



Connecting Homes to **Happiness**

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. Ajay Hans

Managing Director & CEO

(appointed as MD & CEO w.e.f. April 1, 2022 & holds position till August 8, 2022)

Dr. Anoop Kumar Mittal

Independent Director

Dr. Aruna Sharma

Independent Director

Ms. Dipali Goenka

Non-Executive, Non-Independent Director

Mr. Mohan Tandon

Lead Independent Director

Mr. Raghav Chandra

Independent Director

Mr. Rajesh R. Mandawewala

Non-Executive, Non-Independent Director

Mr. Sandeep Garg*

Managing Director Designate

(Appointment as Managing Director effective from August 8, 2022)

Mr. Sudhir Mital

Independent Director

(appointed w.e.f. May 12, 2022)

KEY MANAGEMENT TEAM

Mr. Balkrishan Goenka

Chairman (Executive)

Mr. Ajay Hans

Managing Director & CEO

(appointed w.e.f. April 1, 2022 & holds position till August 8, 2022)

Mr. Sandeep Garg*

Managing Director Designate

(appointment as Managing Director effective from August 8, 2022)

Mr. Akhil Jindal

Director, Group Finance & Strategy

Mr. Deepak Chauhan

Director, Legal

Mr. Neeraj Gupta

Director, COO - Highways

Mr. Rajesh Jain

Chief Human Resource Officer

Mr. Sanjay Kumar Sultania

Chief Financial Officer

(appointed w.e.f. October 11, 2021)

Mr. Yogen Lal

Director, COO - Water

COMPANY SECRETARY

Ms. Priya Pakhare

AUDITORS

MGB & Co. LLP, Chartered Accountants

SECURITIES REGISTRAR AND TRANSFER AGENT

Link Intime India Private Ltd.

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083.

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

REGISTERED OFFICE

"Welspun City", Village Versamedi,

Taluka Anjar, District Kutch,

Gujarat - 370 110

Tel: +91-2836 662222

Fax: +91-2836 279010

* Served as Managing Director till March 31, 2022

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

AUDIT COMMITTEE

Mr. Mohan Tandon

Chairman (Independent Director)

Dr. Aruna Sharma

Member (Independent Director)

Mr. Raghav Chandra

Member (Independent Director)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Mohan Tandon

Chairman (Independent Director)

Dr. Anoop Kumar Mittal

Member (Independent Director)

Mr. Raghav Chandra

Member (Independent Director)

SHARE TRANSFER AND INVESTOR GRIEVANCE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Aruna Sharma

Chairperson (Independent Director)

Mr. Mohan Tandon

Member (Independent Director)

Mr. Raghav Chandra

Member (Independent Director)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Aruna Sharma

Chairperson (Independent Director)

Mr. Ajay Hans

Member (Managing Director & CEO)

(appointed w.e.f. April 1, 2022)

Ms. Dipali Goenka

Member (Non-Independent Director)

Mr. Mohan Tandon

Member (Independent Director)

Mr. Sandeep Garg

Member (Managing Director)

(resigned w.e.f. March 31, 2022)

RISK MANAGEMENT AND PROJECT MONITORING COMMITTEE

Mr. Raghav Chandra

Chairman (Independent Director)

Mr. Ajay Hans

Member (Managing Director & CEO)

(appointed w.e.f. April 1, 2022)

Dr. Anoop Kumar Mittal

Member (Independent Director)

Mr. Sandeep Garg

Member (Managing Director)

(resigned w.e.f. March 31, 2022)

BANKERS

Aditya Birla Finance Company Limited

Aseem Infra Finance Company Limited

Axis Finance Limited

Axis Bank Limited

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

IDBI Bank

IDFC First Bank

Indian Bank

Indusind Bank Limited

India Infrastructure Finance Company Limited

Karnataka Bank

Punjab National Bank

State Bank of India

Union Bank of India

Yes Bank Limited

Contents

01 CORPORATE OVERVIEW

Connecting homes to happiness	03
Company overview	04
Chairman's Message	06
Lead Independent Director's Message	08
Water infrastructure	10
Road infrastructure	12
Key performance indicators	14
Corporate social value	16
ESG	18

02 STATUTORY REPORTS

Management Discussion and Analysis	24
Directors' Report	37
Corporate Governance Report	70
Business Responsibility Report	85

03 FINANCIAL STATEMENTS

Standalone Financial Statements	
Independent Auditor's Report	100
Annexure to the Auditor's Report	105
Balance Sheet	112
Statement of Profit and Loss	113
Statement of Cash Flows	114
Statement of Changes in Equity	116
Notes	118

Consolidated Financial Statements

Independent Auditor's Report	182
Annexure to the Auditor's Report	188
Balance Sheet	190
Statement of Profit and Loss	191
Statement of Cash Flows	192
Statement of Changes in Equity	194
Notes	197

Forward-Looking Statement

This document contains statements about expected future events and financial and operating results of Welspun Enterprises Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There might be a risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Welspun Enterprises Limited Annual Report FY2022.

1,575
Total Consolidated
Income
(₹ crore)

12
Number of
projects

~1,000
Employees



To get this report online and for any other information, log on to: www.welspunenterprises.com

Connecting Homes to Happiness

At Welspun Enterprises (WEL), we are cognizant of the needs of all our stakeholders at large. In order to create value for all our stakeholders, we focus on ensuring business sustenance and making the Company future-ready so that we can not only create value for our investors, but also ensure inclusive growth of employees and communities.

We take pride in the fact that our business is focused on improving the infrastructure of the nation. In doing so, we have been undertaking several decisive and strategic steps to create our unique edge over our peers, and creating a strong order book.

Our order book is backed by our capabilities, experience and execution finesse, which when coupled with the increasing and varied opportunities in the infrastructure space and the increasing government investments, speaks volumes about the future optimism of the business.



Being the contributors to tomorrow's India, we also create downstream value for the people of our nation, bringing smiles on their faces by way of improved roads and water infrastructure.

3,200 lane km

Completed road infrastructure till 2021-22

42 lakh+

Number of people estimated to be touched through water infrastructure

2,544

Number of villages estimated to be touched through water infrastructure

COMPANY OVERVIEW

At the forefront of Indian infrastructure

Welspun Enterprises Limited (WEL) is one of the fastest emerging names in the Indian infrastructure sector. We are a part of the prestigious conglomerate 'Welspun Group'.

ABOUT US

Welspun Enterprises has emerged as one of the fastest growing infrastructure companies in the country. Since our inception, we have been on a constant endeavor to build a strong order book and diverse portfolio. We have predominantly been a road infrastructure company, and have forayed into water infrastructure over the past few years. Our robust order book stood at ₹ 8,400 crore as on 31st March 2022, which expanded to about ₹ 12,500 crore as on 31st May 2022, on the back of the Dharavi STP project. We also have investments in the oil and gas exploration assets through a

JV with the Adani Group, called Adani Welspun Exploration Limited (AWEL). Our diverse business verticals not only help us strengthen the infrastructure of the country, but also empower the people, and aid them with better connectivity and an improved way of life.

VISION

Delight our customers through innovation and technology, achieve inclusive and sustainable growth to remain eminent in all our businesses.

LEGACY

Welspun Group is one of the leading conglomerates in India, and has a dominant and established presence in home and advanced textiles, infrastructure, warehousing, steel, retail, line pipes, and flooring solutions across the globe. Leveraging its rich experience of more than 3 decades, our Group is among the largest global exporters with 'Make in India' imbibed in the very core of its DNA. Our Group has a strong workforce of more than 26,000 employees and more than 100,000 shareholders. Further, using total assets of USD 1 billion, our Group generates annual revenues of USD 2.3 billion using cutting-edge technologies, robust operational excellence, focused strategies and responsible ESG practices.

PRESENCE

	Project name	Type	Contract type
1	Delhi-Meerut Expressway (Pkg 1)	Road	HAM
2	Gagalheri-Saharanpur-Yamunanagar	Road	HAM
3	Chutmalpur-Ganeshpur	Road	HAM
4	Aunta-Simaria	Road	HAM
5	Chikhali-Tarsod	Road	HAM
6	Package No. AM 2	Road	HAM
7	Sattanathapuram-Nagapattinam	Road	HAM
8	Mukarba Chowk-Panipat	Road	BOT (Toll)
9	Varanasi Aurangabad NH2 Project	Road	EPC
10	Dewas Water	Water	BOT
11	UP State Water and Sanitation Mission	Water	EPC
12	Dharavi Wastewater Project	Water	EPC





KEY NUMBERS



AWARDS AND RECOGNITION



Chairman's Message



The Company's order book reflects its selective approach to evaluating and pursuing project opportunities while aiming for a meaningful diversification to optimize risk returns, with significant contributions from across segments – Roads, Water and Wastewater.

MY DEAR FELLOW SHAREOWNERS,

It gives me immense pleasure in sharing with you that, your Company stayed the course through multiple challenges emanating from external factors and continued to execute its strategy, demonstrating remarkable agility and resilience in the face of headwinds such as the consecutive waves of the pandemic, supply chain disruptions, and inflationary pressures. This has been enabled by the Company's strong focus on quality and timely execution, establishing a differentiated,

asset-light business model in the infrastructure industry and building an exceptional team focused on operational excellence and value creation. Your Company also undertook monetization efforts and successfully executed definitive agreements with one of the world's largest global funds focused on quality and returns. Currently, we are in the process of seeking regulatory approvals for the exit. It may be noted that your Company enjoys healthy rating in AA family and is one of the few infrastructure companies in this zone with extremely low

level of debt. The proposed exit will further strengthen our balance sheet and cash flows to be future-ready, and thereby, capitalize on multiple opportunities emerging in this sector.

ACCELERATED EXECUTION

Your Company's operating and financial performance has been characterized by steady timely execution, a strong order book, sustained profitability, and solid balance sheet. It is encouraging to observe that your Company's development portfolio has also been progressing well, with six



projects achieving Provisional Commercial Operation Date (PCOD) and/or Commercial Operation Date (COD), and are now revenue generating.

I take great pride in sharing that two of WEL's projects, namely the Mukarba Chowk to Panipat BOT Project and the Chikhali-Tarsod (CTHPL) HAM Road Project, were recently inaugurated and dedicated to the nation. I am particularly pleased about the superior quality of our delivery that is second to none, globally. It may be heartening to mention that the Hon'ble Minister of Road Transport & Highways, Government of India, Shri Nitin Gadkari while dedicating CTHPL project to the nation applauded the quality and timely completion of the project as hallmark of Welspun's commitment to deliver world-class products, globally. This hallmark of the Welspun Group spans across a host of business verticals ranging from home textiles and steel pipes to world's largest retailers and O&G companies.

Other operating highlights for the year include accelerated execution in several key ongoing projects, such as the Aunta-Simaria six-laning road project that also includes one of the widest extradosed bridge on the Ganga river; the Varanasi-Aurangabad NH-2 project that

spans the states of Uttar Pradesh (UP) and Bihar; and the UP Jal Jeevan Mission project that is part of the Government's 'Har Ghar Nal Se Jal' scheme of providing drinking water access to all. In addition to that, more recently, we also secured a fresh order worth ₹ 4,636 crore from the Brihanmumbai Municipal Corporation for the Dharavi Wastewater Treatment Facility. This is the single-highest value order so far for your Company in the most essential sector of water infrastructure in India.

The robustness of our order book can be assessed not only in quantitative terms but also on a qualitative basis, with a high average contract value, which gives us the scale and size to become further operationally-efficient, and a healthy unexecuted EPC order book coming from external client engagements.

WAY FORWARD

The Company's order book reflects its selective approach to evaluating and pursuing project opportunities while aiming for a meaningful diversification to optimize risk returns, with significant contributions from across segments – Roads, Water and Wastewater. Coupled with strong balance sheet, continued focus on operational excellence

and differentiated asset-light business model, we will be able to create long-term value for all stakeholders while adhering to the highest standards on the ESG (Environment, Social, and Governance) front.

APPRECIATION

I would also like to take this opportunity to thank the members of our Board, our partners, and all other stakeholders for their encouragement and support through the course of the year. We remain committed to operational excellence and sustainable growth, and firmly believe that the best is yet to come.

B K Goenka

Executive Chairman

Lead Independent Director's Message



Your Board is visibly committed to maintaining the highest standards of corporate governance, transparency and fairness in dealing with all stakeholders.

DEAR STAKEHOLDERS

As the Lead Independent Director, I take this opportunity to share insights into functioning of the Board and the key Board priorities during the year.

To recall, the preceding year 2020-21 brought in the concept to have a Lead Independent Director as an enabler for the Board to work together in ensuring strong and independent oversight in corporate governance. Driven towards this objective, I had ample opportunities for brainstorming and holding consultations with fellow directors and with senior management team from time to time. I am very happy to report here that those discussions have been very productive and

I believe that in their own way, contributed in improving the governance framework for the company.

Another significant practice adopted during the year – perhaps unique to your Company in the Corporate Sector – makes it possible for every one of the Independent Directors to participate and contribute their thoughts and wisdom collectively in all Committee meetings of the Board, regardless of whether they happen to be the designated members or otherwise.

I am also happy to report that responding to a suggestion in this regard, the Chairman has made it a point to earmark exclusive time to meet with the Independent

Directors on a regular basis, prior to the Board meetings. This practice inter alia makes it possible to have meaningful discussions, not limited to the formal Board agenda.

KEY BOARD PRIORITIES DURING THE YEAR 2021-22

- Strategic guidance and support to the management to navigate through uncertain times
- Oversight on risk management and strengthening resilience
- Ensuring safety of our people (Safety First)
- Sustainability and long-term value creation
- Accelerating digitization and analytics initiatives



CORPORATE GOVERNANCE

Your Board is visibly committed to maintaining the highest standards of corporate governance, transparency and fairness in dealing with all stakeholders. The Board continues to take various initiatives from time to time to sustain and further advance the governance practices.

Key enhancements undertaken during the year were as follows:

THEMES KEY INITIATIVES

Themes	Key Initiatives
I. Strengthening Governance Structure & Policies	<ul style="list-style-type: none"> a. Board Succession Planning & Diversity framework put in place. b. Review and revision carried out of Ethics Framework to incorporate leading practices (Whistle Blower Policy & mechanism for enforcing anti-bribery and anti-corruption, fraud prevention). c. Expanding the role of the ‘Stakeholder Relationship Committee’ of the Board from/beyond oversight of redressal of shareholder grievances and feedback. d. Separate exclusive and regular meetings happening between the Audit Committee and Internal Auditors and Statutory Auditors, without the presence of management representatives. e. Formalizing the role of the Chief Information & Security Officer and of the Chief Risk Officer.
II. Unlocking ESG’s strategic value	<p>Making ESG a strategic priority</p> <p>The Year 2021-22 will be remembered for a paradigm shift in focus from mere CSR to full scale ESG goals and committing itself wholeheartedly to a time-bound structured plan of implementation.</p> <p>This got translated in action terms to:</p> <ul style="list-style-type: none"> a. Developing of ESG & CSR Committee charter b. ESG Materiality and Maturity assessment done c. Monitoring of ESG Goals and initiatives during ESG & CSR Committee meetings d. ESG Data Governance e. Whistle blower platform widened to facilitate anonymous reporting

As the Lead Independent Director of your Company, I would continue to work zealously for facilitating the Board’s collective commitment towards highest standards of governance, transparency and fairness in dealing with all stakeholders.

Should you have any suggestions, please share your views during the upcoming annual general meeting or write to the Company Secretary. We value your feedback.

Thank you for your continued faith in the Board of your Company. We would continue to work to represent the interest of all stakeholders.

Sincerely,

Mohan Tandon

Lead Independent Director

WATER INFRASTRUCTURE

Sharpening focus on water and wastewater infrastructure

At WEL, we believe in making the most of sectoral tailwinds. The opportunities in the water infrastructure sector in India are ripe at the moment to help us build a strong order book in the sector.



OPERATING CONTEXT

- **Safe drinking water:** According to the UN-Water Index, India is lagging behind several countries with respect to safe drinking water availability. In the country, a mere 16.75% of rural households have access to tap water. Amidst this crisis, the Government has focused on providing tap water to every rural household by 2024 through its Jal Jeevan Mission announced in 2019
- **Sewage treatment:** In India, against the backdrop of an estimated 72,368 million liters per day (MLD) of sewage generated from urban locales, the tier I and tier II cities have a sewage treatment capacity of 31,841 MLD, indicating the huge headroom of growth available in the market
- **Government impetus:** In order to ensure the availability of safe drinking water and ensuring water conservation, huge investments have been earmarked under various measures during the Union Budget 2022-23. During the year, the Government earmarked a lumpsum amount of ₹ 299,000 crore for AMRUT 2.0 to provide tap water connections to all households across urban locales. Further, the Government also directed funds towards its River Interlinking Project and Wastewater Treatment Facilities

📖 Read more about this in pages 25 and 26 of the Management discussion and analysis

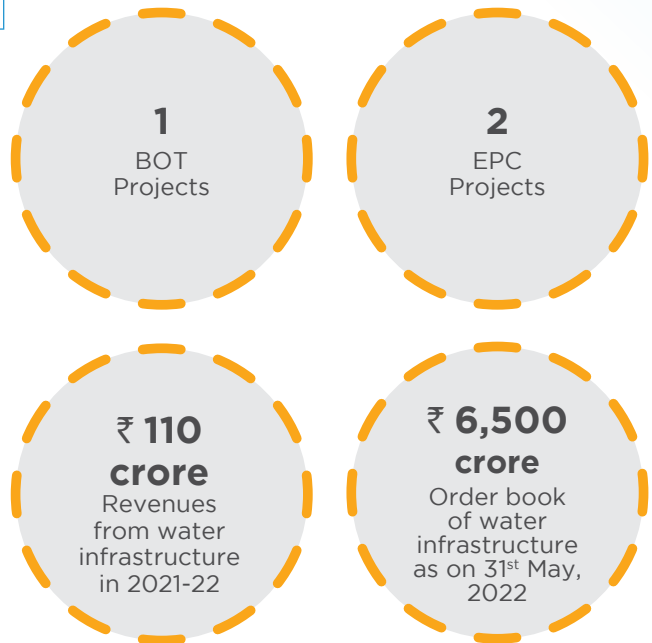


HOW WE RESPOND

Against the backdrop of various sectoral opportunities and drivers, we, at WEL, are poised to make the most of these tailwinds. We have focused on diversifying our presence, and expanding into the water infrastructure business for three primary reasons - a) Further the nation's infrastructure story, and ensuring a sustainable roadmap for the country, b) Empower the people with improved water infrastructure, c) Incremental opportunities and Government investments in the sector.



Our competitive edge
 At WEL, we operate with an asset-light business model wherein we work with capable partners for construction, and focus on project management. This not only gives us the flexibility to operate across multiple geographies, but also ensures minimal investment in plant and equipment, thereby reducing the working capital. This results in lower leverage, lower risk and a strong credit rating.



ONGOING PROJECTS

We are the lead partners in a Joint Venture with Kaveri Infraprojects Limited for executing water supply for rural areas in Varanasi, Ayodhya and Meerut, covering 2,544 villages. The project is a 70:30 JV, and on completion is expected to enable the availability of ample drinking water supply to every household in the geographies. Further, we have also focused on forming a joint venture joint venture to design, build, operate and maintain a 418 MLD wastewater treatment facility at Dharavi.

ROAD INFRASTRUCTURE

Continuing to strengthen India's road infrastructure

We realize that India is under an infra push, and there are colossal investments the road sector is drawing and is expected to keep drawing in the foreseeable future. We strive to position ourselves to make the most of the opportunities associated with this infrastructure growth drive in India.

OPERATING CONTEXT

- **Increasing investments:** India has been attracting huge infrastructural investments, and the country has been consistently allocating incremental investments towards infrastructure development of India in its Budgets
- **Urbanization:** India has seen an incremental growth in its urban population over the past decade. The country's urbanization rate is expected to reach 37-38% by 2025, thereby, driving the need for better connectivity in urban locales
- **Road Infrastructure:** The increasing focus of the Government on improving road infrastructure in the country is validated by the fact that in 2021-22 NHAI recorded the highest pace of road development till date. Further, ₹ 111 lakh crore has been earmarked for the National Infrastructure Pipeline (NIP) between 2019 and 2025, of which, 18% is expected to be diverted towards road infrastructure
- **Government impetus:** The Government has announced various infrastructure development programs, and allocated lumpsum amount through its Union Budgets such as the Pradhan Mantri Awas Yojana, PM Gati Shakti, Bharatmala Pariyojana and National Infrastructure Pipeline, among others

👉 Read more about this in pages 22-24 of the Management discussion and analysis





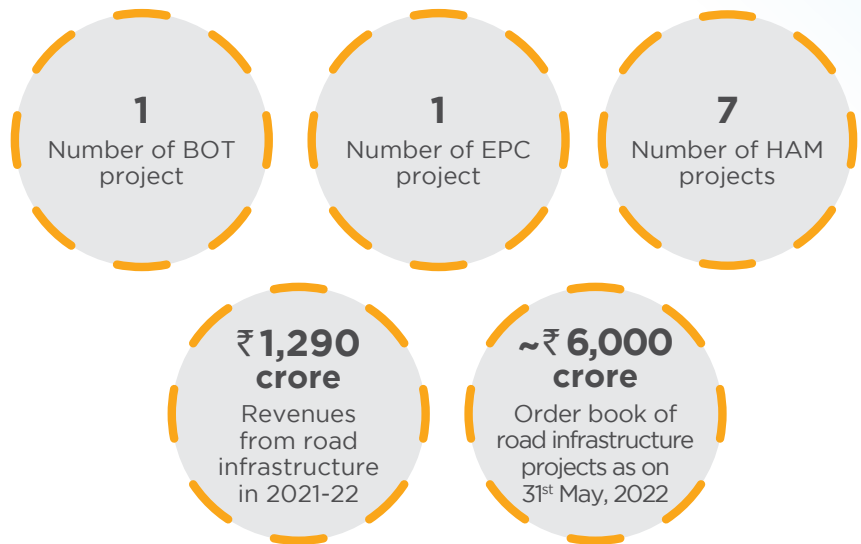
HOW WE RESPOND



Our industry- and India-firsts

The list of achievements of Delhi-Meerut Expressway for excellence in project management are as follows:

- India's first 14 Lane Expressway
- India's first Green Expressway
- Received the 'Gold Award' in the excellence in Project Management from MORTH.
- India's first HAM project to be awarded AAA (SO) credit rating
- India's first HAM project to be re-financed post completion
- India's first completed HAM project 332 days ahead of schedule



ONGOING PROJECTS

Varanasi-Aurangabad NH2 Project - EPC project

Six laning of Varanasi-Aurangabad section of NH-2 for a length of 192.4 km in the states of Uttar Pradesh and Bihar.

Project Length (Kms): **192.4**

Original Contract

Commencement Date:

30th Sept 2021

Construction Period:

24 Months

Additional Contract

Construction Start Date:

May 2022

Construction End Date:

Nov 2023

KEY PERFORMANCE INDICATORS

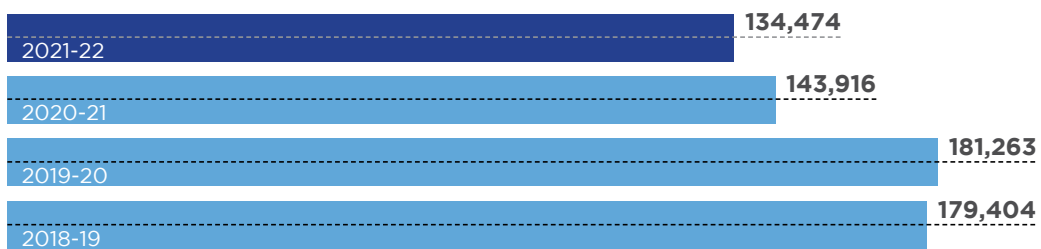
Our performance **scorecard**

Over the years, we have been continuously leveraging our inherent strengths and undertaking decisive measures to grow consistently despite the sectoral and economic challenges.

PROFIT AND LOSS INDICATORS

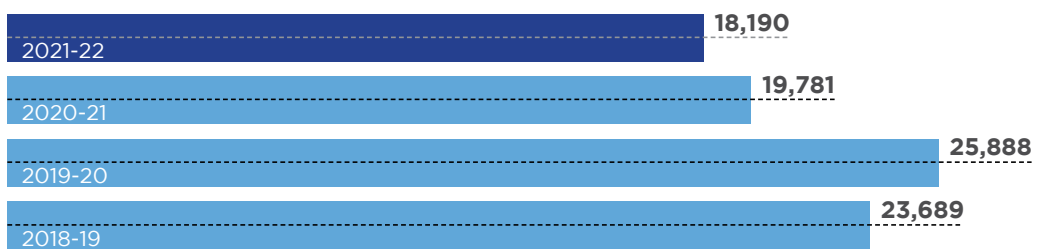
REVENUE

(₹ in lakhs)



EBITDA*

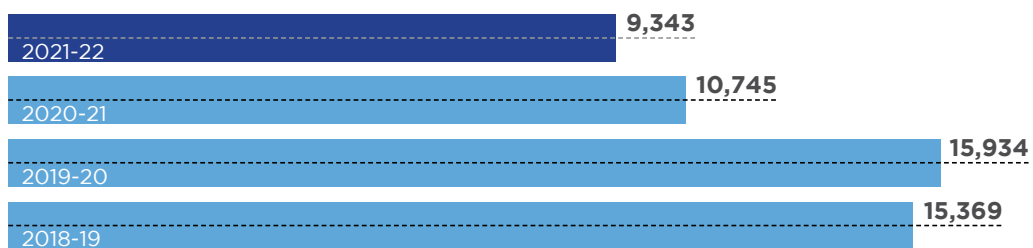
(₹ in lakhs)



*Including other income

PAT

(₹ in lakhs)

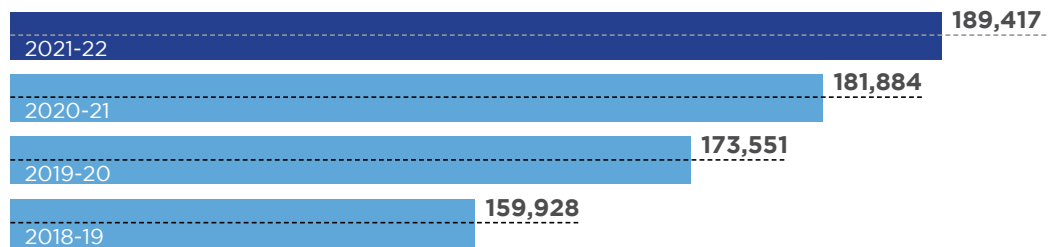




BALANCE SHEET INDICATORS

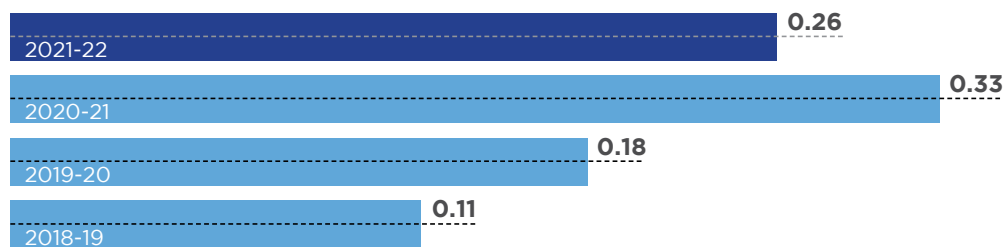
NET WORTH

(₹ in lakhs)



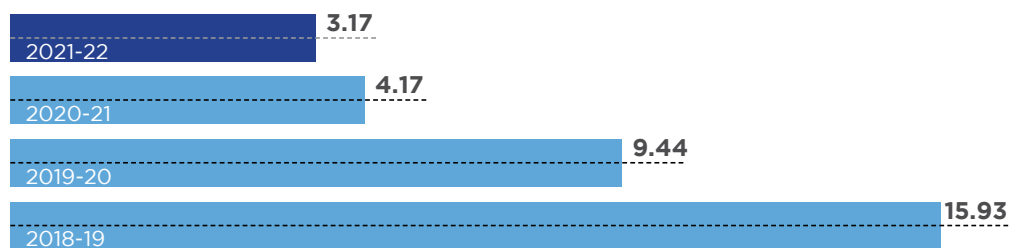
DEBT EQUITY RATIO

(X)



INTEREST COVERAGE RATIO

(X)



CORPORATE SOCIAL VALUE

Giving people a reason to smile

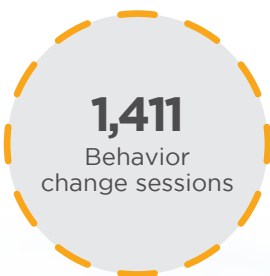
At the Wespun Group, we are cognizant of the immediate global need for sustainable practices, and share a cherished bond with the communities around us. With a steadfast commitment to areas of education, empowerment, environment and health, we work closely with the surrounding villages to touch, heal and better the quality of lives around the world. In everything we do, there is a strong commitment towards sustainable development, balancing the needs of the present with those of the future, thereby, creating many reasons to smile.



The initiative focuses to empower women and young girls from marginalized families towards better reproductive health for quality living. This is done through preventive and curative health care services improved health behavior and practices. Behavior Change communication strategies, Health services and screening are done are conducted for the community at large. The initiative looks health in 360 degree approach with involvement of stakeholder for creating enabling environment.



In our endeavor to empower marginalized women from identified locations towards sustainable livelihood, Wel Netrutva programme works towards creating rural livelihood opportunities for women in the villages to make them atamnirbhar. Through this initiative farm and non-farm based livelihood opportunities are created in the villages with backward and forward linkages for sustainability.





The Welspun Super Sport Women Program is a pioneering initiative in the country, designed to support female athletes across different life stages – grassroots, national and international levels. The programme supports female athletes, especially those coming from challenging backgrounds, to achieve their sporting endeavors.



Welspun's green initiatives are factored into the Wel-Vriksha programme, under the purview of which we undertake all activities related to nature.



Through the Wel-Krishi programme, our teams work with the farmer community. An integrated approach is followed, wherein we help them grow better produce, facilitate and get them the best of Government schemes and provide support through dedicated and experienced persons in the field.



To reduce road accidents and improve emergency response services towards accident cases, the programme dives into awareness on road safety and certified trainings to the communities living near the highways.



We-Volunteer is about the organization supporting and encouraging its employees to contribute towards the community for mutual benefit.



ESG

Responsible steps forward

ESG Initiatives and the roadmap

We aspire to achieve our objectives to become the most trusted company in the infrastructure and construction industry by enhancing our stakeholders' confidence and making a difference in the community and environment in which we operate. The foundation of our sustainable business is a robust governance framework that demonstrates a high degree of corporate ethics and commitment towards ESG. Our governance systems and policies are regularly reviewed in accordance with changing regulatory landscape, global standards and best practices. The Company is committed to ensuring compliance with the laws of the country by implementing adequate systems to monitor compliance and ensuring a transparent, equitable and responsible business operation.

Organizational sustainability goals as set up during FY 2021 are now tracked, monitor and reported appropriately. Our efforts on safety were paramount in ensuring that there was minimal impact on the employees and workers at site. Further, through Welspun CSR initiatives, we have reached out to communities across our road projects, and enabled them for self-sufficiency and sustainability. The ESG performance data measurement started with our Mumbai office and then it was extended to Delhi office. We added more locations, as the site teams got trained and responsibility was established.

Continuing our efforts to formalize the ESG initiative and structure, we are identifying the challenges and opportunity within the framework, especially on carbon inventorization. The process includes site teams to be informed and trained to

understand ESG framework. A series of online and physical trainings were conducted at different project sites to create

awareness about sustainability and accounting of carbon emitting sources. Scope 1 and 2 data are being updated and





computed for several project office locations for FY 2021-22, including Delhi RO, Mumbai HO, VARP, DME, CGRG, GSY and CTHPL. The awareness was created in order to ensure that the data shared is validated, and we have supporting documents supporting the data.

As, the tracking and monitoring have started across locations, we have started auditing/

reviewing the projects from ESG perspective. The intention of the audit/review is to train our teams and engage with contractors to understand the requirement of data and its impact on environment. The interaction with contractors remains very grounded, and is an approach which motivates them and gives them confidence on the data that is being collected and shared. The process is lengthy and tedious,

as it requires convincing all the stakeholders and up-skilling them to achieve the goals. The efforts aim to create an environment of trust and mutual cooperation.

We have initiated data collection with respect to following items,

- a. Scope 1 consumption pattern for fossil fuel across offices
- b. Scope 2 consumption pattern for electricity across offices
- c. Water management

FOSTERING AN INCLUSIVE WORKPLACE THAT IS FOCUSED ON FAIRNESS AND EQUAL OPPORTUNITY












KPIs	Unit	2022 Target	Status as on March 2022
% of women in senior management (AVP & above)	Number	1	2
% of women trainees hired	%	20%	20% (8 Nos.)
Road Sites - Current - 2.4%	%	2.50%	Road Sites - 2.4%
Offices - Current - 20%		22%	Offices - 20%
Water Sites - Current - 4%		1%	Water Sites - 1.88%
Number of differently abled employees in the total workforce	Number	6	1

FOSTERING AN INCLUSIVE WORKPLACE THAT IS FOCUSED ON FAIRNESS AND EQUAL OPPORTUNITY

KPIs	Unit	2022 Target	Status as on March 2022
% reductions in Lost Time Injury Frequency Rate (LTIFR)	%	10% less (0.38)	0.28
3 Nos. trainings for workmen and 4 Nos. trainings for staff (including sub-contractor) to be completed as per yearly Training Matrix Calendar	Number	WM - 3 Staff - 4	WM - 11 Staff - 11
Number of attendees covered under the Preventive Health Initiatives	Number	42,000	52,907
Number of attendees covered under the Curative Health Initiatives	Number	6,400	8,000
Number of individual women trained under Aajevika Center	Number	400	467
Total number of athletes supported in the financial year	Number	30	31
Number of volunteers participating in social activities	Number	50	215

Building further upon last year target, we have revised the goals with perspective of aligning ourselves with UN Sustainable Development Goals and intending to decarbonize our operations.

WEL ESG TARGETS FOR FY 2022-23

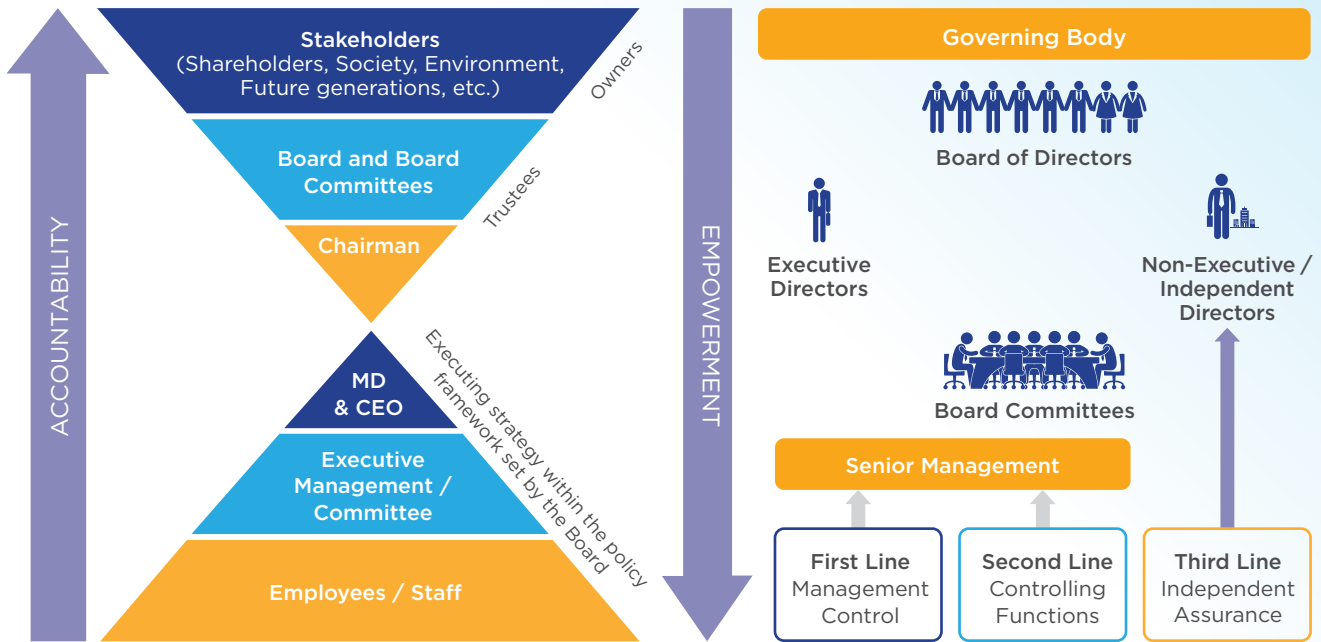
S. No.	Principles	Target	SDG Alignment
1	Climate Change	10% Reduction of GHG over FY 2022	
2	Nature Loss	Create inventory of trees planted on project sites	
3	Water Management	10% Reduction of Water Consumption over FY 2022	
4	Waste Management	Development and Systematic Waste Management Plan (including Construction Waste) for Organization	
5	Renewable Energy	1% of Renewable Energy of total consumed by organization	
6	Employee Engagement	Percentage of Women Trainees Hired - 25%; Percentage of Permanent Women Employees: Road Sites - 3%, Corporate Office - 22%, Water Sites - 5%; Differently Abled Employees - 5	 
7	Supply Chain Management	Recycled content in 5% of total materials procured	
8	Community Wellbeing	<ul style="list-style-type: none"> Number of direct beneficiary preventive and curative health care - 10,000 Number of villages covered across locations - 50 Number of individual women trained under Aajevika Center - 40 Total number of athletes supported in the financial year - 40 Number of volunteers participating in social activities - 30 Number of beneficiaries reached out through Road safety activities - 650 Number of direct beneficiaries trained on Emergency response services under Road safety initiative - 25 	  



USE OF IT FRAMEWORK FOR ESG GOVERNANCE:

The organization has invested significantly to implement a comprehensive ESG monitoring and tracking tool across the sites. The tool aims to bring together data related to various ESG KPI's under one dashboard and gives a comprehensive view of the progress to the Company's senior management. Currently, the tool is being implemented across the locations so that the ESG relevant data could be added in a secure and running manner to help a central visibility on the performance. The tool brings in data control and privacy and is stored in a secure server to protect any data loss. The tool will help in establishing a firm baseline for future ESG Goals and targets. This is also in line with the organizational goal of improving ESG Governance and strengthening practices with the ground teams.

CORPORATE GOVERNANCE STRUCTURE



The corporate governance framework is based on diverse Board & Board Committees and separation of the Board's supervisory role from the executive management team. As a good governance practice, there is a separation in role of Chairman and Managing Director at Welspun Enterprises. The role of the Board and Board Committees is defined in the Board and Committee charters.

OUR GOVERNING POLICIES

- | | |
|---|---|
| <ul style="list-style-type: none"> 1 Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information 2 Dividend Distribution Policy 3 Policy for governance of Material and other Subsidiaries 4 Nomination and Remuneration Policy 5 CSR Policy 6 Records and Archives Management Policy 7 Related-Party Transaction Policy | <ul style="list-style-type: none"> 8 Code of Conduct for Trading by Insiders 9 Code of Conduct for Board and Senior Management 10 Whistle Blower Policy and Vigil Mechanism 11 POSH Policy 12 Policy on Investors' Grievance Redressal Mechanism 13 Ethics Policy 14 Policy on Board Diversity 15 Fraud Prevention Policy |
|---|---|

The Company has a well-established three lines of defense model that governs the effective functioning of the organization. Each of the three lines plays a distinct role within the organization's wider governance framework. At Welspun Enterprises, all three lines of defense operate in a coordinated manner with the common objective to support the organization in achievement of its objectives and effective risk management.

THREE LINES OF DEFENSE MODEL

<p>First line (Prevent risks)</p>	<ul style="list-style-type: none"> • Operating Management / Business Functions • Primary ownership of risks. Owns and manages day-to-day risks as a first line of defense as per defined policies and procedures • Reports to the senior management 	<p>Over the years, the Company has established a very robust first line of defense through a combination of people, process and technology. There are well-defined policies, procedures, responsibilities and system controls to prevent the occurrence of risks.</p>
<p>Second line (Prevent & detect risks)</p>	<ul style="list-style-type: none"> • Monitoring and Oversight functions • Monitors risks and controls, legal compliances, enterprise risk management; supports in establishing policies and procedures • Reports to the senior management 	<p>Second line of defense plays an important monitoring role. The Company has established a comprehensive management reporting framework and leverages data analytics for monitoring key performance indicators (KPI)</p>
<p>Third line (Detect risks)</p>	<ul style="list-style-type: none"> • Independent assurance (Internal Audit Function) • Reports to the governing body 	<p>Independent assurance function serves as a third line of defense. It helps accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes</p>

HIGHLY ENGAGED AND DIVERSE BOARD AND BOARD COMMITTEES

Board size: **9**

Independent directors: **5**

Non-independent directors: **4**

Number of Board Meetings (FY 2021-22): **7**

Board Attendance % (FY 2021-22): **92.86%**

Number of Committee Meetings (FY 2021-22): **22**

Average Tenure: **6** Years

Tenure Policy for new appointments: Each term of **4** years (maximum **2** terms)

Average Age: **62** Years

Age Diversity:

- 50 - 59 **33%**
- 60 - 69 **56%**
- 70 - 79 **11%**

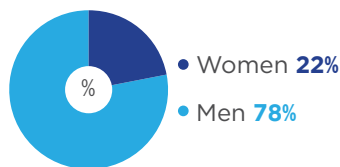
Board Independence



Audit Committee Independence



Gender Diversity



Nomination & Remuneration Committee Independence



Separate role of Chairman & Managing Director

Statutory Reports
And
Financial Statements

Management Discussion and Analysis



Ajay Hans
MD & CEO



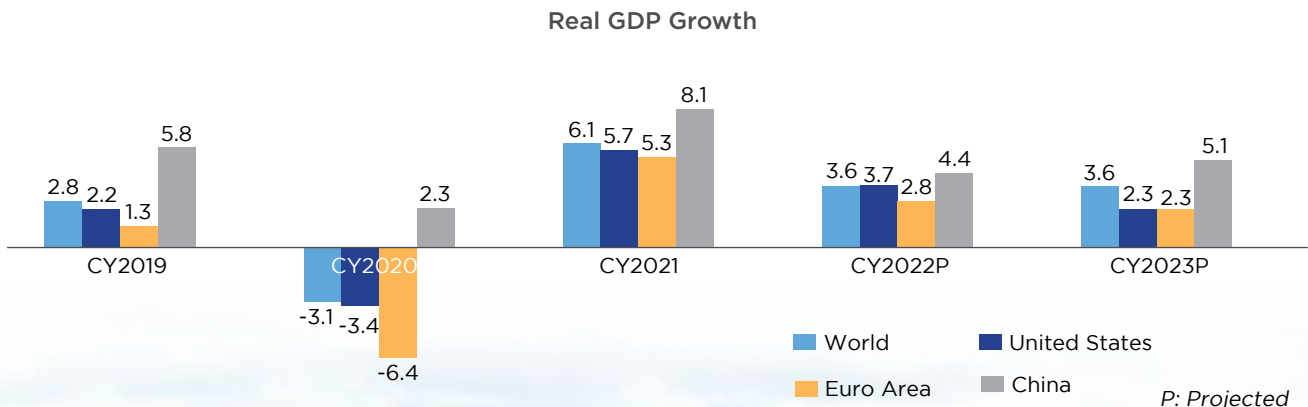
Focus on commitments, balancing of portfolios of operation, taking prompt decision and our strong execution capabilities helped us to navigate successfully against multiple challenges and hold us in good position going forward

ECONOMY OVERVIEW

Global Economic Overview

Despite the successive waves of COVID-19 in CY 2021, the world economy headed for a recovery on the back of increasing number of vaccinations, international collaboration in adapting functional health policies, and efficient fiscal and monetary policies across the globe. The global economy was estimated to have grown at 6.1% in CY 2021, compared with a contraction of 3.1% in CY 2020. The most impactful drivers of global recovery have been Emerging Markets and Developing Economies (EMDEs), which were estimated to clock an average gross domestic product (GDP) growth of 6.8%. Advanced economies on the other hand, were estimated to grow at 5.2% in CY 2021.

World Economic Output (%)



Source: IMF World Economic Outlook April 2022



The recovery phase of the global economy is projected to be sluggish in 2022 and 2023 owing to the Russia and Ukraine war. This could translate to the aggregate output of advanced economies taking longer to return to pre-pandemic levels. The crisis may also benefit EMDEs, as they may be able to acquire vacant Russian and Ukrainian markets. The global economy is expected to stabilize its growth trajectory at 3.6% for 2022 and 2023.

INDIAN ECONOMY REVIEW

In FY 2021-22, the country suffered the outbreak of the second and third waves of the COVID-19 pandemic. Though the impact of the third wave was not as severe, the second wave took a heavy toll on the economy and the lives of the people. Following the onslaught of the second wave, India’s economy geared up for a recovery. The central government increased infrastructure expenditure to not only restore medium-term demand, but also enact significant supply-side reforms to position the economy for long-term growth. As per the latest advance estimates of the National Statistics Organization (NSO), Indian economy is estimated to grow at 8.7% in 2021-22 compared with a contraction of 6.6% in 2020-21.



