows for leases of INR 321 lakhs in 31 March 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of INR 662 Lakhs in 31 March 2020.

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 45 (a) Contingencies and Commitments

55 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013

a) The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

b) There are no investments other than as disclosed in Note 7 and 14 forming part of the financial statements.

Notes forming part of the standalone financial statements

56 Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(Rs in lakhs)

	Balance as at 31 March 2020 @	Maximum amount outstanding during the year ended 31 March 2020	Balance as at 31 March 2019 @	Maximum amount outstanding during the year ended 31 March 2019
i. Loans and advances in the nature of loans to subsidiary				
Welspun Natural Resources Private Limited @@	2,009	26,342	10,024	14,263
MSK Projects (Kim Mandvi Corridor) Private Limited	379	699	699	699
Welspun Projects (Himmatnagar Bypass) Private Limited	27	27		
ARSS Bus Terminal Private Limited	18	18	14	14
Dewas Waterprojects Works Private Limited	315	5,364	1,209	2,150
Welspun Delhi Meerut Expressway Private Limited	2,168	4,926	4,558	6,310
Welspun Build-Tech Private Limited (Formerly Welspun Construction Private Limited)	2	2	2	2
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	467	83	483
DME Infra Private Limited	1	1	0	0
Grenoble Infrastructure Private Limited	0	0	0	0
Welspun Amravati Highways Private Limited	5	5	0	0
Welspun Road Infra Private Limited	4,407	6,098	0	308
Welsteel Enterprises Private Limited	0	0		
Welspun Aunta-Simaria Project Private Limited	477	497		
Welspun Infrafacility Private Limited	32	33		
ii. Loans and advances in the nature of loans to Associate				
Adani Welspun Exploration Limited	19	30	0	30
iii. Loans and advances in the nature of loans to Joint Venture Companies				
Welspun Aunta-Simaria Project Private Limited	-	-	23	741
Welsteel Enterprises Private Limited	-	-	0	0
RGY Roads Private Limited	3	3	3	9,024
MBL (GSY) Road Limited	2,005	2,799	224	7,870
MBL (CGRG) Road Limited	1,073	1,371	90	2,791
Corbello Trading Private Limited	3	3	3	3
Chikhali - Tarsod Highways Private Limited	341	1,992	-	408
iv. Loans and advances in the nature of loans to firms/ companies in which directors are interested				
Anjar Road Private Limited	-	-	10	10
v. Investment by the loanee in the shares of the Company	Nil	Nil	Nil	Nil

@ Closing balances are considered after considering the Ind AS adjustments to make comparable with financial statements for reporting purpose.

@@ After considering expected credit loss of Rs 13,377 Lakhs (31 March 2019 : Rs 13,377 Lakhs)

57 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2020: Rs 21,612 lakhs (31 March 2019 : Rs 2,286 lakhs) and Non-fund based - 31 March 2020 : Rs 42,747 lakhs (31 March 2019 Rs 54,088 lakhs)) of the Company are as under:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipments	2,770	476
Inventories	68	73
Other current assets excluding investments and tax	102,475	125,113
Total assets pledged	**105,313**	**125,662**

Notes forming part of the standalone financial statements

58 Proposed dividends on equity shares

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Dividend proposed for 31 March 2020 Rs 2.00 per share (31 March 2019 Rs 2.00 per share)	2,969	2,962
Dividend distribution tax on above	-	609

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax theron) as at reporting date.

59 a) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(Rs in lakhs)

	Long term borrowings (Including current maturities)	Short term borrowings	Equity share capital	Securities Premium
As at 31 March 2019	**1,300**	**15,790**	**14,808**	**92,851**
Cash inflow	5,094	27,786	-	-
Cash outflow	(3,025)	(15,790)	-	-
Non cash changes - other changes (Refer note below (b))	(29)	(125)	38	485
As at 31 March 2020	**3,340**	**27,661**	**14,846**	**93,336**

b) Non- cash investing and financing activities for the current year

i) Other Non-cash changes in short term borrowings are related to amortisation of processing fees

ii) Increase in general reserve pursuant to scheme of amalgamation with Anjar Road Private Limited (Refer note 53)

iii) Other Non-cash changes in equity share capital and securities premium are on account of equity shares alloted pursuant to exercise of stock option (Refer note 46)

iv) Conversion of loan to investment in subsidiaries during the year is Rs 15,426 lakhs

v) Conversion of loan to investment in joint venture companies during the year is Rs 3,565 lakhs

60 Corporate Social Responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend Rs 168 lakhs (31 March 2019 Rs Nil) for the year against which Rs 168 lakhs (31 March 2019 Rs 200 lakhs) has been spent on activities specified in Schedule VII of the Companies Act 2013.

61 Estimation of uncertainity relating to COVID - 19 Outbreak

The outbreak of COVID-19 has impacted the business operations across all industries in the country. This has resulted in interruption to construction activities, disruption to supply chain, availability of manpower etc. Ministry of Road transport and Highways ('MORT&H') issued instructions to NHAI to implement certain relief measures which are very generic and conditional. However, specific directions from MORT&H /NHAI is awaited for seeking specific relief for the industry.

The Company has commenced operations at all its sites in a limited scale post relaxation of lockdown. The Company has availed the protections available to it as per various contractual provisions to reduce the impact of COVID-19. The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact for the year ended 31 March 2020. The aforesaid evaluation is based on projections and estimates which are dependent on future developments. Due to the nature of the pandemic, the Company will continuing to monitor developments to Identify significant uncertainties in future periods, if any.

Notes forming part of the standalone financial statements

62 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Independent Auditor's Report

To
The Members of
Welspun Enterprises Limited

Report on the Audit of the Consolidated Financial Statements

1. **Opinion**

We have audited the accompanying consolidated financial statements of **Welspun Enterprises Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate and joint venture companies which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statement and on other financial information of subsidiaries, associate and joint venture companies referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Group as at 31 March 2020, and its consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Auditor's response
Accuracy in respect of Construction contract revenue involves critical estimates. ▪ Estimated cost is a critical estimate to determine revenues. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, costs incurred till date, costs required to complete the remaining contract performance obligations.	**Principal audit procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ▪ Evaluated the design of internal controls relating to recording of costs incurred and estimation of efforts required to complete the performance obligations. ▪ Tested the access and application controls pertaining to allocation and budgeting systems which prevents unauthorized changes to recording of costs incurred. ▪ Selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimated through inspection of evidence of performance of these controls. ▪ Selected a sample of contracts and performed a retrospective review of costs incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract. ▪ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations. ▪ Performed analytical procedures and test of details for reasonableness of incurred and estimated costs.

4. **Other information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report and Chairman's Statement but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard

5. **Management's responsibility for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture companies are responsible for assessing the ability of the Group and of its associates and joint venture companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and of its associates and joint venture companies are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture companies.

6. **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary Companies which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture companies to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. **Other matters**

We did not audit the financial statements of twelve subsidiaries whose financial statements reflect total assets of Rs. 85,495.44 lakhs as at 31 March 2020, total revenues of Rs. 73,213.71 lakhs, total net loss after tax of Rs. 1,813.21 lakhs, total comprehensive loss of Rs. 1,814.31 lakhs and total cash outflows of Rs.101.69 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of Rs. 196.52 lakhs and total comprehensive loss of Rs. 196.88 lakhs for the year ended 31 March 2020, in respect of an associate and four joint venture companies, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture companies and our report in terms of Section 143(3) of the Act, in so far as it relates to these subsidiaries, associate and joint venture companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

8. **Report on Other Legal and Regulatory requirements**

A. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associate and joint venture companies which are incorporated in India, none of the directors of the Group, its associate and joint venture companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture companies.

ii. Provision has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its associates and joint venture companies during the year.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 1 June 2020
UDIN: 20048215AAAABU2514

Annexure 'A' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 8(A)(f) under 'Report on other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of the Company on the consolidated financial statements for the year ended 31 March 2020.

We have audited the internal financial controls over financial reporting of **Welspun Enterprises Limited** ("the Holding Company") and its subsidiaries, associate and joint venture companies incorporated in India as at 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding company, its subsidiaries, associate and joint venture companies incorporated in India , are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiaries, associate and joint venture companies incorporated in India internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls over financial reporting"(the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of the subsidiary companies, associate and joint venture companies incorporated in India , in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India.

Meaning of internal financial controls over financial reporting
A Holding Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Holding Company, its subsidiary companies, associate and joint venture companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India considering the essential components of Internal control stated in the Guidance Note issued by the ICAI.

Other matters
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiaries, associate and joint venture companies incorporated in India is based on corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 1 June 2020
UDIN: 20048215AAAABU2514

Consolidated Balance Sheet as at 31 March 2020

(Rs in lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	4,485	8,004
(b) Right-of-use assets	5	387	-
(c) Capital work-in-progress	4	6,381	12,013
(d) Intangible assets	6	5,831	39
(e) Investments in an associate and joint venture companies	54	54,556	53,651
(f) Financial assets			
i. Investments	7	857	2,029
ii. Loans	8	2,856	300
iii. Receivable under service concession arrangement	9	88,122	54,233
iv. Others	10	307	382
(g) Deferred tax assets (net)	43	1,549	817
(h) Non-current tax assets	11	2,175	1,727
(i) Other non-current assets	12	1,649	1,403
Total non-current assets		**169,155**	**134,598**
2. Current assets			
(a) Inventories	13	68	73
(b) Contract assets	14	28,638	43,084
(c) Financial assets			
i. Investments	15	39,342	37,661
ii. Trade receivables	16	18,674	28,069
iii. Cash and cash equivalents	17	12,558	11,550
iv. Bank balances other than (iii) above	18	2,330	3,416
v. Loans	19	3,342	11,528
vi. Receivable under service concession arrangement	20	5,149	7,252
vii. Other financial assets	21	5,340	166
(d) Other current assets	22	24,521	11,844
Total current assets		**139,962**	**154,643**
Assets held-for-sale	23	2,513	53
		142,475	**154,696**
Total assets		**311,630**	**289,294**
Equity and liabilities			
Equity			
(a) Equity share capital	24 (a)	14,846	14,808
(b) Other equity	24 (b)	143,099	130,554
Equity attributable to equity holders of the parent		**157,945**	**145,362**
Non-controlling interests	55	10	7
Total equity		**157,955**	**145,369**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	47,776	40,394
(ii) Other financial liabilities	26	153	-
(b) Provisions	27	2,967	3,217
(c) Deferred tax liabilities (net)	43	-	333
(d) Other non current liabilities	28	285	-
Total non-current liabilities		**51,181**	**43,944**
2. Current liabilities			
(a) Contract liabilities	29	17,859	9,349
(b) Financial liabilities			
i. Borrowings	30	27,661	15,790
ii. Trade payables	31		
- Due of micro enterprises and small enterprises		2	29
- Due of creditors other than micro enterprises and small enterprises		28,197	57,392
iii. Other financial liabilities	32	24,991	13,654
(c) Provisions	33	221	143
(d) Other current liabilities	34	3,558	3,010
(e) Current tax liabilities	35	5	614
Total current liabilities		**102,494**	**99,981**
Total equity and liabilities		**311,630**	**289,294**
Notes forming part of the consolidated financial statements			**1 to 70**

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(Rs in lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	36	180,759	178,660
Other income	37	11,184	7,350
Total income		**191,943**	**186,010**
Expenses			
Cost of materials consumed	38	862	1,732
Subcontracting, civil and repair work		142,888	142,923
Employee benefits expense	39	8,714	8,084
Finance costs	40	7,736	5,366
Depreciation and amortisation expense	41	2,254	1,149
Other expenses	42	7,337	6,593
Total expenses		**169,791**	**165,846**
Profit before share of profit of an associate and joint venture entities and exceptional items		**22,152**	**20,163**
Share of loss from an associate and joint venture entities	54 & 43	(1,878)	(1,450)
Profit before exceptional items and tax		**20,274**	**18,713**
Exceptional items (net)	50	-	1,985
Profit before tax		**20,274**	**20,698**
Tax expense	43		
- Current tax		5,883	7,766
- Deferred tax charge/ (credit)		(722)	256
Total tax expense		**5,161**	**8,022**
Profit for the year		**15,113**	**12,676**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan		31	(51)
Income tax effect on above		(8)	17
Share of OCI of associate		(0)	1
Other comprehensive income for the year (net of tax)		**23**	**(33)**
Total comprehensive income for the year		**15,136**	**12,643**
Profit attributable to :			
Equity holders of the parent		14,888	12,669
Non-controlling interest		225	7
Total comprehensive income attributable to :			
Equity holders of the parent		14,911	12,636
Non-controlling interest		225	7
Earnings per equity share of Rs.10 each fully paid up	47		
Basic (Rs)		10.04	8.58
Diluted (Rs)		9.91	8.53

Notes forming part of the consolidated financial statements **1 to 70**

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Consolidated statement of changes in equity for the year ended 31 March 2020

A. Equity share capital

(Rs in lakhs)

	Note	Amount
Balance as at 31 March 2018	**24(a)**	**14,753**
Changes in equity share capital		55
Balance as at 31 March 2019	**24(a)**	**14,808**
Changes in equity share capital		38
Balance as at 31 March 2020	**24(a)**	**14,846**

B. Other equity

(Rs in lakhs)

	Notes	Reserves and surplus						Total other equity	Non-controlling interests	Total
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings			
Balance as at 01 April 2018 (A)		**27,993**	**92,138**	**904**	**521**	**322**	**(2,763)**	**119,115**	-	**119,115**
Profit for the year		-	-	-	-	-	12,669	12,669	7	12,676
Other comprehensive income for the year		-	-	-	-	-	(33)	(33)	-	(33)
Total comprehensive income for the year (B)		**-**	**-**	**-**	**-**	**-**	**12,636**	**12,636**	7	**12,643**
Compensation options granted	49 & 24(b)	-	-	687	-	-	-	687	-	687
Exercise of share options	49 & 24(b)	-	711	71	-	-	-	782	-	782
Dividends paid	64	-	-	-	-	-	(2,213)	(2,213)	-	(2,213)
Dividends distribution tax paid	64	-	-	-	-	-	(454)	(454)	-	(454)
Non-controlling interest	55	-	-	-	-	-	-	-	1	1
Share of an associate	54	-	-	-	-	-	0	0	-	0
Total (C)		**-**	**711**	**758**	**-**	**-**	**(2,666)**	**(1,197)**	**1**	**(1,197)**
Balance as at 31 March 2019 (D = (A + B + C))		**27,993**	**92,849**	**1,662**	**521**	**322**	**7,207**	**130,554**	**7**	**130,561**
Profit for the year		-	-	-	-	-	14,888	14,888	225	15,113
Other comprehensive income		-	-	-	-	-	23	23	-	23
Total comprehensive income for the year (E)		**-**	**-**	**-**	**-**	**-**	**14,911**	**14,911**	225	**15,136**
Compensation options granted	49 & 24(b)	-	-	884	-	-	-	884	-	884
Exercise of share options	49 & 24(b)	-	485	(522)	-	-	-	(38)	-	(38)
Scheme of Amalgamation	61	-	-	-	-	246		246		246
Dividends paid	64	-	-	-	-	-	(2,962)	(2,962)	-	(2,962)
Dividends distribution tax paid	64	-	-	-	-	-	(496)	(496)	-	(496)
Non-controlling interest	55	-	-	-	-	-	-	-	(223)	(223)
Share of an associate	54	-	-	-	-	-	(0)	(0)	-	(0)
Total (F)		**-**	**485**	**362**	**-**	**246**	**(3,458)**	**(2,365)**	(223)	**(2,588)**
Balance as at 31 March 2020 (G = D+E+F))		**27,993**	**93,334**	**2,024**	**521**	**568**	**18,660**	**143,099**	**10**	**143,109**

Notes forming part of the consolidated financial statements 1 to 70

Consolidated statement of changes in equity for the year ended 31 March 2020

Nature and purpose of reserves

a) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Share options outstanding account

The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 49 for further details of this plan.

d) Amalgamation reserve

It represents reserve arising out of amalgamation of two subsidiaries with the Company.

e) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from profits.

f) Other comprehensive income

Other comprehensive income comprises of re-measurement gains/ (losses) of defined benefit obligations

As per our report of even date

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

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Consolidated statement of cash flows for the year ended 31 March 2020