India Economic Output (%)



Source: NSO

The increased government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. However, supply-side bottlenecks are expected to remain persistent with international crude oil prices and raw material costs gradually rising in FY 2022-23. As per World

Economic Outlook projection of the International Monetary Fund (IMF), India’s real GDP is projected to grow at about 8.9% in FY 2022-23 and about 7.1% in FY 2023-24, thereby helping India to emerge as the fastest growing major economy in the world for all 3 years between FY 2021-22 and FY 2023-24.

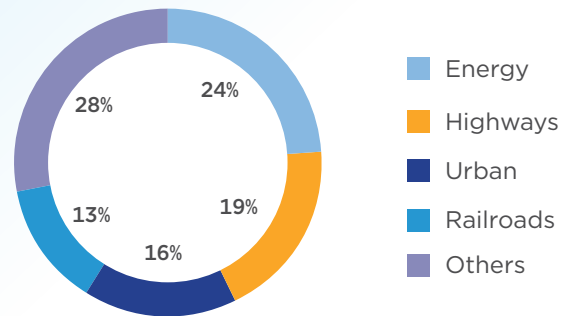
INDUSTRY OVERVIEW

Infrastructure

The infrastructure industry is the backbone of the Indian economy and plays a critical part in the country's overall development. Increasing India's competitiveness and attaining the GDP goal of USD 5 trillion will mandate building new infrastructure and updating current infrastructure. According to the Economic Survey, India will need to spend around USD 1.4 trillion on infrastructure over the next five years to achieve a GDP of USD 5 trillion. It will be especially important for the success of the 'Make in India' program, as manufacturing competitiveness is highly dependent on infrastructure. Construction of infrastructure also absorbs labor, boosts employment and revenue generation in the economy, and contributes to increased domestic demand. Enhanced infrastructural capacity also augments efficiency through improved logistics and networks and boosts the economy's competitiveness. This could help to jumpstart a positive cycle of increased investments, growth, and employment generation in the economy.

During the fiscal years 2020-2025, the National Infrastructure Pipeline (NIP) projected a total infrastructure investment of ₹ 111 lakh crore. The NIP that covered 6,835 projects was expanded to over 9,000 projects in 34 infrastructure sub-sectors. As per the Economic Survey report, key sectors like energy (24%), highways (19%), urban (16%), and railroads (13%) account for over 70% of India's estimated infrastructure capital spending between fiscal years 2020 and 2025. The following graph shows a sector-by-sector breakdown of the pipeline from FY 2019-20 through FY 2024-25.

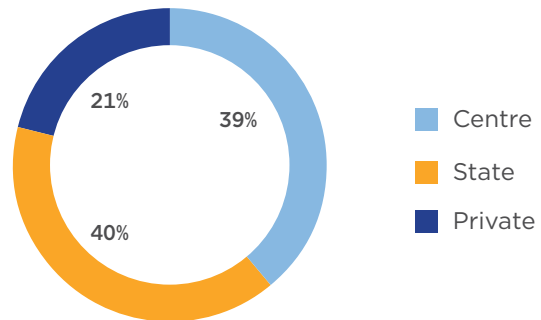
Sector-wise Planned Infrastructure Spending under NIP



Source: Economic Survey Report FY 2021-22

The Centre (39%) and States (40%) are expected to have an almost equal share in implementing the NIP in India, with the private sector accounting for a 21% share. The NIP has brought together all stakeholders for a coordinated approach to infrastructure development in India, with the goal of boosting both short-term and long-term GDP growth.

Share of Centre, State and Private sector in NIP



Source: Task Force on National Infrastructure Pipeline

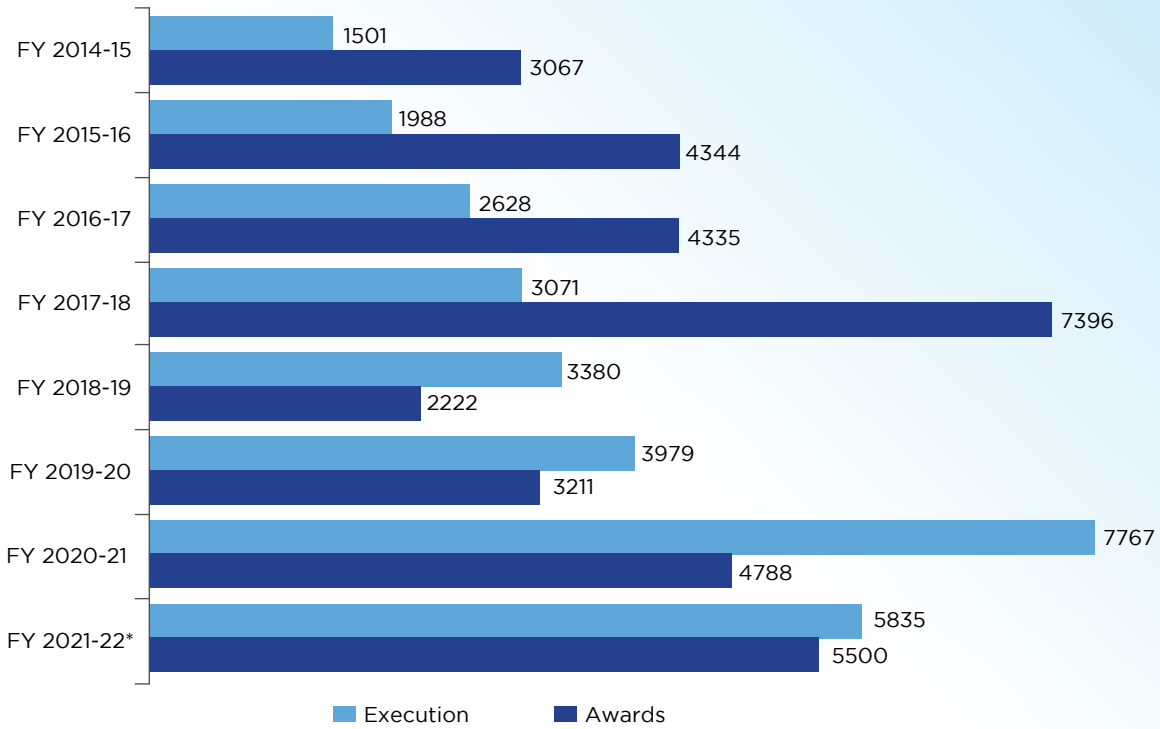
Road Infrastructure

The National Highways with a total length of 140,995 kms as of December 2021, serve as the country's arterial network. National highways extending through 5,835 kms were constructed in the first nine months of FY 2021-22. While more than 64,000 kms of road projects with a cost of over ₹ 11 lakh crore are in the works, highway projects involving a length of more than 40,000 kms are completed and work on projects with a length of more than 24,000 kms is under progress. The Ministry of Road Transport and Highways (MoRTH) built 4,450 km of national highways in FY 2021-22 (until October 2021), compared with 4,956 km in FY 2020-21 (until October 2020). In 2020-21, NHAI awarded 141 projects with a total length of 4,788 kms, while about 5,500 kms is expected to be awarded by the NHAI by the end of March 2022. The length awarded in 2020-21 was the largest in the last three years, with 3,211 kms in 2019-20 and 2,222 kms in 2018-19.





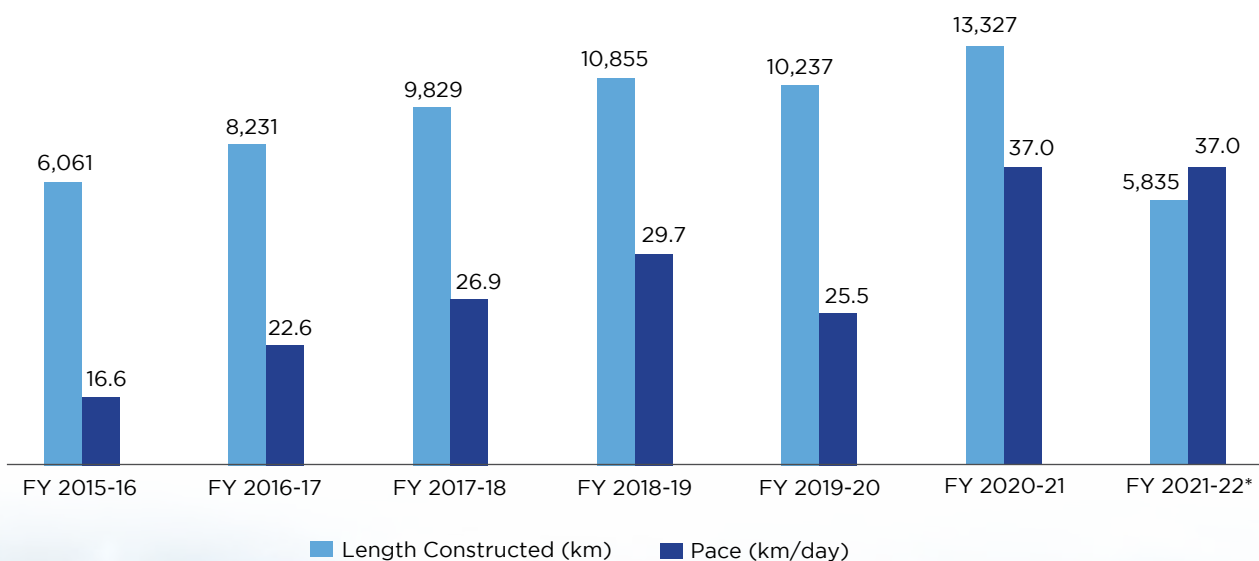
NHAI Awards and Execution (In Km)



Source: MoRTH (The Ministry of Road Transport and Highways) Annual Report FY 2021-22, Construction World.in

In FY 2021-22, NHAI maintained the momentum with the highest pace of road development, which stood at 37 kms/day in FY 2020-21. This development reflects the Government of India's support to a crucial industry that provided jobs and supported infrastructure, especially during a pandemic year. In addition to expansion of the national highways network, the government has implemented Gram Sadak Yojana to address village-level road networks.

MoRTH Execution Trends

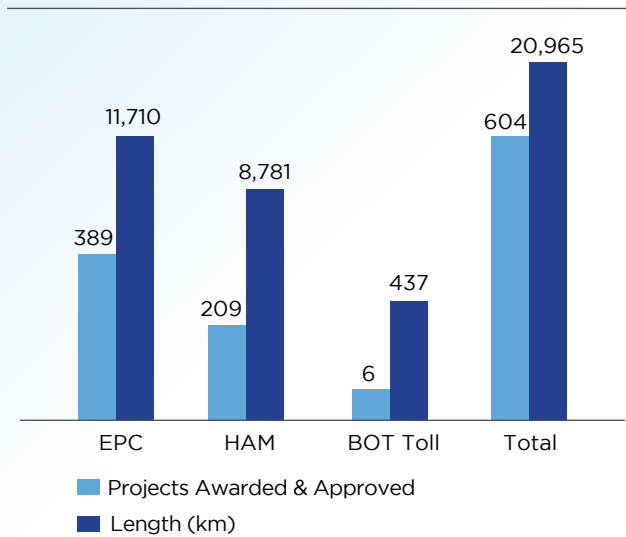


Source: MoRTH Annual Report FY 2021-22

*Data for nine months ended December 2021

Under the Bharatmala Pariyojana, 604 road projects with a total length of 20,965 kms have been approved and awarded, including 131 residual National Highways Development Project (NHDP) works with a total length of 5,529 kms and a total capital cost of ₹ 641,713 crore. During the year, 389 road projects covering an aggregate length of 11,710 kms were accepted under the Engineering, Procurement and Construction (EPC) mode, 209 projects covering an aggregate length of 8,781 kms were approved under the hybrid annuity model (HAM), and 6 projects covering an aggregate length of 473 kms were approved using the Build-Operate-Transfer (BOT) model or toll mode.

NHDP Awards – Breakup by Mode of Implementation

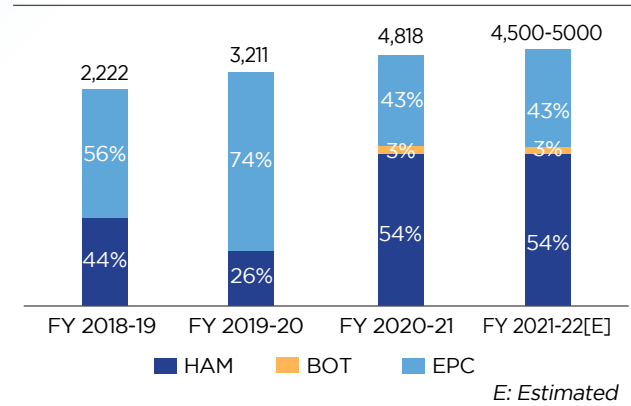


Source: MoRTH Annual Report FY 2021-22

The NHA's focus on awarding road projects since the previous fiscal year will continue this year, with the hybrid annuity model (HAM) accounting for half of it. According to a CRISIL Research forecast, mid-sized regional players are expected to gain a large portion of the HAM awards, estimated at about 45%-55% of the total 4,500-5,000 kms planned to be granted. About 40%-45% of road construction is predicted under the EPC mode while 5% could be in the build-operate-transfer (BOT) toll model. Even in the previous fiscal, about 54% of the awards were under HAM. In the first half of this FY 2021-22, about half of the 1,900 kms awarded by the NHA were under HAM. The authority awarded 22 HAM projects totaling 730 kms in September alone.

To encourage private participation, the NHA decreased the bid-eligibility criteria for its projects and changed the model concession agreement (MCA), resulting in a boom of interest in HAM. The lowering of bid-eligibility criteria has made it easier for mid-sized companies to enter the market. HAM awards went to mid-sized regional players at a rate of 58% in the first half of FY 2021-22, up from 33% in FY 2020-21 and a mere 15% between FY 2015-16 and FY 2019-20, when the route was first offered.

NHAI Awards: Modes of Implementation (in Kms)



Source: CRISIL November 2021 report

In FY 2022-23, India's road sector is expected to experience enormous growth as additional stretches of national highways are constructed, besides approval and completion of multiple projects and increasing government investments.

An integrated multi-modal national network of transportation and logistics, connectivity with isolated and tough terrains, decongestion of key sites on the road network, and progress with the vehicle scrappage program would be on the radar in FY 2022-23. Spend on roads and bridges includes expansion of NHs, expressway projects, increasing the number of lanes under various projects, and development of road connectivity. As per the PRS India report, the allocation for roads and bridges in FY 2022-23 is ₹ 64,573 crore. The Ministry of Road Transport and Highways has been allocated roughly ₹ 68,000 crore more in FY 2022-23 as against the previous year. Furthermore, in FY 2022-23, the National Highways network is slated to be expanded by 25,000 kms, and ₹ 20,000 crore will be raised through innovative finance methods to supplement public funds. In FY 2022-23, the highest allocation of ₹ 134,015 crore made by the Ministry is on NHA projects.



Water Infrastructure

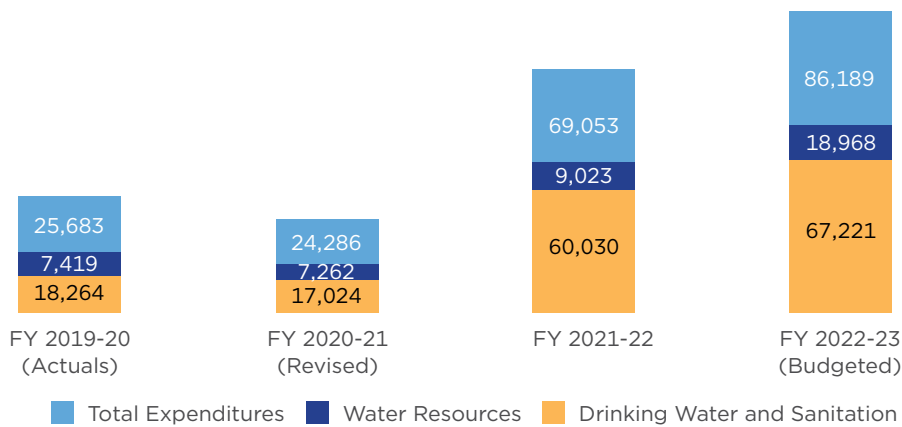
According to the UN-Water Index, India continues to lag behind other countries with over 120 million households in India still without access to safe water. With India’s overall population predicted to reach 1.6 billion by 2050, and the pandemic adding to the already stretched water resources, the situation threatens to deteriorate further. Water consumption is increasing at an exponential rate due to factors like population increase, rapid urbanization, and changing lifestyles. India’s water demand is expected to exceed available supply by 2030, resulting in severe water scarcity for hundreds of millions of people and a 6% drop in the country’s GDP. The pandemic threatens to put even more strain on already overburdened water utilities, Jal boards, Jal Nigams, and public health engineering departments, all of which have been working hard to close the present gaps in water supply.

The government has launched several water conservation projects, including the Jal Jeevan Mission, which falls under the Ministry of Jal Shakti that aim to encourage water conservation in 256 of India’s most water-stressed districts.

The Ministry of Jal Shakti was allotted a budget of ₹ 86,189 crore in FY 2022-23. Drinking water is the focus of additional spending, which is in line with the government’s goal of providing functional tap water connections to all families by 2024. The Union Budget provided ₹ 67,221 crore to the Drinking Water and Sanitation Department, while ₹ 18,968 crore was allocated to the Water Resources, River Development, and Ganga Rejuvenation Department.



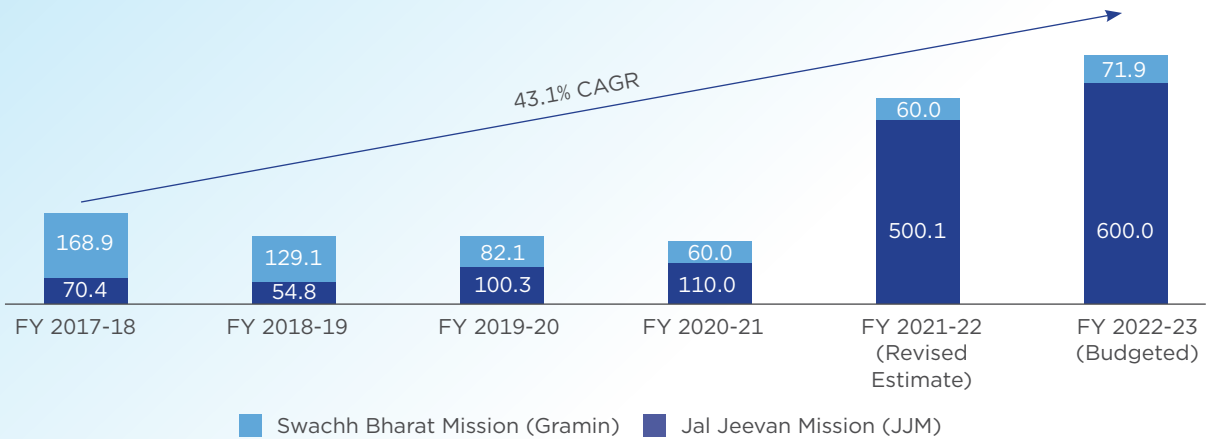
**Budgetary allocation to the Jal Shakti Ministry
(In ₹ Crore)**



Source: FY 2022-23 Union Budget

In FY 2022-23, ₹ 60,000 crore has been earmarked under the Jal Jeevan Mission (JJM) to provide tap water connections to 3.8 crore homes. In the Union Budget 2022-23, the Jal Shakti Ministry was awarded ₹ 86,189 crore, up from ₹ 69,052 crore in the previous year’s budget.

Budgetary Allocations for JJM and Swachh Bharat Mission (in ₹ Billion)

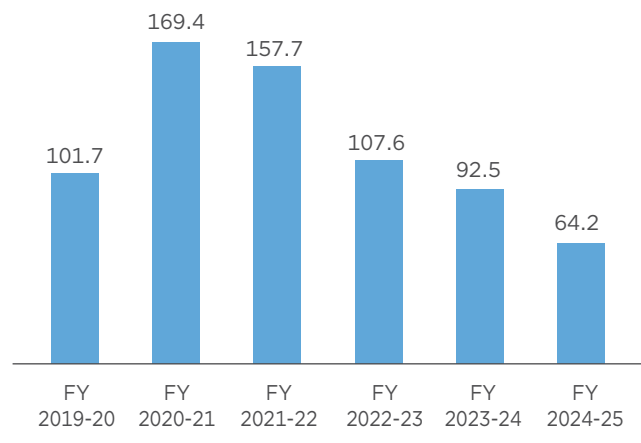


Source: Union Budget FY 2022-23

Implementation of priority links identified and designated by the National Perspective Plan (NPP) for water resources development through inter basin transfer of water is on the cards. Interlinking rivers would not only improve the areas of land irrigated, but also home and industrial water supplies. While States will implement 78% of irrigation development under the NIP, the Centre would account for 22%. Irrigated land would account for 61% of total land area, or 85 million hectares by 2025. Farmers’ incomes and consumption levels will improve as their reliance on rain gets reduced. The plan emphasizes the importance of efficient irrigation methods. Switching from traditional tank and canal irrigation to more effective methods such

as micro-irrigation would result in more efficient water consumption. Furthermore, measures like implementation of improved irrigation methods like the drip and sprinkler system, wise utilization of water, and change in water pricing method to quantity-based fees are expected to support the entire water ecosystem under the NIP Plan 2025.

Annual phasing of investments of Irrigation NIP (in ₹ Billion)



Oil and Gas

The oil and gas sector is one of India’s eight essential industries, with a significant impact on how other critical sectors of the economy conduct business. Considering that India’s economic growth depends substantially on its energy demand, the demand for oil and gas is expected to increase over the years, making the industry attractive for investment.

The COVID-19 pandemic and subsequent lockdowns, combined with the economic slump, significantly influenced demand for petroleum oil products, which is presently on the mend. Primary energy





consumption is predicted to nearly double to 1,123 million tonnes of oil equivalent by 2040, according to the International Energy Agency's (IEA) India Energy Outlook 2021, as the country's GDP increases. The IEA also predicts India's medium-term natural gas consumption prognosis to remain positive, thanks to growing infrastructure and supportive environmental laws. India's net demand growth is estimated to be 40% and driven by industrial consumers. Residential, transportation, and energy industries are also likely to fuel demand.

The Ministry of Petroleum and Natural Gas have introduced a slew of policy measures to reduce import dependency, including the Hydrocarbon Exploration Licensing Policy (HELP), allowing contractual flexibility with Production Sharing Contracts (PSCs), establishing a National Data Repository (NDR), and most recently, exempting operators from revenue-sharing with the government in unexplored category II and III basins. Between April 2000 and June 2021, the petroleum and natural gas sector attracted USD 7.96 billion in FDI, according to data supplied by the Department for Promotion of Industry and Internal Trade Policy (DPIIT). Higher crude oil realizations, consistent pipeline returns, robust demand growth, dominant market presence, excellent financial flexibility, and headroom in key credit metrics will all contribute to the demand for the oil and gas sector's infrastructure to stay firm in the future.

Industry Outlook

Infrastructure expansion is important to maintain the current growth momentum and achieve India's projected GDP growth rate of 7% or higher. In October 2021, the Prime Minister Gati Shakti - National Master Plan for integrated planning and execution of projects was announced, with the goal of breaking down departmental silos and to address multi-modal and last-mile connectivity challenges. The Government of India's direct capital expenditure in 2013-14 at ₹ 2.50 lakh crore, increased to ₹ 7.5 lakh crore in 2022-23 following implementation of the PM Gati Shakti Plan, which is being driven by seven engines: Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.

PM Gati Shakti Vision FY 2024-25

- **Oil & Gas:** 17,000 kms long trunk pipeline connecting important demand and supply hubs for industries would be added to the petroleum and natural gas industry, bringing the overall length of pipeline across the country to 34,500 km.
- **Shipping:** In FY 2021-22, the shipping sector will experience an increase in cargo capacity at ports to 1,759 million metric tonnes per annum (MMTPA), up from 1,282 MMTPA in 2020, attributable to



Sagarmala Project. Cargo movement on all national waterways has increased to 95 million metric tonnes (MMT) from 74 MMT in 2020. Cargo movement on the Ganga too is expected to increase from 9 MMT to 29 MMT.

- **Roads:** Powered by Bharatmala, the road transport and roads industry aims to complete a two-lakh-kms national highway network. Moreover, 5,590 kms of four-and six-lane national highways will be built along the coast. All state capitals in the North Eastern Region will be connected by either a four-lane National Highway or two alternate two-lane alignments. The Union Budget for FY 2022-23 featured plans to finish 25,000 kms of national highways, build four multimodal parks through public-private partnerships, establish the Unified Logistics Interface, and introduce the Open-Source Mobility Stack to facilitate passenger transport.
- **Railways:** Following completion of essential projects, Indian Railways are expected to decongest by 51% in FY 2021-22. Indian Railways would handle 1600 million tonnes of cargo, up from 1,210 million tonnes in 2020. Dedicated freight corridors in the west and east will be constructed for speedier freight train movement. The Budget for FY 2022-23 calls for integration of the postal and railway networks, launch of 400 new Vande Bharat trains, and implementation of the One Station One Product program, which will turn each railway station into a promotional and sales hub for local products.

COMPANY OVERVIEW

Welspun Enterprise Limited (hereafter referred as 'WEL' or 'the Company'), a part of Welspun Group, operates in the road and water infrastructure industry with investment in the oil and gas space.

With a strong balance sheet and an asset-light strategy, the Company concentrates on high-value-added project management, ensuring the quality, safety, and timely completion of its projects, and outsources project execution to capable subcontractors.

As on 31st March 2022, the Company had invested ₹ 1,018.2 crore in the HAM Road portfolio, ₹ 628.6 crore in the Road BOT project, ₹ 92.2 crore in the Water BOT project, ₹ 392.7 crore in the Oil & Gas sector, and ₹ 72.3 crore in Other Assets. The total investment in these projects amounted to ₹ 2,204.0 crore.

Key Business Strategies and Developments

- 1. Strong project pipeline with robust order book for future growth:** The Company has good visibility with a ₹ 8,400 crore order book (as of 30th April 2022), of which the road sector accounts for ~71%, while the water sector accounts for ~29%. About ₹ 2,800 crore of the order book is from SPVs and the remaining ₹ 5,600 crore originates from external clients.
- 2. Operational Excellence:** The Company's strong project monitoring and supervision throughout

the construction phase ensures that projects are completed on or before the scheduled date, and within budget. The Company constructed India's first 14-lane expressway (the Delhi section of the Delhi-Meerut Expressway) in a record duration of 19 months as against the stipulated 30 months. Four of WEL's developer projects have achieved provisional completion, while two other projects are fully complete. Having a sustained track record of timely completion ensures that a portfolio of assets is available to buyers and gives a high degree of certainty regarding completion of other projects.

- 3. Financial Strength:** Leveraging its strong group parentage, WEL has a robust balance sheet and one of the best credit ratings in the Indian infrastructure industry i.e., a long-term credit rating of AA- and a short-term credit rating of A1+ from Acuite Ratings & Research and Brickwork Ratings. This, together with the Welspun Group's strong relationships with financial institutions, helps us to optimize the finance cost.
- 4. Differentiated Strategy:** The Company selectively bids for differentiated projects which are high value and margin accretive. Early financial closure and timely execution of such projects results in lower finance costs and better returns. WEL also selectively awards its projects to the best sub-contractors, thereby lowering risks of execution and without significant investment in plant and machinery.

Key Updates on Projects:

1	Delhi-Meerut Expressway (Delhi-section)	Road	HAM
<ul style="list-style-type: none"> Project Description: 14 Lane expressway; Six-laning of Delhi-Meerut Expressway & four-laning of NH-24 in Delhi Completion Cost: ₹ 896.0 crore Status: Received seventh annuity within the stipulated time in January 2022. 			
2	Gagalheri-Saharanpur-Yamunanagar (GSY)	Road	HAM
<ul style="list-style-type: none"> Project Description: Four-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana Completion Cost: ₹ 1,388.5 crore Status: COD of 31st October 2020; 2nd annuity received in December 2021. 			
3	Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)	Road	HAM
<ul style="list-style-type: none"> Project Description: Four-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand Completion Cost: ₹ 1,108.5 crore Status: PCOD achieved on 5th August 2020; 3rd annuity received in February 2022. 			



4	Chikhali-Tarsod (CT)	Road	HAM
<ul style="list-style-type: none"> Project Description: Four-laning of Chikhali-Tarsod (Package-IIA) section of NH-6 in Maharashtra Completion Cost: ₹ 1,259.8 crore Status: PCOD achieved on 25th August 2021; first annuity received in April 2022. 			
5	Package No. AM2 (Maharashtra Amravati)	Road	HAM
<ul style="list-style-type: none"> Project Description: Upgradation of roads in Maharashtra State of Two-laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2 Completion Cost: ₹ 1,650.0 crore Status: PCOD achieved on 11th November 2021 			
6	Aunta-Simaria (Ganga Bridge with Approach Roads)	Road	HAM
<ul style="list-style-type: none"> 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 one of the widest extradosed bridge on Ganga River Bid Project Cost (with escalation forecast): ₹ 1,447.7 crore Status: NHA declared the Appointed Date as 30th August 2018; the project is under execution. 			
7	Sattanathapuram-Nagapattinam (SN)	Road	HAM
<ul style="list-style-type: none"> Project Description: Four-Laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH-332) in Tamil Nadu Bid Project Cost (with escalation forecast): ₹ 2,328.7 crore (subject to descoping). Status: Received Appointed Date on 5th October 2020; project is under execution. 			
8	Mukarba Chowk – Panipat (MCP)	Road	BOT
<ul style="list-style-type: none"> Project taken over via harmonious substitution in June 2020. Status: PCOD has been received on 31st March 2022 for a length of 53.763 km (77.96%) out of total project length of 68.960 km. Toll collection from 6th April 2022. 			
9	Six-laning of Varanasi-Aurangabad NH2 Project	Road	EPC
<ul style="list-style-type: none"> Original Contract Value: ₹ 1,996 crore, with commencement date of 30th September 2021 Additional contract of ₹ 1,601.7 crore received in April 2022 Status: Project is under execution 			
10	UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM)	Road	EPC
<ul style="list-style-type: none"> Project Description: Construction, commissioning, operation and maintenance of Rural Water Supply project for 10 years under Jal Jeevan Mission by State Water Sanitation Mission Uttar Pradesh. The estimated aggregate contract value of the above projects is ₹ 2,500 crore (excluding O&M value and GST). Status: Project is under execution. 			
11	Dewas Water	Water	BOT
<ul style="list-style-type: none"> Project Description: Modified project involves the supply of treated water of up to 23 MLD (Minimal Liquid Discharge) to industrial customers in Dewas Project Cost: ₹ 146 crore Commercial operation has commenced from 30th April 2019. FY 2021-22 revenue stands at ₹ 11.0 crore with EBITDA of ₹ 5.9 crore. Both revenue and the resultant EBITDA were adversely affected due to extremely low offtake by industrial clients facing long lockdown / extended period of inactivity. 			

Oil and Gas

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

- Kutch 1 Block or GK-OSN-2009/1 - AWEL has 25% stake in this block with ONGC (50% stake & Operator) and IOC (25%) being the other consortium members. The Declaration of Commerciality was submitted in 2019. Extension in appraisal period has been sought by the Operator ONGC to complete the required studies.
- Mumbai Block or MB-OSN-2005/2 - AWEL holds 100% ownership interest in the Block which is presently under Phase-II of exploration. Post gas discovery in the last financial year, as announced on 15th March 2021, detailed geo-scientific studies undertaken to process the data and core samples

acquired in the discovery well and reassessment outcome of the petroleum-in-place/resources. The hydrocarbon volume in the discovery area is assessed to be of potential commercial interest and efforts are currently underway to conduct necessary studies required for early development/monetization. Concurrently, Appraisal plan for the remaining area of the block is also under consideration of DGH.

- B9 Cluster (DSF) - AWEL holds 100% ownership interest in the cluster, which is in close proximity to its prospective exploratory block (MB/OSN/2005/2) and ONGC's B-12 area. AWEL has successfully drilled one appraisal-cum-development well in the B9 field in FY 2021-22, wherein the target Daman reservoir has been penetrated. AWEL intends dovetailing of B9 field development with the development of MB-OSN-2005/2 Discovery Area.

FINANCIAL OVERVIEW

Financial and Operational Performance

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2020-21	YOY %
Revenue from Operations	130,694	141,019	-7.30%
Other Income	3,780	2,897	30.50%
Total Income	134,474	143,916	-6.60%
EBITDA	18,190	19,781	8.00%
EBITDA margin	13.50%	13.80%	(22 bps)
PBT	11,600	14,105	-17.80%
PAT	9,344	10,745	-13.00%
PAT margin	7.00%	7.50%	(52 bps)
Cash PAT	10,707	12,970	-17.50%

All figures in ₹ lakhs, unless stated otherwise

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

Prior figures have been restated wherever necessary

(₹ in Lakhs)

Balance Sheet Snapshot	31 st March 2022	31 st March 2021
Net Worth	189,417	181,885
Gross Debt	50,176	60,245
-Long-term Debt	50,176	50,514
-Short-term Debt	-	9,732
Cash and Cash Equivalents #	18,831	37,498
Net Debt/ (Cash)	31,345	22,748
Other Long-term Liabilities	3,515	3,120
Mobilization advance payable ^	39,464	10,524
Total Net Fixed Asset (incl. CWIP)	5,710	5,352
Net Current Assets (Excl. Cash and Cash Equivalents) (adj.)@	71,317	5,035
Other Long-Term Investments and assets (adj.)@	186,714	197,365

includes FD classified and disclosed under "Other non-current financial assets"

^ Disclosed as part of Contract liabilities In the Balance Sheet

@ Temporary funding of ₹ 14,700 lakhs has been made in lieu of drawing debt at the subsidiary/JV level in order to minimize the interest cost. This temporary funding has not been included in the cash balance of ₹ 18,831 lakhs. The same is reflected in Other Long-Term Investments and Assets.



Revenue from Operations: Revenue from operations fell 7.3% to ₹ 130,694 lakhs in FY 2021-22 from ₹ 141,019 lakhs in FY 2020-21, owing to the persistent impact of COVID-19 on project execution across the board, as well as Kisan agitation rallies and the NGT prohibition in the MCP project due to poor weather conditions.

EBITDA: EBITDA was down 8% to ₹ 18,190 lakhs in FY 2021-22 from ₹ 19,781 crore in FY 2020-21

Profitability: Profit before tax was down 17.8% to ₹ 11,600 lakhs in FY 2021-22 from ₹ 14,105 lakhs in FY 2020-21. Profit after tax was down 13% to ₹ 9,344 lakhs in FY 2021-22 from ₹ 10,745 lakhs in FY 2020-21

Net Worth: Net Worth was at ₹ 189,417 lakhs in FY 2021-22 as compared to ₹ 181,885 lakhs in FY 2020-21

Significant Financial Ratios*

Key financial ratios along with the details of significant changes (25% or more) in FY 2021-22 compared to FY 2020-21 is as follows:

Ratios	Definitions	31 st March 2022	31 st March 2021	Remarks/ Response
Debtors Turnover	Turnover/Average Debtors	5.02	5.13	
Inventory Turnover	Turnover/Average Inventory	2.41	2.17	
Interest Coverage Ratio	EBIT/Finance Cost	3.17	4.17	
Current Ratio	Current Assets/ Current Liabilities	1.58	1.65	
Debt Equity Ratio	Gross Debt/Net Worth	0.26	0.33	
Operating Profit Margin (%)	Operating EBITDA/Turnover	11.00%	12.00%	
Net Profit Margin (%)	Net Profit/Turnover	7.10%	7.60%	
Return on Equity (ROE)%	Net Profit/Net Worth	5.00%	6.00%	

*Based on Standalone financial statements

BUSINESS OUTLOOK

The infrastructure sector, which is the backbone of economic and social prosperity, opens immense opportunities for industry players due to the government's impetus to development and infrastructure building. Government initiatives like NIP last year, and the PM Gati Shakti Plan this year have been major initiatives undertaken by the Government to provide growth support to the infrastructure sector. The government has stressed the importance of private involvement in funding the infrastructure development program, and WEL is ideally positioned to take advantage of these opportunities.

- The Company will continue to selectively bid for high-value projects while maintaining its threshold return expectations
- Opportunities in the roads and water / wastewater sector will be the area of focus. The Company will also evaluate interesting opportunities in adjacencies to these sectors
- The Company would continue to look for inorganic growth possibilities based on a careful analysis of risk-reward factors
- The Company would maintain its asset-light strategy while focusing on operational excellence and risk management

HUMAN RESOURCES POLICY

Human resources form the Company's most valuable asset and it remains one of WEL's primary focus areas. The Company's robust foundation of rules and practices assures its employees' health, safety, and well-being. The Company has provided its personnel thorough safety training and undertaken significant safety measures such as job safety assessments and safe construction practices at project sites. With all employee bodies, the Company has created harmonious industrial relations, proactive and inclusive procedures.

The Company strives to provide a welcoming work atmosphere that values individuals and promotes professional development, creativity, and high performance. As on 31st March 2022, the Company had about 1,000 employees. There is significant emphasis on nurturing a positive organization culture and enhancing employee engagement and bringing in Execution Excellence. WEL remains committed to being a preferred workplace.

INTERNAL CONTROLS

The Company has internal controls in place that are appropriate and in line with the nature and size of the firm, as well as the magnitude and complexity of its operations. The Company has put in place strong policies and procedures to ensure that it conducts business with integrity, protects its assets, prepares reliable financial statements on time, maintains accurate and full accounting records, and prevents and detects frauds and errors. For the dynamic and ever-changing corporate environment, the efficacy of various policies is continually assessed.

Risk	Mitigation
<p>Project Execution Throughout the project's execution phase, the Company is exposed to several inherent risks. These include land acquisition issues, delays associated with multiple clearances / approvals, employee / workmen safety, working in difficult / harsh weather conditions, and other work-related concerns.</p>	<p>The Company has a Risk Management framework which is used to conduct regular risk reviews on projects. These risks are monitored on a regular basis in order to resolve or mitigate them. A quality and EHS audit are performed on each project to ensure employee safety, regulatory compliance, and environmental compliance.</p>
<p>Input Price The price of key raw materials such as steel, cement, bitumen etc. can increase due to the pandemic and other external factors.</p>	<p>In construction of Hybrid Annuity projects, the escalation received from NHAI / client is passed on to the Company by the SPV, and a similar mechanism is used with sub-contractors. In EPC projects, the Company makes adequate provision for escalation in its bidding and contractual terms. It also steps in for procurement of key materials to support its sub-contractors as necessary to mitigate the impact of material price movements.</p>
<p>Exit Limited number of buyers of assets may make sale of completed assets difficult, affecting the recycling of capital.</p>	<p>Build a portfolio of completed assets which would be more to the preference of buyers.</p>
<p>Cybersecurity The Company is going through a digital revolution, and cybersecurity has become a major concern for the Company's long-term viability. Targeted attacks, ransomware threats, and phishing have highlighted the significance of safeguarding the Company's information technology infrastructure and data.</p>	<p>The Company has a well-functioning IT & Cyber Security department that manages the adoption of robust enterprise-wide cybersecurity procedures under the direction of the risk management committee.</p> <p>The cybersecurity roadmap is based on a thorough risk analysis aligned to the organization's business plans, goals and priorities making the best tools and technologies backed by stringent policies and processes.</p> <p>The maturity of security controls is regularly assessed to ensure that they meet the required standards.</p>

CAUTIONARY STATEMENT

This document contains forward-looking statements and information. Such statements are based on our current expectations and certain assumptions and are therefore, subject to probable risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary.



Directors' Report

To,
The Members,
Welspun Enterprises Limited

The directors have pleasure in presenting the 28th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL RESULTS:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from operations	130,694	141,019	140,140	152,951
Other Income	3,780	2,897	17,359	14,201
Total Income	134,474	143,916	157,499	167,152
Total Expenditure	122,874	129,811	140,832	148,455
Share of profit/ (loss) from associate and joint venture	-	-	68	(725)
Profit Before Tax	11,600	14,105	16,735	17,972
Exceptional Items	-	-	-	-
Tax expenses/ (credit)	2,256	3,360	4,125	4,954
Profit for the year	9,344	10,745	12,610	13,018
Other Comprehensive Income	139	31	140	46
Total Comprehensive Income	9,483	10,776	12,750	13,064
Earnings Per Share				
Basic (₹)	6.27	7.22	8.37	8.67
Diluted (₹)	6.24	7.17	8.33	8.60

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, 2022 are as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Engineering, Procurement and Construction ('EPC') and other operating income	130,694	141,019	139,048	151,917
Water Supply Charges	-	-	1,092	1,034

Since the last report the following developments took place:

ROAD PROJECTS:

- The HAM projects of Chikhali - Tarsod (CTHPL) and Amravati (AM-2) successfully achieved Provisional Completion in August 2021 and November 2021 respectively.
- Completion Certificate in respect of Gagalheri-Saharanpur-Yamunanagar Project (Hybrid Annuity Model) received from the National Highways Authority of India (NHAI) on February 10, 2022.
- Letter of Award for an additional contract of ₹1,600 crore (inclusive of GST) for Six-laning of Varanasi-Aurangabad Section of NH-2 from Km 786+000 to Km 978+400 (Length - 192.4 km) in the State of Uttar Pradesh and Bihar ("Project") issued by the client Soma Indus Varanasi Aurangabad Tollway Pvt. Ltd.

- Company received Provisional Certificate for Commercial Operation (“PCOD”) effective March 31, 2022, from National Highways Authority of India (“NHAI”) for a length of 53.763 km (77.96%) out of total project length of 68.960 km, in respect of 8-laning of section of NH-1 (New NH-44) from Mukarba Chowk to Panipat on BOT (Toll) Basis.

WATER PROJECTS:

- The company is executing its first order in this focus sector being selected to implement rural water supply projects in three divisions in Uttar Pradesh for a value of around ₹ 2,500 crore.

FINANCING / REFINANCING:

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

- Refinanced outstanding project debt of ~ ₹ 484 Crore at an interest rate of 7.75% p.a. vis a vis erstwhile interest rate of ~ 10.25% p.a.
- Refinancing included Top-up facility of ₹ 58 Crore.

Gagalheri-Saharanpur-Yamunanagar (GSY)

- Refinanced outstanding project debt of ~ ₹ 608 Crore at an interest rate of 7.75% p.a. vis a vis erstwhile interest rate of ~ 10.25% p.a.
- Refinancing included Top-up facility of ₹ 63 Crore.

Chikhali-Tarsod (CTHPL)

- Refinanced outstanding project debt of ~ ₹ 540 Crore at an interest rate of 7.25% p.a. vis a vis erstwhile interest rate of ~ 8.70% p.a.

Working Capital – Limit Enhancement

- Enhanced working capital limit of ₹ 2,200 Crore against earlier approved limit of ₹ 1,200 Crore.

COVID RESPONSE:

- Ensured continuity of business operations at all sites and offices with minimum disruptions due to the second wave of COVID. Extensive precautions taken at site-level for employee safety, and protocols established for working at home and office locations.

3. DIVIDEND & TRANSFER TO RESERVES:

The Board is pleased to recommend a dividend @ 15% for the year ended March 31, 2022, i.e., ₹ 1.50/- per equity share of ₹ 10/- each fully paid up out of the net profits. In respect of dividend declared during the previous years, ₹ 5.24 lakhs remained unclaimed as on March 31, 2022.

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 for the year ended March 31, 2022 works out to 17.8% of Profit After Tax on Consolidated basis. The Policy is available on the website of the Company at “<https://www.welspunenterprises.com>” under the tab – “Investor Relations – Policy”.

4. 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.

The Internal Audit Plan is approved by the Audit Committee and the Board at the start of each Financial Year. The internal controls, adherence to Company’s policies and various compliances are reviewed and the risks in the Company’s operations are identified. A summary of significant observations and follow up actions are presented to the Audit Committee.

5. SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES:

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.

Financial statements of the subsidiaries / joint venture companies are hosted on the website of the Company at “<https://www.welspunenterprises.com>” under the tab - “Investor Relations – Financial Results”.



The Company's policy on Material Subsidiary as approved by the Board is uploaded on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

6. AUDITORS AND AUDITORS' REPORT:

a) Statutory Auditors

The appointment of M/s. MGB & Co. LLP, Chartered Accountants (having Firm Registration Number with the Institute of Chartered Accountants of India - 101169W/W-100035) as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years to hold office from conclusion of the 26th Annual General Meeting until the conclusion of 31st Annual General Meeting was approved at the Annual General Meeting held on June 30, 2020. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

It was proposed to continue with the appointment of M/s. MGB & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for the period commencing from the conclusion of the 28th Annual General Meeting until the conclusion of 29th Annual General Meeting at revised remuneration of ₹ 42 lakh p.a. plus applicable taxes and out-of-pocket expenses.

Members are requested to approve revision in remuneration of the Statutory Auditors as recommended by the Board, by passing an ordinary resolution 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 ₹ 63.49 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 2022-23. 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 2021-22. The Cost Audit Report for the year 2020-21 was e-filed on September 28, 2021. The Cost Audit for the financial year 2021-22 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 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 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 2022-23.

For the financial year, Welspun Road Infra Private Limited and Welspun Infracore Private Limited are the material subsidiaries of the Company. The Secretarial Audit Report of the material subsidiaries does not contain any qualification or adverse remark and is annexed herewith and marked as Annexure - 3 of this Report.

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

7. SHARE CAPITAL & DEBT STRUCTURE & ITS LISTING

a) Issue of equity shares with differential rights

The Company does not have any equity shares with differential rights and hence no disclosures are required to be given under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014.

b) Issue of sweat equity shares

During the year under report, the Company has not issued any sweat equity share and hence no disclosures are required to be given under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014.

c) Issue of employee stock options

During the financial year 2021-22, 919,000 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 and Sweat Equity) Regulations, 2021 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 “<https://www.welspunenterprises.com>” under the tab – “Investor Relations – Policy”.

The particulars required to be disclosed pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are given below:

Sr.	Particulars	WEL ESOP Scheme -2017					
a	Options granted during FY 2021-22	Nil					
b	Options vested during FY 2021-22	600,000					
c	Options exercised during FY 2021-22	919,000					
d	Total number of shares arising as a result of exercise of Options	919,000					
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	3,50,000					
j	Employee wise details of options granted to	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%; border-right: 1px dotted black;">Key Managerial Personnel</td> <td rowspan="2" style="vertical-align: top;">No fresh option was granted during the year.</td> </tr> <tr> <td style="border-right: 1px dotted black;">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.</td> </tr> <tr> <td style="border-right: 1px dotted black;">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.</td> <td></td> </tr> </table>	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.	
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 (₹)	6.24					
l	Weighted-average exercise price (₹)	Nil					
m	Weighted-average fair values of options (₹) - As per Black Scholes Valuation model)	₹ 139.30					

*400,000 lapsed in view of resignation tendered by Mr. Sandeep Garg with effect from close of business hours on March 31, 2022.



M/s. Mihen Halani & Associates, Company Secretaries, Secretarial Auditors of the Company have issued a certificate with respect to the implementation of Welspun Employee Stock Option Plan which would be placed before the members at the ensuing Annual General Meeting of the Company and a copy of the same shall be available for inspection at the registered office of the Company.

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 under

Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not required.

e) Issue of debentures

During the year, the Company has not allotted debentures.

f) 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 has listed rated secured redeemable non-convertible debentures of ₹ 375 crore on the wholesale debt market segment of BSE Limited.

Annual listing fees for the year 2022-23 have been paid to BSE and NSE.

g) 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.

8. FINANCE:

a) Credit Rating

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

Rating Agency	Facility	Rating
Brickwork Ratings	Fund Based Working Capital (Long Term)	BWR AA-(Stable)
	Non-Fund Based Working Capital Limit (Long Term/Short Term)	BWR AA-(Stable)/A1+
	Commercial Paper	BWR A1+
	Non-Convertible Debentures	BWR AA-(Stable)
Acuite Ratings	Commercial Paper	ACUITE A1+
	Bank Term Loan	ACUITE AA- (Stable)
Acuite Ratings	Non-Convertible Debentures	ACUITE AA- (Stable)

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.

9. EXTRACT OF THE ANNUAL RETURN:

The Annual Return in Form MGT-7 of the Companies (Management and Administration) Rules, 2014 is placed on the website of the Company and can be accessed on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

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

Energy conservation -

- a) During financial year 2021-22, already installed Solar Panels in Delhi Meerut Expressway (DME).
- b) Continuing the effort to improve the solar footprint, solar panels are already procured and under installation in Rural Water Supply Project under Jal Jeevan Mission in the State of Uttar Pradesh (UPJJM Project).

Technology absorption:

- a) 'Project HUB' a digital platform adopted for project progress monitoring & quality monitoring which has seamless integration with SAP. This Edge cutting technologies helping end to end project planning including project budgeting, project BOQ & SBMS module to certify subcontractor's bills on real time basis.
- b) We have launched our own portal "Sthiti 1.0" in which we have Geo fenced all our offices and projects site to allow employee to easily mark and track their attendance.
- c) EMSP- Online Project schedule monitoring tool is used to monitor the project schedules.
- d) SAP is a core application for managing and monitoring sourcing activities and managing Finance & Accounts on real time basis.
- e) Home grown MDM Tool is used to manage the error free master data.
- f) 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.
- g) We are in the process of enabling solution for "Incident" management to quickly generate any incident with Geo location, pictures & incident description. Also adding "Photo

Log" module to track the project progress using pictures of same locations taken at different time.

- h) We are working on in-house solution for "Document Management System" to manage all our project documents with Meta-tags to track the documents quickly when needed.

During the F.Y. 2021-22, there were no foreign exchange earnings and outgo.

11. 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 website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

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

12. DETAILS OF ESTABLISHMENT OF CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS:

The Company has a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("PIT Policy") for connected persons, designated persons and the insiders as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Policy provides adequate safeguard against victimization. The Audit Committee reviews the Institutional Mechanism for prevention of insider trading. Periodic training sessions are organized for creating awareness amongst the insiders about the PIT Policy and PIT Regulations.

The PIT Policy is hosted on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

13. 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/ Key Managerial Personnel:

- Mr. Sudhir Mital (DIN - 08314675) was appointed as an Independent Director w.e.f. May 12, 2022 for a period of 4 years.
- Mr. Ajay Hans (DIN - 00391261) was appointed as the Managing Director and Chief Executive Officer of the Company w.e.f. April 1, 2022 for a term of 5 years, liable to retire by rotation.
- Mr. Sandeep Garg (DIN - 00036419) resigned from the position of Managing Director w.e.f. close of business hours on March 31, 2022.
- The position of Chief Human Resource Officer, which is held by Mr. Rajesh Jain, has been designated as Key Managerial Personnel of the Company in terms of Section 2(51)(v) of the Companies Act, 2013 w.e.f. February 2, 2022.
- Mr. Sanjay Kumar Sultania was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. October 11, 2021.
- Mr. Akhil Jindal was appointed as the Interim Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. August 18, 2021. He ceased to hold the position w.e.f. October 11, 2021 on appointment of Mr. Sanjay Kumar Sultania.

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 director being appointed / re-appointed is 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 ("IICA"), Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and as applicable have cleared 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. 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 2021-22, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Committees of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Quantity, Quality and Timeliness of flow of Information to the Board.

Results:

The evaluation results were discussed at the meeting of Board of Directors, Committees and the Independent Directors meeting. The Directors were satisfied with the overall corporate governance standards, Board performance and effectiveness.

The key results are summarized here in below:

	Key parameters	# of parameters	Score %
Board of Directors	<ul style="list-style-type: none"> • Board structure and composition • Board meeting practices (agenda, frequency, duration) • Functions of the Board (Strategic direction etc.) • Quantity, quality & timeliness of information • Board culture and effectiveness • Functioning of Board Committees • Director induction and development programs 	20	98%
Board Committee	<ul style="list-style-type: none"> • Composition, roles & responsibilities and effectiveness of the committee • Meeting structure and information flow • Contributions to Board decisions 	7-10	94 - 99%
Independent directors	<ul style="list-style-type: none"> • Independence from company (no conflict of interest) • Independent views and judgement • Objective contribution to the Board deliberations 	8	95-97%
Chairperson	<ul style="list-style-type: none"> • Promoting effective decision-making • Encouraging high quality of constructive debate • Open-minded and listening to the members • Effectively dealing with dissent and work constructively towards consensus • Shareholders' interest supreme while taking decisions. 	6	100%
Executive Directors	<ul style="list-style-type: none"> • Relevant expertise and commitment • Performance vis-à-vis business budget, peers • Dealing with challenges • Developing leaders 	9	92-100%
Non-executive non-independent director	<ul style="list-style-type: none"> • Contribution to the Board discussions with his/her expertise and experience • Depth of understanding about the business model and the industry 	8	95-97%

Key actions taken as a result of previous year's evaluation:

- Increase in duration of meetings for ensuring sufficient time for agenda items.
- Quarterly interaction between Independent Directors and Chairman.
- Key insights on strategic/Critical agenda items are provided well in advance.
- In addition to Compliance with regulatory requirement, quarterly detailed review of subsidiary's financial performance in reporting format developed to enhance governance over subsidiary financials.
- Revised Whistle Blower Policy and Vigil Mechanism implemented.
- Revised the process for appointment and remuneration of KMP and SMP



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 website of the Company "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

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 2021-22, 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, Environment, Social and Governance and Corporate Social Responsibility Committee, Risk Management and Project Monitoring Committee and meetings of those Committees held during the year is given in the Corporate Governance Report.

14. VIGIL MECHANISM:

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors, employees, vendors, any third parties, suppliers, lenders, customers, business associates, trainee, interns and any others with whom the Company has any financial or commercial dealings, and no persons had been denied access to the Audit Committee Chairman. The Policy provide adequate safeguard against victimization and even the disclosures expressed anonymously may be considered.

The policy on Whistle Blower Policy and Vigil Mechanism is disclosed on the website of the Company "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

15. 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.

16. 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. Accordingly, the disclosure of Related Party Transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC -2 is not applicable for this year.

For the details of the related party transactions, please refer Note No. 53 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 website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

17. 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 : 170 and 1 : 214 (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 - 0% and Company Secretary - 40%.
- iii. The percentage increase in the median remuneration of employees in the financial year 2021-22 was 6%.
- iv. As on March 31, 2022, the Company had 937 permanent employees on its rolls, whereas permanent employees for the Company and its subsidiaries stood at 1,006 employees

- v. Market Capitalization of the Company as on March 31, 2022 was ₹ 109,342 lakhs and as on March 31, 2021 was ₹ 161,930 lakhs .
- vi. The share price increased to ₹ 73.00/- (NSE closing Price) as on March 31, 2022 in comparison to ₹ 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 2021-22 was 8% and 10% 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 2021-22 was ₹ 11,600/- lakhs whereas Managing Director's, the Chief Financial Officer's, and the Company Secretary's, remuneration were ₹ 583/- lakhs (includes ₹ 343 Lakh paid from associate company but excluding ESOP); ₹ 35.86/- lakhs (Appointed w.e.f. 11 Oct 2021) and ₹ 22.09/- 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 (₹ 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	54	29.05.2015	750#	B.Com, 37 Years	Not applicable	Contractual	0.00	Yes	-
Sandeep Garg	MD	62	16.07.2012	1,282.22 ⁵	BE, 40 years	IL&FS	Contractual	1.87	No	31.03.22
Akhil Jindal	Director*	52	01.07.2015	346.54	BE & MBA, 28 years	S Kumar Group	Permanent	0.30	No	-
Ajay Hans	CEO	51	20.10.2021	320.00	BE, MBF & MBA, 27 years	Reliance Realty Ltd	Permanent	-	No	-
Neeraj Gupta	Director*	47	14.10.2021	300.00	BE & MBA, 24 years	Oriental Structural Engineer Pvt. Ltd.	Permanent	-	No	-
Deepak Chauhan	Director*	50	01.09.2017	262.60	B Com/ LLB/ LLM, 26 years	GVK Power & Infrastructure Ltd	Permanent	0.12	No	-



Name	Designation	Age (yrs.)	DOJ	Current CTC (₹ 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
Banwari Lal Biyani	Director*	63	01.08.2014	194.45	AICWA, 43 Years	Ispat Industrial Ltd.	Permanent	-	No	30.06.21
Asim Chakraborty	Director*	61	01.07.2016	189.28	BE, 40 Years	Gherzi Eastern Ltd.	Permanent	0.01	No	-
Brajesh Sohrot	President	59	13.04.2021	175.00	BE & MBA, 32 Years	Kalpataru Power Transmission Ltd.	Permanent	-	No	31.03.22
Yogen Lal	Director*	55	12.06.2018	164.22	BE, 29 Years	D.Thakkar Const. Pvt. Ltd.	Permanent	-	No	-
Aditya Harlalka	Vice President	39	02.07.2018	144.53	CA, MBA, 17 Years	GVK Power & Infrastructure Limited	Permanent	-	No	-
Ratan Lal Kashyap	President	47	21.03.2022	131.00	PGD-Marketing & PGD-Materials, 29 Years	G R Infracore Limited	Permanent	-	No	-
Rajesh Jain	Senior Vice President	53	19.12.2019	117.42	BE, MBA, 31 years	SREI Group	Permanent	0.00	No	-
Girish Kharkar	Vice President	48	01.10.2020	109.91	BE, PGDCM, 24 years	Sterling & Wilson Private Limited	Permanent	-	No	-
Lalit Jain	Senior Vice President	52	23.04.2022	107.61	AICWA, CA, 27 years	Essar Projects India Ltd.	Permanent	0.00	No	-
Ullas Bhattacharya	Vice President	54	06.09.2021	106.25	BE, 28 years	Oriental Structural Engineer Pvt. Ltd.	Permanent	-	No	-
Rajesh Chaabra	Senior Vice President	50	02.04.2021	103.00	M. Tech, 24 years	Systra Group India	Permanent	0.00	No	-

* Not on the Board of the Company

§ Includes ₹ 343 lakhs paid from associate company & Perquisites.

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

§ Resigned w.e.f. close of business hours on March 31, 2022

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

(₹ in lakhs)

Particulars	Mr. Balkrishan Goenka- Chairman (Executive)	Mr. Sandeep Garg - Managing Director%
Salary & Allowance	750.00	583.00 [§]
Perquisites	Nil	699.21
Commission	2%#	Nil
Details of fixed component	Nil	Nil
Service Contract/ Term of appointment	5 years from June 01, 2020 to May 31, 2025	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
2,000,000	10.10.2017	At the rate of 20% of the total ESOPs granted at each anniversary from 1 st to 4 th 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 3 rd 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 ₹ 343 lakhs paid from associate company.

% Resigned w.e.f. close of business hours on March 31, 2022.

- 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. 2021-22.

Sr. No.	Name of the Director	Sitting Fees (₹)
1.	Mr. Mohan Tandon	1,455,000
2.	Dr. Aruna Sharma	1,290,000
3.	Mr. Raghav Chandra	1,380,000
4.	Dr. Anoop Kumar Mittal	1,050,000

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 ₹ 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.

18. SHAREHOLDING OF THE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2022

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.

19. 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.

20. 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 a Risk Management Committee comprising of Independent Directors and Managing Director and Chief Executive Officer. The RMC 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.

21. 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.
- There are no proceedings filed against the Company by Financial Creditor, under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Tribunal or other Courts as at the end of the Financial Year 2021-22.
- Further, during the year under review, an instance 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 - 1
- number of complaints disposed of during the financial year - complaint was withdrawn by the complainant during the quarter ended March 31, 2022.
- 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.

22. 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.

23. 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

Place: Mumbai
Date: May 12, 2022

Balkrishan Goenka
Chairman
DIN: 00270175

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

(₹ in lakhs)

Sr. No.	1	2	3	4	5	6	7	8	
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	Grenoble Infrastructure 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.	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	INR
3.	Share capital	24	673	1	3,188	500	1,863	1	1
4.	Instruments entirely equity in nature	-	2,152	-	-	5,055	-	3,872	-
5.	Reserves and Surplus / Other Equity	386	(2,651)	1,705	(5,385)	2,603	(973)	(2,546)	(2)
6.	Total assets	415	242	1,722	41,166	46,090	916	11,404	1
7.	Total Liabilities	415	242	1,722	41,166	46,090	916	11,404	1
8.	Investments	0	0	-	35,417	4,939	211	-	0
9.	Turnover	-	-	-	-	722	-	1,098	-
10.	Profit before taxation	18	(2)	(1)	(3,091)	246	(4)	(401)	(1)
11.	Provision for taxation	(2)	-	-	-	(314)	-	2	-
12.	Profit after taxation	16	(2)	(1)	(3,091)	(68)	(4)	(399)	(1)
13.	Proposed Dividend	-	-	-	-	-	-	-	-
14.	% of shareholding	100	100	100	100	100	100	76@	49



Sr. No.	Sr. No.	9	10	11	12	13	14	15	16	17
	Name of the subsidiary	DME Infra Private Limited	Welspun Sattanathapuram Nagapattinam Road Private Limited	Welspun Road Infra Private Limited	Welspun Infraconstrct Private Limited (Formerly known as Welspun Amravati Highways Private Limited)	Welspun Aunta-Simaria Project Private Limited	Welsteel Enterprises Private Limited	Welspun Infracapacity Private Limited	Welspun-Kaveri Infra Projects JV Private Limited	Welspun-Kaveri Infra Projects JV \$
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	NA	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	INR	INR
3.	Share capital	1	1	3,951	1	100	10	2,419	1	N.A.
4.	Instruments entirely equity in nature	-	2,170	-	-	6,932	-	14,039	-	N.A.
5.	Reserves and Surplus /Other Equity	(2)	675	17,019	(24)	1,216	(4)	17,997	(1)	-
6.	Total assets	1	29,421	87,193	7	42,246	3,484	1,87,706	1	12,483
7.	Total Liabilities	1	29,421	87,193	7	42,246	3,484	1,87,706	1	12,483
8.	Investments	-	-	-	-	-	3,475	3,034	-	-
9.	Turnover	-	10,113	23,193	-	16,226	-	41,460	-	9,971
10.	Profit before taxation	(0)	409	4,259	(22)	902	(1)	168	(1)	-
11.	Provision for taxation	-	(76)	(1,196)	-	(229)	-	(54)	-	-
12.	Profit after taxation	(0)	333	3,063	(22)	673	(1)	114	(1)	-
13.	Proposed Dividend %	-	-	-	-	-	-	-	-	-
14.	% of shareholding	100	70++	100	100	74+	49	100	100	N.A.

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

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

+ 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

\$ This represents Controlled Structured Entity as defined in IndAS 112 "Disclosure of Interests in Other Entities", the financials of which are consolidated with Welspun Enterprises Limited.

Notes:

- Names of subsidiaries which are yet to commence operations: NA
- 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

(₹ 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
1. Latest audited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2. Shares of Associate/ Joint Venture held by the company on the year end	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate
No. of Shares	4,900	4,90,000	4,900	24,500	24,500	46,54,997
Amount of Investment in Associates/Joint Venture ^	785	49	2300	2 **	2 ***	4,508
Extend of Holding %	49	49*	49	49 \$	49 \$	35#
3. Description of how there is significant influence	NA	NA	NA	NA	NA	The Company holds more than 20% voting power of Adani Welspun Exploration Limited
4. Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet ^	(2)	121	(1)	(852)	54	44,587
6. Profit / Loss for the year						
i. Considered in Consolidation	(1)	230	(1)	(95)	217	(283)
ii. Not Considered in Consolidation	-	-	-	-	-	-

“0” denotes amount less than ₹ 50,000/-

^ Excluding Compulsorily Convertible Debentures and Optionally Convertible Debentures

* In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

Held through Welspun Natural Resources Private Limited

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

** Excludes investment amount of ₹ 645 lakhs on account of Ind AS adjustments

*** Excludes investment amount of ₹ 318 lakhs on account of Ind AS adjustments

“^^ For Ind AS financial reporting purpose it is classified as subsidiary, however for companies act it is considered a joint venture company”

Notes:

- Names of associates or joint ventures which are yet to commence operations: NA
- 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

Ajay Hans
 Managing Director & CEO
 DIN: 00036419

Date: May 12, 2022
 Place: Mumbai

Mr. Sanjay Kumar Sultania
 Chief Financial Officer

Priya Pakhare
 Company Secretary
 FCS - 7805



FORM No MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2022

[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
Welspun City, Village Versamedi,
Taluka - Anjar, Gujarat - 370 110, IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Welspun Enterprises Limited (“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, 2022, **(the “Audit Period”)** 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, 2022 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- iii. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **(Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit period);**
- 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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, 2021;
 - 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, 2021 - **Not Applicable to the Company during the Audit Period, and**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
- 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the best of our knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, the Company has taken action (by levying penalty) against the designated persons for violations related to the Code of Conduct as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 and reported the violation of such instances to the stock exchanges.

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 or with due consents for shorter notice from 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) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 event/action has taken place having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above;

- The Company has approved borrowing by offer of issue of securities including but not limited to secured / unsecured, redeemable, Non-Convertible Debentures and/ or Commercial Papers upto ₹ 900 crore (Rupees Nine hundred Crore only) on Private Placement basis vide Special Resolution passed by the members through postal ballot by remote e-voting (“e-voting”);
- The Company has declared and paid final dividend @ 15% (i.e. ₹ 1.50 per equity share) on Equity Shares for the F.Y. ended March 31, 2021;
- The Company has altered the Articles of Association by removing clauses providing for, or dealing with, common seal vide Special Resolution by the members at the 27th Annual General Meeting held on August 31, 2021;
- The Company has allotted 769,000 and 150,000 Equity shares to Mr. Sandeep Garg and Mr. Deepak Chauhan respectively pursuant to WEL-ESOP Scheme 2017;



- The Company has approved “Welspun Enterprises Limited - Employee Stock Option Plan 2022” (the “WEL ESOP 2022”), to create, grant, offer, issue and allot under the ESOP Scheme, in one or more tranches, a maximum of 461,305 (Four Lakh Sixty One Thousand Three Hundred Five Only) Employee Stock Options (“ESOPs” or “options”) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to senior management personnel who are in permanent employment, vide Special Resolution passed by the members through postal ballot by remote e-voting (“e-voting”).

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 Secretaries

Date: May 12, 2022
Place: Mumbai
UDIN: FO09926D000313845

Mihen Halani (Proprietor)
CP No: 12015
FCS No: 9926

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.

To,
The Members,
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920
Welspun City, Village Versamedi,
Taluka - Anjar, Gujarat - 370 110, IN

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 process 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 process 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 representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an 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 Secretaries

Date: May 12, 2022
Place: Mumbai
UDIN: FO09926D000313845

Mihen Halani (Proprietor)
CP No: 12015
FCS No:9926



FORM No MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2022

[(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 Road Infra Private Limited
CIN: U45209DL2018PTC339650

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the Adherence To Good Corporate Practices By Welspun Road Infra Private Limited (**hereinafter referred as “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, 2022 (“Audit Period”) 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, 2022 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made there under - **Not Applicable during the Audit Period;**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable during the Audit Period;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) - **Not Applicable during the Audit Period;**
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable during the Audit Period;**
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not Applicable during the Audit Period;**
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable during the Audit Period;;**
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable during the Audit Period;**
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable during the Audit Period;**
 - f) 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 - **Not Applicable during the Audit Period;**

- g) The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, 2021 - **Not Applicable during the Audit Period;**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable during the Audit Period** and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the Audit Period.**
- 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

- a) The Company has complied with the provisions of the Act & Rules made thereunder with regards to constitution / appointment / re-appointments / retirement / filling up casual vacancies / disclosures of the Directors, Key Managerial Personnel and the remuneration paid to them;

The committee of the Board is duly constituted. The changes in the composition of the Board of Directors, if any, 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 or with due consents for shorter notice from 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 Company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above;

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 Secretaries

Date: May 11, 2022
Place: Mumbai
UDIN: FO09926D000310138

Mihen Halani (Proprietor)
FCS No: 9926
CP No: 12015

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 Road Infra Private Limited
CIN: U45209DL2018PTC339650

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 process 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 process and practices, we followed to 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 representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an 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 Secretaries

Date: May 11, 2022
Place: Mumbai
UDIN: FO09926D000310138

Mihen Halani (Proprietor)
FCS No: 9926
CP No: 12015

**SECRETARIAL AUDIT REPORT
FORM No MR-3**

for the Financial Year ended March 31, 2022

[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 INFRA FACILITY PRIVATE LIMITED,

Registered Office: G-2, The Mira Corporate Suites, Plot No. 1 & 2 Ishwar Nagar, Mathura Road New Delhi South 110065, Delhi, India.

CIN: U45401DL2019PTC355068

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WELSPUN INFRA FACILITY PRIVATE 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, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: - **(Not applicable to the company during the audit period under review)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; **(to the extent applicable during the period under review)**
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(to the extent applicable during the period under review)**
- (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 **(Not applicable to the company during the audit period under review);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the company during the audit period under review);**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the company during the audit period under review);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the audit period under review);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period under review);**
- (vi) 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; **(Not applicable to the company during the audit period under review)**



(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period under review);**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the audit period under review);**

(vii) 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 applicable Acts, Laws and Regulations to the Company.

As per management representation in writing received by me stating that during audit period, the company has adequate and proper compliance mechanism system in place for compliance of laws applicable, as mentioned hereinbelow:

- Labour laws and other incidental laws related to wages, gradually, provident fund, employees State insurance Corporation, compensation, etc.
- Direct and indirect taxes.
- Electricity Act, Environment protection related acts, Explosives act, Motor vehicle Act, Energy Conservation related Acts, Indian boilers act, Fire prevention and life safety related Acts
- Factories Act, 1948 along with local factories Act and rules
- Food Safety & Standards Act
- Contract Labour (Regulation and Abolition) Act, 1970, Payment of Bonus Act, 1965 and Industrial Relations Act, 1999.
- Shops and Establishment Act, 1948
- Industrial Disputes Act,
- Legal Metrology Act

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

(i) The Company has complied with Secretarial Standards pursuant to Section 118(10) of the Companies Act, 2013 with regard to Members Meeting and Board of Directors Meetings.

(h) Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the company during the audit period under review);**

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

During the year under consideration, following were the changes in Board of Directors and Key Managerial personnel:

1. Mr. Anil Kumar Birla was appointed as CFO and Whole-time Director of the Company w.e.f. 01st February, 2022.

Adequate notice is given to all the directors to schedule the Board Meetings and Committee Meetings agenda and detailed notes on agenda were sent at least seven days in advance or with due consents for shorter notice from 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.

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

We further report that during the audit period under review the company:

- The Company has allotted 5,534,524 Equity Shares of ₹ 10 Each on Preferential basis.
- The Company has shifted its Registered office from T-11, 3rd Floor, Vasant Square Mall, Sector - B, Pocket V, Vasant Kunj New Delhi South West Delhi 110070, Delhi, India to G-2, The Mira Corporate Suites, Plot No. 1 & 2 Ishwar Nagar, Mathura Road New Delhi South 110065, Delhi, India within its Local Limits.
- The Company has modified charge with the Milestone Trusteeship Services Private Limited on 26th November, 2021.

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.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner

FCS: 8242, C P No. 9307

UDIN: F008242D000310731

Peer Reviewed Firm No. 1259/2021

Date: May 11, 2022

Place: Mumbai

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



ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
WELSPUN INFRA FACILITY PRIVATE LIMITED,

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

1. Maintenance of secretarial records 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 representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an 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 MNB & Co. LLP
Company Secretaries

Date: May 11, 2022
Place: Mumbai

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

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.

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.

During the year under review, the Board of Directors modified the Company's CSR Policy by way of linking the Company's CSR programs with the Sustainable Development agenda adopted by the UN; clearly defined activities and goals - ongoing/ long-term; provisions related to excess contribution & set-off, capital assets governance structure & responsibilities.

2) The Composition of the ESG & CSR Committee (Erstwhile Corporate Social Responsibility Committee).

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Aruna Sharma	Chairperson/ Independent Director	5	5
2.	Mr. Mohan Tandon	Member/ Independent Director	5	5
3.	Ms. Dipali Goenka*	Member/ Non-independent Director	4	2
4.	Mr. Ajay Hans^	Member/ Non-independent Director	Nil	Nil
5.	Mr. Rajesh Mandawewala#	Member/ Non-independent Director	1	Nil
6.	Mr. Sandeep Garg @	Member/ Non-independent Director	5	5

* Inducted w.e.f. June 16, 2021

^ Inducted w.e.f. April 1, 2022.

Ceased to be a member of the Committee w.e.f. June 16, 2021

@ Ceased to be a member of the Committee w.e.f. close of business hours on March 31, 2022.

Ms. Priya Pakhare - Company Secretary acts as the Secretary to the Committee.

With a view to further strengthen its commitment and enhance Board's oversight over ESG matters, the Board of Directors expanded the scope of the 'Corporate Social Responsibility ("CSR") Committee' to include Environmental, Social & Governance ("ESG") matters and renamed the CSR Committee as 'ESG & CSR Committee'.

The role of the ESG & CSR Committee shall be to assist the Board in fulfilling its oversight responsibilities on the matters relating to Environmental, Social & Governance factors (including matters related to CSR). The Board has approved the charter of ESG & CSR Committee to ensure full achievement of the purpose..

The Committee Charter is hosted on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".



- 3) Provide the web-link where Composition of ESG & CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company- "<http://www.welspunenterprises.com>" under the tab "Investor Relations – Policy".

The Company's CSR Policy is disclosed on the website of the Company, a web-link of which is as under: "<http://www.welspunenterprises.com>" under the tab "Investor Relations – Policy"

- 4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Not applicable.
- 5) Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required to be set-off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.		Not applicable	
	Total		

Average net profit / (loss) of the Company as per Section 135(5): ₹ 18,816 lakh

- 6) (a) Two per cent of average net profit of the Company as per Section 135(5): ₹ 376 lakh.
 (b) Surplus arising out of the CSR Projects or programs or activities of the previous financial years - Nil
 (c) Amount required to be set-off for the financial year, if any - N/A.
 (d) Total CSR Obligation for the financial year (7a+7b-7c) = ₹ 376 lakh.
- 7) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
376 lakhs	128 lakhs	April 26, 2022	-	-	-

(b) Detail of CSR amount spent against Ongoing Projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Project Duration (years)	Amount Allocated for the Project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation- through implementing agency	CSR Registration Number
1.	W02 Wel-Netrutva - Health	Promoting Healthcare	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	17,000,000	3,643,000	2,538,000			
2.	W03 Wel-Netrutva - Livelihood	Empowerment of women and socially backward	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	19,700,000	8,942,000	0			
3.	W04 Welspun Super Sport Women	Empowerment of Women	Yes	Gujarat, Punjab, TN, MP, GOA, Delhi, AP, Telangana, Maharashtra, J&K, WB, Haryana, Aruanchal Pradesh, Uttarakhand, Chennai	3	18,800,000	11,602,000	4,467,000	No	Welspun Foundation for Health & Knowledge	CSR0001502
4.	W05 Wel-Suraksha	Road Safety Initiatives	Yes	Amravati, Dewas (Delhi)	3	10,600,000	1,696,000	0			



1	2	3	4	5	6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Project Duration (years)	Amount Allocated for the Project (In ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation- through implementing agency	CSR Registration Number
				State	District						
5.	W07 Wel-Vriksha	Ensuring Environmental Sustainability	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	5,000,000	0	3101,000			
6	W08 Disaster Relief Covid-19	Disaster Relief	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyderabad. (Gujarat, MP, Delhi, Karnataka, Talengana)	3	10,800,000	10,722,000	0	No	Welspun Foundation for Health & Knowledge	CSR0001502
7.	W12 Rural Livelihood	Livelihood Enhancement project	Yes	Nakhatrana, Wardha, Hyderabad (Gujarat, Maharashtra, Talengana)	3	4,400,000	0	2,706,000			
Total						86,300,000	36,605,000	12,812,000			

(c) Detail of CSR amount spent against other than ongoing Projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (In ₹ Lakh)	Mode of implementation-Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration Number
Nil									
Total									

(d) Amount spent in Administrative Overheads: ₹ 10.27 lakhs

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (7b+7c+7d+7e): ₹ 376.32 lakhs

(g) Excess amount for set-off, if any – Not applicable

Sr. No.	Name of Director	Amount (in ₹)
(i)	Two Percent of average net profits of the Company as per Section 135(5)	376 lakhs
(ii)	Total amount spent for the Financial Year	376.32 lakhs
(iii)	Excess amount spent for the Financial Year [(ii-i)]	Nil
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial year, if any.	Nil
(v)	Amount available for set-off in succeeding financial years [(iii-iv)]	Nil

8) (a) Details of Unspent CSR Amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount Unspent for the reporting Financial Year (in ₹)	Amount Transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Nil							
Total							Nil

(b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount Allocated for the project (in ₹)	Amount spent on the Project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project - Completed/ Ongoing
1.	W02 Wel-Netrutva - Health	W02 Wel-Netrutva - Health	2020-21	3	17,000,000	3,643,000	7,734,000	Ongoing
2.	W03 Wel-Netrutva - Livelihood	W03 Wel-Netrutva - Livelihood	2020-21	3	19,700,000	8,942,000	8,942,000	Ongoing
3.	W04 Welspun Super Sport Women	W04 Welspun Super Sport Women	2019-20	3	18,800,000	11,602,000	18,804,000	Ongoing
4.	W05 Wel-Suraksha	W05 Wel-Suraksha	2021-22	3	10,600,000	1,696,000	1,696,000	Ongoing



1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount Allocated for the project (in ₹)	Amount spent on the Project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project - Completed/ Ongoing
5.	W07 Wel-Vriksha	W07 Wel-Vriksha	2020-21	3	5,000,000	0	5,000,000	Ongoing
6.	W08 Disaster Relief - Covid-19	W08 Disaster Relief - Covid-19	2020-21	3	10,800,000	10,722,000	10,722,000	Ongoing
7.	W10 Admin	W10 Admin	2020-21		3,000,000	1,027,000	2,060,000	Ongoing
8.	W12 Rural Livelihood	W12 Rural Livelihood	2020-21	3	4,400,000	0	4,362,000	Ongoing
Total					89,300,000	37,632,000	59,320,000	

- 9) In case of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

Asset-wise Detail

Asset	Date of Creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
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Not Applicable

- 10) Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5) : Not Applicable

For and on Behalf of the Board

Ajay Hans
Managing Director & CEO
DIN: 00391261

Aruna Sharma
Chairman of the ESG & CSR Committee
DIN : 06515361

Date: May 12, 2022
Place: Mumbai

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 2021-22	Attendance at the 27 th 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 Corporate Body		
1)	Mr. Balkrishan Goenka	C, P, E	5/7	Yes	8	-	2	-	84
2)	Dr. Anoop Kumar Mittal	I	7/7	Yes	3	1	-	4M	-
3)	Dr. Aruna Sharma	I	7/7	Yes	4	1	-	1C/3M	-
4)	Ms. Dipali Goenka	P, NE	4/7	Yes	9	4	12	2	-
5)	Mr. Mohan Tandon	I	7/7	Yes	1	-	-	1C/2M	-
6)	Mr. Raghav Chandra	I	7/7	Yes	2	1	-	1C/2M	-
7)	Mr. Rajesh R. Mandawewala	P, NE	7/7	Yes	9	6	1	-	120
8)	Mr. Sandeep Garg - Managing Director*	E	7/7	Yes	2	-	-	-	2,800,000

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee alone considered in both listed and unlisted companies.

* Resigned w.e.f. close of business hours on March 31, 2022

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 2021-22 on the following dates: June 16, 2021, July 29, 2021, August 18, 2021, September 21, 2021, October 28, 2021, December 23, 2021 and February 2, 2022.

In addition to the above, meeting of the Independent Directors was held on March 21, 2022 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, except between Mr. B. K. Goenka and Ms. Dipali Goenka, who are spouse of each other.

Mr. Mohan Tandon continued to be the Lead Independent Director.



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 specialization-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.	3I Infotech 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	Ms. Dipali Goenka	General Management and Strategy, Brand Building, Global Business, Finance & Accounts, Diversity, ESG/ Sustainability	Welspun India Limited and Welspun Corp Limited	Non-Independent	N.A.

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)
8	Dr. Anoop Kumar Mittal	Expertise and experience in the sector of construction, infrastructure, real estate, advisory function, policy making and management. A renowned civil engineer, has helped develop various flagship schemes and has been a part of advisory and policy making in different government sectors.	Berger Paints India Limited and Unitech Limited	Independent	N.A.

The detailed charter of the Board and the policy on Company's familiarization program (for independent directors) are available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

III. AUDIT COMMITTEE

The Committee comprises of 3 Independent directors having accounts and finance background.

The composition of the Committee as on the date of this report and attendance of members for meetings held during the financial year 2021-22 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. Raghav Chandra	Member	7/7
Mr. Rajesh Mandawewala*	Member	0/3

* Ceased to be a member w.e.f. June 16, 2021

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 2021-22 on the following dates: April 21, 2021, June 9, 2021, June 16, 2021, July 29, 2021, September 21, 2021, October 28, 2021 and February 2, 2022.

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.

The meetings of the Committee are facilitated by the Chief Financial Officer of the Company. The Committee also invites Members of the Board to attend Meetings of the Committee as per their convenience

The statutory auditors and internal auditors meet the Audit Committee without the presence of Company's executives on quarterly basis.

The detailed charter of the Audit Committee is available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".



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

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors, employees, vendors, any third parties, suppliers, lenders, customers, business associates, trainee, interns and any others with whom the Company has any financial or commercial dealings, and no persons had been denied access to the Audit Committee Chairman. The Policy provide adequate safeguard against victimization and even the disclosures expressed anonymously may be considered.

A Protected Disclosure can be made in writing by an email or by Post to:

- Third party Ethics Helpline:- 000-800- 919-0236,
- Head-Ethics(WEL):- Postal Address: C/8, BKT House, Kamala Mills Compound, Lower Parel (West), Mumbai, Maharashtra, Email id: whistleblower_wel@welspun.com
- The Chairman of the Audit Committee:- mohan_tandon@hotmail.com
- By accessing the Company website :- www.welspun.ethicspoint.com

Web-link where details of whistle blower mechanism are available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

V. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee comprising of independent directors. During the year under review, 5 meetings of the Committee were held on June 8, 2021, July 29, 2021, September 21, 2021, October 20, 2021 and February 2, 2022.

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 2021-22 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon	Chairman	5/5
Mr. Raghav Chandra	Member	5/5
Dr. Anoop Kumar Mittal ^{\$}	Member	4/4
Mr. Rajesh Mandawewala*	Member	0/1

* Ceased to be a member w.e.f. June 16, 2021 \$ Inducted as member w.e.f. June 16, 2021

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 detailed Charter of the Committee and the Company's Nomination and Remuneration Policy as required under Section 178(3) of the Companies Act, 2013 are available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

VI. REMUNERATION OF DIRECTORS

Refer point no. 17 of the Directors' Report.

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

The Share Transfer, Investor's Grievance and Stakeholder's Relationship Committee is 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 Regulations, 2015, among others, to oversee and review the engagement and communication plan with stakeholders and ensure that their views / concerns are highlighted to the Board and steps are taken to address such concerns, to monitor and review the investor service standards of the Company, to look into the transfer/ transmission of securities..

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	Chairperson
Mr. Mohan Tandon	Member
Mr. Raghav Chandra	Member
Mr. Sandeep Garg*	Member

* Ceased to be a member w.e.f. June 16, 2021

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

The Policy on Investors' Grievance Redressal Mechanism is available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

During the year under review, 1 complaint was received from shareholder. Break-up and number of complaints received under different category is given hereunder:

Sr. No.	Nature of Complaint	No. of requests received and processed
1.	Non-receipt of share certificate(s) - Transfer	0
2.	Non-receipt of rejected DRF	1
3.	SEBI	0
	Total	1

All during the year under report was resolved within the stipulated time to the satisfaction of the investors/ shareholders and no complaint was pending as on March 31, 2022.



VIII. ENVIRONMENT, SOCIAL AND GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (ESG & CSR Committee)

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.

The Company's CSR Policy was modified during the year by way of linking the Company's CSR programs with the Sustainable Development agenda adopted by the UN; clearly defined activities and goals - ongoing/ long-term; provisions related to excess contribution & set-off, capital assets governance structure & responsibilities.

The detailed Charter of the Committee is available on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

The composition and the terms of reference of the Environment, Social and Governance & Corporate Social Responsibility Committee (formerly known as 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	Chairperson
Mr. Mohan Tandon	Member
Ms. Dipali Goenka*	Member
Mr. Ajay Hans^	Member
Mr. Rajesh Mandawewala#	Member
Mr. Sandeep Garg@	Member

* Inducted as member w.e.f. June 16, 2021

^ Inducted as member w.e.f. April 1, 2022

Ceased to be a member w.e.f. June 16, 2021

@ Ceased to be a member w.e.f. close of business hours on March 31, 2022.

IX. RISK MANAGEMENT AND PROJECT MONITORING COMMITTEE

The Company has constituted the Risk Management and Project Monitoring Committee consisting of Executive and Non - Executive Directors. During the year under review, 4 meetings of the Committee were held on June 15, 2021, July 28, 2021, October 28, 2021 and February 01, 2022.

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Risk Management and Project Monitoring Committee are as contained under Regulation 21 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2021-22 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Raghav Chandra	Chairman	4/4
Dr. Anoop Kumar Mittal\$	Member	3/3
Mr. Sandeep Garg*	Member	4/4
Mr. Ajay Hans#	Member	-

\$ Inducted as member w.e.f. June 16, 2021

* Ceased to be member w.e.f. close of business hours on March 31, 2022

Inducted as member w.e.f. April 1, 2022

X. 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
27 th Annual General Meeting	Tuesday, August 31, 2021	4:00 p.m.	Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	<ul style="list-style-type: none"> Amending Articles of Association to remove clauses pertaining to Common Seal Authority to raise funds through various modes of issuance of securities.
26 th Annual General Meeting	Tuesday, June 30, 2020	11:00 a.m.	Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	<ul style="list-style-type: none"> Re-appointment of Mr. Balkrishan Goenka holding (DIN: 00270175) as the Whole Time Director designated as Chairman (Executive) of the Company. Authority to raise funds through Private Placement of Debentures. Alteration of Articles of Association Authority to raise funds through various modes of issuance of securities.
25 th Annual General Meeting	Monday, August 12, 2019	12:30 p.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	<ul style="list-style-type: none"> 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 ₹ 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 ₹ 3,500 crore. Borrowing by offer of issue of securities on a private placement basis.

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review following Resolutions were passed through Postal Ballot –

a) **Special Resolution for Raising of funds through private placement of securities.**

Date of Postal Ballot Notice : June 23, 2021
 Voting Period : June 26, 2021 to July 25, 2021
 Date of declaration of result : July 26, 2021
 Date of passing of resolution : July 25, 2021

A summary of the voting pattern is as follows:

Votes cast in favour (%)	Votes cast against (%)
99.99	0.01



b) **Special Resolution for approval of Welspun Enterprises Limited - Employee Stock Option Plan 2022**

Date of Postal Ballot Notice : February 18, 2022
 Voting Period : February 28, 2022 to March 29, 2022
 Date of declaration of result : March 30, 2022
 Date of passing of resolution : March 29, 2022

A summary of the voting pattern is as follows:

Votes cast in favour (%)	Votes cast against (%)
98.50	1.50

Mr. Mihen Halani, Proprietor of M/s. Mihen Halani & Associates, Company Secretaries, having Membership No. 32176 and CP No.12015, was appointed as the Scrutinizer for conducting process of the Postal Ballot and voting by electronic means in a fair and transparent manner and the Company has engaged the services of National Securities Depository Limited (NSDL) as the agency for providing e-voting facility.

XI. 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.

XII. GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting:** Monday, August 29, 2022 at 11:30 am through audio-visual means.
- b) **Financial Year:** 1st April to 31st March.
- c) **Date of Book Closure:** Saturday, July 2, 2022 to Monday, July 4, 2022 (both days inclusive).
- d) **Dividend payment date:** From September 01, 2022 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 2020-21	Whether share suspended from trading during FY 2020-21
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

- f) Stock Market price data, high and low price of equity shares during each month in FY 2021-22 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2021	115.00	95.45	115.50	95.20
May-2021	117.05	98.40	117.90	99.80
June-2021	131.00	103.55	131.00	105.50
July-2021	115.90	104.05	115.90	104.05
August-2021	106.80	84.25	107.00	85.05
September-2021	109.00	94.05	108.95	93.95
October-2021	109.95	92.00	110.00	92.00
November-2021	105.50	91.50	104.70	91.95
December-2021	104.75	89.45	104.90	90.95
January-2022	105.05	90.35	105.50	90.35
February-2022	102.05	75.65	102.00	75.60
March-2022	85.85	72.30	85.85	72.50

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

Month	BSE Index (Sensex)	BSE Closing price of Share (₹.)	NSE (S&P Nifty)	NSE Closing price of Share (₹)
April - 2021	48,782.36	102.10	14,631.10	102.20
May-2021	51,937.44	110.45	15,582.80	110.65
June-2021	52,482.71	110.50	15,721.50	110.50
July-2021	52,586.84	105.60	15,763.05	105.60
August-2021	57,552.39	98.25	17,132.20	98.50
September-2021	59,126.36	108.30	17,618.15	107.50
October-2021	59,306.93	97.90	17,671.65	98.05
November-2021	57,064.87	93.65	16,983.20	93.75
December-2021	58,253.82	95.30	17,354.05	95.65
January-2022	58,014.17	98.65	17,339.85	98.50
February-2022	56,247.28	78.80	16,793.90	78.75
March-2022	58,568.51	72.95	17,464.75	73.00

- h) Registrar and Transfer Agent: The Company has appointed Registrar and Transfer Agent to handle the share/ debenture transfer / transmission work and to resolve the complaints of shareholders/ debentureholders. 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.: +91-224918 6270
 Fax No. : +91-224918 6060

- i) Debentures and Debenture Trustee

The Secured Non-Convertible Debentures issued by the Company are listed on BSE Limited with the following identification numbers:

Sr. No.	ISIN	BSE Scrip Code	Outstanding Amount (₹ in Crore)
1.	INE625G07010	959529	175
2.	INE625G07028	959560	200

**Debenture Trustee:**

Catalyst Trusteeship Limited,
 Contact - Mr. Sameer Trikha
 Address : Office No. 83-87, 8th Floor,
 B Wing, Mittal Tower, Nariman Point, Mumbai - 400021
 Tel : +91-22-49220555
 Fax : +91-22-49220505
 Email : dt@ctltrustee.com
 Website : www.catalysttrustee.com

Share/ Debenture Transfer System: With effect from April 1, 2019, SEBI has mandated that no share can be transferred by the Company in physical mode. Further, with effect from January, 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Accordingly, the Company has stopped accepting any fresh lodgement for transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialize their holding in the Company.