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
A	**Cash flow from operating activities**		
	Profit before tax	20,274	20,698
	Adjustments for		
	Depreciation and amortisation expense	2,254	1,149
	Gain on sale/ discard of property, plant and equipment (net)	(565)	(32)
	Gain on sale of assets held-for-sale	-	(490)
	Bad debts	-	1
	Interest income	(6,735)	(5,392)
	Finance costs	7,677	5,292
	Gain on sale of non-current investments	-	(1,985)
	Dividend income	(22)	(16)
	Provision for gratuity and leave encashment	172	232
	Net gain on financial assets mandatorily measured at FVTPL	(3,799)	(1,453)
	Reversal of provision no longer required	(16)	(99)
	Unwinding of discount on security deposits	(9)	(4)
	Share based payments to employees	884	1,524
	Share of loss from associate and joint venture companies	1,878	1,450
	Operating profit before working capital changes	**21,993**	**20,875**
	Adjustments for		
	Decrease/ (Increase) in trade and other receivables	10,169	(69,135)
	(Decrease)/ Increase in trade and other payables	(31,175)	44,146
	Decrease / (Increase) in inventories	5	(3)
	Cash used in operations	**992**	**(4,117)**
	Direct taxes paid (net of refund)	(6,785)	(7,505)
	Net cash used in operating activities (A)	**(5,793)**	**(11,622)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(1,746)	(10,011)
	Sale of property, plant and equipment and assets held for sale	1,956	527
	Gain on sale of current investments (net)	(279)	80
	Investment in other entity	-	(25)
	Proceeds from sale of investment in other entity	-	5,911
	Loans given to joint venture companies	(10,373)	(11,589)
	Loans given to associate	(2,953)	(9,834)
	Loans given to others	0	(9)
	Loans given to joint venture companies repaid	2,930	6,260
	Loans given to associate repaid	6,391	30
	Loans given to others repaid	10	6
	Advance towards purchase of investment	(5,224)	-
	Redemption of investment in optionally convertible debentures	1,171	181
	Increase in other bank balances and restricted investments	(2,369)	1,008
	Inter-corporate deposits given repaid	-	50
	Dividend received	22	16
	Interest received	4,258	3,505
	Net cash used in investing activities (B)	**(6,206)**	**(13,892)**

Consolidated statement of cash flows for the year ended 31 March 2020

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	53,247	6,821
	Repayment of long-term borrowings	(43,168)	(7,683)
	Increase in short-term borrowings (net)	11,871	14,360
	Principal payment of lease liabilities	(321)	-
	Interest paid	(7,578)	(5,565)
	Dividend paid including dividend distribution tax	(3,458)	(2,667)
	Net cash generated from financing activities (C)	**10,595**	**5,266**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,405)**	**(20,248)**
	Cash and cash equivalents at the beginning of the year	49,422	69,670
	Cash and cash equivalents on business acquisition (Refer Note 56)	312	-
	Cash and cash equivalents of Anjar Road Private Limited (Refer Note 61)	940	-
	Cash and cash equivalents at the end of the year	**49,269**	**49,422**
	Notes:		(Rs in lakhs)
	1. Break up of cash and cash equivalents are as follows	**As at 31 March 2020**	**As at 31 March 2019**
	Current investments	37,015	37,872
	Cash and cash equivalents	12,254	11,550
	Total	**49,269**	**49,422**

2 As required by Ind AS 7 “Statement of Cash Flows”, a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 66

3 The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 66

4. The previous year figures are regrouped/ reclassified wherever necessary.

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 01 June 2020

Notes forming part of the consolidated financial statements

1. Corporate information

Welspun Enterprises Limited (herein after referred to as 'WEL' or the 'company' or the 'parent company') is a public limited company incorporated in India. Its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company along with its subsidiaries (the 'Group'), an associate and joint venture companies is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis) and oil and gas exploration activities. It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.

The Consolidated Financial Statements (hereinafter referred to as "CFS") of the group for the year ended 31 March 2020 were authorised for issue by the Board of Directors at their meeting held on 01 June 2020.

2 Basis of preparation

The CFS have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) from time to time and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI)

The CFS have been prepared under the historical cost convention and on accrual basis, except for the following that are measured at fair value :

a) Certain financial assets and liabilities. (Refer accounting policy regarding financial instruments).

b) Non current assets held-for-sale - measured at fair value less cost to sell

c) Defined benefit plan assets and liabilities

d) Share based payments

The Consolidated Financial Statements are presented in Indian rupees (INR) with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than Rs 50,000/-

3 (A) Principles of Consolidation and equity accounting

i) Subsidiaries

a) The consolidated financial statements incorporate the financial statements of WEL and entities controlled by WEL and its subsidiaries.

b) Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

c) The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2020.

d) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Notes forming part of the consolidated financial statements

e) Listed below are the subsidiaries considered in the CFS. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date that control ceases.

Name of the Subsidiaries	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of Incorporation
	31 March 2020	31 March 2019	
Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)	100%	100%	India
Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor Private Limited)	100%	100%	India
Dewas Waterprojects Works Private Limited @ (Formerly known as Anjar Water Solutions Private Limited)	76%	100%	India
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited)	100%	100%	India
Welspun Natural Resources Private Limited	100%	100%	India
Welspun Delhi Meerut Expressway Private Limited	100%	100%	India
ARSS Bus Terminal Private Limited	100%	100%	India
Grenoble Infrastructure Private Limited (a)	49%	49%	India
DME Infra Private Limited (b)	100%	100%	India
Welspun Sattanathapuram Nagapattinam Road Private Limited (c) $	70%	70%	India
Welspun Road Infra Private Limited (d)	100%	100%	India
Welsteel Enterprises Private Limited (e) #	49%	-	India
Welspun Aunta-Simaria Project Private Limited ^ #	74%	-	India
Welspun Amravati Highways Private Limited (f)	100%	100%	India
Welspun Infrafacility Private Limited (g)	100%	-	India

(a) became subsidiary w.e.f. 16 July 2018
(b) became subsidiary w.e.f. 02 August 2018
(c) became subsidiary w.e.f. 19 September 2018
(d) became subsidiary w.e.f. 05 December 2018
(e) became joint venture entity w.e.f. 25 June 2018
(f) became subsidiary w.e.f. 28 September 2018
(g) became subsidiary w.e.f. 13 September 2019
Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities)
@ In addition to aforesaid stake, 24% are held through Welspun Project (Kim Mandvi Corridor) Private Limited
$ In addition to aforesaid stake, 14.65% are held through Grenoble Infrastructure Private Limited
^ In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited

ii) Associate and joint venture companies

a) Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Notes forming part of the consolidated financial statements

b) Under Ind AS 111 “Joint Arrangements”, investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has interest in joint venture that are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

c) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint venture are recognised as a reduction in the carrying amount of the investment.

When the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.
Unrealised gains on transactions between the group, its associate and joint venture companies are eliminated to the extent of the group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

d) **List of investments in associate and joint venture companies accounted for using “Equity method” are as under:**

Name of the Associate/ joint venture companies	Extent of Holding		Country of Incorporation
	31 March 2020	31 March 2019	
Associate			
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)	35%	35%	India
Joint venture companies			
Welspun Aunta-Simaria Project Private Limited # ^	-	74%	India
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited ##	49%	49%	India
MBL (CGRG) Road Limited ##	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ###	49%	49%	India
Welsteel Enterprises Private Limited * ^	-	49%	India

* Became Joint venture w.e.f 25 June 2018

^ Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities)

In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited

In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited

In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

3 (B) Significant accounting policies

i) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes forming part of the consolidated financial statements

A liability is classified as current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Refer Note 3(C) for Changes in accounting policies and disclosures

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3(D).

a) Construction contract revenue

The Group derives revenue from the long-term construction of major infrastructure projects across India. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Group creates or enhances an asset that the customer controls.

The Group recognises revenue from construction contracts, using an input method on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion. This method reflects close approximation of actual work performed. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

Contract revenue corresponds to the fair value of consideration received/ receivable from the customer to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured.

b) Toll collection

Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll.

c) Services revenue

The Group performs maintenance and other services (advisory and consultancy). Revenue is recognised in the accounting period in which the services are rendered.

d) Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

e) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects goods and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Notes forming part of the consolidated financial statements

f) Contract Balances

Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Unlike the method used to recognise contract revenue related to construction contract, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under “Contract assets”, whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under “Contract liabilities”.

Trade receivables

A trade receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. We refer to the accounting policies on financial assets in this note for more information.

g) Cost to obtain a contract

The Group incurs costs to obtain the contracts such as bidding costs, feasibility study. The Group has charged these costs to statement of profit and loss as the Group does not expect to recover these costs.

h) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. However incase financing element is present then the Group would split the transaction price between the consideration for services rendered and time value of money ('financing component')

i) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income.

j) Dividend income

Dividend income is recognised when right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Exceptional items

On certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

Notes forming part of the consolidated financial statements

iv) Service concession arrangement

a) The group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Revenue from Contracts with Customers, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent the group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The group manages concession arrangements which include toll road project, hybrid annuity road project and water supply project. The group maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users.

Due to the market developments during quarter ended 31 December 2019, the Group has, as per the requirements of Ind AS 109, assessed its business model for HAM assets to have changed from 'hold to sale' to 'hold to collect', resulting in the measurement basis to change from 'fair value through profit and loss' to 'amortised cost'.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

b) **Amortisation**

Intangible assets i.e. BOT cost (Toll collection right) existing on transition date, viz., 1 April 2015 are amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

Intangible assets (including Service concession arrangements) that came into existence after the transition date are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

v) Property, plant and equipment

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Notes forming part of the consolidated financial statements

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013. If the management estimate of the useful life of assets at the time of acquisition of assets or remaining useful life on a subsequent review is shorter/longer than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate/ lower rate based on the management estimate of the useful life/remaining useful life.

Pursuant to this policy, property, plant and equipment are depreciated over the useful life as provided below :-

Assets descriptions	Useful life
Buildings	60 years
Plant and machinery	2 years to 12 years
Furniture and fixtures	10 years
Vehicles	8 years to 10 years
Office and other equipments	3 years to 5 years
Computers	3 years to 6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

vi) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangibles assets are amortised as explained in note iv (b) above

vii) Oil & Gas Asset

Expenditure incurred prior to obtaining the right(s) to explore, develop and produce oil and gas are expensed off in the year of incurrence to the extent of the efforts not successful. The pro-rated cost of the successful efforts and Exploratory/appraisal drilling costs are initially capitalized within "Exploratory Work in Progress" on a block by block basis until the success or otherwise of the block is established. The success or failure of each exploration/appraisal effort is judged on a block basis. Exploration Assets are subject to impairment test on an annual basis.

Notes forming part of the consolidated financial statements

On establishment of technical feasibility and commercial viability, the respective cost centre as shown under Exploratory Work in Progress are reclassified under Development Well . The Capital Work in Progress is allocated amongst the Development Wells and Production Facilities in proportionate basis.

Where results of seismic studies or exploration drilling indicate the presence of oil & gas reserves which are ultimately not considered commercially recoverable and no additional exploratory activity is firmly planned, all related costs are written off to the statement of profit & loss in the year of cessation of the exploration activity.

Any payment made towards fulfilment of commitment under the Contracts from earlier periods continues to be included under Exploration and Evaluation Assets at its carried value in accordance with IND AS 101.

When a block or cost centre is relinquished, the accumulated costs are charged off as an expensed during the said year.

viii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If indication exists, an asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

ix) Valuation of inventories

Raw materials and components are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Traded goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

x) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

xi) Non-current assets held-for-sale

The group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

xii) Employee benefits

a) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

Notes forming part of the consolidated financial statements

b) Defined benefit plans

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

c) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

xiii) Share based payments

Employees (including senior executives) of the group receive remuneration also in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions)

Employee stock options

The fair value of the options granted under the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

xiv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xv) Taxes on income

a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit.

Notes forming part of the consolidated financial statements

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporay differences and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the group expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax during the specified period.

xvi) Foreign Currency transactions

The consolidated financial statements are presented in Indian rupee (INR), which is Welspun Enterprises Limited's functional and presentation currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date, are translated at the closing rate and are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvii) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes forming part of the consolidated financial statements

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term of useful lives of the leased assets.

The right-of-use assets are also subject to impairment. Refer to the significant accounting policies - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

xviii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

xx) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Notes forming part of the consolidated financial statements

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. when discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurence or non occurence of one or more uncertain future events beyond the control of the group or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

xxi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a) Initial recognition and measurement

Financial assets are recognized when the group becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments measured at amortised cost

ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments measured at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

i) Debt instruments measured at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

Notes forming part of the consolidated financial statements

ii) Debt instruments measured at FVTOCI
Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

iii) Debt instruments measured at FVTPL
Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity instruments (other than investment in an associate and joint venture companies)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Derecognition of financial assets
A financial asset is derecognised only when
i) The group has transferred the rights to receive cash flows from the financial asset or
ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

C. Impairment of financial assets
The group assesses impairment based on expected credit losses (ECL) model to the following:

i) Financial assets measured at amortised cost
ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to
i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting date) or
ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Notes forming part of the consolidated financial statements

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognising impairment loss allowance based on twelve months ECL.

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

i) Financial liabilities measured at amortised cost

ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

xxii) Business combinations

In accordance with Ind AS 101, provisions related to first time adoption, the group has elected to apply Ind AS accounting for business combination prospectively from 1 April 2015. Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Notes forming part of the consolidated financial statements

xxiii) Fair value measurement

The group measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• in the principal market for the asset or liability, or
• in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers, if any, have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 (C) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the same to lease contracts existing on 1 April 2019 using the modified retrospective approach. Accordingly, the comparative figures have not been restated. This resulted in recognition of lease liability of Rs. 662 lakhs with an equivalent amount recognized as right to use of asset as of 1 April 2019. The effect of this adoption is not material on the profit for the current year.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Notes forming part of the consolidated financial statements

3 (D) Significant estimates, judgements and assumptions

The preparation of consolidated financial statements requires management to exercise judgment in applying the group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Contract estimates

The group prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 51.

c) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

d) Impairment testing

i) Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Taxes

The group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes forming part of the consolidated financial statements

f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 44).

g) Classification of associate and joint arrangement

Please refer note 54 (b) (v) and 54 (c) (v)

h) Share based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

3 (E) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from 1 April 2020.

Notes forming part of the consolidated financial statements

4 Property, plant and equipment

(Rs in lakhs)

	Freehold land	Buildings	Plant and machinery	Construction Equipments	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Gross carrying amount									
Balance as at 01 April 2018	**1,798**	**6**	**218**	**64**	**45**	**341**	**90**	**23**	**2,585**
Additions	-	-	4,597	-	49	1,806	52	6	**6,510**
Disposals	-	-	9	-	-	11	-	-	**20**
Reclassification as held for sale	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2019	**1,798**	**6**	**4,806**	**64**	**94**	**2,136**	**142**	**29**	**9,075**
Additions	-	-	1,602	-	13	302	36	18	**1,971**
Disposals	48	-	458	-	-	193	0	-	**699**
Reclassification as held for sale	-	-	3,318	-	-	1,050	-	-	**4,368**
Balance as at 31 March 2020	**1,750**	**6**	**2,632**	**64**	**107**	**1,195**	**178**	**47**	**5,979**

	Freehold land	Buildings	Plant and machinery	Construction Equipments	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Accumulated depreciation									
Upto 01 April 2018	**-**	**2**	**119**	**64**	**9**	**114**	**45**	**8**	**361**
Additions	-	0	393	-	14	282	25	9	**724**
Disposals	-	-	7	-	-	7	-	-	**14**
Reclassification as held for sale	-	-	-	-	-	-	-	-	**-**
Upto 31 March 2019	**-**	**2**	**505**	**64**	**23**	**389.4**	**70**	**17**	**1,071**
Additions	-	0	1,115	-	22	442	48	12	**1,639**
Disposals	-	-	167	-	-	61	-	-	**228**
Reclassification as held for sale	-	-	672	-	-	316	-	-	**989**
Upto 31 March 2020	**-**	**2**	**781**	**64**	**45**	**454**	**118**	**29**	**1,494**
Net carrying amount									
Upto 31 March 2020	**1,750**	**4**	**1,851**	**-**	**61**	**740**	**61**	**18**	**4,485**
Upto 31 March 2019	**1,798**	**4**	**4,301**	**-**	**71**	**1,746**	**72**	**12**	**8,004**

Net carrying amount

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	4,485	8,004
Capital work-in-progress	6,381	12,013

Note :

* Includes value of land Rs Nil (Original value of Rs 36 lakhs) at Pune for which the legal documents are yet to be executed.

For details of property, plant and equipment pledged as security, refer note 63

Notes forming part of the standalone financial statements

5 Right-of-use assets

(Amount in Rs.)

	Leased Premises	Total
Gross carrying amount		
Balance as at 01 April 2018	**-**	**-**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**-**	**-**
Additions	694	694
Disposals	-	-
Balance as at 31 March 2020	**694**	**694**

	Leased Premises	Total
Accumulated amortisation		
Upto 01 April 2018	**-**	**-**
Additions	-	-
Disposals	-	-
Upto 31 March 2019	**-**	**-**
Additions	307	307
Disposals	-	-
Upto 31 March 2020	**307**	**307**
Net carrying amount		
Balance as at 31 March 2020	**387**	**387**
Balance as at 31 March 2019	**-**	**-**

	As at 31 March 2020	As at 31 March 2019
Net carrying amount		
Right-of-use assets	387	-

6 Intangible assets (BOT Toll Collection Right)

(Rs in lakhs)

	Hoshanagabad-Harda- Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Himmatnagar Bypass Private Limited	Kim Mandvi Corridor Private Limited	Total
Gross carrying amount							
Balance as at 01 April 2018	3,163	2,749	240	-	350	4,767	**11,269**
Additions	-	-	-	-	-	-	**-**
Reclassification as held for sale	-	-	-	-	-	4,767	**4,767**
Balance as at 31 March 2019	**3,163**	**2,749**	**240**	**-**	**350**	**-**	**6,502**
Additions	-	-	-	6,100	-	-	**6,100**
Reclassification as held for sale	-	-	-	-	-	-	**-**
Balance as at 31 March 2020	**3,163**	**2,749**	**240**	**6,100**	**350**	**-**	**12,602**

	Hoshanagabad-Harda- Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Himmatnagar Bypass Private Limited	Kim Mandvi Corridor Private Limited	Total
Accumulated amortisation							
Upto 1 April 2018	3,163	2,420	240	-	215	-	**6,038**
Additions	-	329	-	-	96	-	**425**
Reclassification as held for sale	-	-	-	-	-	-	**-**
Upto 31 March 2019	**3,163**	**2,749**	**240**	**-**	**311**	**-**	**6,462**
Additions	-	-	-	284	25	-	**309**
Reclassification as held for sale	-	-	-	-	-	-	**-**
Upto 31 March 2020	**3,163**	**2,749**	**240**	**284**	**335**	**-**	**6,771**
Net carrying amount							
Upto 31 March 2020	-	-	-	5,816	15	-	5,831
Upto 31 March 2019	-	-	-	-	39	-	39

Note :

For details of intangible assets pledged as security, refer note 63

Notes forming part of the consolidated financial statements

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
7	**Non-current investments**		
	Investment at fair value through profit and loss		
	Investment - Quoted		
	Union Bank of India (Formerly known as Corporation Bank Limited) * 2,640 (31 March 2019 : 8,000) equity shares of Rs 10/- (31 March 2019 : Rs. 2/-) each fully paid up	1	2
	Investments - Unquoted		
	Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited)		
	1,549 (31 March 2019 :1,549) equity shares of Rs 10 each fully paid up	0	0
	8,559,325 (31 March 2019 : Nil) 0% unsecured optionally convertible debentures of Rs 10 each fully paid up @	856	-
	Nil (31 March 2019 : 20,264,500) 0% unsecured compulsorily convertible debentures of Rs 10 each fully paid up #	-	2,026
	Ecstatic Engineering Consultants Private Limited 480 (31 March 2019 : 480) equity shares of Rs 10 each fully paid up	0	0
	Investment in Government Securities		
	Indira Vikash Patra	0	0
	Total	**857**	**2,029**
	Aggregate book value of quoted investments	1	2
	Aggregate book value of unquoted investments	856	2,027
	Aggregate market value of quoted investments	1	2

* Number of shares reduced pursuant to merger

@ Each debenture having face value of Rs 10 each shall at the option of the Company be converted into appropriate number of equity shares of Rs 10 each, equity share of Rs 10 each fully paid up not later than 10 years from the date of allotment of optionally convertible debentures

\# Each debenture having face value of Rs 10 each shall be compulsorily convertible into 1 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

		As at 31 March 2020	As at 31 March 2019
8	**Non-current financial assets - Loans**		
	Unsecured		
	Security deposits- considered good		
	- Related parties (Refer note 52)	14	12
	- Others	209	288
		223	**300**
	Loans to related parties (Refer note 52)		
	Considered good	2,633	-
		2,633	**-**
	Total	**2,856**	**300**
9	**Receivable under service concession arrangement**		
	Service concession receivables	88,122	54,233
	Total	**88,122**	**54,233**

Notes forming part of the consolidated financial statements

		As at 31 March 2020	As at 31 March 2019
			(Rs in lakhs)
10	**Non-current financial assets -others**		
	Deposit - others	296	296
	Bank deposit having maturity of more than 12 months - * Held as margin money or security against guarantees and other commitments (with various government authorities and banks)	11	86
	Total	**307**	**382**
	* Deposits with banks earns interest at prevailing bank deposit rates.		
11	**Non-current tax assets**		
	Balances with government authorities :		
	- Direct tax (net of provision for taxation)	2,175	1,727
	Total	**2,175**	**1,727**
12	**Other non-current assets**		
	Capital advances	21	744
	Prepaid expenses	970	261
	Balances with government authorities - Indirect taxes	658	382
	Deferred revenue	-	16
	Total	**1,649**	**1,403**
13	**Inventories**		
	Raw materials	68	73
	Total	**68**	**73**
14	**Contract assets**		
	Contract assets (Refer note 59)		
	- Related parties (Refer note 52)	17,928	42,095
	- Others	10,710	989
	Total	**28,638**	**43,084**
15	**Current investments**		
	Investments at fair value through profit and loss		
I.	**Quoted**		
	a) Investment in bonds	19,610	37,287
	b) Investment in mutual funds *	19,627	245
	c) Investment in equity shares		
	NMDC Limited	80	104
	100,000 (31 March 2019 : 100,000) shares of face value of Re 1/- each fully paid up		

Notes forming part of the consolidated financial statements

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
II	**Unquoted**		
	Ecstatic Engineering Consultants Private Limited 5,584 (31 March 2019 : 5,584) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) #	25	25
	Total	**39,342**	**37,661**
	Aggregate book value of quoted investments	39,317	37,636
	Aggregate book value of unquoted investments	25	25
	Aggregate market value of quoted investments	39,317	37,636

* Lien has been created for 99,153.071 units (31 March 2019 Rs Nil) of SBI Overnight Fund Direct Growth in favour of borrowings from Axis Bank Limited.

Each debenture having face value of Rs 100 each shall be convertible, at the option of the holder into 1 equity share of Rs 10 each of the Company at any time after the expiry of 6 months and may be redeemed or renewed or converted upon maturity at the option of the debentureholder.

16 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good		
- Related parties (Refer note 52)	15,988	26,353
- Others	2,686	1,716
Total	**18,674**	**28,069**

Trade receivables are non-interest bearing and are normally settled as per payment terms mentoned in the contract.

17 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks in		
- Current accounts	1,590	10,181
- Deposits with banks having original maturity period of less than three months * #	305	1,359
Cash on hand	7	10
Remittances in transit **	10,656	-
Total	**12,558**	**11,550**

* Deposits with banks earns interest at prevailing bank deposit rates.

** Subsequently cleared on 04 April 2020.

Lien marked in issuance of bank guarantee

18 Bank balances (other than 17 above)

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- Deposits with banks having maturity period of less than twelve months * ^	1,103	1,318
- Held as margin money or security against guarantees and other commitments (with various government authorities and banks) * #	1,201	2,085
- Unclaimed dividend account	26	13
Total	**2,330**	**3,416**

Note :

* Deposits with banks earns interest at prevailing bank deposit rates.

- includes Rs 42 lakhs (31 March 2019 : Rs 42 lakhs) restricted bank balance due to freezing of account by bank

^ Lien marked in issuance of bank guarantee

Notes forming part of the consolidated financial statements

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
19	**Current financial assets - loans**		
	Unsecured, considered good		
	Inter corporate deposits - Others	100	100
	Security deposits		
	- Related parties (Refer note 52)	82	235
	- Others	81	340
	Loans and advances		
	- Related parties (Refer note 52)	812	8,586
	- Others	2,267	2,267
	Total	**3,342**	**11,528**
20	**Receivable under service concession arrangement**		
	Service concession receivables	5,149	7,252
		5,149	**7,252**
21	**Other current financial assets**		
	Unsecured, considered good		
	Advances recoverable	116	166
	Advance towards purchase of investment	5,224	-
	Total	**5,340**	**166**
22	**Other current assets**		
	Unsecured, considered good		
	Advance against goods and services	7,815	3,054
	Mobilisation advances receivable	3,598	2,448
	Prepaid expenses	1,230	586
	Balance with government authorities - Indirect taxes	11,878	5,756
	Total	**24,521**	**11,844**
23	**Assets held-for-sale**		
	Assets held-for-sale	2,513	53
	Total	**2,513**	**53**

Notes forming part of the consolidated financial statements

24 Equity
24(a) - Equity share capital

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Authorised		
180,050,000 (31 March 2019: 180,000,000) equity shares of Rs. 10/- each	18,005	18,000
	18,005	**18,000**
Issued, subscribed and paid up		
148,458,056 (31 March 2019: 148,083,056) equity shares of Rs. 10/- each fully paid up	14,846	14,808
	14,846	**14,808**

The authorised share capital stands increase by Rs 5 lakhs as per the Scheme of Amalgamation (Refer note 61)

i) Reconciliation of the number of shares outstanding and the amount of the share capital

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	(Rs in lakhs)	Number of equity shares	(Rs in lakhs)
At the beginning of the year	148,083,056	14,808	147,533,056	14,753
Add : Pursuant to exercise of stock options (Refer note 49)	375,000	38	550,000	55
Add : Equity shares issued (Refer note 61)	58,415,951	5,842	-	-
Less : Equity shares cancelled (Refer note 61)	(58,415,951)	(5,842)	-	-
Outstanding at the end of the year	**148,458,056**	**14,846**	**148,083,056**	**14,808**

ii) Rights, preference and restriction on shares
The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

In the event of liquidation of the company, the holders of the equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

iii) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Balkrishan Goenka as Trustee of Welspun Group Master Trust	67,309,526	45.34%	-	-
Anjar Road Private Limited	-	-	58,415,951	39.45%

(iv) Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the last five years immediately preceding the reporting date.

	As at 31 March 2020	As at 31 March 2019
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement	157,768,980	157,768,980
- Pursuant to exercise of stock options (Refer note 49)	2,125,000	1,750,000
b) Equity shares bought back	(26,987,479)	(26,987,479)

v) Shares reserved for issue under options
For details of shares reserved for issue under the share based payment plan of the company, please refer note 49

Notes forming part of the consolidated financial statements

24(b) - Other equity

		(Rs in lakhs)
	As at 31 March 2020	**As at 31 March 2019**
Capital reserve	27,993	27,993
Securities premium	93,334	92,849
Share options outstanding account	2,024	1,662
Amalgamation reserve	521	521
General reserve	568	322
Retained earnings	18,660	7,207
Total	**143,099**	**130,554**
(i) Capital reserve		
As per last balance sheet	27,993	27,993
	27,993	**27,993**
(ii) Securities premium		
As per last balance sheet	92,849	92,138
Exercise of share options	485	711
	93,334	**92,849**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	1,662	904
Compensation options granted during the year (Refer note 49)	884	1,524
Share options exercised during the year (Refer note 49)	(522)	(766)
	2,024	**1,662**
(b) Amalgamation reserve		
As per last balance sheet	**521**	**521**
(c) General reserve		
As per last balance sheet	322	322
Scheme of Amalgamation (Refer note 61)	246	-
	568	**322**
(d) Retained earnings		
As per last balance sheet	7,207	(2,763)
Total comprehensive income for the year	14,911	12,636
Dividend paid	(2,962)	(2,213)
Dividend distribution tax paid	(496)	(454)
Share of an associate	(0)	0
	18,660	**7,207**
Total	**143,099**	**130,554**

Notes forming part of the consolidated financial statements

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
25 Non-current borrowings		
Secured		
Term loans from banks	47,457	37,176
Term loans from financial institutions	6,088	6,242
Less : Current maturities disclosed under other current financial liabilites - Refer note 32	(5,770)	(3,024)
		-
Total	**47,776**	**40,394**
Term loans from banks / financial institutions		
In Parent Company		
IndusInd Bank Limited	2,200	-
Tata Capital Financial Services Limited ('TCFSL')	1,140	1,300
In Subsidiary Companies		
Union Bank of India	3,781	-
Axis Bank Limited	41,476	-
L&T Infrastructure Finance Company Limited	4,949	4,942
Union Bank of India	-	9,170
State Bank of India	-	9,122
Punjab National Bank	-	18,884
	53,546	**43,418**

Nature of security and terms of repayments for long term borrowings

A In Parent Company

i) **IndusInd Bank Limited**

Term loan from IndusInd Bank Limited was secured by first and exclusive charge over the assets financed under the facility, providing minimum asset over of 1.2x throughout the tenor of the loan

Repayment terms : Repayment in 8 equal quarterly installments starting from 1st quarter end from the date of first disbursement i.e. from September 2019.

Rate of Interest : 1 year MCLR + 1 % spread (10.00% p.a.)

ii) **Tata Capital Financial Services Limited ('TCFSL')**

Term loan from TCFSL is secured by hypothecation of first and exclusive charge on construction equipment which is forming part of Property, Plant and Equipment ('PPE')

Repayment terms : Repayment in 23 monthly installments w.e.f.21 April 2019 (Rs 71.96 lakhs EMI per month including interest)

Rate of Interest : 10.75% p.a.

B In Subsidiaries

i) **Union Bank of India**

Secured by first pari passu charges on all tangible moveable assets of Welspun Aunta Simaria Projects Private Limited ('WASPPL') including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future, save and except Project Assets. First charge in all intangible assets, if any including but not limited to, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets. Pledge of 51% of the shareholding & first pari passu charge on all the Company's Immovable properties, including leashold rights, if any, both present and future, save and except Project Assets. Lien over all accounts of the borrower, including the escrow accounts and sub accounts and all funds from time to time, deposited therein (save and except Company/ Surplus Sub-Account).

Notes forming part of the consolidated financial statements

Charge/ assignment by way of security in (a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Agreements including Concession Agreement and EPC Contract (b) the right, title and interest of the Borrower in, to and under all the Government Approvals (c) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Agreements; and (d) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts.

Repayment terms : Repayable in 30 half yearly installments starting from 30 June 2022 and ending in 31 December 2036.

Rate of interest : 1 year MCLR plus 0.80% p.a.

ii) **Axis Bank Limited**

Secured by first charge on all fixed assets/movable assets of Welspun Delhi Meerut Expressway Private Limited ('DME') (other than project assets except those acquired by the free flow of the company in operation phase), and being informed from time to time to Lender. First charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and where arising, present and future intangibles, goodwill, uncalled capital, both present and future.First charge on the project's bank accounts, including but not limited to escrow accounts opened in a designated bank. Assignment of all Company's rights and interests under all the agreements related to the Project, letter of credit (if any), and gurantee or performance bond provided by any party for the contract related to the project in favour of borrower. Subsitution agreement executed by the Authority on behalf of the Lenders for the facility. Assignement of all applicable insurance policies. Pledge over 30% of the equity share capital of the Company till the facility is entirely repaid and NDU for 21% till there is single lender. In case of 2 or more lenders, pledge to be increased to 51% and NDU to be released. Any dilution of 24% or higher will require prior written approval of Lender. Pledge by the Sponsor of compulsory convertible debentures issued by the Borrower. Corporate Guarantee by its holding company backed by Board Resolution.

Repayment terms : Repayable in half yearly installments starting from 31 March 2019 and ending in 30 September 2032.

Rate of interest : 6 months MCLR plus 0.42% p.a.

iv) **L&T Infrastructure Finance Company Limited**

Secured by first charge on all borrower immovable properties, tangible movable assets, and intangible assets, both present and future except Project assets. A first charge over all accounts of the Dewas Waterprojects Works Private Limited ('DWWPL') including Escrow account and the sub accounts.