The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer, Investor's Grievance and Stakeholder's Relationship Committee.

The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges.

j) Distribution of Shareholding:

Shareholding Pattern as on March 31, 2022

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto - 500	51,456	88.41	5,688,438	3.80
501-1,000	3,294	5.66	2,569,123	1.72
1,001-2,000	1,655	2.84	2,475,699	1.65
2,001-3,000	559	0.96	1,428,024	0.95
3,001-4,000	239	0.41	857,307	0.57
4,001-5,000	227	0.39	1,075,108	0.72
5,001-10,000	383	0.66	2,889,341	1.93
10,001 and above	389	0.67	132,800,016	89.66
Total	58,202	100	149,783,056	100

k) De-materialization of shares and liquidity: As on March 31, 2022, 99.85% 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 31.03.2022	Conversion Date	Likely impact on equity share capital
*350,000 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 1 st to 4 th 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 350,000 equity shares of ₹ 10/- each

This excludes 400,000 options which lapsed on 31.03.2022 on account of resignation tendered by Mr. Sandeep Garg.

- 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.

Rating Agency	Facility	Rating
Brickwork Ratings	Fund Based Working Capital (Long Term)	BWR AA-(Stable)
	Non-Fund Based Working Capital Limit (Long Term/Short Term)	BWR AA-(Stable)/A1+
	Commercial Paper	BWR A1+
	Non-Convertible Debentures	BWR AA-(Stable)
Acuite Ratings	Commercial Paper	ACUITE A1+
	Bank Term Loan	ACUITE AA- (Stable)
	Non-Convertible Debentures	ACUITE AA- (Stable)

No revision in credit rating took place in Financial Year 2021-22.

- n) Project locations of the Company and its subsidiaries:

- Company

Sr. No.	Company	Location	State	Nature of Business
1	Welspun Enterprises Limited	Mohali	Punjab	Project- EPC
2	Welspun Enterprises Limited	Delhi	Delhi	Project- EPC
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
9	Welspun Enterprises Limited	Mukarba Chowk Panipat	Haryana	Project-EPC
10	Welspun Enterprises Limited	Varanasi Aurangabad NH2 Project	Uttar Pradesh & Bihar	Project-EPC
11	Welspun Enterprises Limited	Jal Jeevan Mission by State Water Sanitation Mission UP	Uttar Pradesh	Project-EPC



- Subsidiaries

Sr. No.	Company	Location	State	Nature of Business	Remark
1	Dewas Waterprojects Works Private Limited	Dewas	Madhya Pradesh	Project- BOT	Completion Certificate received on August 20, 2020. Currently under operation.
2	Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)	Himmatnagar	Gujarat	Project- BOT	Project handed over to GSRDC on 09.08.20
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
4	Welspun Delhi Meerut Expressway Private Limited	Delhi	Delhi	Project- Hybrid Annuity	Under Operations and Maintenance
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	PCOD - November 11, 2021
8	Welspun Infracility Private Limited	Mukarba Chowk Panipat	Haryana	Project - DBOT	PCOD received on March 31, 2022

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. 7(g) 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

XIII. OTHER DISCLOSURES

a) Related Party Transactions

For materially significant related party transactions, refer Note No. 53 of Notes to Accounts annexed to the Standalone Financial Statement.

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 website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

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

For disclosures pursuant to Regulation 34(3), refer Note No. 59 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 on the website of the Company at "<https://www.welspunenterprises.com>" under the tab - "Investor Relations - Policy".

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. In construction of Hybrid Annuity projects, the escalation received from NHA / client is passed on to the Company by the SPV, and a similar mechanism is used with sub-contractors. In EPC projects, the Company makes adequate provision for escalation in its bidding and contractual terms. It also steps in for procurement of key materials to support its sub-contractors as necessary to mitigate the impact of material price movements.

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 2021-22."

Ajay Hans
Managing Director and Chief Executive Officer
DIN: 00391261



Certificate of Practicing Company Secretary on Corporate Governance

To
The Members of
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920

We have examined the compliance of conditions of Corporate Governance by Welspun Enterprises Limited (“the Company”), for the year ended on March 31, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the 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, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor’s grievance received during the year ended March 31 2022, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2022, there were no investors’ grievances 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 Secretaries

Date: May 12, 2022
Place: Mumbai
UDIN: F009926D000313911

Mihen Halani (Proprietor)
CP 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

Welspun City, Village Versamedi,

Taluka - Anjar, Gujarat - 370 110, IN

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 - 370 110, India (**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, 2022 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	Designation	Date of Appointment In Company
1	Mr. Balkrishan Goenka	00270175	Executive Director	27/04/2010
2	Ms. Dipali Goenka	00007199	Non-Executive - Non Independent Director	16/06/2021
3	Mr. Rajesh R. Mandawewala	00007179	Non-Executive - Non Independent Director	06/07/2012
4	Mr. Sandeep Garg	00036419	Managing Director	16/07/2012
5	Dr. Aruna Sharma	06515361	Non-Executive - Independent Director	29/01/2019
6	Mr. Mohan Tandon	00026460	Non-Executive - Independent Director	31/01/2012
7	Mr. Raghav Chandra	00057760	Non-Executive - Independent Director	15/05/2019
8	Dr. Anoop Kumar Mittal	05177010	Non-Executive - Independent Director	16/06/2021

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 Secretaries

Date: May 12, 2022
Place: Mumbai
UDIN: FO09926D000313889

Mihen Halani (Proprietor)
CP No: 12015
FCS No: 9926



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number	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 2021-22
Products & Services		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
Description of Main Activity	Description of Business Activity	% Turnover of the Entity
Infrastructure development NIC Industrial Activity Code: 42101	Road Projects under: • Hybrid Annuity Model (HAM) • Engineering, Procurement and Construction (EPC) • Build Operate Transfer (BOT) Contracts	92.11%
NIC Industrial Code: 36000 and 49300	Water Projects under: • Engineering, Procurement and Construction (EPC) and • Build Operate Transfer (BOT) Contracts • Water Collection, Treatment and Supply • Transportation of Water via Pipeline	7.89%
8	Goods manufactured/services provided (top three by revenue)	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.
Operations		
9	Total number of locations where business activity is undertaken by the Company	
a	Number of International Locations (provide details of major five)	Nil
b	National Locations	The Company has business activities undertaken in seven states in India viz., Maharashtra, Bihar, Punjab, Uttarakhand, Uttar Pradesh, Haryana, and Tamil Nadu. In addition to this, there are offices located at Mumbai and New Delhi.
10	Markets served by the Company: State, National, International	State, National level markets in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	1,497,830,560 INR
2	Total turnover	130,694 Lakhs INR
3	Total profit after tax	9,343 Lakhs INR

4	Total spending on CSR as percentage of PAT (%)	4%
5	List of Activities in which expenditure (in point 4, above) has been incurred:	<p>The list of CSR activities the above-mentioned expenditure has occurred are:</p> <ul style="list-style-type: none"> • WEL Vriksha • Welspun Super Sport Women • Wel-Netrutva • WEL-Suraksha • Covid-19 interventions • Rural Livelihood

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, WEL has 15 subsidiaries, 6 Joint Ventures and 1 Associate company.
2	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)	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.
3	Do any other entity/entities (e.g., suppliers, distributors) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate % of such entity/entities? [Less than 30%, 30-60%, more than 60%]	WEL has developed and approved Supplier / Contractor Code of Conduct, in order to align the ESG requirements with our suppliers and contractors. WEL is engaging with contractors and suppliers to train them and align them with larger understanding of governance, and sustainability in their processes. The Code of Conduct developed with an intent to transform the nature of engagement with suppliers and contractors to a collaborative process.

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity
1	Welspun Natural Resources Private Limited	Subsidiary	100
2	MSK Projects (Himmatnagar Bypass) Private Limited	Subsidiary	100
3	MSK Projects (Kim Mandvi Corridor) Private Limited	Subsidiary	100
4	ARSS Bus Terminal Private Limited	Subsidiary	100
5	Welspun Delhi Meerut Expressway Private Limited	Subsidiary	100
6	Dewas Waterprojects Works Private Limited *	Subsidiary	100
7	Welspun Build-Tech Private Limited	Subsidiary	100
8	Welspun Aunta - Simaria Project Private Limited ^	Subsidiary	100
9	MBL (CGRG) Road Limited #	Joint Venture	49
10	MBL (GSY) Road Limited #	Joint Venture	49
11	RGY Roads Private Limited	Joint Venture	49
12	Corbello Trading Private Limited	Joint Venture	49
13	Chikhali - Tarsod Highways Private Limited ##	Joint Venture	49
14	Welsteel Enterprises Private Limited	Subsidiary	100
15	DME Infra Private Limited	Subsidiary	100
16	Grenoble Infrastructure Private Limited \$	Subsidiary	49
17	Welspun Sattanathapuram Nagapattinam Road Private Limited \$	Subsidiary	70
18	Welspun Road Infra Private Limited	Subsidiary	100
19	Welspun Infraconstruct Private Limited (Formerly known as Welspun Amravati Highways Private Limited)	Subsidiary	100



Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity
20	Welspun-Kaveri Infraprojects JV Private Limited	Subsidiary	70
21	Welspun Infracapital Private Limited	Subsidiary	100
22	Adani Welspun Exploration Limited	Associate	35

* 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. The same is accounted as subsidiary under IND AS

^ In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises 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

SECTION D: BR INFORMATION

1	Details of the Director(s) responsible for implementation for BRR policies	DIN Number: 00391261 Name: Ajay Hans Designation: Managing Director and CEO Telephone Number: +91-22-6613 6000 Email ID: CompanySecretary_WEL@welspun.com
2	Detail of the Business Responsibility Head	Name: Rajesh Chaabra Designation: Chief Risk Officer (Sr. Vice President) Telephone Number: +91-11-49982819 e-mail ID: rajesh_chaabra@welspun.com

2. a. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	N	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. Additionally, some of the policies as developed refer to international standards referring to Global Reporting Initiative and World Economic Forum.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	N	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.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	N	Y	Y
6	Indicate the link for the policy to be viewed online?	https://welspunenterprises.com/content.asp?Submenu=Y&MenuID=5&SubmenuID=73								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
		The policies can be viewed on the website of the Company at www.welspunenterprises.com . The policies are made available for employees of the Company.								
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
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	N	Y	Y

2. b. If answer to the compliance status of any of the Principles listed above is 'No', please explain why

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

While Company is addressing the policy formation for the respective principle, the public interaction is controlled by Ethics policy and Code of Conduct

3. Governance related to BR

i. Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

- The ESG and CSR committee reviews the BR performance quarterly.
- The performance is also reviewed annually by the Board of Directors.

ii. 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 2021-22 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

WEL has always been focused on building an ethical culture. In alignment with best global practices, we have adopted Ethics policy and other processes, which are relevant to our businesses and are in conformity to our vision and core values. WEL is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

WEL has implemented a robust governance mechanism which drives and monitors the progress in the achievement of the ESG goals. The governance of ESG initiatives is spread across organizational levels. The KPIs are reviewed regularly at the Board level to ensure accountability and enable effective decision making.



The Whistleblower policy lays down the principles that govern the actions of the Company, its employees and stakeholders. This Policy aims to provide an avenue for employees, directors and stakeholders to raise their concerns with reference to unethical practices to the Head - Ethics and/or Audit Committee of the Company.

This channel can be effective in implementing an ethical culture and commitment at WEL. It streamlines the mechanism in preventing and detecting unethical practices on a timely manner.

1. 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, Ethics and Compliance - Anti Bribery and Anti Corruption policy 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.

The Supplier Code of Conduct is applicable to the suppliers and contractors associated with the business operations.

2. 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.

During the reporting year, 4 complaints received and all complaints were reviewed and addressed in accordance with the WEL laid down Standard Operating Procedure. 3 complaints were resolved and 1 complaint is in the process of being resolved.

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

WEL as an Infrastructure company believes in sustainable development, being the only way to create pathways for the future. The WEL's nature of the work, is to provide access and opportunity to all sections of the society. From laying down pipes which provides water at households in remote villages, to developing world class infrastructure in one of the busiest highway of the country. The WEL approach to sustainability is founded on principles consistent with Sustainable Development Goals (SDG's), to adequately protect public health, safety and welfare. To classify and develop requirements that do not unnecessarily increase construction cost nor restrict the use of new / innovative materials, products or methods of construction.

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

a) Fly ash embankment

One of the major challenges in road construction is to identify the natural borrow area and extract quality soil which stabilizes enough to provide adequate strength to the embankment. In process, there is a major land degradation, as the top soil been excavated and used for embankment. At the same time, this process proves to be expensive and non-reliable. WEL with mandate with NHAI, utilizes fly ash in embankment process, which not only conserves the soil, also, ensures the quality of construction within the embankment.

The benefits of fly ash embankment are many, including being light weight (ideal over weak subsoil), higher shear strength (greater stability), no lumps, usually moist, compacted under inclement weather, cost savings, etc.

b) Project review from Environment and Social Perspective

The intent of this review is to prepare training program and map risk for the company pertaining to environment and social perspective. The report does not intends to criticize the decision making on the project, address the specific regulatory compliance issues along with their potential solutions. The project is assessed and reported through ESG framework and respective standards within the statutory requirements as prescribed by Global Reporting Initiative and World Economic Forum. Each of these category's addresses, unique operational requirement for the project.

The report review the projects from following perspective:

- a. Project Overview and Understanding
- b. Environment Compliances and best practices
- c. Health, Water and Sanitation - Specific to labour well being
- d. Social Compliances - Specific to labour as per necessary compliances

c) Focused Activities with Labour on Project Site:

The labourers in any construction project have significant impact in its quality and speed. In most of the construction projects, labourers are the most vulnerable group and the most important at the same time. WEL acknowledges the effort and impact of these labourers not only through ensuring that the appropriate

payments are made to these respective workers on time, but also ensuring their well-being while working under extreme circumstances. One of the initiative was taken by the Safety team by issuing orange and red warning to the labourers while working.

The more hands down approach is taken up by the CSR team, reaching out to the labourers specially women through WEL Suraksha initiatives (Road Safety) and give them opportunity to progress. Following activities were conducted by CSR team on respective projects:

1. Infotainment and Road Safety Activity

- Infotainment and Road safety awareness activity with drivers and labourers working on GSY and CGRG sites are conducted wherein 140 labourers are engaged in 2 different activities.
- Nukkad Natak on safety rules, PPE kit and a quiz competition organized at site for labourers.
- 35 O&M labourers received gifts after a quiz competition on safety was conducted.
- Safety talk was conducted with labourers working on operational highway.

2. Eye Checkup Camps

- Eye Checkup Camp for labourers including drivers and operators, held at Sasaram, Mohaniya, Mughalsarai section of Varanasi Aurangabad Road Project site
- 53 Glasses given to the drivers, labourers as prescribed on a free of cost basis.
- 237 labourers, drivers, operators availed the service and got their eye checked up.
- Eye Checkup Camp held at GSY & CGRG (Saharanpur) site.
- 32 Glasses given to the drivers, labourers as prescribed on a free of cost basis.
- 96 O&M labourers, drivers and operators participated.

2. 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?

WEL focuses only on Project Management (PM), 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 our value chain partners 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.

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

The infrastructure projects are built for customer commute which incurs resource consumption however no direct resources are consumed due to the services availed through the infrastructure facilities.

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

Yes, the company is adopting the responsible sourcing by ensuring the procurement from local sources and increase the recycled content in the procured material.

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

The approach to procure the materials locally and ensuring that the materials have a recycled content on 5%.

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

Yes, the infrastructure works not only creates the basic facilities for the public, but also acts as a catalyst for local development.

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

While working along with local vendors, apart from the technology transfer, that WEL utilizes to execute project, the processes on safety and its subsequent practices are also ensured with the vendors. The importance of safety and optimization of labour force is a core practice for WEL. The project team reach out to the vendors to alleviate them in terms of their socio-economic status. Additionally, the CSR teams closely support the community around the project sites especially in terms of road safety, and health.

5. 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.

WEL is not directly involved in manufacturing the products or goods to control the material composition. However, WEL procures responsibly from the manufacturers who are optimizing the waste into their products without compromising on the quality as per the specifications laid out by in the contractual agreement.



Principle 3: Businesses should promote the wellbeing of all employees

Employee well-being is one the most critical aspect which is to be dealt with utmost importance. The organizations performance and collective growth can only happen when employee is engaged with the work that organization is doing, without any insecurities or worries. WEL, takes this very seriously, an Artificial Intelligence system called Amber has been introduced to let employees express their views on any issues which concerns them. Amber consolidates rationally and helps HR team to look at the concerns and well-being of employees objectively. Also, as a practice, HR teams reaches out to the last employee personally and discusses the issue which concerns them.

1. Please indicate the Total number of employees.

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees-Staff						
1	Permanent Employees (A)	834	779	93%	55	7%
Workers						
2	Permanent Workers (B)	161	161	100%	0	0.00%
3	Total Employees (A+B)	995	940	94%	55	6%

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

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees-Staff						
1	Contract Employees (A)	11	10	91%	1	9%
Workers						
2	Contract Workers (B)	0	0	0%	0	0%
3	Total Employees (A+B)	11	10	91%	1	9%

3. Please indicate the Number of permanent women employees.

S.No.	Particulars	Total (A)	Female	
			No. (B)	% (B/A)
Employees-Staff				
1	Permanent Employees	834	55	7%
Workers				
2	Permanent Workers (B)	161	0	0%
3	Total Employees (A+B)	995	55	6%

4. Please indicate the Number of permanent employees with disabilities.

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees-Staff						
1	Permanent Employees (A)	834	0	0%	0	0%
Workers						
2	Permanent Workers (B)	161	1	0.6%	0	0%
3	Total Employees (A+B)	995	1	0.1%	0	0%

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

The company currently does not have any association for employees and workers which is recognized by the management.

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.

S.No.	Categories	No. of Companies filed in the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	1	0
3	Discriminatory employment	0	0
4	Other human rights related issues	0	0

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

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

A comprehensive training module is created by WEL HR team, which is a mixture of mandatory training to skill up gradation training. 48% of permanent employees were provided skill training in the last financial year. Apart from structured training mechanism, WEL HSE team aggressively reached out to the employees, contractors, and labourers alike, giving them critical safety trainings, especially from safety perspective.

Skill Training provided

Category	FY 21-22		
	Total employees / workers in respective category (A)	No. of employees/workers in respective category, who received Skill Training (B)	% (B/A)
Permanent Employees			
Male	779	374	48%
Female	55	27	49%
Others	0	0	0%
Total	834	401	48%
Permanent Workers			
Male	161	0	0%
Female	0	0	0%
Others	0	0	0%
Total	161	0	0%



Safety Training Provided

FY 21-22			
Category	Total employees / workers in respective category (A)	No. of employees/workers in respective category, who received Skill Training (B)	% (B/A)
Permanent Employees			
Male	779	779	100%
Female	55	55	100%
Others	0	0	100%
Total	834	834	100%
Permanent Workers			
Male	161	161	100%
Female	0	0	100%
Others	0	0	100%
Total	161	161	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, 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.

1. 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
- Financial Institutions & Bank

2. Out of the above, has the company identified 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 from the village who are in age group of 11 to 50 years.

3. 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, and 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.
- WEL Suraksha initiative and WEL Netrutva under CSR is being implemented with the local communities in and around the project sites.

Baseline and line listing for understanding the current situation and identification of beneficiaries in the village. Stakeholder engagement through public health functionaries, National Rural

Livelihood Mission, Gram Panchayat is conducted with an objective to include the most vulnerable and unreached population.

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 endeavor 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.

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

WEL is committed to respecting the human rights and the ESG policy covers the human rights requirement which is applicable for 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.



2. 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. The human rights aspects of business are covered under the company's ESG policy which is applicable for all employees, operations and implementation partners. 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

According to World Economic Forum Report on Global Risks Perception Survey, more than 80% of people worldwide are worried or concern about the world outlook. While identifying top three most severe risk on a global scale for next 10 years, are "Climate Action Failure", "Extreme Weather" and "Biodiversity Loss". WEL acknowledges this worldwide phenomenon, and intent to improve the conditions through systematic improvement in practices and approach towards development. These initiatives are not limited to the environment, and intends to improve the conditions of labourers and project site in general. It is understood, that our climate works in integration, as human body, every part of the body has to be active and performing, in case any abnormality, the entire human body suffers. And as of now, business as usual activities are hurting the environment in a way that even we don't understand.

WEL has established goals and objectives under following principles:

- a. Climate Change - Reduction in Greenhouse gas emissions
 - b. Nature Loss - Environmental Risks associated with project design, siting and construction
 - c. Water Management - Interaction with Water as a shared resource
 - d. Waste Management (including construction waste) - Waste Generation and its impact
 - e. Supply Chain Management - Recycled input material used
 - f. Renewable Energy - Installation of Solar panels against total energy consumption
 - g. Employee Engagement
 - h. Occupational Health and Safety
 - i. Community Well Being
1. **Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**
Our ESG 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.
 2. **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, the goals and objectives developed in line with the Sustainable Development Goals. Following objectives and their respective action items are been developed to be implemented throughout the WEL construction and operations:
 - a. Understand and establish the definition of Scope 1, Scope 2 and Scope 3 respectively with respect to Welspun requirement. Identify, sources and map them according to prescribed emissions guidelines.
 - b. A systematic analysis of ecology loss due to construction activity, including both in terms of carbon emission as well as the cost or the financial implication. The identification and planning of activities as mentioned in current year target is to develop a baseline. The measure should compare the number of trees cut and trees planted subsequently, along with their survival rate.
 - c. A description of how the organization interacts with water, including how and where water is withdrawn, consumed and discharged, and the water related impacts caused contributed to, or directly linked to the organization's activities, products or services by a business relationship

- d. The quantity and quality of the waste generated during construction is being monitored and is accessed for reuse of material and safe disposal.
- e. Negative impacts include those that are either caused or contributed to by an organization, or that are directly linked to its operations, products, or services by its relationship with a supplier.
- f. The installation of Solar Panels across the road and water projects to improve upon the Scope 2 emissions by organization.
- g. The engagement of female employees is critical, the encouragement to young engineers and professionals to be given with equal opportunity. This implies that infrastructure supporting female employees to be developed in project sites as well.
- h. Safety is one of the critical component of construction process. The policies and objectives are clearly defined to implement safety in daily lives.

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

Yes, quarterly ESG audit mechanism has been developed in order to identify the potential risks involved with the respective projects.

4. 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

5. 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.

Additionally, in our UP Jal Jeevan Mission in Uttar Pradesh, we are procuring PV panels to offset the grid electricity for pumping stations in each project site.

6. 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.

7. 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

There is one show cause notice received in one of our project, however, the appropriate response was submitted and the notice is under reconciliation by relevant authority.

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

While Company is addressing the policy formation for the respective principle, the public interaction is controlled by Ethics policy and Code of Conduct. 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.

1. 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)

2. 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 National Highway Builder Federation



(NHBF). WEL is represented by Sr. Vice President Mr. Rajeev Kumar, who is also holds Secretary General Position at 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.

1. Does the company have specified programs/ 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 establishing farm and non-farm based entrepreneur initiatives in the communities. Our initiative 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 programs 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.

WEL Suraksha is a flagship program focusing on road safety and emergency response services for accident victims.

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

The programs and projects are undertaken by our own foundation, i.e., Welspun Foundation for Health and Knowledge.

Our Board level ESG & 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.

3. 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 projects are not older than 3 years therefore the detailed impact evaluation will be done after 3-4 years of implementation.

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

Sr. No.	Project	Details
1	WEL Vriksha	Working towards environment enhancement through plantation drive.
2	Welspun Super Sport Women	To empower female athletes coming from challenging backgrounds, in achieving their sporting endeavors and creating ambassadors of change.
3	Wel-Netrutva	To empower women in rural areas by improving health practices and creating sustainable livelihood opportunities.
4	Covid-19 interventions	Activities towards Covid-19 mitigation.
5	WEL Suraksha	To reduce road safety accidents on WEL constructed roads through systematic intervention and improve emergency response services towards accidents cases on the stretches.
6.	Rural Livelihood	Working with cotton farmers to improve their farm based income

5. 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. This program is closely and regularly monitored through app based real time MIS.

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.

1. 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.

2. 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 and for their safety, 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.



- 3. 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.**

There have been no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. 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.

- 4. 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 Ltd ("the Company"), which comprise the balance sheet as at March 31, 2022, 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 March 31, 2022, 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 March 31, 2022. 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	Principal audit procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following:
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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 and Board of Directors 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, 2020 ("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 March 31, 2022 and taken on record by the Board of Directors, none of the directors



is disqualified as on March 31, 2022 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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, as amended, 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 (Refer note 49 of the 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 contract.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor

Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 69(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 69 (b) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material misstatement.
- v. As stated in note 60 to the standalone financial statements
 - a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
 - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, May 12, 2022

UDIN: 22048215AIWOPG8285



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 March 31, 2022

- i. (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Rights-of-use (ROU) assets and non-current assets held for sale.
- B) The Company does not have intangible assets and hence reporting under clause 3(i)(a)(B) of the Order is not applicable.
- (b) The Property, Plant and Equipment and Rights-of-use (ROU) assets have been physically verified by the management during the year as per the phased program designed to cover all the Property, Plant and Equipment and Rights-of-use (ROU) 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 all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date except as mentioned below:

Description of property	Gross carrying value (₹ in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land at Village - Indapur Dist. Pune	35.67	Mr. Mahadev Shankar Gurgude & Mr. Chittaranjan Patil	No	Since October 2010	Dispute before the Court of Baramati Civil Court. The owner and his power of attorney holder did not fulfill their obligations under the Agreement to sell.

- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right-of-use (ROU) assets) during the year. The Company does not have intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company as at March 31, 2022, no proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) (45 of 1988) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets. According to the information and explanations given to us and on the basis of our examination of the records of the Company quarterly returns or statements

filed by the Company with such banks or financial statements are in agreement with the books of account of the Company.

iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:

(a) According to the information and explanations given to us, during the year, the Company has provided loans, guarantees and securities to companies and other party are as follows:

(Amount in lakhs)

Particulars	Guarantees	Securities	Loans
Aggregate amount granted/ provided during the year			
- Subsidiaries	41,219	# 2,371	@@ 33,940
- Joint Ventures	17,597	-	@@ 5,212
- Associates	-	-	-
- Structured Entity	-	-	@@ 327
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	@ 214,288	## 23,589	86,556
- Joint Ventures	@ 164,531	## 10,418	9,420
- Associates	-	-	5
- Structured Entity	-	-	327
- Others	@ 1,895	-	-

Pledge security is equity share (Investments) of two subsidiaries (Refer note no. 6 of the standalone financial statements).

Pledge securities (Investments) include equity share, Compulsorily Convertible Debentures (CCD) and Optionally Convertible Debentures (OCD) (Refer note no. 6 of the standalone financial statements).

@ Guarantee exposure considered to the extent debt outstanding.

@@ Loans is excluding renewals during the year (Refer clause iii(e) below).

(b) According to the information and explanations given to us, in our opinion, the investments made and terms and conditions on which the loans given, guarantees provided and security given are, prima facie not prejudicial to the interest of the Company considering the business interest of the Company.

loans granted which have fallen due during the year have been renewed or extended in respect of one subsidiary and two joint ventures as stated below. No fresh loans have been granted to settle the over dues of existing loans given to the same parties.

(c) In respect of interest free loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are regular considering renewal of loans as referred in clause (iii)(e) below.

(d) In respect of loans granted by Company, there is no overdue amount remaining outstanding as at the balance sheet date considering renewal of loans as referred in clause (iii)(e) below.

(e) In our opinion and according to information and explanation given and the books of accounts and records examined by us,

(Amount in lakhs)

Particulars	Aggregate amount of overdues of existing loans renewed or extended	Percentage of the aggregate to the total loans granted (renewals) during the year
Subsidiary	40,807	45.40%
Joint ventures	3,000	36.53%

(f) The Company has granted loans which are repayable on demand during the year to related parties as defined in clause (76) of section 2 of the Companies Act, 2013 are as under.



(Amount in lakhs)

	Related Parties
Aggregate amount of loans:	
(A) Repayable on demand (A)	52,502
(B) Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	52,502
Percentage of loans to the total carrying value of loans	
(Refer note no.71 of the standalone financial statements)	67.91%

- 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, to the extent applicable, in respect of loan given, investment made, guarantee given and security provided.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- 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. In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and others material statutory due applicable to it with the appropriate authorities except delay in few cases.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory due in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except in case of professional tax amounting to ₹ 0.042 lakhs and subsequently paid.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Penalty	2	F.Y. 2007-08	Assistant Commissioner of Income Tax
	Income Tax	4	F.Y. 2018-19	Assistant Commissioner of Income Tax
	Income Tax	1,394	F.Y. 2011-12, F.Y. 2014-15, F.Y. 2015-16, F.Y. 2017-18 and F.Y. 2019-20	Commissioner of Income Tax (Appeals)
	Income Tax	70	F.Y.2013-14	Income Tax Appellate Tribunal
	Income Tax	15	F.Y.2017-2018 to F.Y. 2020-21	Assistant Commissioner of Income Tax-TDS
The Central Excise Act, 1944	Service tax	70	F.Y. 2008-2009 to F.Y. 2010-2011	Additional Commissioner-Central Excise and Service Tax- Vadodara-I
		96	F.Y. 2007-2008 to F.Y. 2009-2010	Central Excise Service Tax Appellate Tribunal, Ahmedabad
		2,175	F.Y. 2012-13 to F.Y. 2015-16	Directorate General of Goods and Service Tax Intelligence, Surat

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relate	Forum where dispute is pending
Haryana Value Added Tax Act, 2003	Value Added Tax	38	F.Y. 2009-2010	Deputy Excise and Taxation Commissioner, Panipat
Gujarat Value Added Tax Act, 2003	Value Added Tax	4	F.Y. 2011-12	Deputy Commissioner of Commercial Tax, Vadodara
Delhi Value Added Tax Act, 2004	Value Added Tax	98	F.Y. 2015-16	Special Commissioner, VAT Delhi
Gujarat Value Added Tax Act, 2003	Value Added Tax	2	F.Y.2014-15	Deputy Commissioner of Commercial Tax, Vadodara
The Building and Other Construction Workers Welfare Cess Act, 1996	Labour Cess (including interest)	448	F.Y. 2006-07, 2007-08, 2008-09 and 2009-10	Madhya Pradesh High Court, Jabalpur Bench
Indian Stamp Act, 1899	Stamp duty	115	F.Y. 2003-04	Supreme Court of India, New Delhi
Maharashtra Stamp Act, 1958	Stamp duty Penalty	1,617 3,492	F.Y 2009-10	The Chief Controlling Revenue Authority, Pune

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. (a) 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 other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and information and explanations given to us, the Company has not taken any funds from any entities to meet the obligations of its subsidiaries, associate and joint ventures.
- (f) According to the information and explanations given to us and information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) 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 convertible



debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) 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.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of

the Companies Act, 2013 are not applicable to the Company.

xvi. (a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) As represented by Management, the Company has three Core Investment Companies (CIC) within the group of the Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) which are exempt from registration with Reserve Bank of India.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and hence reporting under clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any

guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social

Responsibility (CSR) amount as at the end of the financial year, to a special account, within a period of thirty days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, May 12, 2022
UDIN: 22048215AIWOPG8285

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 March 31, 2022

We have audited the internal financial controls over financial reporting of Welspun Enterprises Limited ("the Company") as of March 31, 2022 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 March 31, 2022, 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, May 12, 2022
UDIN: 22048215AIWOPG8285

Balance Sheet

as at March 31, 2022

	Notes	As at March 31, 2022	(₹ in lakhs) As at March 31, 2021
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	2,145	2,425
(b) Right-of-use assets	5	1,105	431
(c) Financial assets			
(i) Investments	6	143,151	136,344
(ii) Loans	7	24,805	24,694
(iii) Other financial assets	8	7,683	6,619
(d) Deferred tax assets (net)	40	426	309
(e) Non-current tax assets	9	2,533	1,894
(f) Other non-current assets	10	503	522
Total non-current assets		182,351	173,238
2. Current assets			
(a) Inventories	11	4,800	489
(b) Contract assets	12	29,190	28,221
(c) Financial assets			
(i) Investments	13	3,123	14,761
(ii) Trade receivables	14	31,195	20,884
(iii) Cash and cash equivalents	15	4,789	15,576
(iv) Bank balances other than (iii) above	16	3,833	1,154
(v) Loans	17	52,502	33,210
(vi) Other financial assets	18	3,165	4,380
(d) Other current assets	19	31,821	24,265
Total current assets		164,418	142,940
Assets held-for-sale	20	2,460	2,497
Total assets		349,229	318,675
Equity and liabilities			
Equity			
(a) Equity share capital	21 (a)	14,978	14,886
(b) Other equity	21 (b)	174,440	166,998
Total equity		189,418	181,884
Liabilities			
1. Non-current liabilities			
(a) Contract liabilities	22	17,090	-
(b) Financial liabilities			
(i) Borrowings	23	35,399	46,828
(ii) Lease liabilities	24	578	180
(c) Provisions	25	2,937	2,940
Total non-current liabilities		56,004	49,948
2. Current liabilities			
(a) Contract liabilities	26	28,553	25,992
(b) Financial liabilities			
(i) Borrowings	27	14,777	13,418
(ii) Lease liabilities	28	554	268
(iii) Trade payables	29		
- Dues of micro enterprises and small enterprises		-	411
- Dues of creditors other than micro enterprises and small enterprises		39,763	30,520
(iv) Other financial liabilities	30	17,683	13,980
(c) Provisions	31	188	243
(d) Other current liabilities	32	2,289	2,011
Total current liabilities		103,807	86,843
Total equity and liabilities		349,229	318,675

Notes forming part of the standalone financial statements

1 to 73

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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary



Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	33	130,694	141,019
Other income	34	3,780	2,897
Total income		134,474	143,916
Expenses			
Cost of materials	35	6,371	605
Subcontracting, civil and repair works		88,231	107,855
Employee benefits expenses	36	10,857	8,078
Finance costs	37	5,348	4,452
Depreciation	38	1,242	1,225
Other expenses	39	10,825	7,596
Total expenses		122,874	129,811
Profit before tax		11,600	14,105
Tax expense			
	40		
- Current tax		2,420	2,891
- Deferred tax charge/ (credit)		(164)	469
Total tax expense		2,256	3,360
Profit for the year		9,344	10,745
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	52	186	41
Income tax effect on above		(47)	(10)
Other comprehensive income for the year (net of tax)		139	31
Total comprehensive income for the year		9,483	10,776
Earnings per equity share of ₹ 10 each fully paid up			
	48		
Basic (₹)		6.27	7.22
Diluted (₹)		6.24	7.17

Notes forming part of the standalone financial statements 1 to 73

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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	11,600	14,105
Adjustments for		
Depreciation	1,242	1,225
Gain on sale/discard of property, plant and equipment (net)	(113)	(1)
Interest income	(3,517)	(1,419)
Finance costs	5,348	4,452
Gain on lease modification (net)	(14)	-
Provision for employee benefits	128	105
Net gain on financial assets mandatorily measured at FVTPL	(324)	(1,365)
Loss on swap instrument	229	-
Reversal of provision no longer required	-	(63)
Unwinding of discount on security deposits	(17)	(10)
Advance/ deposit expensed	-	133
Share based payments to employees	285	531
Dividend income	(13)	(9)
Operating profit before working capital changes	14,834	17,684
Adjustments for		
Decrease / (Increase) in trade and other receivables	3,568	6,352
(Decrease) / Increase in trade and other payables	11,186	14,100
Decrease / (Increase) in inventories	(4,311)	(421)
Cash generated from operating activities	25,277	37,715
Direct taxes paid (net of refunds)	(3,059)	(4,039)
Net cash generated from operating activities (A)	22,218	33,676
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(684)	(177)
Sale of property, plant and equipment	255	3
Profit/ (loss) on sale of current investments (net)	38	9
Investment in subsidiaries	(1)	-
Investment in other entities	-	(12)
Redemption of investment	-	5,224
Loans given to subsidiaries	(33,942)	(70,234)
Loans given to joint venture companies	(5,212)	(20,718)
Loans given to associate	-	(133)
Loans given to controlled entity	(327)	-
Loans given to subsidiaries repaid	4,108	14,180
Loans given to joint ventures repaid	11,320	3,640
Loans given to associate repaid	62	84
Redemption of investment in optionally convertible debentures	-	699
Increase / (decrease) in other bank balances and restricted investments	(3,730)	(6,034)
Inter-corporate deposits given repaid	50	50
Dividend received	13	9
Interest received	1,466	1,704
Net cash used in investing activities (B)	(26,585)	(71,706)



Statement of Cash Flows

for the year ended March 31, 2022

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
C Cash flow from financing activities		
Proceeds from long-term borrowings	-	47,500
Repayment of long-term borrowings	(418)	(2,951)
(Decrease)/ increase in short-term borrowings (net)	(9,000)	(18,982)
Finance costs paid	(5,243)	(1,568)
Principal payment of lease liability	(419)	(360)
Dividend paid	(2,234)	(2,974)
Net cash generated from / (used in) financing activities (C)	(17,314)	20,665
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(21,681)	(17,365)
Cash and cash equivalents at the beginning of the year	29,355	46,720
Cash and cash equivalents at the end of the year	7,674	29,355

Notes:

1. Components of cash and cash equivalents are as follows	Year ended March 31, 2022	Year ended March 31, 2021
Current investments (exclusive of fair value adjustments)	2,885	14,564
Cash and cash equivalents	4,789	15,576
Less : Bank overdraft	-	(785)
	7,674	29,355

- 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 61
- The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 61
- 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

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Current Year	Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated Balance as at April 01, 2021	Changes in equity share capital	Balances as at March 31, 2022
	14,886	-	14,886	92	14,978

(₹ in lakhs)

Previous Year	Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated Balance as at April 01, 2020	Changes in equity share capital	Balances as at March 31, 2021
	14,846	-	14,846	41	14,886

B. OTHER EQUITY

(₹ in lakhs)

Current Year	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings	
Balance as at April 01, 2021 (A)		22,355	93,861	1,989	521	567	47,705	166,998
Changes in accounting policy or prior period errors		-	-	-	-	-	-	-
Restated Balance as at April 01, 2021 (B)		22,355	93,861	1,989	521	567	47,705	166,998
Profit for the year		-	-	-	-	-	9,344	9,344
Other comprehensive income for the year		-	-	-	-	-	139	139
Total comprehensive income for the year (C)		-	-	-	-	-	9,483	9,483
Compensation options granted	50 & 21 b	-	-	285	-	-	-	285
Exercise of share options	50 & 21 b	-	1,188	(1,280)	-	-	-	(92)
Dividend paid	60	-	-	-	-	-	(2,234)	(2,234)
Dividend distribution tax paid		-	-	-	-	-	-	-
Total (D)		-	1,188	(995)	-	-	(2,234)	(2,041)
Balance as at March 31, 2022 (E=B+C+D)		22,355	95,049	994	521	567	54,954	174,440



Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in lakhs)

Current Year	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings	
Balance as at April 01, 2020 (A)		22,355	93,336	2,024	521	567	39,903	158,706
Changes in accounting policy or prior period errors		-	-	-	-	-	-	-
Restated Balance as at April 01, 2020 (B)		22,355	93,336	2,024	521	567	39,903	158,706
Profit for the year		-	-	-	-	-	10,745	10,745
Other comprehensive income for the year		-	-	-	-	-	31	31
Total comprehensive income for the year (C)		-	-	-	-	-	10,776	10,776
Compensation options granted	50 & 21 b	-	-	531	-	-	-	531
Exercise of share options	50 & 21 b	-	525	(566)	-	-	-	(41)
Dividend paid		-	-	-	-	-	(2,974)	(2,974)
Total (D)		-	525	(35)	-	-	(2,974)	(2,484)
Balance as at March 31, 2021 (E=B+C+D))		22,355	93,861	1,989	521	567	47,705	166,998

Nature and purpose of reserve and surplus and other 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 payments provided to employees as part of their remuneration. Refer note 50 for further details of this plan.

d) Amalgamation reserve

It represents reserve arising out of amalgamation of 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 73

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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

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 2021-22 were authorised for issue in accordance with a resolution of board of directors on May 12, 2022.

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, relevant provision of Schedule III (as amended) 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 ₹ 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.

a) Construction contract revenue

The Company derives revenue primarily 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



Notes forming part of the Standalone Financial Statements

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.

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".

Notes forming part of the Standalone Financial Statements

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 recognised 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.

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 or useful lives of the leased assets.

The right-of-use assets are also subject to impairment. Refer to the significant



Notes forming part of the Standalone Financial Statements

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. Property, plant and equipment, costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.

Pursuant to this policy, property, plant and equipment are depreciated over the useful life as provided below :

Assets description	Useful life
Buildings	30 years to 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 (including networking equipments)	3 years to 6 years

Notes forming part of the Standalone Financial Statements

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.

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.

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



Notes forming part of the Standalone Financial Statements

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."

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.

Notes forming part of the Standalone Financial Statements

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.

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.

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.



Notes forming part of the Standalone Financial Statements

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.

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 occurrence or non occurrence 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.

Notes forming part of the Standalone Financial Statements

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.

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.

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.



Notes forming part of the Standalone Financial Statements

- iv) **Equity instruments** (other than investment in associates, joint venture companies and subsidiaries - Refer note "xix" above)

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 Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company 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 Company 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 Company 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 Company 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 Company has not retained control of the financial asset. Where the Company 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 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,

Notes forming part of the Standalone Financial Statements

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.

E. Derivatives

The Company uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e. when interests are paid according to benchmark market interest rates. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.



Notes forming part of the Standalone Financial Statements

xxi) 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.

3(B) 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 respect 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 50.

c) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential

Notes forming part of the Standalone Financial Statements

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 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 50.

h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease,



Notes forming part of the Standalone Financial Statements

together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3(C) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and

liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (‘Conceptual Framework’) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous contracts - costs of fulfilling a contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Standalone Financial Statements

4 Property, plant and equipment

Particulars	(₹ in lakhs)							Total
	Land - Freehold*	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office and other equipments	Computers	
Gross carrying amount								
Balance as at April 01, 2020	40	6	3,488	106	1,192	173	46	5,051
Additions	-	223	104	16	3	142	52	540
Disposals	-	-	-	-	30	-	4	34
Balance as at March 31, 2021	40	229	3,592	121	1,165	315	94	5,556
Additions	-	-	141	75	138	91	220	665
Disposals	4	-	33	-	56	1	70	164
Balance as at March 31, 2022	36	229	3,700	196	1,247	405	244	6,057
Particulars	Land - Freehold*	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office and other equipments	Computers	Total
Accumulated depreciation								
Upto April 01, 2020	-	2	1,643	45	451	112	30	2,283
Additions	-	3	546	20	228	69	15	881
Disposals	-	-	-	-	29	-	4	33
Upto March 31, 2021	-	5	2,188	65	650	181	41	3,131
Additions	-	22	406	62	174	88	87	840
Disposals	-	-	2	0	35	1	21	59
Upto March 31, 2022	-	27	2,593	127	790	268	107	3,912
Net carrying amount								
Balance as at March 31, 2022	36	202	1,107	69	457	137	137	2,145
Balance as at March 31, 2021	40	224	1,403	56	515	134	53	2,425
							As at March 31, 2022	As at March 31, 2021
Net carrying amount							2,145	2,425
Property, plant and equipment							2,145	2,425

Note: * Includes value of land ₹ Nil (Original value of ₹ 36 lakhs) at Pune for which the legal documents are yet to be executed.

Description of property	Gross carrying value (₹ in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land at Village - Indapur Dist. Pune	36	Mr. Mahadev Shankar Gurgude & Mr. Chittaranjan Patil	No	Since October 2010	Dispute before the Court of Baramati Civil Court. The owner and his power of attorney holder did not fulfill their obligations under the Agreement to sell.