Repayment terms : 44 quarterly installments - 11 years from end of moratorium (Moratorium period : 1.5 years from COD)

Rate of Interest : 11.02% p.a.

v) **Union Bank of India**

Secured by first pari passu charges on all immovable properties including lease hold rights, if any, both present and future. First pari passu charges on all tangible moveable assets including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future. Lien over all accounts of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub accounts and all funds from time to time, deposited therein. First charge in all intangible assets, if any including but not limited to, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034

Rate of interest : 1 year MCLR plus 0.85% p.a.

vi) **State Bank of India**

Secured by first pari passu charges on all borrower immovable properties, including lease hold rights if any both present and future. First pari passu charges on all borrower, tangible movable assets including movable plant and machinery, spares, accessories, furniture & fixture, vehicles and all other movable assets, both present and future. Lien over all accounts, of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub-accounts and all funds from time to time, deposited therein. First charge on all intangible assets, of the borrower, if any including but not limited to goodwill, right, undertaking, intellectual property, uncalled capital present and future excluding the project assets.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034

Rate of interest : One year SBI MCLR Rate plus spread of 0.25% p.a. payable monthly installment.

Notes forming part of the consolidated financial statements

vii) **Punjab National Bank**

Secured by first pari passu charges on all borrower immovable properties, including lease hold rights if any both present and future. First pari passu charges on all borrower, tangible movable assets including movable plant and machinery, spares, accessories, furniture & fixture, vehicles and all other movable assets, both present and future. Lien over all accounts, of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub-accounts and all funds from time to time, deposited therein. First charge on all intangible assets, of the borrower, if any including but not limited to goodwill, right, undertaking, intellectual property, uncalled capital present and future excluding the project assets.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034
Rate of interest : 1 year MCLR plus 0.70% p.a.

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
26	**Non-current financial liabilities - others**		
	Lease liabilities (Refer note 62)	153	-
	Total	**153**	**-**
27	**Non-current provisions**		
	Provision for employee benefits	379	629
	Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
	Total	**2,967**	**3,217**

* Represents certain obligations related to stamp duty, etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier period. There is no movement during the year.

		As at 31 March 2020	As at 31 March 2019
28	**Non-current liabilities - others**		
	Statutory dues	285	-
		285	**-**
29	**Contract liabilities**		
	Contract liabilities (Refer note 59)		
	- Related party (Refer note 52)	17,666	9,300
	- Other parties	193	49
		17,859	**9,349**
30	**Current financial liabilities - borrowings**		
	Secured		
	Loans repayable on demand from banks *	18,482	987
	Unsecured		
	Commercial paper	9,179	14,803
	Total	**27,661**	**15,790**

Notes forming part of the consolidated financial statements

Nature of security and terms of repayment for secured borrowings

i) Central Bank of India

Primary security : First pari passu hypothecation charges on inventory cum book debts/ current assets on total working capital limit of Rs 120 Cr

Collateral security : First pari passu hypothecation charges on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : 1 year MCLR + 1.20%

ii) Corporation Bank ^

First pari passu first charge by way of hypothecation of entire book debts/ stocks / other current assets of the Company along with other lenders

Rate of interest : 3 Month MCLR + 1.25% pa

iii) Karnataka Bank Limited

Primary security : First pari passu first charge by way of hypothecation of entire book debts/ stocks / other current assets of the Company along with other lenders

Collateral security : First pari passu hypothecation charges on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : 1 year MCLR

iv) Union Bank of India

First pari passu charge on entire current assets of the Company (present and future)

Rate of interest : 1 year MCLR + 0.80%

v) IDBI Bank Limited

First pari passu charge on current assets of the Company

First pari passu hypothecation charges on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest : Upto 30 days MCLR + 10 BPS; For 1 - 3 months MCLR + 25 BPS

Loan from bank is secured by hypothecation of inventories and book debts of the Company

Rate of interest: 1 year MCLR + 1.65%

* Includes interest accrued and not due Rs 3 Lakhs (31 March 2019 Nil)

^ Merged with Union Bank of India w.e.f 01 April 2020

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
31 Trade payables		
Dues of micro enterprises and small enterprises (Refer note 58)	2	29
Dues of creditors other than micro enterprises and small enterprises		
' - Others	28,197	57,392
Total	**28,199**	**57,421**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

32 Current financial liabilities - others		
Current maturities of long-term borrowings (Refer note 25) *	5,770	3,024
Security deposits/ retention money payable	18,014	10,455
Payable to employees	941	163
Lease liabilities (Refer note 62)	240	-
Unclaimed dividend payable	26	13
Total	**24,991**	**13,654**

* Includes interest accrued but not due Rs 347 lakhs (31 March 2019 : Rs 78 lakhs)

Notes forming part of the consolidated financial statements

33 Current provisions

Provision for employee benefits	221	143
Total	**221**	**143**

34 Other current liabilities

Income received in advance	147	-
Statutory dues	3,411	3,010
Total	**3,558**	**3,010**

35 Current tax liabilities

Provision for tax	5	614
Total	**5**	**614**

Notes forming part of the consolidated financial statements

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
36 Revenue from operations		
Revenue from		
- Engineering, Procurement and Construction #	178,854	176,666
- Operation and Maintenance	432	333
- Build Operate Transfer (BOT) Business	1,345	1,063
- Advisory and consultancy income #	117	75
Other operating revenues		
- Gain on sale of assets held-for-sale	-	490
- Scrap sales	11	33
Total	**180,759**	**178,660**

Refer note 52 for related parties transactions

	Year ended 31 March 2020	Year ended 31 March 2019
37 Other income		
Interest income on financial assets at amortised cost		
- On bank deposits	327	529
- On loans and advances to related parties #	59	44
- On financial assets	4,814	2,605
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	543	2,052
- Others - Related parties # ^	11	-
- Others *	982	162
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	22	16
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	3,799	1,453
Reversal of provision no longer required	16	99
Recovery of bad debts	-	296
Insurance claim received	0	25
Unwinding of discount on interest free deposits	9	34
Gain on sale of property, plant and equipment (net)	565	32
Miscellaneous income	37	3
Total	**11,184**	**7,350**

* Includes interest income recognised on mobilisation advances and on income tax refund
# Refer note 52 for related parties transactions
^ Refer note 45

	Year ended 31 March 2020	Year ended 31 March 2019
38 Cost of materials consumed		
Inventories at the beginning of the year	73	71
Add: Purchases	857	1,734
	930	**1,805**
Less: Inventories at the end of the year	(68)	(73)
Total	**862**	**1,732**

Notes forming part of the consolidated financial statements

39 Employee benefits expense

Salaries, wages and bonus	7,018	5,816
Contribution to provident and other funds	552	507
Share based payments to employees (Refer note 49)	884	1,524
Staff welfare expenses	260	237
Total	**8,714**	**8,084**

40 Finance costs

Interest expenses on financial liabilities at amortised cost		
- Term loans	4,442	4,248
- Working capital	1,602	637
Net interest on net defined benefit liability	59	43
Interest on lease liability	51	-
Other interest costs ^	331	95
	6,485	**5,023**
Bank charges and other finance costs	1,251	313
Unwinding of discount on interest free deposits	-	30
Total	**7,736**	**5,366**

^ Refer note 45

41 Depreciation and amortisation expense

Depreciation on property, plant and equipment	1,639	724
Amortisation of right-of-use assets	307	-
Amortisation of intangible assets	309	425
Total	**2,254**	**1,149**

42 Other expenses

Site expenses	457	312
Stores and spares consumed	32	58
Hire charges	343	183
Power, fuel and water charges	268	521
Repairs and maintenance		
- Property, plant and equipment	19	3
- Others	644	591
Project monitoring and maintenance fees	-	13
Rent	187	378
Rates and taxes	1,428	1,396
Insurance	406	251
Travelling and conveyance expenses	610	566
Communications expenses	25	34
Legal and professional fees	1,870	1,534
Freight	4	5
Business promotion and advertisement	291	235

Notes forming part of the consolidated financial statements

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Printing and stationary	33	38
Directors sitting fees	27	17
Payment to Auditor :-		
- Audit fees (including fees for limited review)	40	35
- Certifications	11	3
- Reimbursement of expenses	2	2
Bad debts	-	1
Donation	480	207
Miscellaneous expenses	160	210
Total	**7,337**	**6,593**

Notes forming part of the consolidated financial statements

43 Income tax

a) The major components of income tax for the year ended 31 March 2019 are as under:

i) Income tax related to items recognised in the consolidated statement of profit and loss during the year

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on taxable income for the year	5,883	7,766
	5,883	**7,766**
Deferred tax		
Relating to origination and reversal of temporary differences	(722)	256
Total deferred tax (credit) / charge	**(722)**	**256**
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**5,161**	**8,022**

ii)

Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(8)	17
Deferred tax charged/(credited) to Other Comprehensive Income	**(8)**	**17**

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	**20,274**	**20,698**
Income tax @ 25.168% (31 March 2019: 34.944%)	5,103	7,233
Non-deductible expenses for tax purpose		
- Expected credit loss on loans	-	456
- Depreciation on grant exempted from tax	-	52
- Other non deductible expenses	1,304	1,154
Other allowances and exempt income for tax purpose	(294)	(290)
Utilisation of previously unrecognised tax losses/ MAT credit	(952)	(583)
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**5,161**	**8,022**

Notes forming part of the consolidated financial statements

c) Deferred tax relates to the following: **(Rs in lakhs)**

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**	**31 March 2020**	**31 March 2019**
A. Deferred tax assets (net)						
I). Deferred tax assets						
Unused tax losses and unabsorbed depreciation	954	954	-	687	-	-
Fair valuation of financial instruments	49	-	(49)			
Deferred tax acquired in business combination (Refer note 56)	386	-		-	-	-
Employee benefits / expenses allowable on payment basis	697	247	(450)	(45)	5	(17)
Total (i)	**2,086**	**1,201**	**(499)**	**642**	**5**	**(17)**
Less : Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	677	639	38	(69)	-	-
Employee benefits / expenses allowable on payment basis	3	-			3	
Fair valuation of financial instruments	(62)	(219)	157	(916)	-	-
Total (ii)	**618**	**420**	**195**	**(985)**	**3**	**-**
Add: MAT credit entitlement (iii)	81	36	(85)	468	-	-
(A) Total (i - ii + iii)	**1,549**	**817**	**(389)**	**125**	**8**	**(17)**
B. Deferred tax liabilities (net)						
II). Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	-	-	-		-	-
Fair valuation of financial instruments	-	333	(333)	109	-	-
Total (i)	**-**	**333**	**(333)**	**109**	**-**	**-**
Less : Deferred tax assets						
Allowance for doubtful debts	-	-	-	-	-	-
Employee benefits / expenses allowable on payment basis	-	-	-		-	-
Unused tax losses and unabsorbed depreciation	-	-		-	-	-
Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
Less: MAT credit entitlement (iii)			-	22	-	-
(B) Total (i - ii - iii)	**-**	**333**	**(333)**	**131**	**-**	**-**
Deferred tax charge/(credit) (A + B)			**(722)**	**256**	**8**	**(17)**

d) Unrecognised deferred tax assets on unused tax losses

i) The Group has brought forward long term capital losses of Rs.81,167 lakhs (31st March 2019 Rs.81,167 lakhs) (majority of which is expiring in 31 March 2023) and short term capital losses of Rs. 7,895 lakhs (31 March 2019 Rs. 7,607 Lakhs) (majority of which is expiring in 31 March 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of Rs.18,571 lakhs (31 March 2019 Rs. 18,909 Lakhs) have not been recognized in respect of long term capital losses in view of uncertainty of future taxable capital gains and deferred tax assets (@ 25.168%) of Rs. 1,987 lakhs (31 March 2019 Rs. 2,658 lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable short term capital gains.

ii) The Group has brought forward business losses of Rs. 1,009 Lakhs (31 March 2019 Rs. 1860 Lakhs) (majority of which is expiring in 31 March 2022) that are available for offsetting future taxable business losses . Deferred tax assets of Rs. 266 Lakhs (31 March 2019 Rs. 517 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.

iii) The Group has brought forward unabsorbed depreciation of Rs. 2,062 Lakhs (31 March 2019 Rs. 3,974 Lakhs) that are available for offsetting against future taxable income. Deferred tax assets of Rs. 574 Lakhs (31 March 2019 Rs. 1,105 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits

e) In accordance with Section 115BAA of income Tax Act, 1961 as introduced by the Taxation Laws (amendment) Ordinance, 2019 the Group has re-assessed Deferred Tax Assets ('DTA') on certain deductible temporary differences of certain subsidiaries and joint venture companies. Accordingly, during the quarter ended 31 March 2020, DTA (net) for subsidiaries aggregating to Rs 1,368 lakhs and for joint venture entities Rs 2,209 lakhs (group's share) has been recognised. The same has been included in deferred tax charge/(benefit) and Share of profit / (loss) in associate and joint venture entities respectively.

Notes forming part of the consolidated financial statements

44 Fair value measurements

Financial instruments by category

(Rs in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in associate and joint venture companies at cost)				
Non-current assets				
Investments	857	-	2,029	-
Investments in optionally convertible debentures	16,321	-	16,716	-
Service concession receivables	-	88,122	54,233	-
Loans	-	2,856	-	300
Other financial assets	-	307	-	382
Current assets				
Investments	39,342	-	37,661	-
Service concession receivables	-	5,149	7,252	-
Trade receivables	-	18,674	-	28,069
Cash and cash equivalents	-	12,558	-	11,550
Other bank balances	-	2,330	-	3,416
Loans	-	3,342	-	11,528
Other financial assets	-	5,340	-	166
Total financial assets	**56,520**	**138,678**	**117,891**	**55,410**
Non-current liabilities				
Borrowings	-	47,776	-	40,394
Other financial liabilities	-	153	-	-
Current liabilities				
Borrowings	-	27,661	-	15,790
Trade and other payables	-	28,199	-	57,421
Other financial liabilities	-	24,991	-	13,654
Total financial liabilities	**-**	**128,780**	**-**	**127,259**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities. Further, the service concession receivables measured at amortised costs also approximates the fair value.

(Rs in lakhs)

	As at 31 March 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	857	857	1	-	856
Investments in optionally convertible debentures	16,321	16,321	-	-	16,321
Current Investments	39,342	39,342	19,707	19,610	25
Total	**56,520**	**56,520**	**19,708**	**19,610**	**17,202**

	As at 31 March 2019				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	2,029	2,029	2	-	2,027
Investments in optionally convertible debentures	16,716	16,716	-	-	16,716
Non- current Service concession receivables	54,233	54,233	-	-	54,233
Current Investments	37,661	37,661	349	37,312	-
Current Service concession receivables	7,252	7,252	-	-	7,252
Total	**117,891**	**117,891**	**351**	**37,312**	**80,228**

Valuation technique used to determine fair value

a) Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

Notes forming part of the consolidated financial statements

45 Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The Group is exposed to market risk - foreign currency and interest rate, credit risk and liquidity risk.

A Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize group's position with regard to interest income and interest expenses and manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its total portfolio.

(i) Interest rate risk exposure

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	81,207	59,207

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rs in lakhs)

Effect on Profit before tax	Year ended 31 March 2020	Year ended 31 March 2019
Interest rates : (Increase) by 50 basis points	(406)	(296)
Interest rates : Decrease by 50 basis points	406	296

In line with the requirement of Ind AS 1 "Presentation of Financial Statements" , finance cost (representing LC discounting charges) aggregating to Rs 1,050 lakhs are offsetted by the Company with reimbursable right to recover the same from its joint venture companies to reflect the substance of the transaction/arrangement.

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the foreign currency risk exposure of the group is immaterial.

B Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Trade receivables

The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The group has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The group considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the group has also availed borrowings.

c)The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Up to 3 months	14,293	22,281
3 to 6 months	2,626	4,329
More than 6 months *	1,755	1,459
Total	**18,674**	**28,069**

* Includes mainly retention money

No significant changes in estimation techniques or assumption were made during the reporting period.

Notes forming part of the consolidated financial statements

d) Service concession receivables

The Group manages concession arrangement which include the construction of road on hydrid annuity basis followed by a period in which the Group maintains and services the infrastructure. These concession arrangements set out rights and obligations relating to the infrastructure and services to be provided. For fulfilling those obligations, the Group is entitled to receive cash from the grantor. The Consideration received or receivable is allocated by reference to the relative fair value of the services provided. The same is classified and disclosed as current and non current service concession receivables in the balance sheet based on the criteria of current and non current classification mentioned in note 3(B)(i).