Notes forming part of the Standalone Financial Statements

5 Right-of-use assets

(₹ in lakhs)

	Leased premises	Total
Gross carrying amount		
Balance as at April 01, 2020	694	694
Additions	387	387
Balance as at March 31, 2021	1,081	1,081
Additions	1,146	1,146
Disposals	(222)	(222)
Balance as at March 31, 2022	2,005	2,005

(₹ in lakhs)

	Leased premises	Total
Accumulated depreciation		
Upto April 01, 2020	306	306
Additions	344	344
Upto March 31, 2021	650	650
Additions	402	402
Disposals	(152)	(152)
Upto March 31, 2022	900	900

	As at March 31, 2022	As at March 31, 2021
Net carrying amount		
Right-of-use assets	1,105	431

Notes forming part of the Standalone Financial Statements

6 Non-current investments

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Investment in Equity Instruments - Subsidiaries		
Unquoted		
Welspun Projects (Himmatnagar Bypass) Private Limited 242,000 (March 31, 2021 : 242,000) equity shares of ₹ 10/- each fully paid up	233	233
Welspun Project (Kim Mandvi Corridor) Private Limited 6,730,000 (March 31, 2021 : 6,730,000) equity shares of ₹ 10/- each fully paid up	673	673
Welspun Natural Resources Private Limited 31,875,000 (March 31, 2021 : 31,875,000) equity shares of ₹ 10 each fully paid up @	9,068	7,112
Dewas Waterprojects Works Private Limited 7,600 (March 31, 2021 : 7,600) equity shares of ₹ 10 each fully paid up ^^	1	1
Welspun Build-Tech Private Limited 10,000 (March 31, 2021 : 10,000) equity shares of ₹ 10 each fully paid up	1	1
ARSS Bus Terminal Private Limited 18,627,451 (March 31, 2021 : 18,627,451) equity shares of ₹ 10 each fully paid up	3,101	3,101
Welspun Delhi Meerut Expressway Private Limited 5,000,000 (March 31, 2021 : 5,000,000) equity shares of ₹ 10 each fully paid up ^^	500	500
Grenoble Infrastructure Private Limited 4,900 (March 31, 2021 : 4,900) equity shares of ₹ 10/- each fully paid up	0	0
DME Infra Private Limited 10,000 (March 31, 2021 : 10,000) equity shares of ₹ 10/- each fully paid up	1	1
Welspun Sattanathapuram Nagapattinam Road Private Limited 7,000 (March 31, 2021 : 7,000) equity shares of ₹ 10/- each fully paid up ^^	1	1
Welspun Road Infra Private Limited 39,513,685 (March 31, 2021 : 39,513,685) equity shares of ₹ 10/- each fully paid up @@ ^^	15,701	15,701
Welsteel Enterprises Private Limited 49,000 (March 31, 2021 : 49,000) equity shares of ₹ 10 each fully paid up	5	5
Welspun Aunta-Simaria Project Private Limited 740,000 (March 31, 2021 : 740,000) equity shares of ₹ 10 each fully paid up ^^	74	74
Welspun Infraconstruct Private Limited (Formerly known as Welspun Amravati Highways Private Limited) 10,000 (March 31, 2021 : 10,000) equity shares of ₹ 10/- each fully paid up	1	1
Welspun InfraFacility Private Limited 24,187,381 (March 31, 2021 : 18,652,857) equity shares of ₹ 10/- each fully paid up	20,310	15,661
Welspun Kaveri Infraprojects JV Private Limited * 7,000 (March 31, 2021 : Nil) equity shares of ₹ 10/- each fully paid up	1	-



Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments - joint venture entities (at cost unless otherwise stated)		
Unquoted		
RGY Roads Private Limited		
4,900 (March 31, 2021 : 4,900) equity shares of ₹ 10 each fully paid up^^	2,300	2,300
MBL (GSY) Road Limited		
24,500 (March 31, 2021 : 24,500) equity shares of ₹ 10 each fully paid up ^^ @@@	647	513
MBL (CGRG) Road Limited		
24,500 (March 31, 2021 : 24,500) equity shares of ₹ 10 each fully paid up ^^ @@@@	320	253
Corbello Trading Private Limited		
4,900 (March 31, 2021 : 4,900) equity shares of ₹ 10/- each fully paid up ^^	785	785
Chikhali - Tarsod Highways Private Limited		
490,000 (March 31, 2021 : 490,000) equity shares of ₹ 10/- each fully paid up ^^	49	49
Investment at fair value through profit and loss		
Other Investments - Quoted		
Union Bank of India		
2,640 (March 31, 2021 : 2,640) equity Shares of ₹ 10/- each fully paid up	1	1
Other Investments - Unquoted		
Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited)		
1,549 (March 31, 2021:1,549) equity shares of ₹ 10 each fully paid up	-	-
Welassure Private Limited		
1,900 (March 31, 2021: 1,900) equity shares of ₹ 10 each fully paid up	12	12
Welspun Global Services Private Limited		
1,900 (March 31, 2021:1,900) equity shares of ₹ 10 each fully paid up	0	0
Ecstatic Engineering Consultants Private Limited		
480 (March 31, 2021 : 480) equity shares of ₹ 10 each fully paid up	0	0
Investment in Government Securities		
Indira Vikash Patra	0	0
Investment in Debentures - Subsidiaries		
Welspun Project (Kim Mandvi Corridor) Private Limited		
1,001,784 (March 31, 2021 :1,001,784) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	1,002	1,002
Dewas Waterprojects Works Private Limited		
3,872,000 (March 31, 2021 : 3,872,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up ^^ ##	3,872	3,872
5,049,000 (March 31, 2021 : 5,049,000) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	5,049	5,049
Welspun Build-Tech Private Limited		
1,711,775 (March 31, 2021 :1,711,775) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	1,712	1,712
Welspun Delhi Meerut Expressway Private Limited		
2,155,000 (March 31, 2021 : 2,155,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	2,155	2,155
2,900,000 (March 31, 2021 : 2,900,000) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up \$\$	2,900	2,900
Welspun Sattanathapuram Nagapattinam Road Private Limited		

Notes forming part of the Standalone Financial Statements

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
2,170,000 (March 31, 2021 : 2,170,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	2,170	2,170
584,988 (March 31, 2021 : 584,988) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	585	585
Welspun Road Infra Private Limited		
1,498,895 (March 31, 2021 : 1,498,895) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	1,499	1,499
Welsteel Enterprises Private Limited		
3,475,000 (March 31, 2021 : 3,475,000) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	3,475	3,475
Welspun Aunta-Simaria Project Private Limited		
3,482,260 (March 31, 2021 : 3,482,260) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	3,482	3,482
8,144,290 (March 31, 2021 : 8,144,290) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	8,144	8,144
Welspun InfraFacility Private Limited		
14,039,000 (March 31, 2021 : 14,039,000) 0% unsecured optionally convertible debentures of ₹ 100/- each \$\$\$	14,039	14,039
Investment in Debentures - Other		
Welspun Energy Thermal Private Limited		
(Formerly known as Solarsys Infra Projects Private Limited)		
1,570,832 (March 31, 2021 : 1,570,832) 0% unsecured optionally convertible debentures of ₹ 10 each fully paid up \$\$\$\$	-	-
Investment in Debentures - joint venture entities (at cost unless otherwise stated)		
RGY Roads Private Limited		
6,372,910 (March 31, 2021 : 6,372,910) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	6,373	6,373
MBL (GSY) Road Limited		
4,154,350 (March 31, 2021 : 4,154,350) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	4,154	4,154
8,313,595 (March 31, 2021 : 8,313,595) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	8,314	8,314
MBL (CGRG) Road Limited		
3,279,250 (March 31, 2021 : 3,279,250) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	3,279	3,279
6,563,395 (March 31, 2021 : 6,563,395) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$	6,563	6,563
Corbello Trading Private Limited		
3,143,790 (March 31, 2021 : 3,143,790) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	3,144	3,144
Chikhali - Tarsod Highways Private Limited		
3,095,300 (March 31, 2021 : 3,095,300) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	3,095	3,095
5,726,988 (March 31, 2021 : 5,726,988) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) \$ ^^	5,727	5,727
	144,519	137,712
Less : Provision for impairment	(1,368)	(1,368)
Total	143,151	136,344



Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	1	1
Aggregate book value of unquoted investments	144,518	137,711
Aggregate market value of quoted investments	1	1
Aggregate amount of impairment in value of investments	1,368	1,368

Each debenture having face value of ₹ 100 each shall be compulsorily convertible into 10 equity shares of ₹ 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 ₹ 100 each shall be compulsorily convertible into 10 equity shares of ₹ 10 each fully paid up at any time after March 29, 2024. Unless converted earlier, the CCDs shall be compulsorily converted into equity shares at the end of the Concession period.

\$ Each debenture having face value of ₹ 100 each shall be convertible, at the option of the holder or the Company into 10 equity shares of ₹ 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 ₹ 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 ₹ 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 shall have face value of ₹ 100 each. The holder shall have option to convert the Debenture amount (Face Value minus interest, if any, already paid) at any time during the tenure of the debentures into equity shares at issue price of ₹ 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% X (Free Cash Flow for Equity (FCFE) plus interest if any already paid by the Issuer) minus interest if any already paid 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.

Tenure : 18 years from date of allotment

Payment of interest : The issuer shall have an option to pay total interest at 15% for the first two years from the date of issue.

\$\$\$\$ Each debenture having face value of ₹ 10 each shall at the option of the Company be converted into appropriate number of equity shares of ₹ 10 each, equity share of ₹ 10 each fully paid up not later than 10 years from the date of allotment of OCDs.

^^ The Company has pledged below mentioned equity shares, CCD and OCD :

Entities	As at March 31, 2022	As at March 31, 2021
	Units	Units
A) Equity shares		
Welspun Delhi Meerut Expressway Private Limited	1,500,000	1,500,000
Dewas Waterprojects Works Private Limited	5,100	5,100
Welspun Aunta-Simaria Project Private Limited	510,000	510,000
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	489,995
Welspun Road Infra Private Limited	20,151,980	20,151,980
Welspun Sattanathapuram Nagapattinam Road Private Limited	5,100	-
Welspun InfraFacility Private Limited	12,335,567	9,512,960

Notes forming part of the Standalone Financial Statements

Entities	As at	As at
	March 31, 2022	March 31, 2021
	Units	Units
B) Compulsorily Convertible Debentures (CCD)		
Dewas Waterprojects Works Private Limited	2,000,001	2,000,001
Welspun Sattanathapuram Nagapattinam Road Private Limited	1,106,700	1,106,700
Corbello Trading Private Limited	3,143,790	3,143,790
Chikhali - Tarsod Highways Private Limited	3,095,300	3,095,300
Welspun Delhi Meerut Expressway Private Limited	2,155,000	2,155,000
C) Optionally Convertible Debentures (OCD)		
Chikhali - Tarsod Highways Private Limited	79,000	79,000

During the year, the Company has provided investment in certain subsidiaries as securities aggregating to ₹ 2,371 Lakhs (Units 28 lakhs).

Aggregate balance of investments in subsidiary and joint ventures provided as security amounts to ₹ 23,589 lakhs (Units 398 lakhs) and ₹ 10,418 lakhs (Units 69 lakhs) respectively.

* became subsidiary w.e.f May 10, 2021

@ Investment as at March 31, 2022 includes cumulative adjustment for fair value of interest free loan of ₹ 6,068 lakhs (March 31, 2021 : ₹ 4,112 lakhs).

@@ Investment as at March 31, 2022 includes cumulative adjustment for fair value of interest free loan of ₹ 196 lakhs (March 31, 2021 : ₹ 196)

@@@ Investment as at March 31, 2022 includes cumulative adjustment for fair value of interest free loan of ₹ 645 lakhs (March 31, 2021 : ₹ 511)

@@@@ Investment as at March 31, 2022 includes cumulative adjustment for fair value of interest free loan of ₹ 318 lakhs (March 31, 2021 : ₹ 251)

7 Non-current financial assets - Loans

	(₹ in lakhs)	
	As at	As at
	March 31, 2022	March 31, 2021
Unsecured		
Loans to related parties (Refer note 53)		
Considered good	24,805	24,694
Credit impaired	13,377	13,377
	38,182	38,071
Less : Expected credit loss	13,377	13,377
Total	24,805	24,694

Loans are non-derivative financial assets carried at amortised cost which generates a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

8 Non-current financial assets - Others

	(₹ in lakhs)	
	As at	As at
	March 31, 2022	March 31, 2021
Secured		
Security deposits- considered good - others	313	400
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 53)	5	-
- Others	279	212
	284	212
Bank deposit having original maturity of more than 12 months - * Held as margin money against borrowings, guarantees and other commitments (with various government authorities and banks)	7,086	6,007
Total	7,683	6,619

* Deposits with banks earns interest at prevailing bank deposit rates

* Earmarked investments of ₹ 5,273 (March 31, 2021: ₹ 5,076 lakhs) for Dewas Waterprojects works Private Limited as collateral security for its debt obligations to lenders.



Notes forming part of the Standalone Financial Statements

9 Non-current tax assets (net)

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with government authorities		
- Direct tax (net of provision for taxation)	2,533	1,894
Total	2,533	1,894

10 Other non-current assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital advances	50	31
Prepaid expenses	125	127
Balances with government authorities - Indirect tax	328	364
Total	503	522

11 Inventories

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Raw materials (including consumables)	4,800	489
Total	4,800	489

12 Contract assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract assets (Refer note 55) :		
- Related parties (Refer note 53)	21,464	28,221
- Others	7,726	-
Total	29,190	28,221

13 Current investments

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Investments at fair value through profit and loss		
I. Quoted		
Investment in bonds	1,488	13,462
Investment in mutual funds *	1,448	1,139
Investment in equity shares		
NMDC Limited	162	135
100,000 (March 31, 2021 : 100,000) shares of face value of Re 1/- each fully paid up		
II Unquoted		
Ecstatic Engineering Consultants Private Limited		
5,584 (March 31, 2021 : 5,584) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up #	25	25
Total	3,123	14,761
Aggregate book value of quoted investments	3,098	14,736
Aggregate book value of unquoted investments	25	25
Aggregate market value of quoted investments	3,098	14,736

* ₹ 882 lakhs (March 31, 2021: ₹ 853 lakhs) represents restricted balances towards DSRA obligation/collateral security for its debt obligations to lenders.

Each debenture having face value of ₹ 100 each shall be convertible, at the option of the holder into 1 equity share of ₹ 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 debenture holder.

Notes forming part of the Standalone Financial Statements

14 Trade receivables

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good		
- Related parties (Refer note 53)	27,825	18,329
- Others	3,370	2,555
Total	31,195	20,884

Trade receivables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

For ageing of trade receivables outstanding as at March 31, 2022 and March 31, 2021 - Refer Note 44

15 Cash and cash equivalents

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	15	1
Balances with banks :		
- In current accounts	4,774	636
Remittances in transit **	-	14,939
Total	4,789	15,576

** Subsequently cleared on April 03, 2021

16 Bank balances (other than 15 above)

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- Held as margin money against guarantees and other commitments (with various government authorities and banks)	3,783	1,110
- Unclaimed dividend account *	50	44
Total	3,833	1,154

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act 2013 as at the year end.

17 Current financial assets - loans

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Inter corporate deposits - Others	-	50
Loans and advances		
- Related parties (Refer note 53)	52,502	33,160
Total	52,502	33,210



Notes forming part of the Standalone Financial Statements

18 Other current financial assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Secured, considered good		
Security deposits - Others	120	103
Unsecured, considered good		
Security deposits		
- Related parties (Refer note 53)	7	17
- Others	747	1,935
Advances recoverable		
- Others	2,291	2,324
Total	3,165	4,380

19 Other current assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance against goods and services	13,211	16,204
Mobilisation advance receivable	10,934	3,375
Prepaid expenses	335	162
Balances with government authorities - Indirect tax	7,341	4,524
Total	31,821	24,265

20 Assets held-for-sale

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Assets held-for-sale *	2,460	2,497
Total	2,460	2,497

*Due to COVID-19 pandemic (circumstances arose that were previously considered unlikely) the balance asset could not be sold within one year. However, the management is committed to its plan to sell the balance asset and action required to complete the plan are being taken.

21 Equity

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised		
275,000,000 (March 31, 2021: 275,000,000) equity shares of ₹ 10/- each	27,500	27,500
	27,500	27,500
Issued, subscribed and paid up		
149,783,056 (March 31, 2021: 148,864,056) equity shares of ₹ 10/- each fully paid up	14,978	14,886
Total	14,978	14,886

Notes forming part of the Standalone Financial Statements

(i) Reconciliation of the number of equity shares outstanding and the amount of the share capital

	As at March 31, 2022		As at March 31, 2021	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	148,864,056	14,886	148,458,056	14,846
Add : Pursuant to exercise of stock options (Refer note 50)	919,000	92	406,000	41
Outstanding at the end of the year	149,783,056	14,978	148,864,056	14,886

(ii) Rights, preference and restriction on shares

The Company has only one class of equity having par value of ₹ 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 in case 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) Disclosure of Shareholding of Promoters

The details of the shares held by the promoters as at March 31, 2022 are as follows:

Promoters Name	No of Shares	% of total shares	% change during the year
a) Balkrishan Goenka Trustee of Welspun Group Master Trust	72,709,526	48.54%	3.33%
b) Welspun Investments and Commercials Limited	4,125,210	2.75%	-0.02%
c) Aryabhat Vyapar Private Limited	3,290,063	2.20%	-0.01%
d) Rajesh R Mandawewala	120	0.00%	
e) Balkrishan Gopiram Goenka	84	0.00%	

The details of the shares held by the promoters as at March 31, 2021 are as follows:

Promoters Name	No of Shares	% of total shares	% change during the year
a) Balkrishan Goenka Trustee of Welspun Group Master Trust	67,309,526	45.22%	-0.12%
b) Welspun Investments and Commercials Limited	4,125,210	2.77%	-0.01%
c) Aryabhat Vyapar Private Limited	3,290,063	2.21%	-0.01%
d) Rajesh R Mandawewala	120	0.00%	-
e) Balkrishan Gopiram Goenka	84	0.00%	-

(iv) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Balkrishan Goenka as Trustee of Welspun Group Master Trust	72,709,526	48.54%	67,309,526 *	45.22%

* It doesn't include 4,100,000 shares acquired by Balkrishan Goenka as Trustee of Welspun Group Master Trust on March 30, 2021. Due to T+2 settlement cycle shares were reflected in the account on April 02, 2021.



Notes forming part of the Standalone Financial Statements

- (v) 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 March 31, 2022	As at March 31, 2021
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to exercise of stock options (Refer note 50)	2,490,000	1,571,000
b) Equity shares bought back	-	(26,987,479)

- (vi) 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 50

21(b) - Other equity

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital reserve	22,355	22,355
Securities premium	95,049	93,861
Share options outstanding account	994	1,989
Amalgamation reserve	521	521
General reserve	567	567
Retained earnings	54,954	47,705
Total	174,440	166,998
(i) Capital reserve		
As per last balance sheet	22,355	22,355
(ii) Securities premium		
As per last balance sheet	93,861	93,336
Exercise of share options	1,188	525
	95,049	93,861
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	1,989	2,024
Compensation options granted during the year-Refer note 50	285	531
Share options exercised during the year-Refer note 50	(1,280)	(566)
	994	1,989
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	567	567
(d) Retained earnings		
As per last balance sheet	47,705	39,903
Total comprehensive income for the year	9,483	10,776
Dividends paid	(2,234)	(2,974)
	54,954	47,705
Total	174,440	166,998

22 Contract liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract liabilities (Refer note 55) :		
- Related parties	-	-
- Other parties	17,090	-
Total	17,090	-

Notes forming part of the Standalone Financial Statements

23 Non-current borrowings

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Secured		
Measured at amortised cost		
Term loans from banks (Refer note (i) below)	-	-
Term loans from financial institutions (Refer note (ii) & (iii) below)	7,968	9,459
Non convertible debentures (Refer note (iv) below)	27,431	37,369
Total	35,399	46,828
Term loans from banks / financial institutions / NCDs		
Non-current borrowing	35,399	46,828
Current maturity of long term borrowings (Refer note 27)	14,777	3,686
Total	50,176	50,514

Nature of security and terms of repayments for long term borrowings

i) IndusInd Bank Limited ₹ Nil (March 31, 2021 : ₹ 363 lakhs)

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. The said loan has been repaid during the year.

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 + 0.15 % spread

ii) Axis Finance Limited ('AFL') ₹ 9,959 lakhs (March 31, 2021 : ₹ 9,951 lakhs)

Term loan from AFL is secured by second charge on the current assets of the Company at Book Value and exclusive charge over such non-current assets that it provides a minimum security cover of 1.25x

Repayment terms : Repayment in 20 equal quarterly installments w.e.f. June 30, 2022

Rate of Interest : 1 year Axis Bank MCLR + 0.61 % spread

iii) Tata Capital Financial Services Limited ('TCFSL') ₹ Nil (March 31, 2021 : ₹ 46 lakhs)

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'). The said loan has been repaid during the year.

Repayment terms : Repayment in 25 monthly installments w.e.f. April 21, 2019

Rate of Interest : ranging between 10.90% to 11.03% p.a.

iv) Non-convertible debentures ('NCDs') ₹ 40,217 lakhs (March 31, 2021 : ₹ 40,154 lakhs)

The Company had issued 1,750 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹ 10 lacs each aggregating to ₹ 17,500 lakhs. The debentures bore an interest at 8.85% payable annually. Debentures were secured by way of first pari passu charge on loans, advances and other receivables (including ICDs) from Project SPVs, other than current assets of the Company by way of hypothecation at book value. Second pari passu charge on the Current assets of the Company at book value, and - Exclusive charge on Debt Service Reserve Account. The aggregate book value of the security i.e first pari passu charge on and second pari passu charge on as aforesaid should provide minimum asset cover of 1.10 times during the tenure of the NCDs at all times to be tested on half yearly basis.

The Company had issued 2,000 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹ 10 lacs each aggregating to ₹ 20,000 lakhs. The debentures bore an interest at an agreed upon annual rate of repo rate plus spread of 485 bps payable annually. Debentures were secured by way of first pari passu charge on the Current assets of the company at book value, first pari passu charge over plant and machinery and other moveable assets excluding those specifically charged to other Banks / Financial Institutions. The aggregate book value of the security i.e First Pari passu charge and Second Pari passu charge as aforesaid should provide minimum asset cover of 1.10 times during the tenure of the NCDs at all times to be tested on half yearly basis.



Notes forming part of the Standalone Financial Statements

Number of Debentures	Face Value	Redemption date	Rate of Interest per annum
1,000 Secured Redeemable Non-Convertible Debentures (INE625G07028)	1,000,000	June 01, 2023	8.85%
1,750 Secured Redeemable Non-Convertible Debentures (INE625G07010)	1,000,000	May 27, 2023	8.85%
1,000 Secured Redeemable Non-Convertible Debentures (INE625G07028)	1,000,000	December 01, 2022	8.85%

24 Non-current lease liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 56)	578	180
Total	578	180

25 Non-current provisions

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	349	352
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	2,937	2,940

* Represents certain obligations related to stamp duty, etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier years. There is no movement during the year.

26 Contract liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract liabilities (Refer note 55) :		
- Related parties (Refer note 53)	10,389	15,921
- Other parties	18,164	10,071
Total	28,553	25,992

27 Current financial liabilities - borrowings

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured		
Measured at amortised cost		
Current maturities of long-term borrowings (Refer Note 23) *	14,777	3,686
Loans repayable on demand		
Working capital loans from banks (Refer note A and B below)	-	4,000
Bank overdraft	-	785
Commercial paper	-	4,947
Total	14,777	13,418

* includes interest accrued and not due of ₹ 2,785 lakhs (March 31, 2021 : ₹ 2,785 lakhs)

Notes forming part of the Standalone Financial Statements

A Nature of security and terms of repayment for secured borrowings

i) IDBI Bank Limited ₹ Nil (March 31, 2021 : ₹ 3,000 lakhs + Bank overdraft ₹ 785 lakhs)

First pari passu charge on current assets of the Company. First pari passu charge on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions.

Rate of interest for working capital loan : Upto 30 days MCLR + 10 BPS; For 1 - 3 months MCLR + 10 BPS

Rate of interest for bank overdraft : MCLR (Y) + 80 BPS PA

ii) IndusInd Bank Limited ₹ Nil (March 31, 2021 : ₹ 1,000 lakhs)

First pari passu on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions. First pari passu on existing and future inventory cum book debts and other current assets.

Rate of interest : 1 year MCLR + 1%

iii) Central Bank of India ₹ Nil (March 31, 2021 : ₹ 4,947 lakhs)

First pari passu charge by way of hypothecation of entire book debts/ stocks/ other current assets of the Company along with the other lenders.

B Terms of repayments

i) Working capital loan from banks are repayable on demand

ii) Commercial papers carries an interest of ₹ Nil (March 31, 2021: 5.10%) and are repaid during the year.

28 Current lease liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 56)	554	268
Total	554	268

29 Trade payables

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dues of micro enterprises and small enterprises ('MSME') - (Refer note 54)	-	411
Dues of creditors other than micro enterprises and small enterprises		
- Acceptances	4,732	2,863
- Others	35,031	27,657
Total	39,763	30,931

Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade payables - Related parties (Refer note 53)	157	68
- Others	39,606	30,863
Total	39,763	30,931

For ageing of trade payable outstanding as at March 31, 2022 and March 31, 2021 - Refer Note 45



Notes forming part of the Standalone Financial Statements

30 Current financial liabilities - others

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Security deposits/ retention money payable	15,148	12,549
Payable to employees	1,320	1,011
Interest rate swap payable (Refer Note 42 (A)(a)(i))	228	-
Unclaimed dividend	50	45
Payable to related party (Refer Note 53)	937	375
Total	17,683	13,980

31 Current provisions

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	189	243
Total	189	243

32 Other current liabilities

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Other payables	1,147	-
Statutory dues payable	1,142	2,011
Total	2,289	2,011

33 Revenue from operations

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from		
- Engineering, Procurement and Construction #	125,311	138,922
- Operation and Maintenance #	4,517	1,845
- Advisory and consultancy income #	262	251
Other operating revenues		
- Scrap sales	281	1
- Other material sales	323	-
Total	130,694	141,019

Refer note 53 for related parties transactions

Notes forming part of the Standalone Financial Statements

34 Other income

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets at amortised cost		
- On bank deposits	388	138
- On loans and advances to related parties #	2,268	889
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	119	251
- Others *	742	141
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	13	9
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	95	1,365
Reversal of provision no longer required	-	63
Unwinding of discount on interest free deposits #	17	10
Gain on sale of property, plant and equipment (net)	113	1
Rent income	10	3
Miscellaneous income	15	27
Total	3,780	2,897

* Includes Interest on income tax refund, interest income recognised on mobilisation advances and interest rate swap arrangement.

Refer note 53 for related parties transactions

35 Cost of materials consumed

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	489	68
Add: Purchases	10,682	1,026
	11,171	1,094
Less: Inventories at the end of the year	(4,800)	(489)
Total	6,371	605

36 Employee benefits expense

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and allowances	9,624	6,926
Contribution to provident and other funds	671	434
Share based payments to employees (Refer note 50)	285	531
Staff welfare expenses	277	187
Total	10,857	8,078

37 Finance costs

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses on financial liabilities at amortised cost		
- Term loans	809	256
- Working capital	293	729
- Debentures	3,319	2,785



Notes forming part of the Standalone Financial Statements

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Net interest on net defined benefit liability	41	37
Interest on lease liability	82	50
Other interest costs ^	2	4
	4,546	3,861
Bank charges and other finance costs	802	591
Total	5,348	4,452

^ Refer note 42

38 Depreciation

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	840	881
Depreciation on right-of-use assets	402	344
Total	1,242	1,225

39 Other expenses

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Site expenses	1,200	219
Hire charges	912	425
Power, fuel and water charges	637	274
Repairs and maintenance :-		
- Property, plant and equipment	15	19
- Others	766	544
Project monitoring and maintenance fees	-	12
Rent	390	140
Rates and taxes	219	431
Insurance	950	355
Travelling and conveyance expense	602	556
Communication expenses	42	17
Legal and professional fees	4,177	3,237
Freight and forwarding expenses	31	4
Business promotion and advertisement	127	153
Printing and stationary expenses	33	15
Directors sitting fees	52	35
Payment to Auditor :-		
- Audit fees (including fees for limited review)	37	32
- Certifications	4	28
- Reimbursement of expenses	0	0
Donation	9	1
Corporate social responsibility (Refer note 62)	376	345
Balances written off	-	133
Miscellaneous expenses	245	621
Total	10,825	7,596

Notes forming part of the Standalone Financial Statements

40 Income tax

a) The major components of income tax for the year ended March 31, 2022 are as under:

i) Income tax related to items recognised in Statement of profit and loss during the year

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on taxable income for the year	2,420	2,891
Deferred tax		
Relating to origination and reversal of temporary differences	(164)	469
Total deferred tax charge/ (credit)	(164)	469
Income tax expense reported in the statement of profit and loss	2,256	3,360

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(47)	(10)
Deferred tax charged to other comprehensive income	(47)	(10)

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	11,600	14,105
Income tax @ 25.168% (March 31, 2021 : 25.168%)	2,919	3,550
Non-deductible expenses for tax purpose		
Other non deductible expenses	8	251
Other allowances for tax purpose	(92)	(215)
Effect of tax on exempt income	(571)	(226)
Utilisation of previously unrecognised tax losses	(9)	-
Income tax expense charged to the statement of profit and loss	2,256	3,360

c) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
a) Taxable temporary differences						
Depreciation on property, plant and equipment and intangible assets	(57)	(56)	(2)	(24)	-	-
Fair valuation of financial instruments	(291)	(176)	(115)	(114)	-	-
Total (a)	(348)	(231)	(117)	(137)	-	-
b) Deductible temporary differences						
Employee benefits / expenses allowable on payment basis	78	78	(47)	606	47	10
Total (b)	78	78	(47)	606	47	10
Net deferred tax (assets)/liabilities (a-b)	(426)	(309)				
Deferred tax charge/(credit) (a+b)			(164)	469	47	10



Notes forming part of the Standalone Financial Statements

d) Unrecognised deferred tax assets on unused tax losses

The Company has brought forward long term capital losses of ₹ 81,276 lakhs (March 31, 2021 ₹ 81,276 lakhs) (majority of which is expiring in March 31, 2023) and short term capital losses of ₹ 7,742 lakhs (March 31, 2021 ₹ 7,780 Lakhs) (majority of which is expiring in March 31, 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of ₹ 18,595 lakhs (March 31, 2021 ₹ 18,595 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 ₹ 1,949 lakhs (March 31, 2021 ₹ 1,958 lakhs) have not been recognized in respect of short term capital losses in view of uncertainty of future taxable capital gains.

41 Fair value measurements

Financial instruments by category

(₹ in lakhs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in subsidiaries, associates and joint venture companies at cost)				
Non-current assets				
Investments	39,358	-	39,358	-
Loans	-	24,805	-	24,694
Other financial assets	-	7,683	-	6,619
Current assets				
Investments	3,123	-	14,761	-
Trade receivables	-	31,195	-	20,884
Cash and cash equivalents	-	4,789	-	15,576
Other bank balances	-	3,833	-	1,154
Loans	-	52,502	-	33,210
Other financial assets	-	3,165	-	4,380
Total financial assets	42,481	127,972	54,119	106,517
Non-current liabilities				
Borrowings	-	35,399	-	46,828
Lease liabilities	-	578	-	180
Current liabilities				
Borrowings	-	14,777	-	13,418
Lease liabilities	-	554	-	268
Trade and other payables	-	39,763	-	30,931
Other financial liabilities	-	17,684	-	13,980
Total financial liabilities	-	108,754	-	105,606

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.

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

	As at March 31, 2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	39,358	39,358	-	18,754	20,604
Current investments	3,123	3,123	1,610	1,488	25
Total	42,481	42,481	1,610	20,242	20,629

(₹ in lakhs)

	As at March 31, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	39,358	39,358	1	-	39,357
Current investments	14,761	14,761	1,274	13,462	25
Total	54,119	54,119	1,275	13,462	39,382

Valuation technique used to determine fair value

- Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- 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
- 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

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.



Notes forming part of the Standalone Financial Statements

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

The Company enters into interest rate swaps (IRS) to manage exposure on its fixed rate or variable rate debt.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
The fair value of IRS	229	-

As at March 31, 2022 and March 31, 2021, underlying exposure to IRS was ₹ 30,000 Lakhs and ₹ Nil respectively which was subject to variable interest rates.

The gain/(loss) due to fluctuation in fair value of IRS, recognised in the statement of profit and loss was ₹ 229 lakhs and ₹ Nil for the years ended March 31, 2022 and March 31, 2021, respectively.

Interest rate sensitivity :

Increase/decrease of 50 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase of profit before tax) of 345 lakhs and Nil for the year ended March 31, 2022 and March 31, 2021, respectively.

(ii) Other variable rate borrowings

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	9,959	10,360

(iii) 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:

	(₹ in lakhs)	
Effect on Profit before tax	Year ended March 31, 2022	Year ended March 31, 2021
Interest rates : (Increase) by 50 basis points	(150)	(52)
Interest rates : Decrease by 50 basis points	150	52

In line with the requirement of Ind AS 1 "Presentation of Financial Statements", finance cost (representing LC discounting charges) aggregating to ₹ Nil (March 31, 2021: ₹ 282 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.

Notes forming part of the Standalone Financial Statements

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.

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Not due	-	-
Less than 6 months	22,923	18,091
More than 6 months	8,272	2,793
Total	31,195	20,884

No significant changes in estimation techniques or assumption were made during the reporting period.

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 forecasts on the basis of expected cash flows.



Notes forming part of the Standalone Financial Statements

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.

(₹ in lakhs)

As at March 31, 2022	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	35,500	-	35,500	-
Lease liabilities	1,435	453	900	82
Short term borrowings	14,785	14,785	-	-
Trade payables	39,763	39,763	-	-
Other financial liabilities	17,455	17,455	-	-

(₹ in lakhs)

As at March 31, 2021	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	47,000	-	47,000	-
Lease liabilities	552	330	122	100
Short term borrowings	13,488	13,488	-	-
Trade payables	30,931	30,931	-	-
Other financial liabilities	13,980	13,980	-	-

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.

(₹ in lakhs)

		As at March 31, 2022	As at March 31, 2021
Gross debts			
Net debts	A	148,798	103,246
Total capital	B	189,418	181,884
Capital and net debt	C = A + B	338,216	285,130
Gearing ratio	A / C	44%	36%

44 Ageing Schedule of Trade Receivables

(₹ in lakhs)

	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months- 1 year	1 - 2 years	2 - 3 years	> 3 years	
As on March 31, 2022						
Undisputed trade receivables -considered good	22,877	5,296	1,068	8	67	29,316
Undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables -credit impaired	-	-	-	-	-	-
Disputed trade receivables -considered good	46	48	27	899	858	1,879
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-
Total	22,923	5,344	1,096	907	925	31,195

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months- 1 year	1 - 2 years	2 - 3 years	> 3 years	
As on March 31, 2021						
Undisputed trade receivables -considered good	18,011	968	-	-	67	19,046
Undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables -credit impaired	-	-	-	-	-	-
Disputed trade receivables -considered good	81	-	899	16	842	1,838
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-
Total	18,092	968	899	16	909	20,884

45 Ageing Schedule of Trade Payables

(₹ in lakhs)

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Dues	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
As on March 31, 2022							
Dues of MSME	-	-	-	-	-	-	-
Dues of Creditors other than MSME including accrued liabilities	6,874	15,969	9,780	6,870	84	187	39,763
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	6,874	15,969	9,780	6,870	84	187	39,763
As on March 31, 2021							
Dues of MSME	-	-	-	-	-	-	-
Dues of Creditors other than MSME including accrued liabilities	5,095	14,825	10,668	146	44	153	30,931
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	5,095	14,825	10,668	146	44	153	30,931

46 Transaction with Struck off Companies

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022:

Name of the Struck off Companies	Nature of transactions	Balance Outstanding March 31, 2022 (₹ in lakhs)	Relationship with the Company
Jayman Engineering Private Limited	Payables	1	Other parties
Revenue Bull Tech Private Limited	Payables	13	Other parties
Munna Enterprises Private Limited	Payables	0	Other parties



Notes forming part of the Standalone Financial Statements

47 Additional Regulatory Disclosure - Ratios

	Measure (in times/ in percentage)	March 31, 2022	March 31, 2021	% Change	Reasons
Current Ratio	In times	1.58	1.65	-3.8%	-
Debt-Equity Ratio	In times	0.26	0.33	-20.0%	-
Debt Service Coverage Ratio (DSCR)	In times	3.09	2.69	14.7%	-
Return on Equity (ROE)	In percentage	5.0%	6.0%	-16.8%	-
Inventory Turnover Ratio	In times	2.41	2.17	10.9%	-
Trade Receivables Turnover Ratio	In times	5.02	5.13	-2.2%	-
Trade Payables Turnover Ratio	In times	2.68	3.64	-26.4%	Improved working capital management
Net Capital Turnover Ratio	In times	2.16	2.51	-14.2%	-
Net Profit Ratio	In percentage	7.1%	7.6%	-6.2%	-
Return on Capital Employed (ROCE)	In percentage	8.7%	9.7%	-10.7%	-
Return on investment (ROI)	In percentage	5.1%	6.5%	-20.7%	-

Formulae for Computation of Ratios are as follows :

Current Ratio	Current assets/ Current liabilities
Debt - Equity Ratio	Debts / (Paid up equity share capital + Other equity) - Debt includes long term borrowings + short term borrowings + current maturities of long term borrowings
Debt Service Coverage Ratio (DSCR)	Earning before Interest and Tax ('EBIT') / (Interest on long term debts for the period + Principal repayment on long term debts during the period)
Return on Equity (ROE)	Net Profit after tax / Average shareholders equity
Inventory Turnover Ratio	Cost of material/ Average inventory
Trade Receivables Turnover Ratio	Revenue from operation / Average of opening and closing trade receivables
Trade Payables Turnover Ratio	Purchase of services and other expenses / Average of opening and closing trade payables
Net Capital Turnover Ratio	Revenue from operation/ Working capital ie current assets - current liabilities
Net Profit Ratio	Net Profit / Revenue from operations
Return on Capital Employed (ROCE)	Earning before Interest and Tax / Capital employed Capital Employed = Networth + Non-current lease liabilities
Return on investment (ROI)	Income generated from invested funds/ Average invested fund in treasury investment

48 Earnings per share (EPS)

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit for the year (₹ in lakhs)	9,344	10,745
Weighted average number of equity shares for Basic EPS (Number of shares)	149,043,404	148,727,114
Weighted average number of equity shares for Diluted EPS (Number of shares)	149,743,028	149,946,620
Nominal value of equity shares (₹)	10	10
Basic EPS (₹)	6.27	7.22
Diluted EPS (₹)	6.24	7.17

Notes forming part of the Standalone Financial Statements

49 Contingencies and Commitments

(a) Contingent liabilities (to the extent not provided for)

i) Claims against the Company not acknowledged as debts

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Disputed labour cess demand (net of provision)	448	426
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	6,253	1,480
Disputed service tax liability	567	2,347
Disputed value added tax liability	142	298
Other claims against the Company	4,976	337
Letter of credit outstanding	537	834
	13,039	5,837

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

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Bank guarantees issued	95,093	47,844
	95,093	47,844

iii) Financial guarantees

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Guarantee given for the facilities granted		
- Subsidiaries and joint venture entities	50,151	132,537
- Others	1,895	1,895
	52,046	134,432

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. The same has been disclosed as contingent liabilities above in line with Ind AS requirements.

(b) Commitments

i) The Company has an outstanding commitments of ₹ 45,237 lakhs (March 31, 2021 ₹ 44,160 lakhs) towards equity contribution in its SPVs 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 ₹ 1,450 lakhs (March 31, 2021 ₹ 1,450 lakhs) on February 22, 2018. The balance amount is ₹ 122 lakhs (March 31, 2021 ₹ 122 lakhs).



Notes forming part of the Standalone Financial Statements

- iii) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), ₹ 1.63 lakhs (March 31, 2021 ₹ 1.63 lakhs) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is ₹ 0.13 lakhs (March 31, 2021 ₹ 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 ₹ 745 lakhs (March 31, 2021 ₹ 745 lakhs) . The balance amount is ₹ 72 lakhs (March 31, 2021 ₹ 72 lakhs).
- v) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') ₹ 0.48 lakhs (March 31, 2021 ₹ 0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is ₹ 0.03 lakhs (March 31, 2021 ₹ 0.03 lakhs).

50 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 October 10, 2017. The fair value of the above stock option of ₹ 4,179 lakhs is calculated at the average rate of ₹ 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 ₹ 285 lakhs (March 31, 2021 - ₹ 531 lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 36).

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 5,000 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	₹ Nil

Notes forming part of the Standalone Financial Statements

(₹ in lakhs)

	March 31, 2022		March 31, 2021	
	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	1,669,000	Nil	2,075,000	Nil
Options granted during the year	Nil	Nil	Nil	Nil
Options exercised during the year	919,000	Nil	406,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year *	750,000	Nil	1,669,000	Nil
Options vested but not exercised at the end of the year	150,000	Nil	469,000	Nil

* includes options vested but not exercised

(iii) Information in respect of options outstanding as at March 31, 2022

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
750,000	3	Nil

Information in respect of options outstanding as at March 31, 2021

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
1,669,000	15	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.



Notes forming part of the Standalone Financial Statements

(v) Effect of share- based payment plan on the Balance sheet and Statement of profit and loss:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Share options outstanding account (Refer note 21(b)(iii) (a))	994	1,989
Share based payments to employees (Refer note 36)	285	531

51 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".

52 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 :

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	125	95
Interest cost (net)	20	18
Net expenses recognised in statement of profit and loss	145	113

ii. Net expenses recognised during the year in other comprehensive income (OCI)

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gains) / losses arising from changes in demographic assumptions	2	-
Actuarial (gains) / losses arising from changes in financial assumptions	(6)	2
Actuarial (gains) / losses arising from changes in experience assumptions	(194)	(43)
Actuarial (gains) / losses for the year on plan asset	13	(0)
Net expenses recognised in other comprehensive income	(186)	(42)

Notes forming part of the Standalone Financial Statements

iii. Net liability recognised in the balance sheet

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	363	374
Present value of obligation	591	659
Net liability recognized in balance sheet	228	285

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation as at the beginning of the year	659	605
Service cost	125	95
Interest cost	46	42
Actuarial (gain) / loss on obligation	(198)	(41)
Liability transferred in/ (paid)	(22)	(41)
Benefits directly paid by the Company	(19)	-
Defined benefit obligation at the end of the year	591	659

v. Reconciliation of opening and closing balance of fair value of plan assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Fair values of plan assets at the beginning of the year	374	350
Return on plant assets, excluding interest income	13	25
Employer contribution	-	46
Fund charges	(3)	(5)
Benefits paid	(22)	(41)
Fair value of plan assets at year end	363	374

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Net defined benefit obligation as at the beginning of the year	285	255
Current service cost	125	95
Interest cost (net)	20	18
Actuarial (gain) / loss on obligation	(186)	(42)
Liability transferred in/ (paid)	(19)	-
Fund charges	3	5
Contribution paid to the fund	-	(46)
Net defined benefit obligation at the end of the year	228	285



Notes forming part of the Standalone Financial Statements

vii. Actuarial assumptions

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2012-14)
Discount rate (per annum)	7.32%	6.81%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	30% up to age 30, 30% from age 31 to 44 and 30% thereafter	30% up to age 30, 30% from age 31 to 44 and 23% thereafter

ix. Quantitative sensitivity analysis

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Impact of change in discount rate		
Present value obligation at the end of the year	591	659
Impact due to increase of 0.50%	(8)	(9)
Impact due to decrease of 0.50%	8	9
Impact of change in salary increase		
Present value obligation at the end of the year	591	659
Impact due to increase of 0.50%	8	9
Impact due to decrease of 0.50%	(8)	(9)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

x. Maturity analysis of projected benefit obligation: from the fund

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Year ended		
31-Mar-22	-	340
31-Mar-23	300	205
31-Mar-24	310	250
31-Mar-25	392	301
31-Mar-26	543	320
31-Mar-27	603	-

The weighted average duration of defined benefit obligation is 11.43 (March 31, 2021 - 12.19)

Notes

- Amounts recognized as an expense and included in the Note 36 "Employee benefits expense" are gratuity ₹ 125 lakhs (March 31, 2021 ₹ 95 lakhs) and leave encashment ₹ 46 lakhs (March 31, 2021 ₹ 46 lakhs). Net interest cost on defined benefit obligation recognised in Note 37 under "Finance costs" is ₹ 41 lakhs (March 31, 2021 ₹ 37 lakhs)
- 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.
- Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 36 of the financial statements.

Notes forming part of the Standalone Financial Statements

53 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Particulars of subsidiaries/ Consolidated Structured Entity

Direct subsidiaries	Principal activities	Extent of holding		Principal place of business
		As at March 31, 2022	As at March 31, 2021	
Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)	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 @	Infrastructure	76%	76%	India
Welspun Build-Tech 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 Infraconstruct Private Limited (Formerly known as Welspun Amravati Highways Private Limited)	Infrastructure	100%	100%	India
Welspun Road Infra Private Limited	Infrastructure	100%	100%	India
Welsteel Enterprises Private Limited	Infrastructure	49%	49%	India
Welspun Aunta-Simaria Project Private Limited #	Infrastructure	74%	74%	India
Welspun Infracility Private Limited	Infrastructure	100%	100%	India
Welspun-Kaveri Infracprojects JV Private Limited *	Infrastructure	70%	NA	India
Welspun-Kaveri Infracprojects JV **	Infrastructure	70%	NA	India

* w.e.f May 10, 2021

** Controlled Structured Entity

@ 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 March 31, 2022	As at March 31, 2021	
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

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

c) Associate

Name of the Entity	Extent of holding		Principal place of business
	As at March 31, 2022	As at March 31, 2021	
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited -Wholly owned subsidiary)	35%	35%	India

d) 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
Ms Dipali Goenka **	Non Independent Director
Mr Rajesh R. Mandawewala	Non Independent Director
Dr Aruna Sharma	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra	Independent Director
Dr Anoop Kumar Mittal **	Independent Director
Mr Ved Mani Tiwari #	Deputy Chief Executive Officer
Mr Sridhar Narasimhan ##	Chief Financial Officer
Mr Sanjay Sultania ###	Chief Financial Officer
Mr Rajesh Jain \$	Chief Human Resources Officer
Ms. Priya Pakhare	Company Secretary

* Mr Ajay Hans has been appointed as Managing Director in place of Mr Sandeep Garg w.e.f April 01, 2022

** Appointed w.e.f June 16, 2021

Resigned w.e.f. December 03, 2020

Appointed as Chief Financial Officer w.e.f May 18, 2020 and resigned w.e.f. February 19, 2021

Appointed as Chief Financial Officer w.e.f October 11, 2021

\$ Appointed as Chief Human Resources Officer w.e.f February 02, 2022

e) 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 Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited); Welspun Multiventures LLP; Welassure Private Limited; Welspun Global Services Private Limited; Welspun Specialty Solutions Limited

Notes forming part of the Standalone Financial Statements

f) Transactions with related parties

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Construction contract revenue (including unbilled work-in-progress)	114,676	138,898
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	133	468
Dewas Waterprojects Works Private Limited	-	210
Welspun Sattanathapuram Nagapattinam Road Private Limited	8,918	3,771
Welspun Road Infra Private Limited	21,023	31,783
Welspun Aunta-Simaria Projects Private Limited	14,990	7,341
Welspun Infracapacity Private Limited	36,751	57,915
Controlled Structured Entity		
Welspun-Kaveri Infracapacity JV	9,912	-
Joint Venture Companies		
MBL (CGRG) Road Limited	3,146	3,868
MBL (GSY) Road Limited	2,157	9,386
Chikhali - Tarsod Highways Private Limited	17,646	24,156
Operation and maintenance income	4,399	1,787
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	540	610
Welspun Road Infra Private Limited	870	-
Joint Venture Companies		
MBL (CGRG) Road Limited	1,522	636
MBL (GSY) Road Limited	1,173	541
Chikhali - Tarsod Highways Private Limited	294	-
Advisory and consultancy income	238	239
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	2	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	48	-
Welspun Road Infra Private Limited	41	205
Welspun Aunta-Simaria Projects Private Limited	1	-
Welspun Infracapacity Private Limited	108	4
Joint Venture Companies		
MBL (CGRG) Road Limited	20	-
MBL (GSY) Road Limited	-	9
Chikhali - Tarsod Highways Private Limited	18	21
Interest income	-	282
Joint Venture Companies		
MBL (CGRG) Road Limited	-	47
Chikhali - Tarsod Highways Private Limited	-	235
Interest income on loans and advances #	2,269	889
Subsidiaries		
Welspun Natural Resources Private Limited	2,050	410
Welspun Road Infra Private Limited	-	112
Joint Venture Companies		
MBL (CGRG) Road Limited	73	122
MBL (GSY) Road Limited	146	245
Income on unwinding of discount on interest free deposits #	6	5
Other Related Party		
Welspun Realty Private Limited	6	5
Miscellaneous Income #	(4)	8
Other Related Parties		
Welspun Corp Limited	(4)	-



Notes forming part of the Standalone Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Welspun Realty Private Limited	-	8
Interest expense on lease liability #	2	11
Other Related Parties		
Welspun Realty Private Limited	2	7
Welspun Corp Limited	0	4
Welspun Multiventures LLP	0	0
Right-to-use an underlying asset #	5	65
Other Related Parties		
Welspun Corp Limited	-	62
Welspun Multiventures LLP	5	3
Obligation to make lease payment #	5	65
Other Related Parties		
Welspun Corp Limited	-	62
Welspun Multiventures LLP	5	3
Repayment of lease obligation #	67	98
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	16	46
Welspun Multiventures LLP	1	2
Rent expenses	68	98
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	16	46
Welspun Multiventures LLP	2	2
Business promotion expenses	94	18
Other Related Party		
Welspun Global Brands Limited	94	18
Office expenses	13	10
Other Related Party		
Welassure Private Limited	13	10
Retainership Expenses	147	56
Other Related Party		
Welspun India Limited	147	56
BG Commission reimbursement	16	49
Associate		
Adani Welspun Exploration Limited	16	49
Staff welfare expenses	2	20
Other Related Parties		
Welspun Corp Limited	2	20
Welspun India Limited	0	-
Donation	376	345
Other Related Party		
Welspun Foundation for Health and Knowledge	376	345
Sale of Scrap	11	-
Other Related Party		
Welassure Private Limited	11	-
Rent Income	10	3
Associate		
Adani Welspun Exploration Limited	10	3
Loss on fair value of investment	-	157
Other Related Party		
Welspun Energy Thermal Private Limited	-	157

Notes forming part of the Standalone Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Investment (Fair value of interest free loan) #	2,157	3,430
Subsidiary		
Welspun Natural Resources Private Limited	1,956	3,076
Joint Venture Companies		
MBL (GSY) Road Limited	134	236
MBL (CGRG) Road Limited	67	118
Loans/ deposits/ advances given	39,479	91,120
Subsidiaries		
ARSS Bus Terminal Private Limited	4	3
Dewas Waterprojects Works Private Limited	222	652
Welspun Projects (Himmatnagar Bypass) Private Limited	2	230
Welspun Project (Kim Mandvi Corridor) Private Limited	1	2
Welspun Build-Tech Private Limited	1	2
Welspun Natural Resources Private Limited	5,260	5,394
Welspun Delhi Meerut Expressway Private Limited	1,542	2,095
DME Infra Private Limited	0	1
Welsteel Enterprises Private Limited	1	2
Welspun Aunta-Simaria Project Private Limited	1,599	4,179
Grenoble Infrastructure Private Limited	0	0
Welspun Infraconstruct Private Limited	24	0
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,334	603
Welspun Road Infra Private Limited	2,530	12,244
Welspun Infracapacity Private Limited	20,419	44,861
Controlled Structured Entity		
Welspun-Kaveri Infracapacity JV	327	-
Associate		
Adani Welspun Exploration Limited	-	133
Joint Venture Companies		
RGY Roads Private Limited	3	0
MBL (GSY) Road Limited	1,112	8,712
MBL (CGRG) Road Limited	230	7,767
Corbello Trading Private Limited	1	1
Chikhali - Tarsod Highways Private Limited	3,867	4,238
Other Related Party		
Welspun India Limited	-	0
Repayments of loans/ advances given	15,491	17,277
Subsidiaries		
Dewas Waterprojects Works Private Limited	331	560
MSK Projects (Himmatnagar Bypass) Private Limited	-	256
MSK Projects (Kim Mandvi Corridor) Private Limited	0	326
Welspun Delhi Meerut Expressway Private Limited	1,542	3,603
Welspun Natural Resources Private Limited	-	540
Welspun Road Infra Private Limited	132	7,702
Welspun Aunta-Simaria Project Private Limited	112	62
Welspun Sattanathapuram Nagapattinam Road Private Limited	22	18
Welspun Infracapacity Private Limited	1,970	486
Associate		
Adani Welspun Exploration Limited	62	84
Joint Venture Companies		
MBL (GSY) Road Limited	6,891	1,507
MBL (CGRG) Road Limited	4,089	1,326
Chikhali - Tarsod Highways Private Limited	340	806



Notes forming part of the Standalone Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Security deposit taken	1	-
Other Related Party		
Welspun Speciality Solutions Limited	1	-
Security deposit given refunded	11	18
Other Related Party		
Welspun Realty Private Limited	11	18
Trade advances adjusted	-	67
Subsidiary		
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	67
Mobilisation advance received	2,070	12,471
Subsidiaries		
Welspun Road Infra Private Limited	-	1,471
Welspun Infracapacity Private Limited	2,070	11,000
Mobilisation advance repaid/ adjusted	8,169	6,270
Subsidiaries		
Welspun Road Infra Private Limited	-	1,471
Welspun Infracapacity Private Limited	6,858	1,788
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	1,311	3,012
Redemption of Investment in optionally convertible debentures	-	699
Other Related Party		
Welspun Energy Thermal Private Limited	-	699
Conversion of Compulsorily Convertible Debenture to Equity shares	-	9,565
Subsidiary		
Welspun Road Infra Private Limited	-	9,565
Conversion of loan/ advance to Equity share	4,649	21,500
Subsidiaries		
Welspun Infracapacity Private Limited	4,649	15,660
Welspun Road Infra Private Limited	-	5,840
Conversion of loan/ advance to Compulsorily Convertible Debentures	-	2,778
Subsidiary		
Welspun Natural Resources Private Limited	-	1,717
Joint Venture Companies		
MBL (GSY) Road Limited	-	605
MBL (CGRG) Road Limited	-	456
Conversion of loan/ advance to Optionally Convertible Debentures	-	25,000
Subsidiaries		
Welspun Aunta-Simaria Project Private Limited	-	4,594
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	585
Welspun Road Infra Private Limited	-	1,499
Welspun Infracapacity Private Limited	-	14,039
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	-	3,773
MBL (GSY) Road Limited	-	403
MBL (CGRG) Road Limited	-	106
Conversion of Compulsorily Convertible Debentures to Loans	-	22,705

Notes forming part of the Standalone Financial Statements

Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in lakhs)		
Subsidiary		
Welspun Natural Resources Private Limited	-	22,705
Investment in equity shares	1	12
Subsidiary		
Welspun-Kaveri Infraprojects JV Private Limited	1	-
Other Related Parties		
Welassure Private Limited	-	12
Welspun Global Services Private Limited	-	0
Bank guarantee given/ (discharged) for advance received by Subsidiaries/ Joint Arrangements/ Associate	2,988	14,683
Subsidiaries		
Dewas Waterprojects Works Private Limited	-	200
Dewas Waterprojects Works Private Limited	-	(200)
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	22,050
Welspun Aunta-Simaria Project Private Limited	(5,805)	-
Welspun Road Infra Private Limited	(1,460)	-
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	12,651	-
Associate		
Adani Welspun Exploration Limited	(1,350)	-
Joint Venture Companies		
MBL (GSY) Road Limited	-	(1,184)
MBL (CGRG) Road Limited	-	(942)
Chikhali - Tarsod Highways Private Limited	(1,048)	(5,241)
Corporate guarantee given/ (discharged) for performance security of Subsidiaries/ Joint Arrangements/ Associate	(280)	(4,000)
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	(4,000)
Dewas Waterprojects Works Private Limited	(280)	-
Welspun Aunta-Simaria Project Private Limited	5,805	-
Welspun Aunta-Simaria Project Private Limited	(2,903)	-
Bank guarantee given/ (discharged) for performance security of Subsidiaries/ Joint Arrangements/ Associate	3,036	1,880
Subsidiary		
Welspun Projects (Himmatnagar Bypass) Private Limited	-	(10)
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	3,036	-
Associate		
Adani Welspun Exploration Limited	-	1,890
Directors Sitting Fees paid/ provided	53	35
Mr. Mohan Tandon	15	12
Mr. Raghav Chandra	14	12
Dr. Aruna Sharma	13	12
Dr. Anoop Kumar Mittal	11	-
Remuneration paid/ provided to KMP ^	1,567	1,995
Short term benefits **	1,567	1,995

^ 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 ₹ 120 lakhs (March 31, 2021 ₹ 120 lakhs) paid from AWEL to Mr. Sandeep Garg

Represents transactions related to Ind AS adjustments



Notes forming part of the Standalone Financial Statements

* Closing balances as at

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Loans, advances and deposits given	90,696	71,248
Subsidiaries		
Welspun Natural Resources Private Limited	43,917	38,563
Dewas Waterprojects Works Private Limited	299	407
Welspun Project (Kim Mandvi Corridor) Private Limited	57	56
Welspun Projects (Himmatnagar Bypass) Private Limited	3	1
ARSS Bus Terminal Private Limited	25	21
Welspun Build-Tech Private Limited	4	4
Welsteel Enterprises Private Limited	3	2
Welspun Aunta-Simaria Project Private Limited	1,487	0
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,312	0
DME Infra Private Limited	2	2
Grenoble Infrastructure Private Limited	1	1
Welspun Infraconstruct Private Limited (Formerly known as Welspun Amravati Highways Private Limited)	30	6
Welspun Road Infra Private Limited	4,620	2,222
Welspun Infrafacility Private Limited	28,508	14,708
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	327	-
Associate		
Adani Welspun Exploration Limited	5	67
Joint Venture Companies		
RGY Roads Private Limited	6	3
MBL (GSY) Road Limited	2,443	8,209
MBL (CGRG) Road Limited	3,103	6,956
Corbello Trading Private Limited	6	5
Chikhali - Tarsod Highways Private Limited	3,526	0
Other related parties		
Welspun Realty Private Limited	-	5
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	49,292	46,551
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	858	462
Dewas Waterprojects Works Private Limited	-	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	6,634	5,386
Welspun Aunta-Simaria Project Private Limited	1,888	2,139
Welspun Road Infra Private Limited	9,868	16
Welspun Infrafacility Private Limited	10,245	17,280
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	2,382	-
Associate		
Adani Welspun Exploration Limited	2	-
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	2,604	7,538
MBL (GSY) Road Limited	6,220	7,943
MBL (CGRG) Road Limited	8,588	5,787
Other related party		
Welassure Private Limited	3	0
Right-to-use an underlying asset	4	68

Notes forming part of the Standalone Financial Statements

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Other Related Parties		
Welspun Realty Private Limited	-	48
Welspun Corp Limited	-	18
Welspun Multiventures LLP	4	1
Lease Liability	4	55
Other Related Parties		
Welspun Realty Private Limited	-	34
Welspun Corp Limited	-	20
Welspun Multiventures LLP	4	1
Trade Payable/ Other Payable/ Deposits received	1,095	443
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	937	375
Other related parties		
Welspun Specialty Solutions Limited	1	-
Welassure Private Limited	1	-
Welspun India Limited	147	56
Welspun Global Brands Limited	9	-
Welspun Corp Limited	0	12
Expected credit loss	13,377	13,377
Subsidiary		
Welspun Natural Resources Private Limited	13,377	13,377
Contract liabilities	10,389	25,977
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	229	-
Welspun Infrafacility Private Limited	4,424	9,212
Welspun Aunta-Simaria Project Private Limited	225	4,307
Welspun Sattanathapuram Nagapattinam Road Private Limited	3,625	4,614
Welspun Road Infra Private Limited	1,118	6,271
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	767	-
Joint Venture Companies		
MBL (GSY) Road Limited	-	261
Chikhali - Tarsod Highways Private Limited	-	1,311
Provision for impairment of investment	1,368	1,368
Subsidiary		
Welspun Project (Kim Mandvi Corridor) Private Limited	1,368	1,368
Investment in equity shares	53,784	46,977
Subsidiaries		
Welspun Natural Resources Private Limited	9,068	7,112
ARSS Bus Terminal Private Limited	3,101	3,101
Welspun Build-Tech Private Limited	1	1
Welspun Projects (Himmatnagar Bypass) Private Limited	233	233
Welspun Project (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
Grenoble Infrastructure Private Limited	0	0
Welspun Infraconstruct Private Limited	1	1
Welspun Road Infra Private Limited	15,701	15,701
Welspun Infrafacility Private Limited	20,310	15,661
Welspun Aunta-Simaria Project Private Limited	74	74



Notes forming part of the Standalone Financial Statements

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Welsteel Enterprises Private Limited	5	5
Welspun-Kaveri Infraprojects JV Private Limited	1	-
Joint Venture Companies		
RGY Roads Private Limited	2,300	2,300
MBL (GSY) Road Limited	647	513
MBL (CGRG) Road Limited	320	253
Corbello Trading Private Limited	785	785
Chikhali - Tarsod Highways Private Limited	49	49
Other related parties		
Welasure Private Limited	12	12
Welspun Global Services Private Limited	0	0
Investment in compulsorily convertible debentures	34,438	34,438
Subsidiaries		
Welspun Natural Resources Private Limited	-	-
Welspun Build-Tech Private Limited	1,712	1,712
Welspun Project (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	3,872
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,170	2,170
Welspun Road Infra Private Limited	-	-
Welspun Aunta-Simaria Project Private Limited	3,482	3,482
Joint Venture Companies		
RGY Roads Private Limited	6,373	6,373
MBL (GSY) Road Limited	4,154	4,154
MBL (CGRG) Road Limited	3,279	3,279
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	-	-
Investment in optionally convertible debentures	56,295	56,295
Subsidiaries		
Dewas Waterprojects Works Private Limited	5,049	5,049
Welspun Delhi Meerut Expressway Private Limited	2,900	2,900
Welspun Aunta-Simaria Project Private Limited	8,144	8,144
Welsteel Enterprises Private Limited	3,475	3,475
Welspun Sattanathapuram Nagapattinam Road Private Limited	585	585
Welspun Road Infra Private Limited	1,499	1,499
Welspun Infracapacity Private Limited	14,039	14,039
Joint Venture Companies		
MBL (GSY) Road Limited	8,314	8,314
MBL (CGRG) Road Limited	6,563	6,564
Chikhali - Tarsod Highways Private Limited	5,727	5,727
Bank guarantee issued and outstanding for advance received by Subsidiaries/ Joint Arrangements/ Associate	34,701	30,363
Subsidiaries		
Welspun Road Infra Private Limited	-	1,460
Welspun Aunta-Simaria Project Private Limited	-	5,805
Welspun Sattanathapuram Nagapattinam Road Private Limited	22,050	22,050
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	12,651	-

Notes forming part of the Standalone Financial Statements

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	1,048
Corporate guarantee outstanding for performance security of Subsidiaries/ Joint Arrangements/ Associate	6,000	6,000
Subsidiary		
Welspun Sattanathapuram Nagapattinam Road Private Limited	6,000	6,000
Corporate guarantee outstanding for advance received by Subsidiaries/ Joint Arrangements/ Associate	6,966	4,064
Subsidiary		
Welspun Aunta-Simaria Project Private Limited	6,966	4,064
Bank guarantee issued and outstanding towards performance security of Subsidiaries/ Joint Arrangements/ Associate	5,880	4,194
Subsidiary		
Dewas Waterprojects Works Private Limited	361	361
Controlled Structured Entity		
Welspun-Kaveri Infraprojects JV	3,036	-
Associate		
Adani Welspun Exploration Limited	2,483	3,833

* Closing balances are considered after considering the Ind AS adjustments to make comparable with financial statements for reporting purpose.

Notes :

During the earlier year, the Company had given undertaking for Welspun Delhi Meerut Expressway Private Limited ('WDMEPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 2,038 lakhs (March 31, 2021 ₹ 4,028 lakhs)

During the earlier year, the Company had given guarantee for Welspun Sattanathapuram Nagapattinam Road Private Limited ('WSNRPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ Nil (March 31, 2021 ₹ Nil)

During the earlier year, the Company had given guarantee for Dewas Waterprojects Works Private Limited ('DWWPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 461 lakhs (March 31, 2021 ₹ 486 lakhs)

During the earlier year, the Company had given guarantee for Welspun Road Infra Private Limited ('WRIPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ Nil (March 31, 2021 ₹ 6,285 lakhs)

During the earlier year, the Company had given guarantee for Welspun Infracapacity Private Limited ('WIPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 11,136 lakhs (March 31, 2021 ₹ 79,394 lakhs)

Further, during the year the Company has given additional corporate guarantee for Welspun Infracapacity Private Limited ('WIPL') for its additional debt obligations (₹ 30,000 lakhs) to lenders which was also repaid during the year. Accordingly, there is no additional exposure on the said debt obligation as at March 31, 2022.



Notes forming part of the Standalone Financial Statements

During the earlier years, the Company had given guarantee for MBL (GSY) Road Limited ('GSY') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 9,213 lakhs (March 31, 2021 ₹ 6,254 lakhs)

During the earlier years, the Company had given guarantee for MBL (CGRG) Road Limited ('CGRG') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 2,945 lakhs (March 31, 2021 ₹ 2,772 lakhs)

During the earlier years, the Company had given guarantee for Chikhali - Tarsod Highways Private Limited ('CTHPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 3,986 lakhs (March 31, 2021: ₹ 14,986 lakhs)

An undertaking (financial guarantee as per Ind AS) is given to lenders for debt obligations to be given to Welspun Aunta-Simaria Private Limited ('WASPL'), maximum exposure towards this is ₹ 7,405 lakhs (March 31, 2021 ₹ 8,268 lakhs)

The Company had committed performance guarantee to its subsidiaries namely WDMEPL, DWPPL, WRIPPL, WASPL and WSNRPL aggregating to ₹ 4,323 lakhs (March 31, 2021 ₹ 4,323 lakhs), ₹ 280 lakhs (March 31, 2021 ₹ 280 lakhs), ₹ 7,300 lakhs (March 31, 2021 ₹ 7,300 lakhs), ₹ 5,805 lakhs (March 31, 2021 ₹ 5,805 lakhs) and ₹ 10,023 lakhs (March 31, 2021 ₹ 10,023 lakhs) respectively and also to its joint ventures namely GSY, CGRG and CTHPL aggregating to ₹ 6,080 lakhs (March 31, 2021 ₹ 6,080 lakhs), ₹ 4,844 lakhs (March 31, 2021 ₹ 4,844 lakhs) and ₹ 4,811 lakhs (March 31, 2021 ₹ 4,811 lakhs) respectively.

All transactions with related parties are made on arm's length basis in the ordinary course of business.

- 54** Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ('The Act') are given as follows :

	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
a) Principal amount payable to the suppliers under the Act		
- For capital goods	-	-
- For others	-	411
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 under 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

55 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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables	31,195	20,884
Contract assets	29,190	28,221
Contract liabilities	45,643	25,992

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 increase in Contract assets in March 2022 is on account of increase 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 2022 is on account of increase in unearned revenue.

(iii) Amount of revenue recognised from :

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Amounts included in contract liabilities at the beginning of the year	15,468	5,583

56 Leases

The Company has building premises being used for its operation having lease term between 0.5 years and 10 years.

A The details of the right-of-use asset held by the Company is as follows:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	431	387
Add : Additions during the year	1,146	387
Less : Deletion during the year	(70)	-
Less : Depreciation expenses	(402)	(344)
Net carrying amount	1,105	431



Notes forming part of the Standalone Financial Statements

B The details of the lease liability of the Company is as follows:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	448	393
Add: Additions during the year	1,104	387
Less: Deletion during the year	(84)	-
Add: Accretion of interest	82	50
Less: Payments (including waiver of rent)	(419)	(382)
Net carrying amount	1,131	448
Lease liability (Non Current)	578	180
Lease liability (Current)	554	268
	1,132	448

C The following are the amounts recognised in profit or loss:

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets	402	344
Interest expense on lease liabilities	82	50
Total amount recognised in profit or loss	484	394

The Company had total cash outflows for leases of ₹ 419 lakhs (March 31, 2021 ₹ 360 Lakhs). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 1,146 Lakhs (March 31, 2021 ₹ 387 lakhs)

57 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

58 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 6 and 13 forming part of the financial statements.

Notes forming part of the Standalone Financial Statements

59 Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

	(₹ in lakhs)			
	Balance as at March 31, 2022 @	Maximum amount outstanding during the year ended March 31, 2022	Balance as at March 31, 2021 @	Maximum amount outstanding during the year ended March 31, 2021
i. Loans and advances in the nature of loans to subsidiary				
Welspun Natural Resources Private Limited @@	30,540	49,204	25,186	22,957
Welspun Project (Kim Mandvi Corridor) Private Limited	57	57	56	380
Welspun Projects (Himmatnagar Bypass) Private Limited	3	3	1	112
ARSS Bus Terminal Private Limited	25	25	21	21
Dewas Waterprojects Works Private Limited	299	456	407	788
Welspun Delhi Meerut Expressway Private Limited	-	-	-	1,560
Welspun Build-Tech Private Limited (Formerly Welspun Construction Private Limited)	4	4	4	4
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,312	2,312	0	525
DME Infra Private Limited	2	2	2	2
Grenoble Infrastructure Private Limited	1	1	1	1
Welspun Infraconstruct Private Limited	30	30	6	6
Welspun Road Infra Private Limited	4,620	4,620	2,222	29,612
Welsteel Enterprises Private Limited	3	3	2	2
Welspun Aunta-Simaria Project Private Limited	1,487	1,487	0	9,612
Welspun Infracility Private Limited	28,508	33,157	14,708	44,407
ii. Loans and advances in the nature of loans to Consolidated Structured Entity				
Welspun-Kaveri Infracprojects JV	327	327	-	-
iii. Loans and advances in the nature of loans to Associate				
Adani Welspun Exploration Limited	5	67	67	76
iv. Loans and advances in the nature of loans to Joint Venture Companies				
RGY Roads Private Limited	6	6	3	3
MBL (GSY) Road Limited	2,443	8,445	8,209	13,026
MBL (CGRG) Road Limited	3,103	7,144	6,956	13,945
Corbello Trading Private Limited	6	6	5	5
Chikhali - Tarsod Highways Private Limited	3,526	3,558	0	6,038



Notes forming part of the Standalone Financial Statements

	(₹ in lakhs)			
	Balance as at March 31, 2022 @	Maximum amount outstanding during the year ended March 31, 2022	Balance as at March 31, 2021 @	Maximum amount outstanding during the year ended March 31, 2021
v. Loans and advances in the nature of loans to firms/ companies in which directors are interested	Nil	Nil	Nil	Nil
vi. 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 ₹ 13,377 Lakhs (March 31, 2021 : ₹ 13,377 Lakhs)

60 Proposed dividends on equity shares

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dividend proposed for March 31, 2022 ₹ 1.50 per share (March 31, 2021 ₹ 1.50 per share)	2,247	2,233

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability as at reporting date.

61 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:

	(₹ in lakhs)			
	Long term borrowings (Including current maturities)	Short term borrowings	Equity share capital	Securities Premium
As at March 31, 2021	50,514	9,732	14,886	93,861
Cash inflow	-	-	-	-
Cash outflow	(418)	(9,785)	-	-
Non-cash items - other changes (Refer note below (b))	80	53	92	1,188
As at March 31, 2022	50,176	-	14,978	95,049

b) Non- cash investing and financing activities for the current year

- Other Non-cash changes in long term borrowings are related to amortisation of processing fees and accrued interest.
- Other Non-cash changes in short term borrowings are related to amortisation of processing fees
- Other Non-cash changes in equity share capital and securities premium are on account of equity shares allotted pursuant to exercise of stock option (Refer note 50)
- Conversion of loan to Investment (Equity) during the year is ₹ 4,649 lakhs

Notes forming part of the Standalone Financial Statements

62 Corporate Social Responsibility ('CSR')

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Details of related party - Contribution to Welspun Foundation for Health & Knowledge ('WFHK')	376	345
Amount required to be spent as per Section 135 of the Companies Act 2013	376	345
Amount spent by WFHK during the year on:		
Construction/ acquisition of an asset	-	-
On purposes other than above	376	217
Shortfall at the end of the year	-	128
Total of previous year shortfall	128	-

Nature of CSR activities :

Promoting Healthcare, Empowerment of women and socially backward, Empowerment of women, Ensuring road Safety, Ensuring environmental Sustainability, Disaster Relief, Livelihood enhancement project, CSR capacity building of own personnel.

The unspent amount of WFHK amounting to ₹ 128 lakhs was deposited on April 26, 2022 in separate account in accordance with the provisions of the Companies Act, 2013 on behalf of the Company, which is opened in the name of "Welspun Foundation for Health and Knowledge - Unspent CSR Amount FY 2021-22.

Other Statutory Information

- 63** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 64** The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- 65** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 66** The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- 67** The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 68** The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- 69** Utilization of borrowed funds and securities premium
- a) During the financial year ended March 31, 2022, the Company has advanced ₹ 5,253 lakhs at various dates to Welspun Natural Resources Private Limited ('WNRPL'), being intermediary (a wholly owned subsidiary), with the understanding that the intermediary shall lend or invest in Adani Welspun Exploration Limited ('AWEL') being ultimate beneficiary (an associate company). The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act and the transactions does not violate the provision of the Prevention of Money Laundering Act, 2002 (15 of 2003). Except for the above, the Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



Notes forming part of the Standalone Financial Statements

b) No fund (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('funding parties') with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ('Ultimate Beneficiaries') or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

70 The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

71 The Company has granted loans which are repayable on demand during the year to related parties as defined in clause (76) of section 2 of the Companies Act, 2013 are as under.

Aggregate amount of loans:	Promoters	Directors	KMPs	Related Parties
(A) Repayable on demand (A)	-	-	-	52,502
(B) Agreement does not specify any terms or period of repayment (B)	-	-	-	-
Total C = (A+B)	-	-	-	52,502
Long term loans (D)	-	-	-	24,805
Total E = (C + D)	-	-	-	77,307
Percentage of loans to the total carrying value of loans	-	-	-	67.91%

72 Estimation of uncertainty relating to COVID - 19 Outbreak

COVID-19 pandemic has impacted the Company's operations partially during the year. With easing of lockdown, the Company's performance in the later part of the current year has improved progressively and we expect the momentum to continue with an overall improvement in Covid situation. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets.

73 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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary

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 March 31, 2022, 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 March 31, 2022, 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 March 31, 2022. 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.	Principal audit procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following:



Key audit matter	Auditor's response
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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 associate 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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. OTHER MATTERS

The consolidated financial statements include the audited financial statements of Thirteen subsidiaries and one structured entity whose financial statements reflect total assets of ₹364,757 lakhs as at March 31, 2022, total revenues of ₹93,649 lakhs, total net profit after tax of ₹401 lakhs, total comprehensive income of ₹401 lakhs and total cash inflow of ₹14,625 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 ₹163 lakhs and total comprehensive loss of ₹161 lakhs for the year ended March 31, 2022, 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 the 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 report 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the 'Other Matters' section, we report, to the extent applicable, 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, 2022 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 March 31, 2022 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. (Refer note 53 of consolidated financial statements)
 - 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.
 - iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 71 B (a) to the consolidated

financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 71 B (b) to the consolidated financial statements, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.;



- v. As stated in note 65 to the consolidated financial statements
- a. The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
- b. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- B. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the

"Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries, associate and joint venture companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, May 12, 2022
UDIN: 22048215AIWOXI9186

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 8A(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 March 31, 2022.

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 March 31, 2022 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 March 31, 2022, 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, May 12, 2022
UDIN: 22048215AIWOXI9186

Consolidated Balance Sheet

as at March 31, 2022

	Notes	As at March 31, 2022	(₹ in lakhs) As at March 31, 2021
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	3,856	4,135
(b) Right-of-use asset	5	1,105	431
(c) Capital work-in-progress	4	6,381	6,381
(d) Intangible assets	6	182,154	5,689
(e) Intangible assets under development	6	-	133,919
(f) Investments in an associate and joint venture companies	58	70,091	64,568
(g) Financial assets			
i. Investments	7	13	13
ii. Loans	8	2,663	2,646
iii. Receivable under service concession arrangement	9	145,427	113,624
iv. Others	10	8,846	10,344
(h) Deferred tax assets (net)	45	650	562
(i) Non-current tax assets (net)	11	3,371	2,470
(j) Other non-current assets	12	730	818
Total non-current assets		425,287	345,600
2. Current assets			
(a) Inventories	13	4,807	489
(b) Contract assets	14	26,147	10,541
(c) Financial assets			
i. Investments	15	11,097	15,830
ii. Trade receivables	16	13,768	13,452
iii. Cash and cash equivalents	17	23,424	19,858
iv. Bank balances other than (iii) above	18	4,294	1,577
v. Loans	19	6,426	12,645
vi. Receivable under service concession arrangement	20	18,746	17,027
vii. Other financial assets	21	3,283	4,477
(d) Other current assets	22	49,705	34,839
Total current assets		161,697	130,735
Assets held-for-sale	23	2,476	2,513
		164,173	133,248
		589,460	478,848
Equity and liabilities			
Equity			
(a) Equity share capital	24	14,978	14,886
(b) Other equity	24	164,130	153,561
Equity attributable to equity holders of the parent		179,108	168,447
Non-controlling interests	59	268	128
Total equity		179,376	168,575
Liabilities			
1. Non-current liabilities			
(a) Contract liabilities	25	18,536	-
(b) Financial liabilities			
(i) Borrowings	26	230,268	204,383
(ii) Lease liabilities	27	577	180
(c) Provisions	28	2,968	2,964
(d) Deferred tax liabilities (net)	45	2,799	1,056
(e) Other non current liabilities	29	-	285
Total non-current liabilities		255,148	208,868
2. Current liabilities			
(a) Contract liabilities	30	71,249	31,593
(b) Financial liabilities			
i. Borrowings	31	21,229	18,867
ii. Lease liabilities	32	554	268
iii. Trade payables	33	-	411
- Due of micro enterprises and small enterprises		-	411
- Due of creditors other than micro enterprises and small enterprises		40,826	32,532
iv. Other financial liabilities	34	16,835	13,626
(c) Provisions	35	195	251
(d) Other current liabilities	36	4,016	3,856
(e) Current tax liabilities (net)	37	32	-
Total current liabilities		154,936	101,405
Total equity and liabilities		589,460	478,848

Notes forming part of the consolidated financial statements 1 to 74

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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman
DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director
DIN 00391261

Priya Pakhare

Company Secretary



Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	38	140,140	152,951
Other income	39	17,359	14,201
Total income		157,499	167,152
Expenses			
Cost of materials consumed	40	6,371	605
Subcontracting, civil and repair work		91,267	112,951
Employee benefits expense	41	10,994	8,281
Finance costs	42	13,997	11,045
Depreciation and amortisation expense	43	1,593	1,599
Other expenses	44	16,610	13,974
Total expenses		140,832	148,455
Profit before share of profit of an associate and joint venture companies		16,667	18,697
Share of profit / (loss) from an associate and joint venture companies	58	68	(725)
Profit before tax		16,735	17,972
Tax expense			
- Current tax		2,516	2,927
- Deferred tax charge		1,609	2,027
Total tax expense		4,125	4,954
Profit for the year		12,610	13,018
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans		186	60
Income tax effect on above		(47)	(15)
Share of OCI of associate		1	1
Other comprehensive income for the year (net of tax)		140	46
Total comprehensive income for the year		12,750	13,064
Profit attributable to :			
Owners of the Parent Company		12,470	12,899
Non-controlling interest		140	119
Total comprehensive income attributable to :			
Owners of the Parent Company		12,610	12,945
Non-controlling interest		140	119
Earnings per equity share of ₹10 each fully paid up			
Basic (₹)	52	8.37	8.67
Diluted (₹)		8.33	8.60

Notes forming part of the consolidated financial statements 1 to 74

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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman
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Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director
DIN 00391261

Priya Pakhare

Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	16,735	17,972
Adjustments for		
Depreciation and amortisation expense	1,593	1,599
Gain on sale/ discard of property, plant and equipment (net)	(113)	(1)
Interest income	(16,812)	(12,106)
Finance costs	13,997	11,045
Gain on lease modification (net)	(14)	-
Dividend income	(13)	(9)
Provision for employee benefits	134	27
Loss on swap instrument	229	-
Net gain on financial assets mandatorily measured at FVTPL	(337)	(1,670)
Reversal of provision no longer required	(20)	(93)
Balances written off	-	133
Unwinding of discount on security deposits	(17)	(10)
Share based payments to employees	285	531
Share of loss from associate and joint venture companies	(68)	725
Operating profit before working capital changes	15,579	18,143
Adjustments for		
Decrease/ (Increase) in trade and other receivables	(47,505)	(20,775)
(Decrease)/ Increase in trade and other payables	68,337	7,155
Decrease / (Increase) in inventories	(4,318)	(421)
Cash used in operations	32,092	4,102
Direct taxes paid (net of refunds)	(3,386)	(3,228)
Net cash used in operating activities (A)	28,707	874
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(686)	(177)
Intangible assets and Intangible assets under development	(42,897)	(74,556)
Sale of property, plant and equipment and assets held-for-sale	255	7
Gain /(loss) on sale of current investments (net)	64	(395)
Investment in other entity	-	(12)
Loans given to joint venture companies	(5,212)	(20,718)
Loans given to associate	(5,253)	(5,171)
Loans given to others	-	0
Loans given to joint venture companies repaid	11,320	3,640
Loans given to associate repaid	62	84
Redemption of investment in optionally convertible debentures	-	699
Redemption of investment	-	5,224
Increase in other bank balances and restricted investments	(8,105)	(6,254)
Inter-corporate deposits given repaid	50	50
Dividend received	13	9
Interest received	1,683	5,818
Net cash used in investing activities (B)	(48,706)	(91,752)



Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
C Cash flow from financing activities		
Proceeds from long-term borrowings	102,936	115,627
Repayment of long-term borrowings	(65,264)	(10,426)
(Decrease)/ Increase in short-term borrowings (net)	(8,946)	(18,982)
Principal payment of lease liabilities	(419)	(360)
Interest paid	(13,608)	(7,579)
Dividend paid	(2,234)	(2,974)
Net cash generated from financing activities (C)	12,466	75,306
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7533)	(15,573)
Cash and cash equivalents at the beginning of the year	33,697	49,269
Cash and cash equivalents at the end of the year	26,164	33,697

Notes:

1. Break up of cash and cash equivalents are as follows	Year ended March 31, 2022	Year ended March 31, 2021
Current investments (exclusive of fair value adjustments)	2,740	14,624
Cash and cash equivalents	23,424	19,858
Less : Bank Overdraft (disclosed under current financial liabilities - borrowings)	-	(785)
Total	26,164	33,697

- 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 68.
- Cash and cash equivalents disclosed above excludes restricted cash balances of ₹ Nil (March 31, 2021 : ₹305 lakhs) forming part of Cash and cash equivalents as disclosed in Balance Sheet.
- The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 68.
- 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

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(i) Current Year	Balances as at			Changes in equity		Balances as at March 31, 2022
	April 01, 2021	share capital due to prior period errors	Restated Balance as at April 01, 2021	share capital	share capital	
	14,886	-	14,886	92	92	14,978

(₹ in lakhs)

(ii) Previous Year	Balances as at			Changes in equity		Balances as at March 31, 2021
	April 01, 2020	share capital due to prior period errors	Restated Balance as at April 01, 2020	share capital	share capital	
	14,845	-	14,845	41	41	14,886

(₹ in lakhs)

B. OTHER EQUITY

Notes	Reserves and surplus					Total other equity	Non-controlling interests	Total
	Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve			
Balance as at April 01, 2021 (A)	27,993	93,859	1,989	521	567	28,632	128	153,689
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2021 (B)	27,993	93,859	1,989	521	567	28,632	128	153,689
Profit for the year	-	-	-	-	-	12,470	140	12,610
Other comprehensive income	-	-	-	-	-	139	-	139
Total comprehensive income for the year (C)	-	-	-	-	-	12,609	140	12,749
Compensation options granted 54 & 24(b)	-	-	285	-	-	-	-	285
Exercise of share options 54 & 24(b)	-	1,188	(1,280)	-	-	-	(92)	(92)
Dividends paid 65	-	-	-	-	-	(2,234)	-	(2,234)
Non-controlling interest 59	-	-	-	-	-	-	-	0
Share of an associate 58	-	-	-	-	-	-	1	1
Total (D)	-	1,188	(995)	-	-	(2,233)	(2,040)	(2,040)
Balance as at March 31, 2022 (E = B+C+D)	27,993	95,047	994	521	567	39,008	268	164,398

(₹ in lakhs)



Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in lakhs)

Notes	Reserves and surplus					Non-controlling interests	Total
	Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve		
Balance as at April 01, 2020 (A)	27,993	93,334	2,024	521	567	18,661	143,100
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at April 01, 2020 (B)	27,993	93,334	2,024	521	567	18,661	143,100
Profit for the year	-	-	-	-	-	12,899	12,899
Other comprehensive income for the year	-	-	-	-	-	45	45
Total comprehensive income for the year (C)	-	-	-	-	-	12,944	12,944
Compensation options granted 54 & 24(b)	-	-	531	-	-	-	531
Exercise of share options 54 & 24(b)	-	525	(566)	-	-	-	(41)
Dividends paid	65	-	-	-	-	(2,974)	(2,974)
Share of an associate	58	-	-	-	-	1	1
Total (D)	-	525	(35)	-	-	(2,973)	(2,483)
Balance as at March 31, 2021 (E = B+C+D)	27,993	93,859	1,989	521	567	28,632	153,561
							128
							10
							143,109

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 54 for further details of this plan.

Statement of Changes in Equity

for the year ended March 31, 2022

d) Amalgamation reserve

It represents reserve arising out of amalgamation of 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 consolidated financial statements 1 to 74

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

Ajay Hans

Managing Director
DIN 00391261

Sanjay Kothari

Partner
Membership Number 048215

Sanjay Sultania

Chief Financial Officer

Priya Pakhare

Company Secretary

Place: Mumbai

Date : May 12, 2022

Place: Mumbai

Date : May 12, 2022



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 March 31, 2022 were authorised for issue by the Board of Directors at their meeting held on May 12, 2022.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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, relevant provision of Schedule III (as amended) 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 ₹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 March 31, 2022.
- 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
	March 31, 2022	March 31, 2021	
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 @	76%	76%	India
Welspun Build-Tech 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	49%	49%	India
DME Infra Private Limited	100%	100%	India
Welspun Sattanathapuram Nagapattinam Road Private Limited \$	70%	70%	India
Welspun Road Infra Private Limited	100%	100%	India
Welsteel Enterprises Private Limited	49%	49%	India
Welspun Aunta-Simaria Project Private Limited ^	74%	74%	India
Welspun Infraconstruct Private Limited	100%	100%	India
Welspun Infracapacity Private Limited	100%	100%	India
Welspun-Kaveri Infracapacity JV Private Limited *	100%	NA	India
Welspun-Kaveri Infracapacity JV **	70%	NA	India

* w.e.f May 10, 2021

** Controlled Structured Entity

@ 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.

- 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.



Notes forming part of the Consolidated Financial Statements

- 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
	March 31, 2022	
Associate		
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited -Wholly owned subsidiary)	35%	India
Joint venture companies		
RGY Roads Private Limited	49%	India
MBL (GSY) Road Limited #	49%	India
MBL (CGRG) Road Limited #	49%	India
Corbello Trading Private Limited	49%	India
Chikhali - Tarsod Highways Private Limited ##	49%	India

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 POLICIE

- 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.

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.

Notes forming part of the Consolidated Financial Statements

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.

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

Revenue from supply of services (maintenance, advisory and consultancy)

are accounted as and when the right to receive the same arises and it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. 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.

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



Notes forming part of the Consolidated Financial Statements

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

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in Statement of profit and loss immediately in the period in which such costs are incurred.

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.

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.

Notes forming part of the Consolidated Financial Statements

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.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. Based on business model assessment, the Group measures such financial assets at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. 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.

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 (including Service concession arrangements) that came into existence after the transition date are amortised on straight line method ('SLM') basis 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. Property, plant and equipment, costing individually ₹5,000 or less are depreciated fully in the year of purchase.

Pursuant to this policy, property, plant and equipment are depreciated over the useful life as provided below :-

Assets descriptions	Useful life
Buildings	30 years to 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 (including networking equipments)	3 years to 6 year

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

Intangible assets not ready for the intended use as on the date of the Balance Sheet are disclosed as “Intangible Assets Under Development”

Notes forming part of the Consolidated Financial Statements

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.

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 and 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, components and consumables (chemicals) are valued at lower of cost and net realizable value. 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



Notes forming part of the Consolidated Financial Statements

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.

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.

Notes forming part of the Consolidated Financial Statements

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.

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 temporary 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,



Notes forming part of the Consolidated Financial Statements

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.

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 or 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 in substance 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.

Notes forming part of the Consolidated Financial Statements

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.

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 occurrence or non occurrence 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



Notes forming part of the Consolidated Financial Statements

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.

- 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.

Notes forming part of the Consolidated Financial Statements

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)

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.



Notes forming part of the Consolidated Financial Statements

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.