The carrying amount of following financial assets represents the maximum credit exposure

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
More than 12 months	88,122	54,233
Less than 12 months	5,149	7,252
	93,271	**61,485**

C Liquidity risk

a) Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

b) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

(Rs in lakhs)

As at 31 March 2020	**Total**	**Less than 1 Year**	**1 to 5 years**	**Beyond 5 years**
Long term borrowings	47,776	-	13,455	34,321
Short term borrowings	27,661	27,661	-	-
Trade payables	28,197	28,197	-	-
Other financial liabilities	25,143	24,991	153	-

As at 31 March 2019	**Total**	**Less than 1 Year**	**1 to 5 years**	**Beyond 5 years**
Long term borrowings	40,394	-	11,773	28,621
Short term borrowings	15,790	15,790	-	-
Trade payables	57,392	57,392	-	-
Other financial liabilities	13,654	13,654	-	-

46 Capital Management

For the purpose of group's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Group's capital management is to maximize shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Rs in lakhs)

		As at 31 March 2020	As at 31 March 2019
Net debt	A	101,667	89,000
Total capital	B	157,945	145,362
Capital and net debt	C = A+B	259,613	234,362
Gearing ratio	A / C	**39%**	**38%**

Notes forming part of the consolidated financial statements

47 Earnings per share (EPS)

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year (Rs in Lakhs)	14,888	12,669
Weighted average number of equity shares for Basic EPS (Number of shares)	148,219,326	147,793,741
Weighted average number of equity shares for Diluted EPS (Number of shares)	150,139,595	148,624,397
Nominal value of equity shares (Rs)	10	10
Basic EPS (Rs)	10.04	8.58
Diluted EPS (Rs)	9.91	8.53

48 Contingencies and Commitments
(a) Leases

Lease commitments — Company as lessee

Future minimum rental payables under non-cancellable operating leases are as follows :-

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Not later than one year	-	268
Later than one year but not later than five years	-	280
Later than five years	-	-
	-	**548**

(b) Contingent liabilities (to the extend not provided for)
i) Claims against the group not acknowledged as debts

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Disputed labour cess demand (net of provision)	405	384
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	1,465	780
Disputed service tax liabilty	2,340	2,347
Disputed value added tax liability	298	175
Claims against the Company not acknowledged as debts	281	281
	4,904	**4,082**

a) The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed professionals to protect its interest and has been advised that it has strong legal positions against such disputes.

b) The Group has received legal notices of claims / lawsuits filed against it relating to other matters. In the opinion of the management, no material liability is likely to arise on account of such claims/ law suits.

	As at 31 March 2020	As at 31 March 2019
ii) Guarantees excluding financial guarantees		
Bank guarantees issued	33,887	30,950
	33,887	**30,950**
iii) Financial guarantees		
Guarantee given to the bankers for the facilities granted		
- Associate and Joint venture companies	45,794	28,055
	45,794	**28,055**

In case of termination, the Company is providing corporate guarantee for any shortfall in amount received from the client against the debt obligation of its joint venture entities. This risk has been covered through appropriate insurance policy. However, on prudent basis in line with Ind AS requirements, the same has been disclosed as contingent liability above.

(c) Commitments

i) The group has an outstanding commitments of Rs 25,658 lakhs (31 March 2019 Rs 49,938 lakhs) towards equity contribution for HAM projects under the financing arrangement tied up with bankers .

ii) The group has an outstanding commitments of Rs 441 lakhs (31 March 2019 Rs Nil) in associate entity towards estimated amount of contract remaining to be executed on capital account and not provided for (net of advances).

Notes forming part of the consolidated financial statements

iii) Pursuant to the understanding with MBL Projects Private Limited, with respect to investment in RGY Roads Private Limited ('RGY'), paid against option for acquisition of balance 51% shares in RGY equivalent to Rs 1,450 lakhs (31 March 2019 Rs 1450 lakhs) on 22 February 2018. The balance amount is Rs.122 lakhs (31 March 2019 Rs 122 lakhs).

iv) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), Rs 1.63 lakhs (31 March 2019 Rs 1.63 lakhs) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is Rs. 0.13 lakhs (31 March 2019 Rs 0.13 lakhs).

v) Pursuant to the understanding with Vishvaraj Environment Private Limited, with respect to investment in Corbello Trading Private Limited ('CTPL') paid against option for acquisition of balance 51% shares in CTPL equivalent to Rs 745 lakhs (31 March 2019 Rs 745 lakhs) . The balance amount is Rs 72 lakhs (31 March 2019 Rs 72 lakhs).

vi) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') Rs. 0.48 lakhs (31 March 2019 Rs 0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is Rs. 0.03 lakhs (31 March 2019 Rs 0.03 lakhs).

49 Share based payments

a) In accordance with the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" the company has granted 3,000,000 equity shares (maximum 2,000,000 equity shares to the "Managing Director") at zero cost on 10 October 2017. The fair value of the above stock option of Rs 4,179 lakhs is calculated at the average rate of Rs 139.30 per share is amortised on the straight line basis over the vesting period in accordance with the Ind AS 102 "Share-based payment".
Accordingly proportionate amount of Rs 884 lakhs (31 March 2019 - Rs 1,524 lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 34).

The salient features of the Scheme ("Welspun Enterprises Limited - Employees Stock Option Plan 2017") are as under:

(i) **Vesting**: Options to vest shall happen at every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the date of grant.. However vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP	Date of Grant	Date of Vesting
600,000	10-Oct-17	09-Oct-18
600,000	10-Oct-17	09-Oct-19
600,000	10-Oct-17	09-Oct-20
600,000	10-Oct-17	09-Oct-21
600,000	10-Oct-17	14-Jul-22

(ii) **Exercise**: Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	10-Oct-17
Number of Options Granted	3,000,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	Rs. Nil

	31 March 2020		31 March 2019	
	No. of Stock Options	**Weighted Average Exercise Price (Rs.)**	**No. of Stock Options**	**Weighted Average Exercise Price (Rs.)**
Options outstanding at the beginning of the period	2,450,000	Nil	3,000,000	Nil
Options granted during the year the period	Nil	Nil	Nil	Nil
Options exercised during the year	375,000	Nil	550,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the period *	2,075,000	Nil	2,450,000	Nil
Options vested but not exercised at the end of the year	275,000	Nil	50,000	Nil

* includes options vested but not exercised

(iii) Information in respect of options outstanding as at 31 March 2020

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
2,075,000	27	Nil

Notes forming part of the consolidated financial statements

Information in respect of options outstanding as at 31 March 2019

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
2,450,000	39	Nil

(iv) The fair value of each option granted is estimated on the date of grant using the Black Scholes valuation model with the following assumptions :

No of Stock Options	Grant Date	Vesting Date
600,000	10-Oct-17	09-Oct-18
600,000	10-Oct-17	09-Oct-19
600,000	10-Oct-17	09-Oct-20
600,000	10-Oct-17	09-Oct-21
600,000	10-Oct-17	14-Jul-22

Variables :-	
Stock price	139.30
Volatility	45.14%
Risk free rate (on the basis of tenure)	6.43% to 6.69%
Exercise price	Nil
Time to maturity	2 to 6
Dividend yield	0%
Option fair value	139.30

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(v) Effect of share- based payment plan on the consolidated balance sheet and consolidated statement of profit and loss

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Share options outstanding account (Refer note 24(b))	2,024	1,662
Share based payments to employees (Refer note 39)	884	1,524

50 Exceptional items (net)

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
a) Profit on sale of stake in Dewas Bhopal Corridor Limited	-	1,844
b) Gain on sale of stake in Welspun Energy Private Limited	-	141
	-	**1,985**

51 Gratuity and other post employment benefits plans

The disclosures of employee benefit as defined in the Ind AS 19 - " Employee Benefits" are given below :

a. The group makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Expenses recognised during the year in the statement of profit and loss :-

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current service cost	106	69
Past service cost including curtailment gain/ loss	-	40
Interest cost (net)	36	23
Net expenses recognised in statement of profit and loss	**142**	**132**

Notes forming part of the consolidated financial statements

ii. Expenses recognised during the year in other comprehensive income (OCI)

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Actuarial (gains) / losses arising from changes in demographic assumptions	1	4
Actuarial (gains) / losses arising from changes in financial assumptions	16	43
Actuarial (gains) / losses arising from changes in experience assumptions	(47)	10
Expected return on plan assets excluding interest	0	2
Net expenses recognised in other comprehensive income	**(30)**	**59**

iii. Net liability recognised in the balance sheet

	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets	350	83
Present value of obligation	653	566
Net liability recognized in balance sheet	**303**	**482**

iv. Reconciliation of opening and closing balances of defined benefit obligation

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation as at the beginning of the year	565	429
Current service cost	104	69
Past service cost	-	40
Interest cost	45	32
Actuarial (gain) / loss on obligation	(30)	58
Liability transferred in/ (paid)	(28)	(62)
Benefits directly paid by the Company	(3)	
Defined benefit obligation at the end of the year	**653**	**566**

v. Reconciliation of opening and closing balance of fair value of plan assets

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Fair values of plan assets at the beginning of the year	83	122
Return on plant assets, excluding interest income	6	8
Employer contribution	287	-
Fund charges	(2)	(1)
Benefits paid	(25)	(46)
Fair value of plan assets at year end	**349**	**83**

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Net defined benefit obligation as at the beginning of the year	482	307
Current service cost	104	69
Past service cost	-	40
Interest cost (net)	38	25
Actuarial (gain) / loss on obligation	(30)	58
Liability transferred in/ (paid)	(2)	(17)
Fund charges	2	1
Contribution paid to the fund	(287)	-
Benefit paid by Company	(3)	
Net defined benefit obligation at the end of the year	**303**	**482**

Notes forming part of the consolidated financial statements

vii. Actuarial assumptions

	As at 31 March 2020	As at 31 March 2019
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2006-08)
Discount rate(per annum)	6.91%	7.65%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	30% up to age 30, 24% from age 31 to 44 and 21% thereafter	38% up to age 30, 26% from age 31 to 44 and 19% thereafter

viii. Quantitative sensitivity analysis

	As at 31 March 2020	As at 31 March 2019
Impact of change in discount rate		
Present value obligation at the end of the period	653	566
Impact due to increase of 0.50%	(11)	(11)
Impact due to decrease of 0.50%	11	11
Impact of change in salary increase		
Present value obligation at the end of the period	653	566
Impact due to increase of 0.50%	(8)	11
Impact due to decrease of 0.50%	8	(11)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

ix. Maturity analysis of projected benefit obligation: from the fund

	As at 31 March 2020	As at 31 March 2019
Year ended		
31-Mar-20	-	272
31-Mar-21	317	144
31-Mar-22	176	151
31-Mar-23	215	166
31-Mar-24	257	183
31-Mar-25	331	-

The average duration of defined benefit obligation is 11.71 (2019 - 11.71)

Notes

1. Amounts recognized as an expense and included in the Note 39 “Employee benefits expense” are gratuity Rs 106 lakhs (31 March 2019 Rs 108 lakhs) and leave encashment Rs 13 lakhs (31 March 2019 Rs 77 lakhs). Net interest cost on defined benefit obligation (gratuity and leave encashment) recognised in Note 40 under “Finance costs” is Rs 59 lakhs (31 March 2019 Rs 43 lakhs)

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3 Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 39 of the financial statements.

52 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Joint venture companies

Name of the Entities	Extent of holding		Principal place of business
	As at 31 March 2020	As at 31 March 2019	
Welspun Aunta-Simaria Project Private Limited * #	-	74%	India
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited ##	49%	49%	India
MBL (CGRG) Road Limited ##	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ###	49%	49%	India
Welsteel Enterprises Private Limited *	-	49%	India

* Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities)
# In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited
In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

Notes forming part of the consolidated financial statements

b) Associate

Name of the Entity	Extent of holding		Principal place of business
	As at 31 March 2020	As at 31 March 2019	
Adani Welspun Exploration Limited ('AWEL') (Held through Welspun Natural Resources Private Limited - Wholly owned subsidiary)	35%	35%	India

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive Chairman and Whole Time Director
Mr. Sandeep Garg	Managing Director
Mr Rajesh R. Mandawewala	Non Independent Director
Dr Aruna Sharma	Independent Director
Mr. Dhruv Subodh Kaji *	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra **	Independent Director
Mr. Ramgopal Sharma ***	Independent Director
Mr. Yogesh Agarwal ****	Independent Director
Ms. Mala Todarwal *****	Independent Director
Mr. Shriniwas Kargutkar @	Chief Financial Officer
Mr Sridhar Narasimhan @@	Chief Financial Officer
Ms. Priya Pakhare	Company Secretary

* Ceased to be director w.e.f 09 August 2019
** Appointed to be director w.e.f 05 May 2019
*** Ceased to be director w.e.f 30 October 2018
**** Ceased to be director w.e.f 20 June 2018
***** Ceased to be director w.e.f 04 August 2019
@ Ceased to be Chief Financial Officer w.e.f 31 October 2019
@@ Appointed as Chief Financial Officer w.e.f 18 May 2020

d) Other related parties with whom transactions have taken place or balances outstanding at the year end

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited,Welspun Global Brands Limited, Welspun Energy Private Limited #, Welspun Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited); Welspun Multiventures LLP; Welshop Trading Private Limited* ; Balkrishan Goenka as Trustee of Welspun Group Master Trust; Anjar Road Private Limited ^

\# Welspun Energy Private Limited ('WEPL') merged with Welspun Steel Limited ('WSL') w.e.f 21 August 2017

* Welshop Trading Private Limited merged with Welspun Steel Limited ('WSL') w.e.f. 19 August 2017

^ Anjar Road Private Limited merged with Welspun Enterprises Limited w.e.f 20 July 2019

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Construction contract revenue (including unbilled work-in-progress)	**102,582**	**149,354**
Joint Venture Companies		
Welspun Aunta-Simaria Projects Private Limited	7,419	16,374
MBL (CGRG) Road Limited	26,734	51,093
MBL (GSY) Road Limited	32,665	57,950
Chikhali - Tarsod Highways Private Limited	35,764	23,950
Other Related Party		
Welspun India Limited	-	(13)
Interest income on loans and advances	**19**	**44**
Associate		
Adani Welspun Exploration Limited	19	44
Interest income	**1,061**	**-**
Joint Venture Companies		
MBL (CGRG) Road Limited	281	-
MBL (GSY) Road Limited	362	-
Chikhali - Tarsod Highways Private Limited	418	-
Advisory and consultancy income	**112**	**75**
Joint Venture companies		
MBL (CGRG) Road Limited	44	53
MBL (GSY) Road Limited	47	22
Chikhali - Tarsod Highways Private Limited	21	-
Interest income on loans and advances #	**41**	**-**
Joint Venture Companies		
MBL (CGRG) Road Limited	11	-
MBL (GSY) Road Limited	30	-

Notes forming part of the consolidated financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Income on Unwinding of discount on interest free deposits #	**4**	**34**
Other Related Party		
Welspun Realty Private Limited	4	34
Expenses on Unwinding of discount on interest free deposits #	**-**	**30**
Other Related Party		
Welspun Realty Private Limited	-	30
Interest expense on lease liability #	**11**	**-**
Other Related Party		
Welspun Realty Private Limited	11	-
Right-to-use an underlying asset #	**130**	**-**
Other Related Party		
Welspun Realty Private Limited	130	-
Obligation to make lease payment #	**130**	**-**
Other Related Party		
Welspun Realty Private Limited	130	-
Repayment of lease obligation #	**50**	**-**
Other Related Party		
Welspun Realty Private Limited	50	-
Rent expenses	**94**	**224**
Other Related Parties		
Welspun Corp Limited	42	24
Welspun Realty Private Limited	50	200
Welspun Multiventures LLP	2	1
Business promotion expenses	**32**	**38**
Other Related Party		
Welspun Global Brands Limited	32	38
Insurance expenses	**2**	**-**
Other Related Party		
Welspun Corp Limited	2	-
Staff welfare expenses	**29**	**85**
Other Related Parties		
Welspun Global Brands Limited	-	75
Welspun Corp Limited	28	10
Welspun India Limited	1	-
Donation	**168**	**200**
Other Related Party		
Welspun Foundation for Health and Knowledge	168	200
Repairs and maintenance	**-**	**11**
Other Related Party		
Welspun India Limited	-	11
Purchase of materials	**-**	**506**
Other Related Parties		
Welspun Corp Limited	-	502
Welspun India Limited	-	4
Investment (Fair value of interest free loan) #	**407**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	274	-
MBL (CGRG) Road Limited	133	
Loans/ deposits/ advances given	**13,325**	**21,431**
Associate		
Adani Welspun Exploration Limited	2,953	9,828
Joint Venture Companies		
RGY Roads Private Limited	0	9,026
MBL (GSY) Road Limited	4,742	785
MBL (CGRG) Road Limited	2,864	469
Welsteel Enterprises Private Limited	-	0
Welspun Aunta-Simaria Project Private Limited	404	820
Corbello Trading Private Limited	0	1
Chikhali - Tarsod Highways Private Limited	2,362	488
Other Related Parties		
Welspun India Limited	-	5
Anjar Road Private Limited	-	10
Cancellation of equity shares of the Company at face value - Refer note 61	**5,842**	**-**
Other Related Party		
Anjar Road Private Limited	5,842	-
Allotment of equity shares of the Company at face value - Refer note 61	**5,842**	**-**
Other Related Party		
Balkrishan Goenka as Trustee of Welspun Group Master Trust	5,842	-

Notes forming part of the consolidated financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Repayment of loans/ advances given	**9,321**	**12,773**
Associate		
Adani Welspun Exploration Limited	6,391	64
Joint Venture Companies		
RGY Roads Private Limited	-	2,651
MBL (GSY) Road Limited	1,910	6,577
MBL (CGRG) Road Limited	953	3,176
Welspun Aunta-Simaria Project Private Limited	-	100
Corbello Trading Private Limited	-	0
Chikhali - Tarsod Highways Private Limited	67	200
Other Related Party		
Welspun India Limited	-	5
Security deposit given	**-**	**12**
Other Related Parties		
Welspun Multiventures LLP	-	5
Welspun Corp Limited	-	7
Security deposit given refunded	**206**	**23**
Other Related Party		
Welspun Realty Private Limited	206	23
Mobilisation advance received	**-**	**9,300**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	9,300
Mobilisation advance repaid/ adjusted	**4,977**	**-**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	4,977	-
Redemption of Investment in optionally convertible debentures	**-**	**182**
Other Related Party		
Welspun Energy Thermal Private Limited	1,171	-
Welspun Steel Limited	-	182
Additional sale consideration for equity shares of Welspun Energy Private Limited	**-**	**141**
Other Related Party		
Welspun Steel Limited	-	141
Conversion of loan/ advance to equity shares	**-**	**49**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	49
Conversion of loan/ advance to Compulsorily Convertible Debentures	**4,777**	**8,244**
Associate		
Adani Welspun Exploration Limited	4,777	1,570
Joint Venture Companies		
RGY Roads Private Limited	-	6,373
Chikhali - Tarsod Highways Private Limited	-	301
Conversion of loan/ advance to Optionally Convertible Debentures	**3,585**	**718**
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	1,954	-
MBL (GSY) Road Limited	806	-
MBL (CGRG) Road Limited	805	-
Welspun Aunta-Simaria Project Private Limited	20	718
Conversion of Compulsorily Convertible Debentures to Optionally Convertible Debentures	**2,026**	**10**
Other Related Party		
Welspun Energy Thermal Private Limited	2,026	-
Investment in equity shares	**-**	**5**
Joint Venture Company		
Welsteel Enterprises Private Limited	-	5
Investment in compulsorily convertible debentures	**0**	**5,065**
Joint Venture Companies		
Corbello Trading Private Limited	-	3,144
Chikhali - Tarsod Highways Private Limited	-	1,921
Investment in optionally convertible debentures	**-**	**1,375**
Joint Venture Company		
Welsteel Enterprises Private Limited	-	1,375
Bank guarantee given /(discharged)	**(13,459)**	**27,678**
Joint Venture Companies		
MBL (GSY) Road Limited	(2,960)	4,144
MBL (CGRG) Road Limited	(2,355)	3,297
Welspun Aunta-Simaria Project Private Limited	(2,903)	8,708
Chikhali - Tarsod Highways Private Limited	(5,241)	11,529

Notes forming part of the consolidated financial statements

e) Transactions with related parties (Rs in lakhs)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Corporate guarantee given/ (discharged) for performance security	**(15,871)**	**(5,241)**
Joint Venture Companies		
MBL (GSY) Road Limited *	(5,920)	-
MBL (CGRG) Road Limited *	(4,710)	-
Chikhali - Tarsod Highways Private Limited *	(5,241)	(5,241)
Directors Sitting Fees paid/ provided	**27**	**18**
Mr. Mohan Tandon	10	6
Ms. Mala Todarwal	2	5
Mr. Dhruv Kaji	2	5
Dr. Aruna Sharma	8	1
Mr. Raghav Chandra	5	-
Ms Amita Karia	0	-
Mr. Ram Gopal Sharma	-	1
Mr. Yogesh Agarwal	-	0
Remuneration paid/ provided to KMP ^	**1,910**	**2,266**
Short term benefits **	1,910	2,266

^ excludes retirement benefits (employer PF contribution, gratuity, leave encashment etc)

* Release of performance guarantees represent the release of performance bank guarantee of SPV. Consequently the corporate guarantee given to the bankers of SPV to that extent stands extinguished.

** excludes Rs 120 lakhs (31 March 2019 Rs 120 lakhs) paid from AWEL to Mr Sandeep Garg

Represents transactions related to Ind AS adjustments

*** Closing balances as at**

	As at 31 March 2020	As at 31 March 2019
Loans, advances and deposits given	**3,474**	**8,834**
Associate		
Adani Welspun Exploration Limited	19	8,233
Joint Venture Companies		
RGY Roads Private Limited	3	3
MBL (GSY) Road Limited	2,005	224
MBL (CGRG) Road Limited	1,073	90
Welsteel Enterprises Private Limited	-	0
Welspun Aunta-Simaria Project Private Limited	-	23
Corbello Trading Private Limited	3	3
Chikhali - Tarsod Highways Private Limited	341	-
Other related parties		
Welspun Realty Private Limited	18	235
Anjar Road Private Limited	-	10
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	**33,916**	**59,068**
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	-	938
Chikhali - Tarsod Highways Private Limited	10,739	24,658
MBL (GSY) Road Limited	9,202	17,252
MBL (CGRG) Road Limited	13,975	16,220
Other related party		
Welspun Global Brands Limited	-	0

Payable at the end of the year		
Contract Liability	**4,323**	**-**
Joint Venture Company		
Welspun Aunta-Simaria Project Private Limited	4,323	-
Investment in equity shares	**3,545**	**3,144**
Joint Venture Companies		
RGY Roads Private Limited	2,300	2,300
MBL (GSY) Road Limited	276	2
MBL (CGRG) Road Limited	135	2
Welspun Aunta-Simaria Project Private Limited	-	1
Corbello Trading Private Limited	785	785
Chikhali - Tarsod Highways Private Limited	49	49
Welsteel Enterprises Private Limited	-	5
Other related party		
Welspun Energy Thermal Private Limited	0	0

Notes forming part of the consolidated financial statements

Payable at the end of the year		
Investment in compulsorily convertible debentures	**18,986**	**24,494**
Joint Venture Companies		
RGY Road Private Limited	6,373	6,373
MBL (GSY) Road Limited	3,550	3,550
MBL (CGRG) Road Limited	2,824	2,824
Welspun Aunta-Simaria Project Private Limited	-	3,482
Corbello Trading Private Limited	3,144	3,144
Chikhali - Tarsod Highways Private Limited	3,095	3,095
Other related party		
Welspun Energy Thermal Private Limited	-	2,026
Investment in optionally convertible debentures	**17,177**	**16,716**
Joint Venture Companies		
MBL (GSY) Road Limited	7,910	7,104
MBL (CGRG) Road Limited	6,457	5,652
Chikhali - Tarsod Highways Private Limited	1,954	-
Welsteel Enterprises Private Limited	-	1,375
Welspun Aunta-Simaria Project Private Limited	-	2,585
Other related party		
Welspun Steel Limited	856	-
Income received in advance	**147**	**-**
Joint Venture Companies		
MBL (CGRG) Road Limited	47	-
Chikhali - Tarsod Highways Private Limited	100	-
Bank guarantee outstanding	**8,415**	**27,678**
Joint Venture Companies		
MBL (GSY) Road Limited	1,184	4,144
MBL (CGRG) Road Limited	942	3,297
Welspun Aunta-Simaria Project Private Limited	-	8,708
Chikhali - Tarsod Highways Private Limited	6,289	11,529
Corporate guarantee outstanding for performance security	**1,943**	**23,619**
Associate		
Adani Welspun Exploration Limited	1,943	1,943
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	-	5,805
MBL (GSY) Road Limited	-	5,920
MBL (CGRG) Road Limited	-	4,710
Chikhali - Tarsod Highways Private Limited	-	5,241

* Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

Notes :

During the earlier years, the Company had given guarantee for MBL (GSY) Road Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 10,834 lakhs (31 March 2019 Rs 17,525 lakhs)

During the earlier years, the Company had given guarantee for MBL (CGRG) Road Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 16,008 lakhs (31 March 2019 Rs 10,530 lakhs)

During the earlier years, the Company had given guarantee for Chikhali - Tarsod Highways Private Limited for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 18,951 lakhs (31 March 2019 Rs Nil)

During the year, Welspun Enterprises Limited acquired control of Welspun Aunta-Simaria Project Private Limited and Welsteel Enterprises Private Limited from Welsteel Enterprises Private Limited and Welspun Steel Limited respectively by virtue of change in contractual rights amongst the aforementioned parties (Refer note 56)

All transactions with related parties are made on arm's length basis in the ordinary course of business.

53 Concession arrangements - main features

a) (i) Name of the concession — Delhi Meerut Express Way Package-1 (NHAI)

(ii) Description of arrangements — Development of Delhi Meerut Expressways from Km 0.00 to Km 27.50 including 6/8 laning of NH-24 from Km 0.00 to Km 49.346 (Haspur byspass) in state of Delhi and Uttar Pradesh, Pakage - I from Km 0.00 to exising Km 8.36 in state of Delhi on Hybrid Annuity Model ('HAM')

(iii) Significant terms of arrangements — Period of Concession: 15 Years
Construction Period: 910 days from Appointed Date 28.11.2016

a) Remuneration: Annuity, Interest and O&M
b) Investment grant from concession grantor: Yes
c) Infrastructure return to grantor at end of concession : Yes

(iv) Construction completion date — 28 June 2018

(v) Asset — Financial asset

Notes forming part of the consolidated financial statements

b)	(i) Name of the concession	BOT Project at Himmatnagar With Gujarat State Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 8.7 km length & 7 meter width + 2 meter paved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 15 Years a) Remuneration: Toll Collection b) Investment grant from concession grantor: Yes c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
c)	(i) Name of the concession	Restructured Dewas Water Supply Scheme
	(ii) Description of arrangements	Project envisaging planning, design, engineering, financing, procurement, construction, restructuring, establishment of systems, operation and maintenance of water supply scheme of Dewas Industrial Area in Madhya Pradesh under Public Private Partnership (PPP) mode under Swiss Challenge Guidelines
	(iii) Significant terms of arrangements	Period of Concession: up to 15-06-2037. Construction Period: 365 days from Appointed Date a) Remuneration: Water Supply Fees b) Investment grant from concession grantor: Yes c) Infrastructure return to grantor at end of concession : Yes d) Investment and renewal obligations: No e) Re-pricing dates: Every year of O&M f) Basis upon which re-pricing or re-negotiation is determined: Tariff escalation formula as defined in concession agreement
	(iv) Asset	Intangible
d)	(i) Name of the concession	Aunta - Simaria Highway Project
	(ii) Description of arrangements	Four/Six laning of Aunta - Simaria (Ganga Bridge with approach road) section of NH 31 from KM 197.900 to 206.050 (Design Chainage) and (Existing Chainage Km 204.741 to Km 209.945 of NH-31) [Total Design Length – 8.150 km] in the State of Bihar on HAM basis
	(iii) Significant terms of arrangements	Period of Concession: 15 Years Construction Period: 1277 days from Appointed Date Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement.
	(iv) Asset	Financial asset
e)	(i) Name of the concession	Chikhali – Tarsod Highway
	(ii) Description of arrangements	Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV
	(iii) Significant terms of arrangements	Period of Concession: 15 Years Construction Period: 910 days from Appointed Date Remuneration: Annuity, Interest and O&M Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset
f)	(i) Name of the concession	Gagalheri-Saharanpur-Yamunanagar Highway
	(ii) Description of arrangements	Four Laning of Gagalheri-Saharanpur-Yamunanagar (UP/Haryana Border) section of NH-73 from km33.000 (design chainage km 35.400) to km 71.640 (design chainage km 86.855) in the State of Uttar Pradesh under NHDP-IV on HAM basis
	(iii) Significant terms of arrangements	Period of Concession: 15 Years Construction Period: 730 days from Appointed Date Remuneration: Annuity, Interest and O&M Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset

Notes forming part of the consolidated financial statements

g)	(i) Name of the concession	Chutmalpur-Ganeshpur and Roorkee-Gagalherisection Highway
	(ii) Description of arrangements	4-Laning of Chutmalpur-Ganeshpur section of NH-72A from km 0.000 (km 22.825 of NH-73) to km 16.000 (Design Chainagekm 17.900) & Roorkee-Chutmalpur- Gagalherisection of NH-73 from km 0.000 (km 167.800 of NH- 58) to km 33.000 (Design Chainage 35.400) in the State of Uttarakhand and Uttar Pradesh under NHDP-IV on HAM basis
	(iii) Significant terms of arrangements :	Period of Concession: 15 Years. Construction Period: 730 days from Appointed Date Remuneration: Annuity, Interest and O&M Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset
h)	(i) Name of the concession	Akola Amravati Road Project
	(ii) Description of arrangements	Upgradation of Roads in Maharashtra State or Two Laning Road/ Two Laning Road with paved shoulder under MRIP Package No. AM 2 on Hybrid Annuity Mode (HAM) under Public Works Department, Special Project Division, Amravati on design, build, operate and transfer (“DBOT Annuity or Hybrid Annuity”) basis
	(iii) Significant terms of arrangements :	Period of Concession: 10 Years. Construction Period: 730 days from Appointed Date Remuneration: Annuity, Interest and O&M Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index
	(iv) Asset	Financial asset
i)	(i) Name of the concession	Sathanathapuram Nagapattinam Road Project
	(ii) Description of arrangements	Four laning of Sattanathapuram to Nagapattinam (Design Ch Km 123+800 to Km 179+555) section of NH-45A (New NH -332) in the State of Tamil Nadu under NHDP Phase-IV on Hybrid Annuity Mode
	(iii) Significant terms of arrangements :	Period of Concession: 15 Years. Construction Period: 730 days from Appointed Date Remuneration: Annuity, Interest and O&M Investment grant from concession grantor: Yes Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Half Yearly for O&M Basis upon which re-pricing or re-negotiation is determined: Inflation price index
	(iv) Asset	Financial asset

54 Interest in an associate and joint venture companies

a) List of investments in associate and joint venture companies accounted for using “Equity method” are as under:

Name of the Associate/ Joint venture companies	Extent of Holding		Country of Incorporation
	As at 31 March 2020	As at 31 March 2019	
Associate			
Adani Welspun Exploration Limited ('AWEL') (Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)	35%	35%	India
Joint venture companies			
Welspun Aunta-Simaria Project Private Limited # ^	-	74%	India
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited ##	49%	49%	India
MBL (CGRG) Road Limited ##	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ###	49%	49%	India
Welsteel Enterprises Private Limited * ^	-	49%	India

* Became Joint venture w.e.f 25 June 2018
^ Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entity)
# In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited
In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

Notes forming part of the consolidated financial statements

b) Interest in an associate

The group has a 35% interest in Adani Welspun Exploration Limited ('AWEL') which is in the business of exploration and production of oil and natural gas in India and overseas. The group's interest in AWEL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

i) Summarised balance sheet is as under (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non-current assets	99,075	108,939
Current assets	298	192
Total assets (A)	**99,373**	**109,131**
Non-current liabilities	22	17
Current liabilities	337	10,496
Total liabilities (B)	**359**	**10,513**
Net assets (A-B)	**99,014**	**98,618**
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	**34,655**	**34,517**

ii) Reconciliation to carrying amounts (Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening net assets	98,618	86,073
Instrument entirely equity in nature	13,895	13,090
Total comprehensive income for the year	(13,500)	(545)
Closing net assets	**99,014**	**98,618**
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	**34,655**	**34,517**
Fair value adjustments	(20,046)	(23,345)
Carrying amount of the investment (Net of Provision for investment Rs 3,775 lakhs (31 March 2019 Rs 7,164 lakhs)	**14,609**	**11,172**

iii) Summarised statement of profit and loss (Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	-	-
Other income	86	83
Total income	**86**	**83**
Employee benefits expense	194	166
Finance costs	275	317
Depreciation and amortisation expense	11	4
Unsuccessful exploration costs	12,973	-
Other expenses	132	143
Total expenses	**13,584**	**630**
Loss before tax	**(13,499)**	**(547)**
Tax expense	-	-
Loss for the year	**(13,499)**	**(547)**
Other comprehensive income	(1)	2
Total comprehensive income for the year	**(13,500)**	**(545)**
Proportion of the Company's ownership	35%	35%
Group's share of loss for the year (before adjustment)	**(4,725)**	**(191)**
Consolidation adjustment	3,385	-
Group's share of loss for the year (after adjustment)	**(1,340)**	**(191)**
Group's share of other comprehensive income for the year	**(0)**	**1**

iv) There are no contingent liabilities in respect of the associate.

v) Significant judgement - Existence of significant influence

Pursuant to the shareholder agreement, two directors would be nominated by Welspun Natural Resources Pvt Limited ('WNRPL') on the board of AWEL. Further, it participates in all significant financial and operating decisions. Based on 35% holding in share capital read with contractual terms between shareholders, the group has determined that entity should be classified as an associate.

vi) Based on the results from appraisal well drilled in GK-OSN-2009/2 (GK-2) block, Operator of the block decided that the block is not commercially viable for development. Accordingly, AWEL (Associate) abandoned the block and charged off the same in statement of profit and loss. The net impact (net of provision) of Rs. 1,155 lakhs (Group's share) is included in "Share of profit / (loss) in associate and joint ventures" in consolidated financial results for the year ended 31 March 2020.