E. Derivatives

The Group uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e. when interests are paid according to benchmark market interest rates. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

xxii) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- a) fair values of the assets transferred;
- b) liabilities incurred to the former owners of the acquired business;
- c) equity interests issued by the group; and
- d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- a) consideration transferred;
- b) amount of any non-controlling interest in the acquired entity, and
- c) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable

Notes forming part of the Consolidated Financial Statements

assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate

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) 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.



Notes forming part of the Consolidated Financial Statements

a) Contract estimates

The group prepares budgets in respect 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 54.

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 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 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.

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

Notes forming part of the Consolidated Financial Statements

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 46).

g) Classification of associate and joint arrangement

Please refer note 58 (b) (v) and 58 (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 53.

i) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based

on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3 (D) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards ('Conceptual Framework') issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.



Notes forming part of the Consolidated Financial Statements

4 Property, plant and equipment

Particulars	Land - Freehold	Buildings	Plant and machinery	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Gross carrying amount								
Balance as at April 01, 2020	1750*	6	3,507	107	1,194	179	47	6,790
Additions	-	223	103	16	3	142	51	538
Disposals	-	-	18	0	30	0	5	53
Balance as at March 31, 2021	1,750	229	3,592	123	1,167	321	93	7,275
Additions	1	-	141	75	138	91	220	666
Disposals	4	-	33	-	56	1	69	163
Balance as at March 31, 2022	1,747	229	3,700	198	1,249	411	244	7,778
Particulars	Land - Freehold	Buildings	Plant and machinery	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Accumulated depreciation								
Upto April 01, 2020	-	2	1,656	45	454	118	30	2,305
Additions	-	3	546	20	228	69	16	882
Disposals	-	-	14	0	29	0	4	47
Upto March 31, 2021	-	5	2,188	65	653	187	42	3,140
Additions	-	22	406	62	175	88	86	839
Disposals	-	-	1	0	35	1	20	57
Upto March 31, 2022	-	27	2,593	127	793	274	108	3,922
Net carrying amount								
Balance as at March 31, 2022	1,747	202	1,107	71	456	137	136	3,856
Balance as at March 31, 2021	1,750	224	1,404	58	514	134	51	4,135
Net carrying amount							As at March 31, 2022	As at March 31, 2021
Property, plant and equipment							3,856	4,135
Capital work-in-progress							6,381	6,381

Ageing for Capital work-in-progress as at March 31, 2022 is as follows :

Project in progress	Amount in Capital work-in-progress for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years More than 3 years	
Project suspended till resolution of dispute *	-	-	-	-
	-	-	6,381	6,381

* refer note 66 & 67

Notes forming part of the Consolidated Financial Statements

Ageing for Capital work-in-progress as at March 31, 2021 is as follows :

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	-	-	-	-	-
Project suspended till resolution of dispute *	-	-	-	6,381	6,381

* Comprises ₹5,726 (refer note 66) & ₹655 lakhs (refer note 67)

Note

For details of property, plant and equipment pledged as security, refer note 26 & 31.

* Includes value of land ₹ Nil (Original value of ` 36 lakhs) at Pune for which the legal documents are yet to be executed.

Description of property	Gross carrying value (₹ in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land at Village - Indapur Dist. Pune	36	Mr. Mahadev Shankar Gurgude & Mr. Chittaranjan Patil	No	Since October 2010	Dispute before the Court of Baramati Civil Court. The owner and his power of attorney holder did not fulfill their obligations under the Agreement to sell.



Notes forming part of the Consolidated Financial Statements

5 Right-of-use assets

(₹ in lakhs)

	Leased premises	Total
Gross carrying amount		
Balance as at April 01, 2020	694	694
Additions	387	387
Disposals	-	-
Balance as at March 31, 2021	1,081	1,081
Additions	1,146	1,147
Disposals	(222)	(222)
Balance as at March 31, 2022	2,005	2,005

(₹ in lakhs)

	Leased premises	Total
Accumulated depreciation		
Upto April 01, 2020	306	306
Additions	344	344
Disposals	-	-
Upto March 31, 2021	650	650
Additions	402	402
Disposals	(152)	(152)
Upto March 31, 2022	900	900

Net carrying amount

Balance as at March 31, 2022	1,105	1,105
Balance as at March 31, 2021	431	431

Notes forming part of the Consolidated Financial Statements

6 Intangible assets

(₹ in lakhs)

	Dewas Water Supply Project	BOT Project at Himmatnagar *	Mukarba Chowk - Panipat Toll Road Project #	Total
Gross carrying amount				
Balance as at April 01, 2020	6,100	350	-	6,450
Additions	231	-	-	231
Balance as at March 31, 2021	6,331	350	-	6,681
Additions	-	-	176,816	176,816
Balance as at March 31, 2022	6,331	350	176,816	183,497

(₹ in lakhs)

	Dewas Water Supply Project	BOT Project at Himmatnagar *	Mukarba Chowk - Panipat Toll Road Project #	Total
Accumulated amortisation				
Upto April 01, 2020	284	335	-	619
Additions	358	15	-	373
Upto March 31, 2021	642	350	-	992
Additions	352	-	-	352
Upto March 31, 2022	994	350	-	1,344
Net carrying amount				
Balance as at March 31, 2022	5,338	-	176,816	182,154
Balance as at March 31, 2021	5,689	-	-	5,689

	As at March 31, 2022	As at March 31, 2021
Net carrying amount		
Intangible assets	182,154	5,689
Intangible assets under development	-	133,919

Ageing for Intangible assets under development as at March 31, 2022 is as follows :

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Intangible assets under development	-	-	-	-	-
	-	-	-	-	-

Ageing for Intangible assets under development as at March 31, 2021 is as follows :

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Intangible assets under development	133,919	-	-	-	133,919
	133,919	-	-	-	133,919

Notes :

For details of property, plant and equipment pledged as security, refer note 26 & 31.

* Handed over to Gujarat State Road Development Corporation Limited ('GSRDC') on August 09, 2020.

Received Provisional Commercial Operation Date ('PCOD') on March 31, 2022



Notes forming part of the Consolidated Financial Statements

7 Non-current investments

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Investment at fair value through profit and loss		
Investment in equity instruments - Quoted		
Union Bank of India (Formerly known as Corporation Bank Limited) 2,640 (March 31, 2021 : 2,640) equity Shares of ₹10/- each fully paid up	1	1
Investment in equity instruments - Unquoted		
Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited) 1,549 (March 31, 2021 : 1,549) equity shares of ₹10 each fully paid up	-	-
Welassure Private Limited 1,900 (March 31, 2021 : 1,900) equity shares of ₹10 each fully paid up	12	12
Welspun Global Services Private Limited 1,900 (March 31, 2021 : 1,900) equity shares of ₹10 each fully paid up	0	0
Ecstatic Engineering Consultants Private Limited 480 (March 31, 2021 : 480) equity shares of ₹10 each fully paid up	0	0
Investment in Government Securities		
Indira Vikash Patra	0	0
Investments - Debentures		
Unquoted		
Welspun Energy Thermal Private Limited 1,570,832 (March 31, 2021 : 1,570,832) 0% unsecured optionally convertible debentures of ₹10 each fully paid up @	-	-
Total	13	13
Aggregate book value of quoted investments	1	1
Aggregate book value of unquoted investments	12	12
Aggregate market value of quoted investments	1	1

@ Each debenture having face value of ₹10 each shall at the option of the Company be converted into appropriate number of equity shares of ₹10 each fully paid up, not later than 10 years from the date of allotment of optionally convertible debentures.

8 Non-current financial assets - Loans

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured - considered good		
Loans to related parties (Refer note 56)	2,663	2,646
Total	2,663	2,646

Loans are non-derivative financial assets carried at amortised cost which generates a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

9 Receivable under service concession arrangement

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Service concession receivables	145,427	113,624
Total	145,427	113,624

Notes forming part of the Consolidated Financial Statements

10 Non-current financial assets -others

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured		
Security deposits- considered good - others	313	400
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 56)	5	-
- Others	391	323
Bank deposit having maturity of more than 12 months - *	8,137	9,621
Held as margin money against borrowings, guarantees and other commitments (with various government authorities and banks)		
Total	8,846	10,344

* Deposits with banks earns interest at prevailing bank deposit rates.

* Earmarked investments of ₹5,273 (March 31, 2021: ₹5,076 lakhs) for Dewas Waterprojects works Private Limited as collateral security for its debt obligations to lenders.

11 Non-current tax assets (net)

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with government authorities :		
- Direct tax (net of provision for taxation)	3,371	2,470
Total	3,371	2,470

12 Other non-current assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital advances	51	32
Prepaid expenses	340	126
Balances with government authorities - Indirect taxes	338	660
Total	730	818

13 Inventories

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Raw materials (including consumables)	4,807	489
Total	4,807	489

14 Contract assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract assets (Refer note 63)		
- Related parties (Refer note 56)	9,984	10,541
- Others	16,163	-
Total	26,147	10,541



Notes forming part of the Consolidated Financial Statements

15 Current investments

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Investments at fair value through profit and loss		
I. Quoted		
a) Investment in bonds #	9,462	13,462
b) Investment in mutual funds #	1,448	2,208
c) Investment in equity shares		
NMDC Limited	162	135
100,000 (March 31, 2021 : 100,000) shares of face value of Re 1/- each fully paid up		
II. Unquoted		
Ecstatic Engineering Consultants Private Limited	25	25
5,584 (March 31, 2021 : 5,584) 0% unsecured optionally convertible debentures of ₹100 each fully paid up (at fair value) ##		
Total	11,097	15,830
Aggregate book value of quoted investments	11,072	15,805
Aggregate book value of unquoted investments	25	25
Aggregate market value of quoted investments	11,072	15,805

₹8,856 lakhs (March 31, 2021: ₹1,922 lakhs) represents restricted balances towards DSRA obligation/collateral security for its debt obligations to lenders.

Each debenture having face value of ₹100 each shall be convertible, at the option of the holder into 1 equity share of ₹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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good		
- Related parties (Refer note 56)	7,430	10,727
- Others	6,338	2,725
Total	13,768	13,452

Trade receivables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

For ageing of trade receivables outstanding as at March 31, 2022 and March 31, 2021 - Refer note 49

17 Cash and cash equivalents

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks in		1
- Current accounts	23,409	4,917
Cash on hand	15	1
Remittances in transit *	-	14,940
Total	23,424	19,858

* Subsequently cleared on April 03, 2021

Notes forming part of the Consolidated Financial Statements

18 Bank balances (other than 17 above)

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- Deposits with banks having maturity period of less than twelve months	386	369
- Held as margin money against guarantees and other commitments	3,858	1,163
#		
- Unclaimed dividend account	50	45
Total	4,294	1,577

Note :

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act 2013 as at the year end.

Represents lien marked against bank guarantees and restricted bank balances with banks and various government authorities.

19 Current financial assets - loans

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Inter corporate deposits - Others	-	50
Loans and advances		
- Related parties (Refer note 56)	6,426	12,595
Total	6,426	12,645

20 Receivable under service concession arrangement

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Service concession receivables	18,746	17,027
	18,746	17,027

21 Other current financial assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured, considered good		
Security deposits - Others	120	103
Unsecured, considered good		
Security deposits		
- Related parties (Refer note 56)	7	17
- Others	864	2,033
Advances recoverable - Others	2,292	2,324
Total	3,283	4,477



Notes forming part of the Consolidated Financial Statements

22 Other current assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance against goods and services	13,564	16,389
Mobilisation advances receivable	10,934	3,374
Prepaid expenses	1,828	1,477
Balance with government authorities - Indirect taxes	23,379	13,599
Total	49,705	34,839

23 Assets held-for-sale

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Assets held-for-sale *	2,476	2,513
Total	2,476	2,513

* Due to COVID-19 pandemic (circumstances arose that were previously considered unlikely) the balance asset could not be sold within one year. However, the management is committed to its plan to sell the balance asset and action required to complete the plan are being taken.

24 Equity

(a) - Equity share capital

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised		
275,000,000 (March 31, 2021: 275,000,000) equity shares of ₹10/- each	27,500	27,500
	27,500	27,500
Issued, subscribed and paid up		
149,783,056 (March 31, 2021: 148,864,056) equity shares of ₹10/- each fully paid up	14,978	14,886
Total	14,978	14,886

(i) Reconciliation of the number of shares outstanding and the amount of the share capital

	As at March 31, 2022		As at March 31, 2021	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	148,864,056	14,886	148,458,056	14,845
Add : Pursuant to exercise of stock options (Refer note 54)	919,000	92	406,000	41
Outstanding at the end of the year	149,783,056	14,978	148,864,056	14,886

(ii) Rights, preference and restriction on shares

The Company has only one class of equity shares having par value of ₹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 in case 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.

Notes forming part of the Consolidated Financial Statements

(iii) Disclosure of Shareholding of promoters

The details of the shares held by the promoters as at March 31, 2022 are as follows :

Promoters Name	No of Shares	% of total shares	% change during the year
a) Balkrishan Goenka Trustee of Welspun Group Master Trust	72,709,526	48.54%	3.33%
b) Welspun Investments and Commercials Limited	4,125,210	2.75%	-0.02%
c) Aryabhat Vyapar Private Limited	3,290,063	2.20%	-0.01%
d) Rajesh R Mandawewala	120	0.00%	0.00%
e) Balkrishan Gopiram Goenka	84	0.00%	0.00%

The details of the shares held by the promoters as at March 31, 2021 are as follows :

Promoters Name	No of Shares	% of total shares	% change during the year
a) Balkrishan Goenka Trustee of Welspun Group Master Trust	67,309,526	45.22%	-0.12%
b) Welspun Investments and Commercials Limited	4,125,210	2.77%	-0.01%
c) Aryabhat Vyapar Private Limited	3,290,063	2.21%	-0.01%
d) Rajesh R Mandawewala	120	0.00%	0.00%
e) Balkrishan Gopiram Goenka	84	0.00%	0.00%

(iv) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Balkrishan Goenka as Trustee of Welspun Group Master Trust	72,709,526	48.54%	67,309,526 *	45.22%

* It doesn't includes 4,100,000 shares acquired by Balkrishan Goenka as Trustee of Welspun Group Master Trust on March 30, 2021. Due to T+2 settlement cycle shares were reflected in the account on April 02, 2021

(v) 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 March 31, 2022	As at March 31, 2021
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to exercise of stock options (Refer note 54)	2,490,000	1,571,000
b) Equity shares bought back	-	(26,987,479)

(vi) 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 54

24(b) - Other equity

	As at March 31, 2022	As at March 31, 2021
		(₹ in lakhs)
Capital reserve	27,993	27,993
Securities premium	95,047	93,859
Share options outstanding account	994	1,989
Amalgamation reserve	521	521



Notes forming part of the Consolidated Financial Statements

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
General reserve	567	567
Retained earnings	39,008	28,632
Total	164,130	153,561
(i) Capital reserve		
As per last balance sheet	27,993	27,993
	27,993	27,993
(ii) Securities premium		
As per last balance sheet	93,859	93,334
Exercise of share options	1,188	525
	95,047	93,859
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	1,989	2,024
Compensation options granted during the year (Refer note 54)	285	531
Share options exercised during the year (Refer note 54)	(1,280)	(566)
	994	1,989
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	567	567
(d) Retained earnings		
As per last balance sheet	28,632	18,661
Profit for the year	12,470	12,899
Other comprehensive income ('OCI') for the year	139	45
Dividend paid	(2,234)	(2,974)
Share of an associate in OCI	1	1
	39,008	28,632
Total	164,130	153,561

25 Contract liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract liabilities (Refer note 63)		
- Other parties	18,536	-
Total	18,536	-

26 Non-current borrowings

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured		
Term loans from banks	154,594	122,150
Term loans from financial institutions	48,243	44,865
Non convertible debentures	27,431	37,368
Total	230,268	204,383

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Term loans from banks / financial institutions / NCDs		
Non-current borrowing	230,268	204,383
Current maturity of long term borrowings (Refer note 31)	21,229	9,135
Total	251,497	213,518
Term loans from banks / financial institutions / NCDs		
In Parent Company		
Axis Finance Limited	9,959	9,951
Non- convertible debentures	40,217	40,154
IndusInd Bank Limited	-	363
Tata Capital Financial Services Limited ('TCFSL')	-	46
In Subsidiary Companies		
Union Bank of India	38,923	23,247
Axis Bank Limited	23,466	25,048
India Infrastructure Finance Company Limited	34,266	31,520
Indian Bank	8,814	9,435
Bank of Maharashtra	8,820	9,435
Aditya Birla Finance Limited	8,875	5,511
Bank of Baroda	4,864	3,020
Central Bank of India	2,472	1,522
State Bank of India	34,050	31,424
IDFC First Bank	31,014	19,261
Punjab National Bank	5,757	3,581
Total	251,497	213,518

Nature of security and terms of repayments for long term borrowings

A. In Parent Company

i) Axis Finance Limited ('AFL')

Term loan from AFL is secured by second charge on the current assets of the Company at Book Value and exclusive charge over such non-current assets that it provides a minimum security cover of 1.25x

Repayment terms : Repayment in 20 equal quarterly installments w.e.f. June 30, 2022

Rate of Interest : 1 year Axis Bank MCLR + 0.61 % spread

ii) Non-convertible debentures ('NCDs')

The Company had issued 1,750 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹10 lacs each aggregating to ₹17,500 lakhs. The debentures bore an interest at 8.85% payable annually. Debentures were secured by way of first pari passu charge on loans, advances and other receivables (including ICDs) from Project SPVs, other than current assets of the Company by way of Hypothecation at book value. Second pari passu charge on the Current assets of the Company at book value, and - Exclusive charge on Debt Service Reserve Account. The aggregate book value of the security i.e First Pari passu charge on and Second Pari passu charge as aforesaid should provide minimum asset cover of 1.10 times during the tenure of the NCDs at all times to be tested on half yearly basis.

The Company had issued 2,000 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹10 lacs each aggregating to ₹20,000 lakhs. The debentures bore an interest at an agreed upon annual rate of repo rate plus spread of 485 bps payable annually. Debentures were secured by way of first pari passu charge on the Current assets of the company at book value, first paripassu charge over P&M and other moveable assets excluding those specifically charged to other Banks / Financial Institutions. The aggregate book value of the security i.e First Pari passu charge on and Second Pari passu charge as aforesaid should provide minimum asset cover of 1.10 times during the tenure of the NCDs at all times to be tested on half yearly basis.



Notes forming part of the Consolidated Financial Statements

Number of Debentures	Face Value	Redemption date	Rate of Interest per annum
1,000 Secured Redeemable Non-Convertible Debentures (INE625G07028)	1,000,000	June 01, 2023	8.85%
1,750 Secured Redeemable Non-Convertible Debentures (INE625G07010)	1,000,000	May 27, 2023	8.85%
1,000 Secured Redeemable Non-Convertible Debentures (INE625G07028)	1,000,000	December 01, 2022	8.85%

iii) 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. The said loan has been repaid during the year.

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 + 0.25% spread

iv) Tata Capital Financial Services Limited ('TCFSL')

Term loans from TCFSL is secured by hypothecation of first and exclusive charge on construction equipment which is forming part of Property, Plant and Equipment ('PPE'). The said loan has been repaid during the year.

Repayment terms : Repayment in 25 monthly installments w.e.f. April 21, 2019

Rate of Interest : ranging between 10.90% to 11.03% p.a.

B. In Subsidiaries

i) Union Bank of India and Central Bank of India

₹12,339 lakhs (March 31, 2021: ₹6,746 lakhs) borrowings from Union Bank of India and ₹2,471 lakhs (March 31, 2021: ₹1,522 lakhs) borrowings from Central 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 paid up equity share capital & first pari passu charge on all the WASPPL Immovable properties, including leasehold 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 WASPPL/ Surplus Sub-Account).

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 November 2022 and ending in May 2037.

Rate of interest : 1 year MCLR plus 0.80% p.a.

Notes forming part of the Consolidated Financial Statements

ii) Axis Bank Limited

₹18,856 lakhs (March 31, 2021: ₹20,188 lakhs) secured by first pari passu charges on all tangible moveable assets of Welspun Delhi Meerut Expressway Private Limited ('DME') including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future. First charge on all accounts of the 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, operating cash flows, receivables, commissions, revenues, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets. A charge/ assignment by way of hypothecation in a) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the Project Agreements including Concession Agreement b) the right, title and interest of the DME in, to and under all the Applicable Permits c) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the letter of credit (if any), guarantee, 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 DME under all Insurance Contracts. Pledge over 30% of the equity share capital of DME till the facility is entirely repaid. Pledge by the Sponsor of compulsory convertible debentures issued by the Borrower. An irrevocable and unconditional corporate guarantee by its holding company. Assignment of applicable insurance policies. Substitution Agreement executed by Authority on behalf of lenders for the Facility.

Repayment terms : Repayable in half yearly installments starting from March 31, 2020 and ending in September 30, 2032.

Rate of interest : 6 months MCLR plus 0.42% p.a.

iii) Bank of Maharashtra

Secured by first pari passu charges on all tangible moveable assets of Welspun Delhi Meerut Expressway Private Limited ('DME') including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future. First charge on all accounts of the 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, operating cash flows, receivables, commissions, revenues, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets. A charge/ assignment by way of hypothecation in a) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the Project Agreements including Concession Agreement b) the right, title and interest of the DME in, to and under all the Applicable Permits c) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the letter of credit (if any), guarantee, 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 DME under all Insurance Contracts. Pledge over 30% of the equity share capital of the DME till the facility is entirely repaid. Pledge by the Sponsor of compulsory convertible debentures issued by the Borrower. An irrevocable and unconditional corporate guarantee by its holding company. Assignment of applicable insurance policies. Substitution Agreement executed by Authority on behalf of lenders for the Facility.

Repayment terms : Repayable in half yearly installments starting from March 31, 2021 and ending in September 30, 2032.

Rate of interest : 1 year MCLR plus 0.52% p.a

iv) Indian Bank

Secured by first pari passu charges on all tangible moveable assets of Welspun Delhi Meerut Expressway Private Limited ('DME') including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future. First charge on all accounts of the 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, operating cash flows, receivables, commissions, revenues, goodwill rights, undertaking intellectual property and uncalled



Notes forming part of the Consolidated Financial Statements

capital present & future excluding the project assets. A charge/ assignment by way of hypothecation in a) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the Project Agreements including Concession Agreement b) the right, title and interest of the DME in, to and under all the Applicable Permits c) all the right, title, interest, benefits, claims and demands whatsoever of the DME in the letter of credit (if any), guarantee, 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 DME under all Insurance Contracts. Pledge over 30% of the equity share capital of the DME till the facility is entirely repaid. Pledge by the Sponsor of compulsory convertible debentures issued by the Borrower. An irrevocable and unconditional corporate guarantee by its holding DME. Assignment of applicable insurance policies. Substitution Agreement executed by Authority on behalf of lenders for the Facility.

Repayment terms : Repayable in half yearly installments starting from September 30, 2021 and ending in September 30, 2032.

Rate of interest : 6 month MCLR plus 0.52% p.a.

vi) Axis Bank Limited

₹4,610 lakhs (March 31, 2021: ₹4,860 lakhs) secured by first charge on all the Dewas Waterprojects Works Private Limited ('DWWPL') immovable properties, tangible movable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and intangible assets both present and future except Project assets. A first charge over all accounts of DWWPL including Escrow account and the sub accounts.

Assignment by way of Security/charge by way of hypothecation in:

- (i) all the right, title, interest, benefits, claims and demands of DWWPL in the Project Documents;
- (ii) the right, title and interest of DWWPL in, to and under all the Clearances;
- (iii) all the right, title, interest, benefits, claims and demands of DWWPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
- (iv) all the right, title, interest, benefits, claims and demands of DWWPL under all Insurance Contracts;

Secured by charge on project assets of DWWPL as permitted under Concession agreement. 100% Fixed Deposit on auto renewal basis with the Axis Bank in the name of holding company, lien duly noted and to be released in line with repayment of Loan in a way to ensure 100% coverage for Loan outstandings. Charge on the escrow account. An irrevocable and unconditional corporate guarantee by its holding company.

Pledge of 51% of the fully paid up equity shares and 51% of CCD/ CCP of DWWPL held by the holding company.

Repayment terms : Term loan is repayable in quarterly installments starting from December 2020 and ending in September 2031

Rate of interest : FD rate + spread of 1% p.a.

vii) State Bank of India

Secured by first charge on all the tangible movable assets of Welspun Road Infra Private Limited ('WRIPL') including cashflows, receivables, movable plant and machinery, furniture, fixture, vehicles and all other movable assets, machinery spares, tools and accessories, both present and future. First charge on all the accounts including Escrow Account and the sub-accounts including but not limited to the Major Maintenance Reserve, DSRA, and any other reserve and other bank accounts. First charge on all intangible assets (other than project Assets) including but not limited to goodwill, rights, undertaking, uncalled capital and intellectual property rights both present and future. Pledge of 51% of the shares of WRIPL held by the holding company. Parent to give Non-Disposable Undertaking (NDU) in respect of balance 49% of share. A charge/ assignment by way of hypothecation in (i) all the right,

Notes forming part of the Consolidated Financial Statements

title, interest, benefits, claims and demands whatsoever of WRIPL in the Project Agreements including Concession Agreement (ii) the right, title and interest of WRIPL in, to and under all the Applicable Permits (iii) all the right, title, interest, benefits, claims and demands whatsoever of WRIPL in the letter of credit (if any), guarantee, liquidated damages and performance bond provided by any party to the Project Agreements and (iv) all the right, title, interest, benefits, claims and demands whatsoever of WRIPL under all Insurance Contracts. An irrevocable and unconditional corporate guarantee by its holding company.

Repayment terms : Term loan is repayable in 16 half-yearly installments starting from FY 2022-23 and ending in FY 2029-30

Rate of interest : Bank rate plus 3%

vii) India Infrastructure Finance Company Limited (Lead Consortium), IDFC First Bank Limited, Union Bank of India, Aditya Birla Finance Limited, Punjab National Bank and Bank of Baroda

Secured by first charge on all tangible movable assets of Welspun InfraFacility Private Limited ('WIFPL') including movable plant and machinery, furniture, fixture, vehicles and all other movable assets, both present and future. First charge on all the accounts including Escrow Account and the sub-accounts including but not limited to the Major Maintenance Reserve, DSRA, and any other reserve and other bank accounts. First charge on all intangible assets, (other than project Assets) including but not limited to goodwill, rights, undertaking, and uncalled capital and intellectual property rights both present and future. A charge/ assignment by way of hypothecation in (i) all the right, title, interest, benefits, claims and demands whatsoever of WIFPL in the Project Agreements including Substitution Agreement (ii) the right, title and interest of WIFPL in, to and under all the clearances; (iii) all the right, title, interest, benefits, claims and demands whatsoever of WIFPL in the letter of credit (if any), guarantee, including contractor guarantees and revised interest and performance bond provided by any party to the Project Agreements, Escrow Agreement and Substitution Agreement and (iv) all the right, title, interest, benefits, claims and demands whatsoever of WIFPL under all Insurance Contracts. A pledge of 51% (fifty one percent) of Equity Shares of WIFPL held by the holding company. An unconditional and irrevocable Corporate Guarantee from the Guarantor, to secure the Guaranteed Obligations.

Repayment terms : Term loan is repayable in 45 Ballooning quarterly installments starting from June 2021 and ending in June 2033

Rate of interest : IIFCL Bank rate plus 1.80%

27 Non-current lease liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 64)	577	180
Total	577	180

28 Non-current provisions

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	380	376
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	2,968	2,964

* Represents certain obligations related to stamp duty, etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier years. There is no movement during the year.



Notes forming part of the Consolidated Financial Statements

29 Non-current liabilities - others

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues	-	285
Total	-	285

30 Contract liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Contract liabilities (Refer note 63)		
- Related parties (Refer note 56)	-	1,571
- Other parties	71,249	30,022
Total	71,249	31,593

31 Current financial liabilities - borrowings

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured		
Measured at amortised cost		
Current maturities of long-term borrowings (Refer note 26) *	21,229	9,135
Loans repayable on demand		
Working capital loans from banks (Refer note A and B below) *	-	4,000
Bank overdraft (Refer note A below)	-	785
Commercial paper (Refer note A & B below)	-	4,947
Total	21,229	18,867

* Includes interest accrued but not due ₹3,120 lakhs (March 31, 2021 : ₹3,211)

A Nature of security for secured borrowings (Loans repayable on demand)

i) IDBI Bank Limited ₹ Nil (March 31, 2021 : ₹3,000 lakhs + Bank overdraft ₹785 lakhs)

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 for working capital loan : Upto 30 days MCLR + 10 BPS; For 1 - 3 months MCLR + 10 BPS

Rate of interest for bank overdraft : MCLR (Y) + 80 BPS PA

ii) IndusInd Bank Limited ₹ Nil (March 31, 2021 : ₹1,000 lakhs)

First pari passu on plant and machinery and other movable assets excluding those which are specifically charged to other banks/ financial institutions. First pari passu on existing and future inventory cum book debts and other current assets.

Rate of interest : 1 year MCLR + 1%

iii) Central Bank of India ₹ Nil (March 31, 2021 : ₹4,947 lakhs)

First pari passu charge by way of hypothecation of entire book debts/ stocks/ other current assets of the Company along with the other lenders.

B Terms of repayments

- i) Working capital loan from banks are repayable on demand
- ii) Commercial papers carries an interest of Nil (March 31, 2021: 5.10%) and are repaid during the year.

Notes forming part of the Consolidated Financial Statements

32 Current lease liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 64)	554	268
Total	554	268

33 Trade payables

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dues of micro enterprises and small enterprises (Refer note 62)	-	411
Dues of creditors other than micro enterprises and small enterprises		
- Acceptances	4,732	2,863
- Others	36,094	29,669
Total	40,826	32,943

Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade payables to related parties (Refer note 56)	157	68
Trade payables	40,669	32,875
Total	40,826	32,943

For ageing of trade payables outstanding as at March 31, 2022 and March 31, 2021 - Refer note 50

34 Current financial liabilities - others

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Security deposits/ retention money payable	15,227	12,570
Payable to employees	1,329	1,013
Interest rate swap payable (Refer Note 47 (A)(a)(i))	229	-
Unclaimed dividend payable	50	44
Total	16,835	13,627

35 Current provisions

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	195	251
Total	195	251

36 Other current liabilities

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade advances	7	116
Capital advances	11	-
Payable other parties	1,147	-
Statutory dues	2,851	3,740
Total	4,016	3,856



Notes forming part of the Consolidated Financial Statements

37 Current tax liabilities (net)

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Provision for tax	32	-
Total	32	-

38 Revenue from operations

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Revenue from		
- Engineering, Procurement and Construction #	133,860	150,047
- Operation and Maintenance #	4,517	1,673
- Build Operate Transfer (BOT) Business	1,092	1,174
- Advisory and consultancy income #	61	42
Other operating revenues		
- Scrap sales	281	1
- Other material sales	329	14
Total	140,140	152,951

Refer note 56 for related parties transactions

39 Other income

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets at amortised cost		
- On bank deposits	502	240
- On loans and advances to related parties #	218	367
- On financial assets	15,133	11,075
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	207	258
- Others *	752	240
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	13	9
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	337	1,670
Reversal of provision no longer required	20	93
Insurance claim	22	198
Unwinding of discount on interest free deposits #	17	10
Gain on sale of property, plant and equipment (net)	113	1
Rent income	10	3
Miscellaneous income #	15	37
Total	17,359	14,201

* Includes Interest on income tax refund, interest income recognised on mobilisation advances and interest rate swap arrangement.

Refer note 56 for related parties transactions

Notes forming part of the Consolidated Financial Statements

40 Cost of materials consumed

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	489	68
Add: Purchases	10,689	1,026
	11,178	1,094
Less: Inventories at the end of the year	(4,807)	(489)
Total	6,371	605

41 Employee benefits expense

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	9,743	7,084
Contribution to provident and other funds	684	468
Share based payments to employees (Refer note 54)	285	531
Staff welfare expenses	282	198
Total	10,994	8,281

42 Finance costs

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses on financial liabilities at amortised cost		
- Term loans	7,197	5,778
- Debentures	3,319	2,785
- Working capital	293	729
Net interest on net defined benefit liability	43	40
Interest on lease liability	81	50
Other interest costs *	1,173	700
	12,106	10,082
Bank charges and other finance costs	1,891	963
Total	13,997	11,045

* Refer note 47

43 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	839	882
Depreciation of right-of-use assets	402	344
Amortisation of intangible assets	352	373
Total	1,593	1,599



Notes forming part of the Consolidated Financial Statements

44 Other expenses

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Site expenses	1,214	236
Stores and spares consumed	33	20
Hire charges	917	432
Power, fuel and water charges	994	352
Repairs and maintenance		
- Property, plant and equipment	17	21
- Others	784	556
Project monitoring and maintenance fees	12	12
Rent	457	150
Rates and taxes	4,020	5,458
Insurance	1,422	782
Travelling and conveyance expenses	603	558
Communications expenses	44	19
Legal and professional fees	5,098	3,895
Freight	31	4
Business promotion and advertisement	128	153
Security charges	18	-
Printing and stationary	34	17
Directors sitting fees	57	40
Payment to Auditor :-		
- Audit fees (including fees for limited review)	50	44
- Certifications	7	31
- Reimbursement of expenses	0	0
Donation	9	1
Balances written off	-	133
Corporate social responsibility (Refer note 70)	402	345
Miscellaneous expenses	258	715
Total	16,610	13,974

45 Income tax

a) The major components of income tax for the year ended March 31, 2022 are as under:

i) **Income tax related to items recognised in the consolidated statement of profit and loss during the year**

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on taxable income for the year	2,516	2,927
	2,516	2,927
Deferred tax		
Relating to origination and reversal of temporary differences	1,609	2,027
Total deferred tax charge	1,609	2,027
Income tax expense reported in the consolidated statement of profit and loss	4,125	4,954

ii) **Deferred tax related to items recognized in other comprehensive income (OCI) during the year**

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(47)	(15)
Deferred tax (charged)/ credited to Other Comprehensive Income	(47)	(15)

Notes forming part of the Consolidated Financial Statements

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	16,735	17,972
Income tax @ 25.168% (March 31, 2021 : 25.168%)	4,212	4,523
Non-deductible expenses for tax purpose		
- Share of results of joint venture companies and associate	-	182
- Other non deductible expenses and business loss on which no deferred tax is recognised	1,421	958
Other allowances and exempt income for tax purpose	(1,441)	(656)
Share of profit of joint venture companies and associate	(17)	-
Utilisation of previously unrecognised tax losses/ MAT credit	(50)	(53)
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	4,125	4,954

c) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
A. Deferred tax assets (net)						
I). Deferred tax assets						
Depreciation on property, plant and equipment and intangible assets	59	-	(59)	-	-	-
Unused tax losses and unabsorbed depreciation	954	954	-	-	-	-
Fair value adjustments	291	176	(115)	(127)	-	-
Deferred tax acquired in business combination	-	-	-	386	-	-
Employee benefits / expenses allowable on payment basis	80	80	(47)	602	47	15
Total (i)	1,384	1,210	(221)	861	47	15
Less : Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	734	678	56	1	-	-
Employee benefits / expenses allowable on payment basis	-	-	-	(3)	-	-
Fair value adjustments	-	58	(58)	120	-	-
Total (ii)	734	736	(3)	119	-	-
Add: MAT credit entitlement (iii)	-	89	89	(8)	-	-
		-	-			
(A) Total (i - ii + iii)	650	562	(134)	972	47	15
B. Deferred tax liabilities (net)						
II). Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	14	15	(1)	15	-	-
Taxable temporary difference on borrowings and service concession receivables	3,024	-	3,024	-	-	-
Fair value adjustments	1	1,048	(1,047)	1,048	-	-
Total (i)	3,039	1,063	1,976	1,063	-	-



Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Less : Deferred tax assets						
Deductible temporary difference on service concession receivables	104	-	(104)	-	-	-
Employee benefits / expenses allowable on payment basis	9	8	(1)	(8)	-	-
Total (ii)	113	8	(105)	(8)	-	-
Less: MAT credit entitlement (iii)	127		(127)			
(B) Total (i-ii-iii)	2,799	1,056	1,744	1,056	-	-
Deferred tax charge/(credit) (A + B)			1,609	2,027	47	15

d) Unrecognised deferred tax assets on unused tax losses

- i) The Group has brought forward long term capital losses of ₹81,276 lakhs (March 31, 2021 ₹81,276 lakhs) (majority of which is expiring in March 31, 2023) and short term capital losses of ₹8,303 lakhs (March 31, 2021 ₹8,341 Lakhs) (majority of which is expiring in March 31, 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of ₹18,596 lakhs (March 31, 2021 ₹18,596 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 ₹2,090 lakhs (March 31, 2021 ₹2,099 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 ₹4,450 Lakhs (March 31, 2021 ₹3,855 Lakhs) that are available for offsetting future taxable business losses . Deferred tax assets of ₹1,238 Lakhs (March 31, 2021 ₹1,072 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.

46 Fair value measurements

Financial instruments by category

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investments in associate and joint venture companies at cost)				
Non-current assets				
Investments	13	-	13	-
Investments in optionally convertible debentures	20,604	-	20,604	-
Service concession receivables	-	145,427	-	113,624
Loans	-	2,663	-	2,646
Other financial assets	-	8,846	-	10,344

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Current assets				
Investments	11,097	-	15,830	-
Service concession receivables	-	18,746	-	17,027
Trade receivables	-	13,768	-	13,452
Cash and cash equivalents	-	23,424	-	19,858
Other bank balances	-	4,294	-	1,577
Loans	-	6,426	-	12,645
Other financial assets	-	3,283	-	4,477
Total financial assets	31,714	226,876	36,447	195,649
Non-current liabilities				
Borrowings	-	230,268	-	204,383
Lease liabilities	-	577	-	180
Current liabilities				
Borrowings	-	21,229	-	18,867
Lease liabilities	-	554	-	268
Trade and other payables	-	40,826	-	32,943
Other financial liabilities	-	16,835	-	13,627
Total financial liabilities	-	310,289	-	270,268

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, service concession receivables, 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.

(₹ in lakhs)

	As at March 31, 2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	13	13	1	-	12
Investments in optionally convertible debentures	20,604	20,604	-	-	20,604
Current Investments	11,097	11,097	1,610	9,462	25
Total	31,714	31,714	1,611	9,462	20,642

(₹ in lakhs)

	As at March 31, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	13	13	1	0	12
Investments in optionally convertible debentures	20,604	20,604	-	-	20,604
Current Investments	15,830	15,830	2,343	13,462	25
Total	36,447	36,447	2,344	13,462	20,641



Notes forming part of the Consolidated Financial Statements

Valuation technique used to determine fair value

- Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- 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
- 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.

47 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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating 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

The Company enters into interest rate swaps to manage exposure on its fixed rate or variable rate debt.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
The fair value of IRS	229	-

As at March 31, 2022 and March 31, 2021, financial liabilities of ₹229 Lakhs and ₹ Nil respectively, were subject to variable interest rates.

The gain/(loss) due to fluctuation in fair value of derivative contracts, recognised in the statement of profit and loss was ₹229 lakhs and ₹ Nil for the years ended March 31, 2022 and March 31, 2021, respectively.

Notes forming part of the Consolidated Financial Statements

Interest rate sensitivity :

Increase / decrease of 50 basis points in interest rates at the balance sheet date would result in an impact (decrease / increase of profit before tax) of 345 lakhs and Nil for the year ended 31 March 2022 and 31 March 2021, respectively.

(ii) Other variable rate borrowings

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	211,281	173,364

(iii) 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:

	(₹ in lakhs)	
Effect on Profit before tax	Year ended March 31, 2022	Year ended March 31, 2021
Interest rates : (Increase) by 50 basis points	(1,056)	(867)
Interest rates : Decrease by 50 basis points	1,056	867

In line with the requirement of Ind AS 1 "Presentation of Financial Statements", finance cost (representing LC discounting charges) aggregating to ₹ Nil (March 31, 2021 : ₹282 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 Group 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 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

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.



Notes forming part of the Consolidated Financial Statements

- c) The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Not due	-	-
Less than 6 months	5,791	11,038
More than 6 months	7,977	2,414
Total	13,768	13,452

No significant changes in estimation techniques or assumption were made during the reporting year.

- d) **Service concession receivables**

The Group manages concession arrangement which include the construction of road on hybrid 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 credit exposure in respect of Service Concession Receivables of the group are as below :

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
More than 12 months	145,427	113,624
Less than 12 months	18,746	17,027
Total	164,173	130,651

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.

(₹ in lakhs)

As at March 31, 2022	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	231,287	-	104,080	127,207
Short term borrowings	21,238	21,238	-	-
Lease liabilities	1,435	453	900	82
Trade payables	40,826	40,826	-	-
Other financial liabilities	16,835	16,835	-	-

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

As at March 31, 2021	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	205,696	-	90,053	115,643
Short term borrowings	18,937	18,937	-	-
Lease liabilities	552	330	122	100
Trade payables	32,943	32,943	-	-
Other financial liabilities	13,627	13,627	-	-

48 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.

(₹ in lakhs)

		As at March 31, 2022	As at March 31, 2021
Net debt	A	355,612	271,338
Total capital	B	179,108	168,447
Capital and net debt	C = A+B	534,720	439,785
Gearing ratio	A / C	67%	62%

49 Ageing Schedule of Trade Receivables

	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 yrs	> 3 years	
As on March 31, 2022						
Undisputed trade receivables -considered good	5,745	4,981	1,078	19	67	11,890
Undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables -credit impaired	-	-	-	-	-	-
Disputed trade receivables -considered good	46	48	27	899	858	1,878
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-
Total	5,791	5,029	1,105	918	925	13,768
As on March 31, 2021						
Undisputed trade receivables -considered good	10,958	570	20	0	67	11,615
Undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables -credit impaired	-	-	-	-	-	-
Disputed trade receivables -considered good	80	-	899	16	842	1,837



Notes forming part of the Consolidated Financial Statements

	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 yrs	> 3 years	
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-
Total	11,038	570	919	16	909	13,452

50 Ageing Schedule of Trade Payables

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not Dues	< 1 year	1 - 2 years	2 - 3 yrs	> 3 years	
As on March 31, 2022							
Dues of MSME	-	-	-	-	-	-	-
Dues of Creditors other than MSME including accrued liabilities	6,873	16,363	10,443	6,870	86	191	40,826
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	6,873	16,363	10,443	6,870	86	191	40,826
As on March 31, 2021							
Dues of MSME	-	-	-	-	-	-	-
Dues of Creditors other than MSME including accrued liabilities	5,095	15,730	11,747	170	46	155	32,943
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	5,095	15,730	11,747	170	46	155	32,943

51 Transaction with Struck off Companies

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022:

Name of the Struck off Companies	Nature of transactions	Balance Outstanding March 31, 2022 (₹ in lakhs)	Relationship with the Company
Jayman Engineering Private Limited	Payables	1	Other parties
Revenue Bull Tech Private Limited	Payables	13	Other parties
Munna Enterprises Private Limited	Payables	0	Other parties

52 Earnings per share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
	(₹ in lakhs)	
Profit for the year (₹ in Lakhs)	12,470	12,899
Weighted average number of equity shares for Basic EPS (Number of shares)	149,043,404	148,727,114
Weighted average number of equity shares for Diluted EPS (Number of shares)	149,743,028	149,946,620
Nominal value of equity shares (₹)	10	10
Basic EPS (₹)	8.37	8.67
Diluted EPS (₹)	8.33	8.60

Notes forming part of the Consolidated Financial Statements

53 Contingencies and Commitments

(a) Contingent liabilities (to the extent not provided for)

i) Claims against the Company not acknowledged as debts

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Disputed labour cess demand (net of provision)	448	426
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	6,254	1,480
Disputed service tax liability	567	2,347
Disputed goods and services tax liability *	928	928
Disputed value added tax liability	142	298
Other claims against the Company	5,086	337
Letter of credit outstanding	537	834
	14,077	6,765

* excluding interest and penalty amount ₹200 lakhs (March 31, 2021 ₹200 lakhs)

- 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.

ii) Guarantees excluding financial guarantees

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Bank guarantees issued	55,064	18,018
	55,064	18,018

iii) Corporate financial guarantees

	As at March 31, 2022	As at March 31, 2021
	(₹ in lakhs)	
Guarantee given to the bankers for the facilities granted		
- Joint venture companies	16,144	24,012
- Others	1,895	1,895
	18,039	25,907

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 companies. The same has been disclosed as contingent liabilities above in line with Ind AS requirements.