Notes forming part of the consolidated financial statements

c) Investment in joint venture companies

i) Summarised balance sheet as at 31 March 2020

(Rs in lakhs)

	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL') *	Total
Non-current assets	3,144	50,315	6,376	77,199	68,825	-	-	205,858
Current assets	2	6,724	1	10,429	6,540	-	-	23,697
Non-current liabilities	-	26,046	-	57,574	45,514	-	-	129,134
Current liabilities	4	25,278	3	23,198	24,054	-	-	72,537
Compulsorily convertible debentures	3,144	6,189	6,373	7,099	5,647	-	-	28,451
NET ASSETS	**(1)**	**(473)**	**1**	**(243)**	**149**	**-**	**-**	**(567)**
Proportion of the Group ownership	49.00%	73.99%	49.00%	73.94%	73.94%	0.00%	0.00%	
Carrying amount of the equity investment	(1)	(350)	0	(180)	110	-	-	(420)
Compulsorily convertible debentures	3,144	3,095	6,373	3,550	2,824	-	-	18,986
Optionally convertible debentures	-	1,954	-	7,910	6,457	-	-	16,321
Fair value adjustment on acquisition	785	-	2,300	-	-	-	-	3,085
Cumulative adjustment for fair value of interest free loan	-	-	-	274	133	-	-	407
Gain on bargain purchase	-	400	-	651	517	-	-	1,568
Carrying amount of the investment	**3,928**	**5,099**	**8,673**	**12,206**	**10,041**	**-**	**-**	**39,947**

Summarised balance sheet as at 31 March 2019

(Rs in lakhs)

	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL') *	Total
Non-current assets	3,144	24,028	6,376	63,918	50,580	1,375	17,033	166,454
Current assets	2	12,540	2	3,412	3,001	10	2,993	21,959
Non-current liabilities	-	-	-	29,623	26,370	-	31	56,024
Current liabilities	4	30,428	3	31,625	22,188	1,375	15,252	100,876
Compulsorily convertible debentures	3,144	6,189	6,373	7,099	5,647	-	4,857	33,309
NET ASSETS	**(1)**	**(49)**	**1**	**(1,017)**	**(624)**	**10**	**(115)**	**(1,794)**
Proportion of the Group ownership	49.00%	73.99%	49.00%	73.94%	73.94%		74.00%	
Carrying amount of the equity investment	(0)	(36)	1	(752)	(461)	5	(100)	(1,344)
Compulsorily convertible debentures	3,144	3,095	6,373	3,550	2,824	-	3,482	22,467
Optionally convertible debentures	-	-	-	7,104	5,652	1,375	2,585	16,716
Fair value adjustment on acquisition	785	-	2,300	-	-	-	(14)	3,071
Gain on bargain purchase	-	400	-	651	517	-	-	1,568
Carrying amount of the investment	**3,928**	**3,459**	**8,674**	**10,553**	**8,531**	**-**	**5,954**	**42,478**

Notes forming part of the consolidated financial statements

ii) Summarised statement of profit and loss for the year ended 31 March 2020 are as under

(Rs in lakhs)

	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL') *	Total
Revenue from operations	-	42,380	-	37,828	29,757	-	8,876	118,841
Other income	-	1,097	-	7,802	6,530	-	6	15,435
Total Income	**-**	**43,477**	**-**	**45,629**	**36,287**	**-**	**8,882**	**134,276**
Sub-contracting costs	-	35,764	-	34,956	28,876	-	7,419	107,016
Employee benefits expense	-	-	-	-	-			-
Finance costs	-	1,845	-	4,816	3,597	0	500	10,757
Depreciation and amortisation expense	-	-	-	-	-			-
Other expenses	1	6,616	0	5,626	3,227	0	2,957	18,428
Total Expenses	**1**	**44,225**	**0**	**45,398**	**35,701**	**0**	**10,876**	**136,201**
Profit/ (loss) before tax	**(1)**	**(748)**	**(0)**	**231**	**587**	**(0)**	**(1,993)**	**(1,925)**
Tax expenses	-	(324)	-	(543)	(186)		(417)	(1,470)
Profit / (loss) for the period	**(1)**	**(424)**	**(0)**	**774**	**773**	**(0)**	**(1,576)**	**(455)**
Add : Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**(1)**	**(424)**	**(0)**	**774**	**773**	**(0)**	**(1,576)**	**(455)**
Proportion of the Company's ownership	49.00%	73.99%	49.00%	73.94%	73.94%	49.00%	86.74%	
Group share of profit/ (loss) for the year	**(0)**	**(314)**	**(0)**	**572**	**572**	**(0)**	**(1,367)**	**(538)**
Group share of other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Summarised statement of profit and loss for the year ended 31 March 2019 are as under

(Rs in lakhs)

	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL') *	Total
Revenue from operations	-	24,010	-	64,787	58,428	-	16,452	163,677
Other income	-	18	-	982	791	-	112	1,903
Total Income	**-**	**24,028**	**-**	**65,768**	**59,219**	**-**	**16,564**	**165,579**
Sub-contracting costs	-	23,950	-	59,026	53,742	-	16,374	153,092
Employee benefits expense	-	-	-	-	-	-	-	-
Finance costs	0	6	0	1,709	1,193	-	185	3,092
Depreciation and amortisation expense	-	-	-	-	-	-	-	-
Other expenses	1	73	1	5,761	4,686	0	79	10,601
Total Expenses	**1**	**24,030**	**1**	**66,495**	**59,620**	**0**	**16,637**	**166,785**
Profit /(loss) before tax	**(1)**	**(2)**	**(1)**	**(727)**	**(402)**	**(0)**	**(73)**	**(1,206)**
Tax expenses	-	(4)	0	260	210	-	31	498
Profit / (loss) for the year	**(1)**	**2**	**(1)**	**(987)**	**(611)**	**(0)**	**(104)**	**(1,704)**
Add : Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**(1)**	**2**	**(1)**	**(987)**	**(611)**	**(0)**	**(104)**	**(1,704)**
Proportion of the Company's ownership	49.00%	73.99%	49.00%	73.94%	73.94%	49.00%	74.00%	
Group share of profit/ (loss) for the year	**(1)**	**2**	**(1)**	**(730)**	**(452)**	**(0)**	**(77)**	**(1,259)**
Group share of other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the consolidated financial statements

iii) There are no contingent liabilities in respect of joint venture companies

iv) There are no commitments in respect of joint venture companies other than as disclosed in Note 48 (c)

v) Significant judgement - classification of joint arrangement

The Shareholder Agreement ('SHA') in relation to CTPL, CTHPL, RGY, GSY, CGRG requires unanimous consent from all parties for all relevant activities (e.g. change of composition of board approval / removal of KMP, transaction with any related party, capital expenditure in excess of rupees one lakh etc.). As per SHA, for board composition two directors shall be nominated by JV partner from the list of names suggested by Welspun Enterprises Limited ('Welspun') and one director shall be nominated by the Welspun. However, chairman of the board shall be nominated by Welspun. Joint venture entity shall not act in general meeting without prior written consent of Welspun on any matter except for issuance and transfer of shares impacting change in shareholding. JV partner shall exercise voting rights in general meeting through its nominated representative as directed by Welspun.

Thus, based on 49% holding in share capital read with contractual terms between JV partners, the group has determined that entity should be classified as jointly controlled entity (Joint venture).

Based on the changes in the contractual rights amongst Welspun Enterprises Limited, Welsteel Enterprises Private Limited and Welspun Steel Limited, Welspun Aunta-Simaria Project Private Limited and Welsteel Enterprises Private Limited have been treated as subsidiary from 01 November 2019.

vi) The group has pledged below mentioned shares :-

	As at 31 March 2020	As at 31 March 2019
Entities	**Units**	**Units**
A) Equity shares		
Welspun Aunta-Simaria Project Private Limited	-	5,100
RGY Roads Private Limited	4,900	4,900
MBL (GSY) Road Limited	24,495	24,495
MBL (CGRG) Road Limited	24,495	24,495
Corbello Trading Private Limited	4,895	4,895
Chikhali - Tarsod Highways Private Limited	489,995	4,895
B) Compulsorily Convertible Debentures (CCD)		
Corbello Trading Private Limited	3,143,790	-
Chikhali - Tarsod Highways Private Limited	3,095,300	-
C) Optionally Convertible Debentures (OCD)		
Chikhali - Tarsod Highways Private Limited	79,000	-

* Became subsidiary on 1 November 2019 (earlier - classified as Jointly controlled entities). The amounts mentioned in the summarised statement of profit and loss above are for the period 01 April 2019 to 31 October 2019.

Notes forming part of the consolidated financial statements

55 Non-controlling Interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI.

	Grenoble Infrastructure Private Limited	Welspun Sattanathapuram Nagapattinam Road Private Limited	Welsteel Enterprises Private Limited	Welspun Aunta-Simaria Project Private Limited
	(Rs in lakhs)	(Rs in lakhs)	(Rs in lakhs)	(Rs in lakhs)
Summarised balance sheet as at 31 March 2020				
Non-current assets	0	92	3,475	20,940
Current assets	0	12,105	9	3,628
Non-current liabilities	-	-	-	(4,043)
Current liabilities	(0)	(9,922)	(3,476)	(13,574)
Instrument entirely equity in nature	-	(2,170)	-	(6,932)
Net Assets	**0**	**104**	**9**	**19**
Net assets attributable to NCI	**0**	**16**	**4**	**(11)**
Summarised statement of profit or loss for the year ended 31 March 2020				
Revenue	-	691	-	4,374
Other income	-	93	-	2,333
Subcontracting, civil and repair works	-	(602)	-	(4,177)
Finance costs	(0)	(81)	(0)	(437)
Other expenses	(1)	(88)	(1)	(197)
Profit /(loss) before tax for the year	**(1)**	**12**	**(1)**	**1,896**
Tax expenses	-	69	-	(284)
Profit /(loss) for the year	**(1)**	**80**	**(1)**	**1,611**
Other comprehensive income	-	-	-	-
Total comprehensive income	**(1)**	**80**	**(1)**	**1,611**
Profit/ (loss) allocated to NCI	(0)	12	(0)	214
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	**(0)**	**12**	**(0)**	**214**
Summarised cash flow information as at 31 March 2020				
Cash flow from operating activities	(1)	61	(0)	(6,690)
Cash flow from investing activities	-	93	(2,100)	245
Cash flow from financing activities	0	6	2,100	6,750
Net increase / (decrease) in cash and cash equivalents	**(0)**	**160**	**(0)**	**305**

The following table summarises the information relating to each of the subsidiaries that has NCI.

	Grenoble Infrastructure Private Limited	Welspun Sattanathapuram Nagapattinam Road Private Limited (c) $
	(Rs in lakhs)	(Rs in lakhs)
Summarised balance sheet as at 31 March 2019		
Non-current assets	0	9,381
Current assets	1	2,086
Non-current liabilities	-	-
Current liabilities	(0)	(9,442)
Instrument entirely equity in nature	-	(2,000)
Net Assets	**1**	**24**
Net assets attributable to NCI	**0**	**7**
Summarised statement of profit or loss for the year ended 31 March 2019		
Revenue	-	9,379
Other income	-	23
Subcontracting, civil and repair works	-	(9,358)
Finance costs	-	(0)
Other expenses	(0)	(21)
Profit /(loss) for the year	**(0)**	**23**
Other comprehensive income	-	-
Total comprehensive income	**(0)**	**23**
Profit/ (loss) allocated to NCI	(0)	7
OCI allocated to NCI	-	-
Total comprehensive income allocated to NCI	**(0)**	**7**

Notes forming part of the consolidated financial statements

Summarised cash flow information as at 31 March 2019		
Cash flow from operating activities	(0)	(522)
Cash flow from investing activities	(0)	-
Cash flow from financing activities	1	2,084
Net increase / (decrease) in cash and cash equivalents	**1**	**1,562**

56 Business Combination

A Background

Due to changes in contractual rights amongst Welspun Enterprises Limited, Welsteel Enterprises Private Limited and Welspun Steel Limited; Welspun Aunta-Simaria Project Private Limited and Welsteel Enterprises Private Limited became subsidiary w.e.f. 01 November 2019.

B Summary of Assets and Liabilities on date of acquisition

The fair value of identifiable assets and liabilities of the entities at the date of acquisition are as under

(Rs in lakhs)

	Welsteel Enterprises Private Limited	**Welspun Aunta-Simaria Project Private Limited**
Assets		
Non-current financial assets :		
- Service concession receivables	-	21,391
Deferred tax assets	-	386
Non-current tax asset	-	117
Current financial assets :		
- Investments	1,375	-
- Cash and cash equivalents	9	5
- Bank balances	-	298
Other current assets	0	2,617
Total Assets	**1,385**	**24,813**
Liabilties		
Compulsorily convertible debenture		4,857
Current financial liabilities :		
- Borrowings	1,375	3,028
- Trade payables	0	9,443
Other current liabilities	-	9,177
Total Liabilities	**1,375**	**26,504**
Net Assets	**9**	**(1,691)**
Proportion of ownership	49.00%	86.74%
Carrying amount of the equity investment	5	(1,467)
Compulsorily convertible debentures	-	3,482
Optionally convertible debentures	1,375	2,600
Carrying amount of the Investment	**1,380**	**4,616**

C Acquisition date fair value of previously held equity interest

(Rs in lakhs)

	Welsteel Enterprises Private Limited	**Welspun Aunta-Simaria Project Private Limited**
Acquisition date fair value of the previously held equity interest	**1,380**	**4,616**

D) Impact of reclassification on the results of the Group

a) Revenue from operations for the year ended 31 March 2020 includes Rs 197 lakhs (net of inter-group elimination) attributable to the acquisition of control of Welsteel Enterprises Private Limited and Welspun Aunta-Simaria Project Private Limited. Had the acquisition happened from 01 April 2019, revenue from operations would have been higher by Rs 1,458 lakhs (net of inter-group elimination) representing revenue of the acquired entities (net of inter-group elimination) for the period 01 April 2019 to 31 October 2019.

b) Profit for the financial year ended 31 March 2020 includes profit of Rs 243 lakhs (including non-controlling interest of Rs 213 lakhs) attributable to Welsteel Enterprises Private Limited and Welspun Aunta-Simaria Project Private Limited (had the acquisition not happened Rs 30 lakhs profit would have been reported under the line item "share of profit/ (loss) from an associate and joint venture entities").

E The group previously held 49% in Welsteel Enterprises Private Limited and 86.74% in Welspun Aunta-Simaria Project Private Limited. The same was accounted as per equity method till 31 October 2019.

F The business combination did not result into gain or loss on acquisition date with respect to the previously held equity interest.

57 A) Segment Information

The Company for evaluating group performance and for allocating resources based on analysis of various performance indicators, has identified two operative segments on the basis of nature of business activities and other quantitative criteria specified in the Ind AS 108 :

i) Operating segments

a) Infrastructure

b) Oil and gas

Notes forming part of the consolidated financial statements

ii) Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

iii) Segment assets and liabilities

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, intangible assets (BOT), service concession receivables, trade receivables and other operating assets. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/ liabilities.

(Rs in lakhs)

	31 March 2020	31 March 2019
Segment revenue		
- Infrastructure	180,759	178,660
Total	**180,759**	**178,660**
Less : Inter segment revenue	-	-
Total sales/ income from operations	**180,759**	**178,660**
Segment result		
- Infrastructure	25,808	25,302
- Oil and gas	-	-
Unallocable corporate	(7,219)	(6,704)
Total	**18,589**	**18,598**
Add : other income	11,299	6,931
Profit before finance costs, tax and exceptional items	**29,888**	**25,529**
Add / (Less) :		
Finance costs	(7,736)	(5,366)
Share of loss from associate and joint venture companies	(1,878)	(1,450)
Exceptional items (Refer note 50)	-	1,985
Profit before tax	**20,274**	**20,698**
Less : Tax expense		
Current tax	5,883	7,766
Deferred tax	(722)	256
	5,161	**8,022**
Profit after tax	**15,113**	**12,676**
	31 March 2020	**31 March 2019**
Segment assets		
- Infrastructure	165,568	164,532
- Oil and gas	5,726	5,726
Unallocable corporate	140,335	119,037
Total (A)	**311,629**	**289,295**
Segment liabilities		
- Infrastructure	64,996	77,700
Unallocable corporate	88,678	66,225
Total (B)	**153,674**	**143,925**
Total equity (A - B)	**157,955**	**145,370**

a) Segment assets excludes current and non-current investments, deferred tax assets, advance payment of income tax, etc

b) Segment liabilities excludes borrowings and current maturities of long term borrowing, deferred tax liability, accrued interest, non-controlling interests, etc

Other segment information	**31 March 2020**	**31 March 2019**
a) Non-current assets *		
Infrastructure	16,696	20,056
Oil and gas	-	-
Unallocable corporate	4,211	2,767
Total	**20,907**	**22,823**
b) Capital expenditure		
Infrastructure	1,746	10,011
Oil and gas	-	-
Unallocable corporate	-	-
Total	**1,746**	**10,011**
Other segment information	**31 March 2020**	**31 March 2019**
c) Depreciation and amortisation expense		
Infrastructure	2,254	1,149
Oil and gas	-	-
Unallocable Corporate	-	-
Total	**2,254**	**1,149**

* Non-current assets excludes financial assets, deferred tax assets and investment in associate and joint venture companies

Notes forming part of the consolidated financial statements

B) Information about major customers

Total revenue from customers accounting for more than 10% of revenue, amounting to Rs 166,180 lakhs (31 March 2019 Rs 145,171 lakhs) disclosed under Infrastructure segment.

58 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ('The Act') are given as follows :-

(Rs in lakhs)

	31 March 2020	31 March 2019
a) Principal amount payable to the suppliers under the Act		
- For capital goods	-	-
- For others	2	29
b) Principal amount due to the suppliers under the Act	-	-
c) Interest accrued and due to the suppliers under the Act, on the above amount	-	-
d) Payment made to suppliers other than interest beyond the appointed day, during the year	-	-
e) Interest paid to suppliers under the Act	-	-
f) Interest due and payable to suppliers undet the Act, for payment already made	-	-
g) Interest accrued and remaining unpaid at the end of the year under the Act	-	
h) The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company

59 A) Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

The Company believes that the information provided under Note 36 Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

B) Contract Balances

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables	18,674	28,069
Contract assets	28,638	43,084
Contract liabilities	17,859	9,349

a) Trade receivables are non-interest bearing and are generally on terms as per agreements.

b) Explanation for increase in Contract assets/ Contract liabilities

(i) Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. The significant decrease in Contract assets in March 2020 is on account of reduction in unbilled revenue.

(ii) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The increase in Contract liabilities in March 2020 is on account of increase in unearned revenue.

(iii) Amount of revenue recognised from :-

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Amounts included in Contract liabilities at the beginning of the year	5,025.98	4,527

(iv) During the year, Contract assets worth Rs 28,638 lakhs (31 March 2019 Rs 43,083 lakhs) representing the unbilled work in progress is reclassified from Other Current Financial assets to the face of balance sheet as separate line item under the head Current assets. Further Contract liabilities worth Rs 17,859 lakhs (31 March 2019 Rs 9,349 lakhs) repesenting unearned revenue and mobilisation advance are reclassified from Other Current Liabilties to the face of balance sheet as separate line item under the head Current liabilities. Considering the nature and surrounding circumstances, management believes that this reflects the true classification of the asset. The impact of this change is considered to be immaterial on the Company's financial performance and position.

60 Due to the market developments during quarter ended 31 December 2019, the Group has, as per the requirements of Ind AS 109, assessed its business model for HAM assets to have changed from 'hold to sale' to 'hold to collect', resulting in the measurement basis to change from 'fair value through profit and loss' to 'amortised cost'. As per the guidance in Ind AS 109, the reclassification date is determined to be 1 January 2020. During the year, the Group has reclassified service concession receivable out of fair value through profit or loss category into amortized cost category aggregating to Rs 99,869 lakhs. The Group recognised gain on fair value changes (including actual interest received and accounted) of Rs. 4,903 lakhs with respect to subsidiaries and Rs 3,921 lakhs (included in line item share of joint venture/associates) until 1 January 2020 and subsequently recognised interest income of Rs. 2,285 lakhs and 2,410 lakhs (included in line item share of joint venture/associates).

61 Anjar Road Private Limited ('Transferor Company') is merged with Welspun Enteprises Limited ('WEL') ('Transferee Company') pursuant to Hon'ble National Company Law Tribunal order dated 21 June 2019 approving the Scheme of Amalgamation with effective date being 20 July 2019 and appointed date being 10 December 2018. As prescribed by the Scheme, all assets and liabilities and reserve appearing in the books of transferor company are recorded by transferee company at their respective book value appearing in transferor company. Further, difference if any between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) has been adjusted in capital reserve of transferor company (to the extent available), balance if any has been adjusted in Reserve and Surplus (General Reserve) of transferee company. The authorised share capital will stand increased automatically.

Notes forming part of the consolidated financial statements

The following assets and liabilities of the Transferor companies as at 20 July 2019 have been recorded at their book value

Details of assets and liabilities acquired :-

(Rs in lakhs)

	As at 20 July 2019	As at 20 July 2019
Assets		
a) Non-current tax asset	2	
b) Current investments		
Investment in bonds	806	
Investment in mutual funds	132	
	938	
c) Cash and cash equivalents	1	942
Liabilities		
a) Other current liabilities - Stamp duty payable	685	
b) Trade payable	10	
c) Current tax liabilities - Provision for tax	1	696
Net assets taken over		**246**
Difference between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) adjusted in Reserve and Surplus (General Reserve) of the Company		**246**

62 Leases

The Group has building premises being used for its operation having lease term between 0.5 years and 5 years.

A The details of the right-of-use asset held by the Group is as follows:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Additions for year ended 31 March 2020	694	-
Less: Depreciation Expenses	(307)	-
Net carrying amount as at 31 March 2020	**387**	**-**

B The details of the lease liabilities of the Group is as follows:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Additions for year ended 31 March 2020	662	-
Add: Accretion of interest	52	-
Less: Payments	(321)	-
Net carrying amount as at 31 March 2020	**393**	**-**
Lease liabilities (Current) shown under Other Current Financial Liabilities	240	-
Lease liabilities (Non Current) shown under Other Non-Current Financial Liabilities	153	-
	393	-

The maturity analysis of lease liabilities are disclosed in Note 45

C

(Rs in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
The following are the amounts recognised in statement of profit or loss:		
Depreciation expense of right-of-use assets	307	-
Interest expense on lease liabilities	52	-
Total amount recognised in statement of profit or loss	**358**	**-**

The Group had total cash outflows for leases of INR 321 lakhs in 31 March 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of INR 662 Lakhs in 31 March 2020.

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 48 (a) Contingencies and Commitments

Notes forming part of the consolidated financial statements

63 Collateral / security pledged

a) Group - excluding associate and joint venture companies

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2020: Rs 72,101 lakhs (31 March 2019 : Rs 44,404 lakhs) and Non-fund based - 31 March 2020 : Rs 56,834 lakhs (31 March 2019 : Rs 62,573 lakhs)) of the group are as under:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (including Capital work-in-progress and Intangible assets)	8,232	12,939
Inventories	68	73
Other current and non-current assets excluding investments and tax	168,566	110,186
Total assets pledged	**176,867**	**123,197**

b) Associate and Joint venture companies (to the extent of group's share)

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2020 : Rs 93,546 (31 March 2019 : Rs 37,340)) (Non-fund based - 31 March 2020 : Rs Nil (31 March 2019 : Rs Nil)) of the group are as under:

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Other current and non-current assets excluding investments and tax	145,605	111,147
Total assets pledged	**145,605**	**111,147**

64 Proposed dividends on equity shares

(Rs in lakhs)

	As at 31 March 2020	As at 31 March 2019
Dividend proposed for 31 March 2020 Rs 2.00 per share (31 March 2019 Rs 2.00 per share)	2,969	2,962
Dividend distribution tax on above	-	609

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax theron) as at reporting date.

65 The Directorate General of Hydrocarbons ('DGH") have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd -"NIPL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies-"Adani"-(55%) and Welspun Natural Resources Private Limited-"Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The Government had made representations to the Government expressing its willingness to carry out the activities and to consider the Block as valid and live. The Government has rejected the proposal and cited that the termination was valid. The Group has contested the same before Delhi High Court. The Hon'ble Court was of the view that the Company should pursue the remedies available under the contract. Accordingly the Group has initiated dispute resolution mechanism with the authority and also have initiated discussions with the Ministry of Petroleum and Natural Gas and DGH for a possible revival of the Block.

66 a) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

	Long term borrowings (Including current maturities)	Short term borrowings - Bank	Equity share capital	Securities Premium
As at 31 March 2019	43,418	15,790	14,808	92,849
Cash inflow	53,247	27,661	-	-
Cash outflow	(43,168)	(15,790)	-	-
Non cash changes - interest accrued	347	-	-	-
Non cash changes - other changes (Refer note b below)	(299)	-	38	485
As at 31 March 2020	**53,545**	**27,661**	**14,846**	**93,334**

b) Non- cash investing and financing activities for the current year

i) Other Non-cash changes in long term borrowings are mainly related to amortisation of processing fees

ii) Increase in general reserve pursuant to scheme of amalgamation with Anjar Road Private Limited (Refer note 61)

iii) Other Non-cash changes in equity share capital and securities premium are on account of equity shares alloted pursuant to exercise of stock option (Refer note 49)

iv) Conversion of loan to investment in joint venture companies during the year is Rs 3,565 lakhs

iv) Conversion of loan to investment in associate entity during the year is Rs 4,777 lakhs

Notes forming part of the consolidated financial statements

67 Additional information pursuant to para 2 of General instructions for the preparation of Consolidated Financial Statements

(Rs in lakhs)

Name of the Entities	31 March 2020							
	Net Asset / (Net Liability) ie total assets minus total liabilities		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income	Amount
Parent								
Welspun Enterprises Limited	109.9%	173,551	105.4%	15,934	65.3%	15	105.4%	15,949
Subsidiaries								
Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)	1.7%	2,649	-5.0%	(760)	39.3%	8.95	-5.0%	(751)
ARSS Bus Terminal Private Limited	0.6%	896	0.0%	(2)	-	-	0.0%	(2)
Welspun Project (Kim Mandvi Corridor) Private Limited	0.0%	-4	-4.1%	(626)	-	-	-4.1%	(626)
Welspun Projects (Himmatnagar Bypass) Private Limited	0.3%	466	1.2%	181	-4.8%	(1)	1.2%	180
Welspun Build-tech Private Limited	1.1%	1,707	0.0%	(0)	-	-	0.0%	(0)
DME Infra Private Limited	0.0%	0	0.0%	(0)	-	-	0.0%	(0)
Welspun Delhi Meerut Expressway Private Limited	3.3%	5,232	4.2%	635	-	-	4.2%	635
Welspun Natural Resources Private Limited	8.5%	13,498	-13.2%	(1,998)	-	-	-13.2%	(1,998)
Welspun Road Infra Private Limited	6.5%	10,220	3.7%	554	-	-	3.7%	554
Welspun Amravati Highways Private Limited	0.0%	-1	0.0%	(1)	-	-	0.0%	(1)
Welsteel Enterprises Private Limited *	0.0%	9	0.0%	(0)	-	-	0.0%	(0)
Welspun Aunta-Simaria Project Private Limited *	4.4%	6,951	10.7%	1,611	-	-	10.6%	1,611
Grenoble Infrastructure Private Limited	0.0%	0	0.0%	(1)	-	-	0.0%	(1)
Welspun Sattanathapuram Nagapattinam Road Private Limited	1.4%	2,274	0.5%	80	-	-	0.5%	80
Welspun Infrafacility Private Limited	0.0%	1	0.0%	(0)				
Associate								
Adani Welspun Exploration Limited	21.9%	34,655	-31.3%	(4,725)	-1.6%	(0)	-31.2%	(4,725)
Joint venture entities								
Welsteel Enterprises Private Limited *	0.0%	-	0.0%	(0)	-	-	0.0%	(0)
Welspun Aunta-Simaria Project Private Limited *	0.0%	-	-9.0%	(1,367)	-	-	-9.0%	(1,367)
Corbello Trading Private Limited	0.0%	(1)	0.0%	(0)	-	-	0.0%	(0)
Chikhali - Tarsod Highways Private Limited	-0.2%	(350)	-2.1%	(314)	-	-	-2.1%	(314)
RGY Roads Private Limited	0.0%	0	0.0%	(0)	-	-	0.0%	(0)
MBL (GSY) Road Limited	-0.1%	(180)	3.8%	572	-	-	3.8%	572
MBL (CGRG) Road Limited	0.1%	110	3.8%	572	-	-	3.8%	572

Note :
Net assets/ share of profit or loss of subsidiaries, associate and joint venture companies are considered based on the respective audited standalone / consolidated financial statements without considering elimination/ consolidated adjustments

Notes forming part of the consolidated financial statements

68 Corporate Social Responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend Rs 168 lakhs (31 March 2019 Rs Nil) for the year against which Rs 168 lakhs (31 March 2019 Rs 200 lakhs) has been spent on activities specified in Schedule VII of the Companies Act 2013.

69 Estimation of uncertainity relating to COVID - 19 Outbreak

The outbreak of COVID-19 has impacted the business operations across all industries in the country. This has resulted in interruption to construction activities, disruption to supply chain, availability of manpower etc. Ministry of Road transport and Highways ('MORT&H') issued instructions to NHAI to implement certain relief measures which are very generic and conditional. However, specific directions from MORT&H /NHAI is awaited for seeking specific relief for the industry.

The Group has commenced operations at all its sites in a limited scale post relaxation of lockdown. The Group has availed the protections available to it as per various contractual provisions to reduce the impact of COVID-19. The Group, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact for the year ended 31 March 2020. The aforesaid evaluation is based on projections and estimates which are dependent on future developments. Due to the nature of the pandemic, the Group will continuing to monitor developments to Identify significant uncertainties in future periods, if any.

70 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 01 June 2020

Sridhar Narasimhan
Chief Financial Officer

Place: Mumbai
Date : 01 June 2020

Priya Pakhare
Company Secretary

WELSPUN ENTERPRISES
Infrastructure and Energy

Welspun Enterprises Limited

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