Notes forming part of the Consolidated Financial Statements

(c) Commitments

- i) The group has an outstanding commitments of ₹45,237 lakhs (March 31, 2021 ₹44,160 lakhs) towards equity contribution in its SPVs under the financing arrangement tied up with bankers.
- ii) The group has an outstanding commitments of ₹ Nil (March 31, 2021 ₹2,847 lakhs) in associate entity towards estimated amount of contract remaining to be executed on capital account and not provided for (net of advances).
- 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 ₹1,450 lakhs (March 31, 2021 ₹1,450 lakhs) on February 22, 2018. The balance amount is ₹122 lakhs (March 31, 2021 ₹122 lakhs).
- iv) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), ₹1.63 lakhs (March 31, 2021 ₹1.63 lakhs) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is ₹0.13 lakhs (March 31, 2021 ₹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 ₹745 lakhs (March 31, 2021 ₹745 lakhs) . The balance amount is ₹72 lakhs (March 31, 2021 ₹72 lakhs).
- vi) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') ₹0.48 lakhs (March 31, 2021 ₹0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is ₹0.03 lakhs (March 31, 2021 ₹0.03 lakhs).

54 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 October 10, 2017. The fair value of the above stock option of ₹4,179 lakhs is calculated at the average rate of ₹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 ₹285 lakhs (March 31, 2021 - ₹531 lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 41)

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 5,000 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,

Notes forming part of the Consolidated Financial Statements

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	₹ Nil

(₹ in lakhs)

	March 31, 2022		March 31, 2021	
	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	1,669,000	Nil	2,075,000	Nil
Options granted during the year	Nil	Nil	Nil	Nil
Options exercised during the year	919,000	Nil	406,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year *	750,000	Nil	1,669,000	Nil
Options vested but not exercised at the end of the year	150,000	Nil	469,000	Nil

* includes options vested but not exercised

(iii) Information in respect of options outstanding as at March 31, 2022

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
750,000	3	Nil

Information in respect of options outstanding as at March 31, 2021

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
1,669,000	15	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



Notes forming part of the Consolidated Financial Statements

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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Share options outstanding account (Refer note 24(b))	994	1,989
Share based payments to employees (Refer note 41)	285	531

55 Gratuity and other post employment benefits plans

The disclosures of employees benefit as defined in the Ind AS 19 - "Employee Benefits" are given below

- 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.
- Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.
- Details of post retirement gratuity plan are as follows :-

i. Expenses recognised during the year in the statement of profit and loss :-

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	128	97
Interest cost (net)	21	20
Net expenses recognised in statement of profit and loss	149	117

ii. Expenses recognised during the year in other comprehensive income (OCI)

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gains) / losses arising from changes in demographic assumptions	2	-
Actuarial (gains) / losses arising from changes in financial assumptions	(6)	2
Actuarial (gains) / losses arising from changes in experience assumptions	(194)	(61)
Expected return on plan assets excluding interest	13	(1)
Net expenses recognised in other comprehensive income	(185)	(60)

Notes forming part of the Consolidated Financial Statements

iii. Net liability recognised in the balance sheet

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	363	374
Present value of obligation	619	683
Net liability recognized in balance sheet	256	309

iv. Reconciliation of opening and closing balances of defined benefit obligation

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation as at the beginning of the year	683	653
Current service cost	128	97
Past service cost	0	-
Interest cost	47	44
Actuarial (gain) / loss on obligation	(198)	(60)
Liability transferred in/ (paid)/ adjusted	(22)	(53)
Benefits directly paid by the Company	(19)	-
Defined benefit obligation at the end of the year	619	683

v. Reconciliation of opening and closing balance of fair value of plan assets

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Fair values of plan assets at the beginning of the year	374	350
Return on plant assets, excluding interest income	13	25
Employer contribution	-	46
Fund charges	(3)	(5)
Benefits paid	(22)	(41)
Fair value of plan assets at year end	362	375

vi. Reconciliation of opening and closing balance of net defined benefit obligation

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Net defined benefit obligation as at the beginning of the year	309	303
Current service cost	128	97
Past service cost	0	-
Interest cost (net)	21	20
Actuarial (gain) / loss on obligation	(185)	(60)
Fund charges	3	5
Contribution paid to the fund	-	(46)
Benefit paid by Company	(19)	-
Provision no longer required	-	(11)
Net defined benefit obligation at the end of the year	256	308



Notes forming part of the Consolidated Financial Statements

vii. Actuarial assumptions

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
In respect of Parent Company		
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2012-14)
Discount rate(per annum)	7.32%	6.81%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	30% up to age 30, 30% from age 31 to 44 and 30% thereafter	30% up to age 30, 30% from age 31 to 44 and 23% thereafter
In respect of Welspun Infracapital Private Limited		
Mortality Table	100% of Indian Assured Lives Mortality (2012-14))	NA
Discount rate(per annum)	7.40%	NA
Rate of escalation in salary (per annum)	6.00%	NA
Attrition rate	3% up to age 30, 2% from age 31 to 44 and 1% thereafter	NA
In respect of Dewas Waterprojects Works Private Limited		
Mortality Table	100% of Indian Assured Lives Mortality (2012-14)	100% of Indian Assured Lives Mortality (2012-14)
Discount rate(per annum)	7.32%	6.91%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	8% up to age 30, 11% from age 31 to 44 and 20% thereafter	13% up to age 30, 13% from age 31 to 44 and 26% thereafter

viii. Quantitative sensitivity analysis

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Impact of change in discount rate		
Present value obligation at the end of the period	619	683
Impact due to increase of 0.50%	(8)	(9)
Impact due to decrease of 0.50%	9	9
Impact of change in salary increase		
Present value obligation at the end of the period	619	683
Impact due to increase of 0.50%	9	9
Impact due to decrease of 0.50%	(8)	(9)

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.

Notes forming part of the Consolidated Financial Statements

ix. Maturity analysis of projected benefit obligation: from the fund

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Year ended		
31-Mar-22	-	345
31-Mar-23	305	211
31-Mar-24	316	257
31-Mar-25	398	309
31-Mar-26	552	331
31-Mar-27	612	-

The average duration of defined benefit obligation is 11.43 (March 31, 2021 - 12.19)

Notes

- Amounts recognized as an expense and included in the Note 41 "Employee benefits expense" are gratuity ₹128 lakhs (March 31, 2021 ₹97 lakhs) and leave encashment ₹48 lakhs (March 31, 2021 ₹35 lakhs). Net interest cost on defined benefit obligation (gratuity and leave encashment) recognised in Note 42 under "Finance costs" is ₹43 lakhs (March 31, 2021 ₹40 lakhs)
- 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.
- Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 41 of the financial statements.

56 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 March 31, 2022	As at March 31, 2021	
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

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

b) Associate

Name of the Entities	Extent of holding		Principal place of business
	As at March 31, 2022	As at March 31, 2021	
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
Ms Dipali Goenka **	Non Independent Director
Mr Rajesh R. Mandawewala	Non Independent Director



Notes forming part of the Consolidated Financial Statements

Name of the Related Parties	Nature of Relationship
Dr Aruna Sharma	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra	Independent Director
Dr Anoop Kumar Mittal **	Independent Director
Ms. Mala Todarwal	Independent Director
Ms Amita Karia	Independent Director
Mr Ved Mani Tiwari #	Deputy Chief Executive Officer
Mr Sridhar Narasimhan ##	Chief Financial Officer
Mr Sanjay Sultania ###	Chief Financial Officer
Mr Rajesh Jain \$	Chief Human Resources Officer
Ms. Priya Pakhare	Company Secretary

* Mr Ajay Hans has been appointed as Managing Director in place of Mr Sandeep Garg w.e.f April 01, 2022

** Appointed w.e.f June 16, 2021

Resigned w.e.f. December 03, 2020

Appointed as Chief Financial Officer w.e.f May 18, 2020 and resigned w.e.f. February 19, 2021

Appointed as Chief Financial Officer w.e.f October 11, 2021

\$ Appointed as Chief Human Resources Officer w.e.f February 02, 2022

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 Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited); Welspun Multiventures LLP; Welassure Private Limited; Welspun Global Services Private Limited; Welspun Specialty Solutions Limited

e) Transactions with related parties

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Construction contract revenue (including unbilled work-in-progress)	22,949	37,410
Joint Venture Companies		
MBL (CGRG) Road Limited	3,146	3,868
MBL (GSY) Road Limited	2,157	9,386
Chikhali - Tarsod Highways Private Limited	17,646	24,156
Operation and maintenance income	2,989	1,177
Joint Venture companies		
MBL (CGRG) Road Limited	1,522	636
MBL (GSY) Road Limited	1,173	541
Chikhali - Tarsod Highways Private Limited	294	-
Advisory and consultancy income	38	30
Joint Venture companies		
MBL (CGRG) Road Limited	20	-
MBL (GSY) Road Limited	-	9
Chikhali - Tarsod Highways Private Limited	18	21
Interest income	-	282
Joint Venture Companies		
MBL (CGRG) Road Limited	-	47
Chikhali - Tarsod Highways Private Limited	-	235
Interest income on loans and advances #	219	367
Joint Venture Companies		
MBL (CGRG) Road Limited	73	122
MBL (GSY) Road Limited	146	245

Notes forming part of the Consolidated Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Income on Unwinding of discount on interest free deposits #	6	5
Other Related Party		
Welspun Realty Private Limited	6	5
Miscellaneous Income #	(4)	8
Other Related Parties		
Welspun Corp Limited	(4)	-
Welspun Realty Private Limited	-	8
Interest expense on lease liability #	2	11
Other Related Parties		
Welspun Realty Private Limited	2	7
Welspun Corp Limited	0	4
Welspun Multiventures LLP	0	0
Right-to-use an underlying asset #	5	65
Other Related Parties		
Welspun Corp Limited	-	62
Welspun Multiventures LLP	5	3
Obligation to make lease payment #	5	65
Other Related Parties		
Welspun Corp Limited	-	62
Welspun Multiventures LLP	5	3
Repayment of lease obligation #	67	98
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	16	46
Welspun Multiventures LLP	1	2
Rent expenses	68	98
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	16	46
Welspun Multiventures LLP	2	2
Business promotion expenses	94	18
Other Related Party		
Welspun Global Brands Limited	94	18
Office expenses	13	10
Other Related Party		
Welassure Private Limited	13	10
Retainership Expenses	147	56
Other Related Party		
Welspun India Limited	147	56
BG Commission reimbursement	16	49
Associate		
Adani Welspun Exploration Limited	16	49
Staff welfare expenses	2	20
Other Related Parties		
Welspun Corp Limited	2	20
Welspun India Limited	0	-
Donation	402	345
Other Related Party		
Welspun Foundation for Health and Knowledge	402	345
Sale of scrap	11	-
Other Related Party		
Welassure Private Limited	11	-



Notes forming part of the Consolidated Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Rent Income	10	3
Associate		
Adani Welspun Exploration Limited	10	3
Loss on fair value of investment	-	157
Other Related Party		
Welspun Energy Thermal Private Limited	-	157
Investment (Fair value of interest free loan) #	201	354
Joint Venture Companies		
MBL (GSY) Road Limited	134	236
MBL (CGRG) Road Limited	67	118
Loans/ deposits/ advances given	10,466	25,889
Associate		
Adani Welspun Exploration Limited	5,253	5,171
Joint Venture Companies		
RGY Roads Private Limited	3	0
MBL (GSY) Road Limited	1,112	8,712
MBL (CGRG) Road Limited	230	7,767
Corbello Trading Private Limited	1	1
Chikhali - Tarsod Highways Private Limited	3,867	4,238
Other Related Party		
Welspun India Limited	-	0
Repayment of loans/ advances given	11,382	3,724
Associate		
Adani Welspun Exploration Limited	62	84
Joint Venture Companies		
MBL (GSY) Road Limited	6,891	1,507
MBL (CGRG) Road Limited	4,089	1,326
Chikhali - Tarsod Highways Private Limited	340	807
Security deposit taken	1	-
Other Related Party		
Welspun Speciality Solutions Limited	1	-
Security deposit given refunded	11	18
Other Related Party		
Welspun Realty Private Limited	11	18
Mobilisation advance repaid/ adjusted	1,311	3,012
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	1,311	3,012
Redemption of Investment in optionally convertible debentures	-	699
Other Related Party		
Welspun Energy Thermal Private Limited	-	699
Conversion of loan/ advance to Compulsorily Convertible Debentures	5,253	6,232
Associate		
Adani Welspun Exploration Limited	5,253	5,171
Joint Venture Companies		
MBL (GSY) Road Limited	-	605
MBL (CGRG) Road Limited	-	456
Conversion of loan/ advance to Optionally Convertible Debentures	-	4,282

Notes forming part of the Consolidated Financial Statements

Nature of transactions	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	-	3,773
MBL (GSY) Road Limited	-	403
MBL (CGRG) Road Limited	-	106
Investment in equity shares	-	12
Other Related Parties		
Welasure Private Limited	-	12
Welspun Global Services Private Limited	-	0
Bank guarantee given/ (discharged) for advance received by Joint Arrangements/ Associate	(2,398)	(7,367)
Associate		
Adani Welspun Exploration Limited	(1,350)	-
Joint Venture Companies		
MBL (GSY) Road Limited	-	(1,184)
MBL (CGRG) Road Limited	-	(942)
Chikhali - Tarsod Highways Private Limited	(1,048)	(5,241)
Bank guarantee given/ (discharged) for performance security of Joint Arrangements/ Associate	-	1,890
Associate		
Adani Welspun Exploration Limited	-	1,890
Directors Sitting Fees paid/ provided	57	40
Mr. Mohan Tandon	15	12
Mr. Raghav Chandra	15	13
Dr. Aruna Sharma	15	13
Dr. Anoop Kumar Mittal	10	
Ms. Mala Todarwal	1	1
Ms Amita Karia	1	1
Remuneration paid/ provided to KMP ^	1,567	1,995
Short term benefits **	1,567	1,995

^^ excludes retirement benefits (employer PF contribution, gratuity, leave encashment etc)

** excludes ₹120 lakhs (March 31, 2021 ₹120 lakhs) paid from AWEL to Mr Sandeep Garg

Represents transactions related to Ind AS adjustments

* Closing balances as at

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Loans, advances and deposits given	9,101	15,257
Associate		
Adani Welspun Exploration Limited	5	67
Joint Venture Companies		
RGY Roads Private Limited	6	3
MBL (GSY) Road Limited	2,443	8,209
MBL (CGRG) Road Limited	3,103	6,956
Corbello Trading Private Limited	6	5
Chikhali - Tarsod Highways Private Limited	3,526	0
Other related parties		
Welspun Realty Private Limited	-	5
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	17,417	21,268



Notes forming part of the Consolidated Financial Statements

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Associate		
Adani Welspun Exploration Limited	2	-
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	2,604	7,538
MBL (GSY) Road Limited	6,220	7,943
MBL (CGRG) Road Limited	8,588	5,787
Other related party		
Welassure Private Limited	3	0
Right-to-use an underlying asset	4	68
Other Related Parties		
Welspun Realty Private Limited	-	49
Welspun Corp Limited	-	18
Welspun Multiventures LLP	4	1
Lease Liabilities	4	55
Other Related Parties		
Welspun Realty Private Limited	-	34
Welspun Corp Limited	-	20
Welspun Multiventures LLP	4	1
Trade payable / Other payables / Deposits received	158	68
Other Related Parties		
Welspun Speciality Solutions Limited	1	-
Welassure Private Limited	1	-
Welspun India Limited	147	56
Welspun Global Brands Limited	9	-
Welspun Corp Limited	0	12
Contract Liabilities	-	1,572
Joint Venture Companies		
MBL (GSY) Road Limited	-	261
Chikhali - Tarsod Highways Private Limited	-	1,311
Investment in equity shares	12	12
Other related parties		
Welassure Private Limited	12	12
Welspun Global Services Private Limited	0	0
Investment in Jointly Controlled Entities (Refer Note 58)(c)	45,585	45,033
RGY Road Private Limited	8,672	8,673
MBL (GSY) Road Limited	12,911	12,874
MBL (CGRG) Road Limited	10,732	10,447
Corbello Trading Private Limited	3,927	3,927
Chikhali - Tarsod Highways Private Limited	9,343	9,112
Investment in Associate (Refer Note 58)(b)	24,507	19,536
Adani Welspun Exploration Limited	24,507	19,536
Bank guarantee issued and outstanding for advance received by Joint Arrangements/ Associate	-	1,048
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	-	1,048
Bank guarantee issued and outstanding towards performance security of Joint Arrangements/ Associate	2,483	3,833
Associate		
Adani Welspun Exploration Limited	2,483	3,833

* Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

Notes forming part of the Consolidated Financial Statements

Notes :

During the earlier years, the Company had given guarantee for MBL (GSY) Road Limited ('GSY') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹9,213 lakhs (March 31, 2021 ₹6,254 lakhs)

During the earlier years, the Company had given guarantee for MBL (CGRG) Road Limited ('CGRG') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹2,945 lakhs (March 31, 2021 ₹2,772 lakhs)

During the earlier years, the Company had given guarantee for Chikhali - Tarsod Highways Private Limited ('CTHPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹3,986 lakhs (March 31, 2021 ₹14,986 lakhs)

The Company had committed performance guarantee to its joint ventures namely GSY, CGRG and CTHPL aggregating to ₹6,080 lakhs (March 31, 2021 ₹6,080 lakhs), ₹4,844 lakhs (March 31, 2021 ₹4,844 lakhs) and ₹4,811 lakhs (March 31, 2021 ₹4,811 lakhs) respectively .

All transactions with related parties are made on arm's length basis in the ordinary course of business.

57 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 bypass) in state of Delhi and Uttar Pradesh, Package - I from Km 0.00 to existing 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	June 28, 2018
(v) Asset	Financial asset
b) (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



Notes forming part of the Consolidated Financial Statements

c)	(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
	(iv) Asset	Financial asset
d)	(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
	(iv) Asset	Financial asset
e)	(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
	(iv) Asset	Financial asset
f)	(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 Chainage km 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
	(iv) Asset	Financial asset

Notes forming part of the Consolidated Financial Statements

(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
g) (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 as defined in concession agreement
(iv) Asset	Financial asset
h) (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 as defined in concession agreement
(iv) Asset	Financial asset
i) (i) Name of the concession	Mukarba Chowk - Panipat Toll Road Project
(ii) Description of arrangements	Eight Laning of Section of NH-1(New NH-44) from Mukarba Chowk at Km 15+500 to Panipat Km 86+000 on BOT (Toll) basis in the State of Haryana
(iii) Significant terms of arrangements :	Period of Concession: 17 Years.
	Construction Period: 15 months from the Substitution Agreement dated 08.06.2020.
	Remuneration: User Fee Collection
	Investment grant from concession grantor: Yes
	Infrastructure return to grantor at end of concession : Yes
	Investment and renewal obligations: No
	Re-pricing dates: Once in a year
	Basis upon which re-pricing or re-negotiation is determined: Applicable Fee Rules.
(iv) Asset	Intangible



Notes forming part of the Consolidated Financial Statements

58 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 March 31, 2022	As at March 31, 2021	
Associate			
Adani Welspun Exploration Limited ('AWEL') (Held through Welspun Natural Resources Private Limited -Wholly owned subsidiary)	35%	35%	India
Joint venture companies			
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

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

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. 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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Property, plant and equipments	12	17
Capital work-in-progress	126,771	115,186
Other intangible asstes	1	2
Financial assets		
Investments	1	1
Other financial assets	1,451	1,389
Income tax assets (net)	43	38
Other non-current assets	5	105
Non-current assets	128,284	116,737
Financial assets		
Cash and cash equivalents	174	280
Other bank balances	-	-
Loans	-	5
Other financial assets	-	14
Other current assets	62	216
Current assets	236	515
Total assets (A)	1,28,520	1,17,252
Non-current liabilities		
Financial liability - borrowings	-	-
Provisions	42	38
Non-current liabilities	42	38

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
Trade payables	55	23
Short term borrowings	-	-
Other financial liabilities	805	3,167
Short term provisions	26	12
Other current liabilities	202	633
Current liabilities	1,088	3,835
Total liabilities (B)	1,130	3,872
Net assets (A-B)	127,390	113,379
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	44,587	39,683

ii) Reconciliation to carrying amounts

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Opening net assets	113,380	99,014
Instrument entirely equity in nature	14,817	14,686
Total comprehensive income for the year	(806)	(320)
Closing net assets	127,391	113,380
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	44,587	39,683
Fair value adjustments	(20,080)	(20,147)
Carrying amount of the investment	24,507	19,536
(Net of Provision for investment ₹3,775 lakhs (March 31, 2021 ₹3,775 lakhs))		

iii) Summarised statement of profit and loss

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Revenue	-	-
Other income	56	92
Total income	56	92
Employee benefits expense	494	158
Finance costs	154	84
Depreciation and amortisation expense	7	6
Other expenses	210	168
Total expenses	865	416
Loss before tax	(809)	(324)
Tax expense	-	-
Loss for the year	(809)	(324)
Other comprehensive income	3	4
Total comprehensive income for the year	(806)	(320)
Proportion of the Company's ownership	35%	35%
Group's share of loss for the year (before adjustment)	(283)	(113)
Consolidation adjustment	-	-
Group's share of loss for the year (after adjustment)	(283)	(113)
Group's share of other comprehensive income for the year	1	1



Notes forming part of the Consolidated Financial Statements

- iv) There is contingent liabilities in respect of the associate amounting to ₹0.16 lakhs.
- 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) In respect of Block MB-OSN-2005/2 (Mumbai Block), after the intimation of gas discovery in well AWEL A-1 on 14.03.2021, during the year company has notified Potential Commercial Interest of the discovery to Directorate General of Hydrocarbons (DGH). Work of regular & special Core Analysis and PVT Analysis were completed, to determine the rock properties and fluid properties respectively of the reservoir encountered. Appraisal Program and Budget for the block has submitted to DGH.

During the year drilling of the 1st appraisal-cum-development well B9AWEL-2 was completed. Resource estimation and certification study for a joint development of the B9 field along with the discovery area of Block MB-OSN-2005/2 field was completed during the year.

Based on the results of Well NFA#1 in the Block GK-OSN-2009/1, the operator ONGC has submitted a Declaration of Commerciality (DoC) proposal to the MoPNG/DGH. MoPNG/DGH has reviewed the DoC proposal and asked the Operator to submit Field Development plan(FDP) with in the timelines of Production Sharing Contract of the Block. During the year under review, preparation of FDP is under progress. On account of Covid-19 pandemic and its continuing impact on petroleum operations. The Government has approved the extension of timelines for submission of FDP up to 01.02.2022. The Operator has opined that an integrated development plan would be required to develop- the Block optimally. In view of the extension in the bidding timelines for DSF III Bid rounds, the Operator has sought extension from MoPNG for submission of an integrated development plan.

c) Investment in joint venture companies

i) Summarised balance sheet as at March 31, 2022

	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’)	Total
	(₹ in lakhs)					
Non-current assets	3,144	60,167	6,376	69,923	58,901	198,511
Current assets	2	11,988	1	19,359	11,635	42,985
Non-current liabilities	-	51,139	-	61,984	42,810	155,932
Current liabilities	7	14,664	6	20,746	21,551	56,974
Compulsorily convertible debentures	3,144	6,189	6,373	7,704	6,103	29,512
Net Assets	(4)	164	(2)	(1,152)	73	(922)
Proportion of the Group ownership	49.00%	73.99%	49.00%	73.94%	73.94%	
Carrying amount of the equity investment	(2)	121	(1)	(852)	54	(680)
Compulsorily convertible debentures	3,144	3,095	6,373	4,154	3,279	20,046

Notes forming part of the Consolidated Financial Statements

(₹ 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')	Total
Optionally convertible debentures	-	5,727	-	8,314	6,563	20,604
Fair value adjustment on acquisition	785	-	2,300	-	-	3,085
Cumulative adjustment for fair value of interest free loan	-	-	-	645	318	962
Gain on bargain purchase	-	400	-	651	517	1,568
Carrying amount of the investment	3,927	9,343	8,672	12,911	10,732	45,584

Summarised balance sheet as at March 31, 2021

(₹ 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')	Total
Non-current assets	3,144	56,206	6,376	88,716	72,079	226,521
Current assets	2	7,132	1	10,079	4,695	21,910
Non-current liabilities	-	43,294	-	64,530	48,514	156,338
Current liabilities	5	14,004	4	27,583	22,380	63,976
Compulsorily convertible debentures	3,144	6,189	6,373	7,704	6,103	29,512
Net Assets	(3)	(149)	0	(1,022)	(222)	(1,395)
Proportion of the Group ownership	49.00%	73.99%	49.00%	73.94%	73.94%	
Carrying amount of the equity investment	(1)	(110)	0	(756)	(164)	(1,031)
Compulsorily convertible debentures	3,144	3,095	6,373	4,154	3,280	20,046
Optionally convertible debentures	-	5,727	-	8,314	6,563	20,604
Fair value adjustment on acquisition	785	-	2,300	-	-	3,085
Cumulative adjustment for fair value of interest free loan	-	-	-	511	251	761
Gain on bargain purchase	-	400	-	651	517	1,568
Carrying amount of the investment	3,927	9,112	8,673	12,874	10,447	45,033



Notes forming part of the Consolidated Financial Statements

ii) Summarised statement of profit and loss for the year ended March 31, 2022 are as under

(₹ 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’)	Total
Revenue from operations	-	19,885	-	3,973	6,211	30,069
Other income	-	4,880	-	5,277	4,262	14,419
Total Income	-	24,765	-	9,250	10,473	44,488
Sub-contracting costs	-	18,511	-	2,157	4,139	24,807
Finance costs	-	4,767	-	5,327	3,750	13,845
Depreciation and amortisation expense	-	-	-	-	-	-
Other expenses	1	1,374	3	1,940	2,194	5,512
Total Expenses	1	24,652	3	9,424	10,083	44,164
Profit/ (loss) before tax	(1)	113	(3)	(174)	390	324
Tax expenses	-	(198)	-	(46)	96	(148)
Profit / (loss) for the period	(1)	311	(3)	(128)	294	472
Add : Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	(1)	311	(3)	(128)	294	472
Proportion of the Company’s ownership	49.00%	73.99%	49.00%	73.94%	73.94%	
Group share of profit/ (loss) for the year	(1)	230	(1)	(95)	217	350
Group share of other comprehensive income for the year	-	-	-	-	-	-

Summarised statement of profit and loss for the year ended March 31, 2021 are as under

(₹ 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’)	Total
Revenue from operations	-	27,605	-	12,085	6,609	46,299
Other income	0	4,163	-	5,089	4,066	13,319
Total Income	0	31,768	-	17,175	10,676	59,618
Sub-contracting costs	-	25,169	-	10,009	3,868	39,046
Finance costs	-	3,641	-	5,955	4,558	14,155
Other expenses	1	2,436	0	2,076	2,742	7,255
Total Expenses	1	31,246	0	18,040	11,167	60,456
Profit /(loss) before tax	(1)	522	(0)	(866)	(492)	(838)
Tax expenses	-	197	-	(87)	(121)	(10)

Notes forming part of the Consolidated Financial Statements

	(₹ 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')	Total
Profit / (loss) for the year	(1)	325	(0)	(779)	(371)	(827)
Add : Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	(1)	325	(0)	(779)	(371)	(827)
Proportion of the Company's ownership	49.00%	73.99%	49.00%	73.94%	73.94%	
Group share of profit/(loss) for the year	(1)	240	(0)	(576)	(274)	(611)
Group share of other comprehensive income for the year	-	-	-	-	-	-

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 53 (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).

vi) **The group has pledged below mentioned shares :-**

	As at March 31, 2022 Units	(₹ in lakhs) As at March 31, 2021 Units
A) Equity shares		
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	489,995
B) Compulsorily Convertible Debentures (CCD)		
Corbello Trading Private Limited	3,143,790	3,143,790
Chikhali - Tarsod Highways Private Limited	3,095,300	3,095,300
C) Optionally Convertible Debentures (OCD)		
Chikhali - Tarsod Highways Private Limited	79,000	79,000



Notes forming part of the Consolidated Financial Statements

59 Non-controlling Interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI.

	(₹ in lakhs)			
	Grenoble Infrastructure Private Limited (₹ in lakhs)	Welspun Sattanathapuram Nagapattinam Road Private Limited (₹ in lakhs)	Welsteel Enterprises Private Limited (₹ in lakhs)	Welspun Aunta- Simaria Project Private Limited (₹ in lakhs)
Summarised balance sheet as at March 31, 2022				
Non-current assets	0	24,166	3,475	37,421
Current assets	0	5,254	9	4,826
Non-current liabilities	-	(139)	-	(16,341)
Current liabilities	(1)	(26,437)	(3,478)	(17,657)
Instrument entirely equity in nature	-	(2,170)	-	(6,932)
Net Assets	(1)	676	6	1,317
Net assets attributable to NCI	(0)	104	3	161
Summarised statement of profit or loss for the year ended March 31, 2022				
Revenue	-	10,113	-	16,226
Other income	-	1,667	-	2,265
Subcontracting, civil and repair works	-	(9,658)	-	(15,014)
Finance costs	(0)	(1,258)	(0)	(1,360)
Other expenses	(1)	(454)	(1)	(1,215)
Profit / (loss) before tax for the year	(1)	409	(1)	902
Tax expenses	-	(76)	-	(229)
Profit / (loss) for the year	(1)	332	(1)	673
Other comprehensive income	-	-	-	-
Total comprehensive income	(1)	332	(1)	673
Profit/ (loss) allocated to NCI	(0)	51	(1)	89
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	(0)	51	(1)	89
Summarised cash flow information as at March 31, 2022				
Cash flow from operating activities	(0)	(1,889)	(1)	(7,055)
Cash flow from investing activities	-	4	-	6
Cash flow from financing activities	0	1,845	1	7,013
Net increase / (decrease) in cash and cash equivalents	(0)	(40)	0	(36)

Notes forming part of the Consolidated Financial Statements

	(₹ in lakhs)			
	Grenoble Infrastructure Private Limited	Welspun Sattanathapuram Nagapattinam Road Private Limited	Welsteel Enterprises Private Limited	Welspun Aunta- Simaria Project Private Limited
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Summarised balance sheet as at March 31, 2021				
Non-current assets	0	15,088	3,475	27,479
Current assets	0	4,633	9	5,901
Non-current liabilities	-	(62)	-	(8,727)
Current liabilities	(1)	(17,146)	(3,477)	(17,078)
Instrument entirely equity in nature	-	(2,170)	-	(6,932)
Net Assets	(0)	343	7	644
Net assets attributable to NCI	(0)	53	4	72
Summarised statement of profit or loss for the year ended March 31, 2021				
Revenue	-	3,830	-	7,958
Other income	-	696	-	1,853
Subcontracting, civil and repair works	-	(3,771)	-	(7,341)
Finance costs	(0)	(267)	(0)	(944)
Other expenses	(0)	(73)	(2)	(617)
Profit / (loss) before tax for the year	(0)	414	(2)	909
Tax expenses	-	(176)	-	(284)
Profit / (loss) for the year	(0)	239	(2)	624
Other comprehensive income	-	-	-	-
Total comprehensive income	(0)	239	(2)	624
Profit/ (loss) allocated to NCI	(0)	37	(1)	83
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	(0)	37	(1)	83
Summarised cash flow information as at March 31, 2021				
Cash flow from operating activities	(0)	(668)	(2)	(8,388)
Cash flow from investing activities	-	(596)	-	63
Cash flow from financing activities	0	285	2	8,059
Net increase / (decrease) in cash and cash equivalents	0	(979)	(0)	(267)



Notes forming part of the Consolidated Financial Statements

60 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

61 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

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 cannot be allocated to any of the business segment are shown as unallocable assets/ liabilities.

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Segment revenue		
- Infrastructure	140,140	152,951
Total	140,140	152,951
Less : Inter segment revenue	-	-
Total sales/ income from operations	140,140	152,951
Segment result		
- Infrastructure	22,650	23,890
- Oil and gas	-	-
Unallocable corporate	(9,167)	(7,945)
Total	13,484	15,945
Add : other income	17,181	13,797
Profit before finance costs, tax and exceptional items	30,665	29,742
Add / (Less) :		
Finance costs	(13,997)	(11,045)
Share of loss from associate and joint venture companies	68	(725)
Profit before tax	16,735	17,972
Less : Tax expense		
Current tax	2,516	2,927
Deferred tax	1,609	2,027
	4,125	4,954
Profit after tax	12,610	13,018
Segment assets		
- Infrastructure	422,585	321,838
- Oil and gas	5,726	5,726
Unallocable corporate	161,149	151,284
Total (A)	589,460	478,848

Notes forming part of the Consolidated Financial Statements

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Segment liabilities		
- Infrastructure	146,981	78,089
Unallocable corporate	263,103	232,183
Total (B)	410,084	310,272
Total equity (A - B)	179,376	168,576

- 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 borrowings, deferred tax liability, accrued interest, non-controlling interests, etc

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Other segment information		
a) Non-current assets *		
Infrastructure	192,391	150,124
Oil and gas	-	-
Unallocable corporate	5,206	3,719
Total	197,597	153,843
b) Capital expenditure		
Infrastructure	686	177
Oil and gas	-	-
Unallocable corporate	-	-
Total	686	177
c) Depreciation and amortisation expense		
Infrastructure	1,191	1,255
Oil and gas	-	-
Unallocable Corporate	402	344
Total	1,593	1,599

* Non-current assets excludes financial assets, deferred tax assets and investments in associate and joint venture companies

B) Information about Major Customers

Total revenue from customers accounting for more than 10% of revenue, amounting to ₹109,671 lakhs (March 31, 2021 ₹136,997 lakhs) disclosed under Infrastructure segment.

62 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ('The Act') are given as follows :-

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
a) Principal amount payable to the suppliers under the Act		
- For capital goods	-	-
- For others	-	411
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	-	-



Notes forming part of the Consolidated Financial Statements

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
e) Interest paid to suppliers under the Act	-	-
f) Interest due and payable to suppliers under 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

63 A) Disclosure pertaining to Ind AS 115 “Revenue from Contracts with Customers”

The Company believes that the information provided under Note 38 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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables	13,768	13,452
Contract assets	26,147	10,541
Contract liabilities	89,784	31,593

a) Trade receivables are non-interest bearing and are generally on terms as per agreements.

b) Explanation for (decrease)/ 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 increase in Contract assets in March 2022 is on account of increase 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 2022 is on account of increase in unearned revenue and mobilisation advance

(iii) Amount of revenue recognised from :-

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Amounts included in Contract liabilities at the beginning of the year	275	193

Notes forming part of the Consolidated Financial Statements

64 Leases

The Group has building premises being used for its operation having lease term between 0.5 years and 10 years.

A The details of the right-of-use asset held by the Group is as follows:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	431	387
Add : Additions during the year	1,147	387
Less : Deletion during the year	(70)	-
Less : Depreciation expenses	(402)	(344)
Net carrying amount	1,105	431

B The details of the lease liabilities of the Group is as follows:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	448	393
Add: Additions during the year	1,104	387
Less: Deletion during the year	(84)	-
Add: Accretion of interest	82	50
Less: Payments (including waiver of rent)	(419)	(382)
Net carrying amount	1,131	448
Lease liabilities (Non Current)	577	180
Lease liabilities (Current)	554	268

The maturity analysis of lease liabilities are disclosed in Note 47

C The following are the amounts recognised in statement of profit or loss:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	402	344
Interest expense on lease liabilities	82	50
Total amount recognised in statement of profit or loss	484	394

The Group had total cash outflows for leases of ₹419 lakhs (March 31, 2021 : ₹360 lakhs). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹1,147 lakhs (March 31, 2021 : ₹387 Lakhs).



Notes forming part of the Consolidated Financial Statements

65 Proposed dividends on equity shares

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dividend proposed for March 31, 2022 ₹1.50 per share (March 31, 2021 ₹1.50 per share)	2,247	2,233

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability as at reporting date.

- 66** Under the Concession Agreement executed between Odisha State Road Transport Corporation ('OSRTC') and ARSS Bus Terminal Pvt. Ltd ("ABTPL"/" the Company") and ARSS Infrastructure Projects Ltd (ARSS) for the development of Baramunda Bus Terminal along with commercial facilities at various locations in Odisha including Bhubaneswar, on public, private, partnership mode on BOT basis. The Company had incurred expenses in relation to the Project and thereafter, commenced performing its obligations works under the Concession Agreement towards which it had incurred substantial costs. However OSRTC did not proceed with the Project, on account of the reasons solely attributable to OSRTC, therefore Company had claimed towards costs incurred and losses suffered by the Company. OSRTC denied claims and refused to appoint Arbitrator. After which the High Court vide order dated 15.11.2019 appointed arbitrator and the ruling was in favour of ARSS against which OSRTC has filed a SLP before the Supreme Court which was dismissed. The Company then filled the claim in Arbitral Tribunal which awarded the reward in favour of the Company against which OSRTC has filed a request for stay order which was dismissed by the court and the Company has filed for execution of the award before Bhubaneswar District Court on April 5, 2022
- 67** Ministry of Petroleum & Natural Gas (MoPNG) 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-"WNRPL" (35%) together holding 90 % stake in the Block, have contested this notice. The Group 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. MoPNG vide Notification. No. Expl-15022(13)/6/2017-ONGD-V, dated December 16, 2019, has constituted Committee of External Eminent Persons/Experts (CEEE) and empowered CEEE to discharge all functions necessary for carrying out conciliation & mediation proceedings for resolution of dispute between parties as per the provisions of Arbitration and Conciliation Act, 1996. Accordingly the non-defaulting parties have proposed that the dispute related to block be referred to the Committee of Eminent External Experts (CEEE) and sought DGH/MoPNG consent for the same. Response from DGH/MoPNG is awaited.

The operating committee of the block GK-OSN-2009/2 has decided to relinquish the Block. However, formal relinquishment process of the block is under progress. Operator (ONGC) has submitted proposal of relinquishment to DGH along with relevant data and reports. Awaiting review by Management Committee.

Notes forming part of the Consolidated Financial Statements

- 68 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:

(₹ in lakhs)

	Long term borrowings (Including current maturities)	Short term borrowings - Bank (Exclude Current Maturities)	Equity share capital	Securities Premium
As at March 31, 2021	213,518	9,732	14,886	93,859
Cash inflow	102,936		-	-
Cash outflow	(65,264)	(9,785)	-	-
Non cash items - other changes (Refer note b below)	307	53	92	1,188
As at March 31, 2022	251,498	-	14,978	95,047

b) Non- cash investing and financing activities for the current year

- i) Other Non-cash changes in long-term borrowings are related to amortisation of processing fees and accrued interest.
- ii) Other Non-cash changes in short-term borrowings are related to amortisation of processing fees.
- iii) Other Non-cash changes in equity share capital and securities premium are on account of equity shares allotted pursuant to exercise of stock option (Refer note 54)
- iv) Conversion of loan/ advance to Compulsorily Convertible Debentures is ₹5,253 lakhs



Notes forming part of the Consolidated Financial Statements

69 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Name of the Entities	March 31, 2022					
	Net Asset / (Net Liability) i.e. total assets minus total liabilities	Share in Profit / (Loss) % of consolidated net assets	Amount	Share in other comprehensive income	Amount	Share in total comprehensive income
	% of consolidated net assets	% of consolidated profit/ (loss)	% of consolidated other comprehensive income	% of consolidated comprehensive income	% of total consolidated comprehensive income	Amount
Parent						
Welspun Enterprises Limited	106.9%	57.8%	7,294	99.2%	139	58.3% 7,433
Subsidiaries						
Dewas Waterprojects Works Private Limited	-3.9%	-3.2%	(399)	0.0%	0	-3.1% (399)
ARSS Bus Terminal Private Limited	0.0%	0.0%	(4)	-	-	0.0% (4)
Welspun Project (Kim Mandvi Corridor) Private Limited	-1.5%	0.0%	(2)	-	-	0.0% (2)
Welspun Projects (Himmatnagar Bypass) Private Limited	0.1%	0.1%	16	-	-	0.1% 16
Welspun Build-tech Private Limited	0.0%	0.0%	(1)	-	-	0.0% (1)
DME Infra Private Limited	0.0%	0.0%	(0)	-	-	0.0% (0)
Welspun Delhi Meerut Expressway Private Limited	1.1%	8.8%	1,104	-	-	8.7% 1,104
Welspun Natural Resources Private Limited	-5.1%	-0.1%	(7)	-	-	-0.1% (7)
Welspun Road Infra Private Limited	3.0%	24.3%	3,061	-	-	24.0% 3,061
Welspun Infraconstruct Private Limited	0.0%	-0.2%	(22)	-	-	-0.2% (22)
Welspun Enterprises Private Limited	0.0%	0.0%	(1)	-	-	0.0% (1)
Welspun Aunta-Simaria Project Private Limited	0.5%	4.6%	584	-	-	4.6% 584

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Name of the Entities	March 31, 2022							
	Net Asset / (Net Liability) i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income
Grenoble Infrastructure Private Limited	0.0%	(1)	0.0%	(1)	-	-	0.0%	(1)
Welspun Sattanathapuram Nagapattinam Road Private Limited	0.3%	568	2.6%	332	-	-	2.6%	332
Welspun-Kaveri Infracore JV Private Limited	0.0%	0	0.0%	(1)	-	-	0.0%	(1)
Welspun-Kaveri Infracore JV **	0.0%	-	0.0%	-	-	-	0.0%	-
Welspun Infracore Private Limited	0.1%	106	0.9%	114	-	-	0.9%	114
Associate								
Adani Welspun Exploration Limited	-1.5%	(2,730)	-2.2%	(282)	0.9%	1	-2.2%	(281)
Joint venture companies								
Corbello Trading Private Limited	0.0%	(2)	0.0%	(1)	-	-	0.0%	(1)
Chikhali - Tarsod Highways Private Limited	0.0%	71	1.8%	230	-	-	1.8%	230
RGY Roads Private Limited	0.0%	(1)	0.0%	(1)	-	-	0.0%	(1)
MBL (GSY) Road Limited	-0.5%	(853)	-0.8%	(95)	-	-	-0.7%	(95)
MBL (CGRG) Road Limited	0.0%	51	1.7%	217	-	-	1.7%	217
Non-controlling interest	0.1%	268	1%	140	-	-	-	-
Adjustments arising out of Consolidation	0.3%	542	3.0%	383	-	-	3.0%	383
	100%	179,375	100%	12,608	100%	140	100%	12,748

** Consolidated Structured Entity



Notes forming part of the Consolidated Financial Statements

70 Corporate Social Responsibility ('CSR')

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Details of related party - Contribution to Welspun Foundation for Health & Knowledge ('WFHK')	402	345
Amount required to be spent as per Section 135 of the Companies Act 2013	402	345
Amount spent by WFHK during the year on:		
Construction/ acquisition of an asset	-	-
On purposes other than above	402	217
Shortfall at the end of the year	-	128
Total of previous year shortfall	128	-

Nature of CSR activities :

Promoting Healthcare, Empowerment of women and socially backward, Empowerment of women, Ensuring road Safety, Ensuring environmental Sustainability, Disaster Relief, Livelihood enhancement project, CSR capacity building of own personnel.

The unspent amount of WFHK amounting to ₹128 lakhs was deposited on April 26, 2022 in separate account in accordance with the provisions of the Companies Act, 2013 on behalf of the Company, which is opened in the name of "Welspun Foundation for Health and Knowledge - Unspent CSR Amount FY 2021-22"

71 Statutory Information

A. No transactions to report against the following disclosure requirements as notified by MCA pursuant to Amended of Schedule III:

a. Crypto Currency or Virtual Currency

b. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

c. Registration of charges or satisfaction with Registrar of Companies

d. Relating to borrowed funds:

- i. Wilful defaulter
- ii. Borrowings obtained on the basis of security of current assets
- iii. Discrepancy in utilisation of borrowings

B Utilisation of borrowed funds & share premium

a) During the financial year ended March 31, 2022, the Company has advanced ₹5,253 lakhs at various dates to Welspun Natural Resources Private Limited ('WNRPL'), being intermediary (a wholly owned subsidiary), with the understanding that the intermediary shall lend or invest in Adani Welspun Exploration Limited ('AWEL') being ultimate beneficiary (an associate company). The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act and the transactions does not violate the provision of the Prevention of Money Laundering Act, 2002 (15 of 2003).

Except for the above, the Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated Financial Statements

- b) No fund (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('funding parties') with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ('Ultimate Beneficiaries') or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 72** The Company has granted loans which are repayable on demand during the year to related parties as defined in clause (76) of section 2 of the Companies Act, 2013 are as under.

Aggregate amount of loans:	Promoters	Directors	KMPs	Related Parties
(A) Repayable on demand (A)	-	-	-	6,426
(B) Agreement does not specify any terms or period of repayment (B)	-	-	-	-
Total C = (A+B)	-	-	-	6,426
Long term loans (D)				2,663
Total E = (C + D)				9,089
Percentage of loans to the total carrying value of loans	-	-	-	70.70%

73 Estimation of uncertainty relating to COVID - 19 Outbreak

COVID-19 pandemic has impacted the Group operations partially during the year. With easing of lockdown, the Group performance in the later part of the current year has improved progressively and we expect the momentum to continue with an overall improvement in Covid situation. The Group has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets.

- 74** 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 : May 12, 2022

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN 00270175

Sanjay Sultania

Chief Financial Officer

Place: Mumbai

Date : May 12, 2022

Ajay Hans

Managing Director

DIN 00391261

Priya Pakhare

Company Secretary



WELSPUN ENTERPRISES LIMITED

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